



Trends in law firm management

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My story

- 1 table
- 1 secretary
- 40 years of practice
- 20 qualified advocates currently





Legal practice management

- What does it constitute?
- The answer is highly subjective

*“ I have blended some
of the Lexcel
Standards*

+

my own views.”

Core aspects of legal management



- Client care
- Culture
- Marketing
- Financial management
- Information and technology management
- Leadership and succession
- People management
- Risk management
- Structure and strategy

Client Care

- For most East African firms, local clients are their bread and butter
- Standards required by the ILFs are more exerting than that offered by the local average firm
- Dedicated client care personnel required in firms
- Increased client pressure on timeous responses and value added services such as trainings and publications



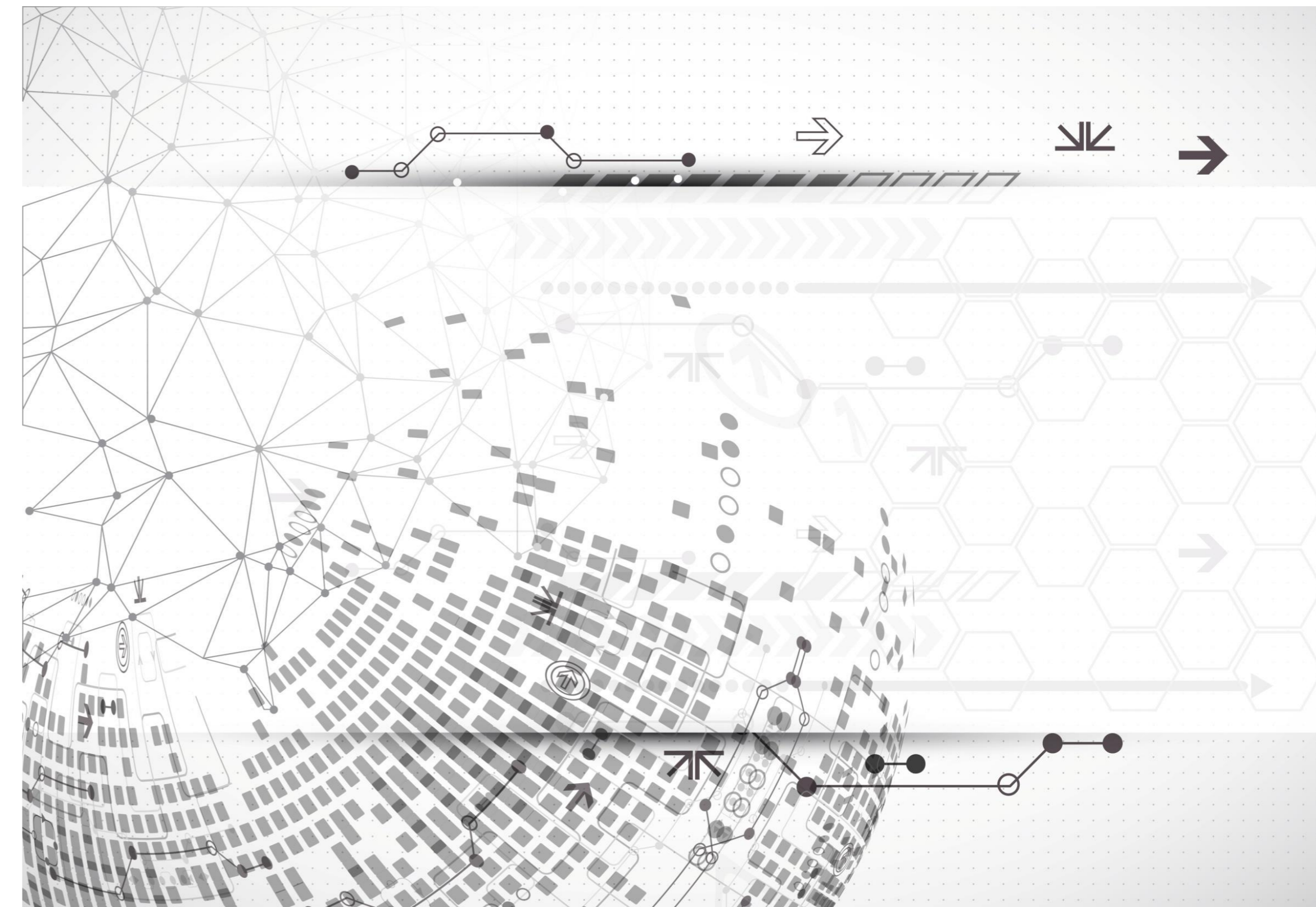
Culture

- As the number of non-lawyers in firms increases, firms need to grapple with how to create a culture of inclusion for such personnel
- Sadly, technology and greater workload pressure means senior lawyers have less time to spend on mentoring younger lawyers
- Dealing with cultural changes and cultural conflicts with lateral hires is still something many firms have to grapple with
- Firms are also having to think out of the box on ways to engage millennials, and make their individual firm cultures attractive during recruitment and employment. Millennials also have positives for instance they bring technology knowledge accompanied by impatience and a search for alternative rewards based on peer pressure and the influence of digital media beyond immediate surroundings



Marketing

- Pressure to create compelling written and visual content for audiences is growing as use of digital media grows
- Litigation firms also need to be prudent on how they deal with media relations in this digital age as the reach of traditional media has significantly multiplied, not to mention the speed
- How firms manage departures is another minefield in regard to their reputation



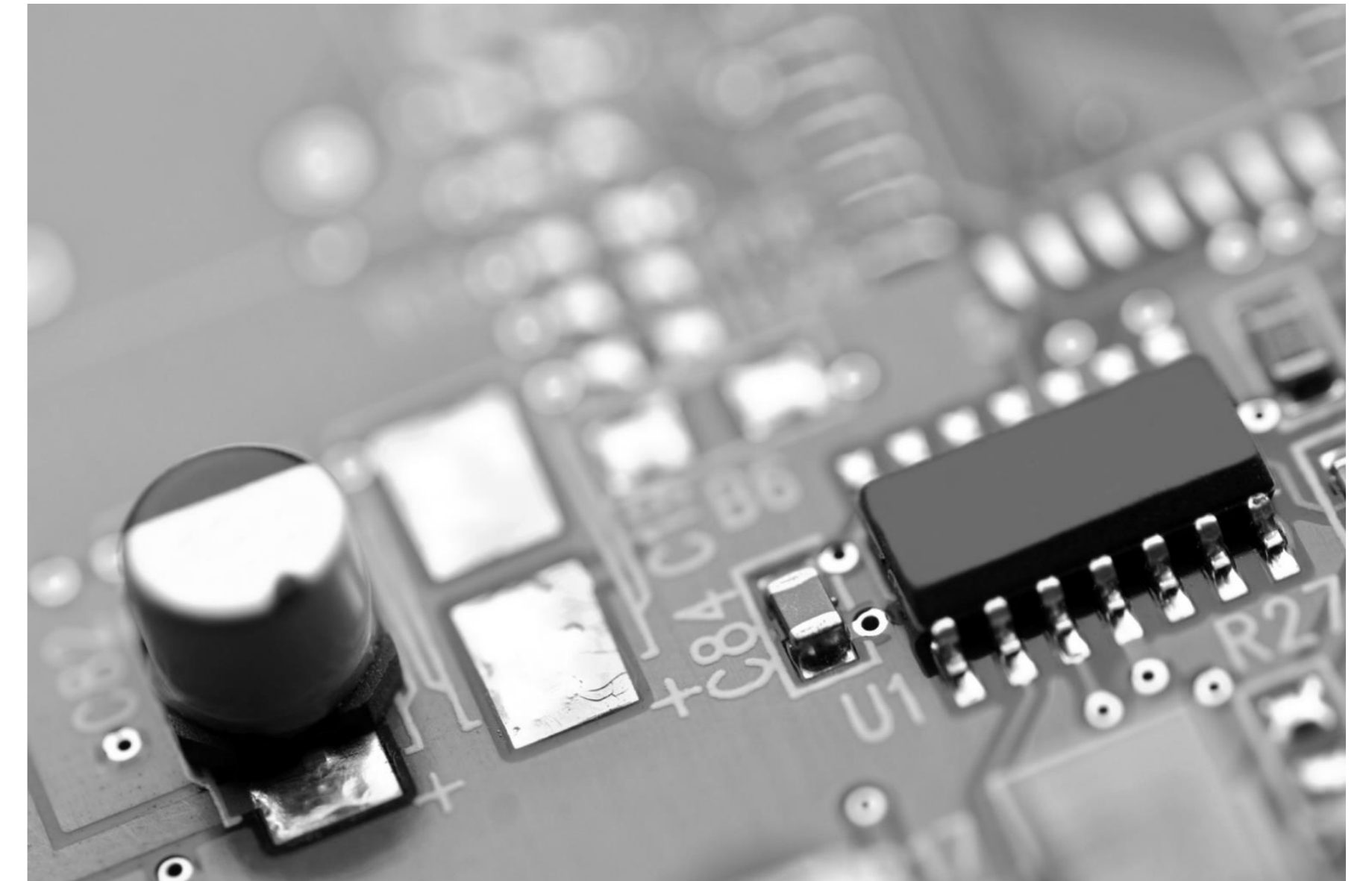


Financial management

- Little use of budgeting systems to consistently manage income and expenditure
- Clients are pressing for more pricing transparency and lower costs on fees
- Use of IT to manage billing is now common
- There is embracing of ICT to address diverse areas of practice including disbursements and to increase higher levels of accountability and to control costs

Information management

- ICT and its growth has presented “one” of the most disruptive changes, yet
- It presents great risk, particularly that of cyber security (The WannaCry ransomware which locks computer systems and demands USD 300 per file in Bitcoin, hit over 200,000 computers last week)
- Another threat is the hacking of active files, especially as it relates to advocate – client confidentiality
- Another challenge is that we in private practice, in some jurisdictions are outpacing government agencies in the use of ICT



Leadership and succession

- High profile senior lawyer exits have happened recently, begging the question on whether our leadership and succession systems are the problem
- A few older and established firms are working on deliberately institutionalizing their firms to ensure longevity,
- We are seeing more diversity in age and gender at the partnership level, but yes more can be done here
- There is a need to institutionalize firms to ensure they survive their founders and to ensure continuity and succession

People management

- More diversity in age/gender in most law firms at all levels
- There must be a deliberate effort to put in place, measurements of performance and productivity. Nowadays, many firms are adopting evaluation/assessment tools which facilitate an objective policy on career progression
- Investment in training has definitely seen an uptick
- Measurement of performance and productivity is still a challenge
- Millennials are another factor to consider as firms work on HR processes and policies. The future of the legal profession is dependent on the millennials despite the challenges presented by the need to address their ambition, vision and expectations

Risk management

- Use of social media by employees in the workplace to share information and documents is one that deserves attention
- Firms are finding themselves outsourcing more activities
- Corruption is a big risk particularly through some of the institutions, lawyers have to work with and some clients. The challenge here is to integrate a strong culture of integrity, responsibility and values in our firms
- Another major risk is the breach of ICT systems
- Professional indemnity is essential but costly to smaller firms
- Of note here is the Bribery Act, 2016 and interesting recent English case law (Clyde & Co. versus Bales van Winkelhof) on whistle blowing by partners in law firms

Structure and strategy

- Increased use of LLP's as a business vehicle
- Hiring strategic consultants often non-lawyers
- Internal communication in firms is top heavy at the partnership level
- Disruptive nature of technology and how it is affecting practice
- The consensus model of decision making. Is it working?
- Firms are being more proactive about documenting their HR policies, CSR policies etc.
- Hiring of non-advocates to run departments such as IT, operations and business development

Structure and strategy - Globalisation

- Globalisation is a reality
- The present statutory framework regulating practice in Kenya can no longer address the changes occasioned by Globalisation
- Some international clients are beginning to instruct local firms directly, a positive trend



Structure and strategy - Globalisation

- We need to become globally competitive
- We also need to start working at a local and regional level with Bar Associations to respond fast
- China – many international firms have downsized or moved out all together due to competitive challenges and restrictions on branding
- India – a 2009 ruling issued by the Bombay High Court prohibits U.S and other foreign law firms from establishing offices in India



Structure and strategy - Globalisation

- **“ It is the responsibility for each country to empower its citizenry (whether by naturalization or birth to acquire sufficient skills to meet the country’s demands and the expectation of their roles in interacting with other countries.”**



Way forward?

- It is to open up legal practice within the regional economic blocs with a view of African countries being capable of allowing their professionals to operate within the continent and beyond, as a means of driving commercial relationships if ever the expectation of the continent as the future growth areas is to be achieved

Thank You

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