

Knowledge Management

Conveyors of Organized Information

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Forming a KM Strategy for Your Firm

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Law firms are among the most knowledge-driven businesses. Consequently, most lawyers have begun to realize that effective knowledge management will help their firms succeed. The greatest challenge faced by KM professionals is how to formulate a strategy that can be successfully realized with practical tactics; that is, how to choose from the many potential projects and select only those that will make the biggest impact on their organizations, and how to put into place the processes that will make the selected initiatives succeed.

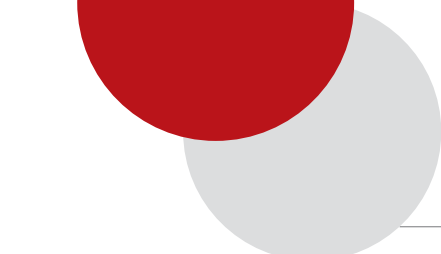
Without a KM strategy, you may still be able to support spontaneous, grass-roots KM efforts involving enthusiastic groups of lawyers or help your firm play follow-the-leader by pursuing the KM path blazed by other firms. Both courses may deliver a degree of success, but it's hard to sustain grass-roots initiatives over time as leaders leave or lose interest, and the local focus of these initiatives tends to work against solving firmwide challenges. Also, following the path of other firms may not address your firm's unique needs and business environment.

By developing a KM strategy tailored for your firm, you can clearly articulate your firm's current and future KM priorities, articulate the expected business benefits and create plans of action for those priorities. The process of creating a KM strategy builds two essential components of long-term success: lawyer awareness and support.

STRATEGIC CHALLENGES

Different times and different markets call for different KM solutions. KM has gone through three major evolutions that have mirrored changes in the legal marketplace. The first ran throughout most of the 20th century. In the "good old days," with technology in its infancy, a major challenge for lawyers was finding information. KM responded to a firm's focus on improving the quality of its legal services by creating, harvesting, organizing and publishing information, sometimes through technology and sometimes through "knowledge intermediaries" (a.k.a., professional support lawyers (PSLs) and other KM professionals). During this period, the focus of KM was on the basics that continue to be important today: legal know-how, current awareness and professional development.

The boom years for KM ran up through 2008 as market demand for legal services was growing at double-digit rates, firms grew, billing rates increased, and firms focused on business development and positioning their practices to grab a bigger piece of the growing legal pie. This era also saw a much higher mobility among lawyers as partners started to switch firms more often and took cadres of associates with them. The emphasis on the billable hour undermined cost justifications for KM based on improvements in efficiency. At the same time, information overload became the norm and powerful new KM-enabling technologies emerged, such as enterprise search, portals and social media. The challenges for KM became how to support and help integrate the growing firm and how to manage the



information overload. The KM service portfolio expanded to include client-facing initiatives and support for business development activities. In addition, search was used more extensively to mine knowledge resources from existing data stores and to find expertise more easily within the growing firm. As a result, the PSL role evolved beyond the “practice of law” to become more tied to the “business of law,” and librarians became involved with competitive intelligence activities.

In 2008, as the Great Recession took hold and transformed the legal market for the foreseeable future, the focus of KM shifted further. Now, the supply of legal services exceeds demand, and firms are competing to meet client expectations for cost-effective services. The increased emphasis on alternative fees, fixed fees and portfolio fees is also forcing firms to look into ways to manage matters more efficiently. KM professionals have responded to the new frontiers of project/matter management and legal process improvement by applying historical methodology strengths and habit of innovation. At the same time, they have addressed internal pressures to “do more with less” by re-prioritizing the services they deliver and by treating situations where there are lawyers operating under-capacity as opportunities to engage underutilized lawyers in KM projects.

In light of these changes, we now see firms focusing their strategic KM initiatives to address the following questions:

- How do we balance the basic KM need to identify and share knowledge derived from work we do for clients with the competing pressure to restrict access to client work product based on information security, data privacy and client confidentiality concerns?
- How do we support our lawyers in managing matters effectively and collaborating across offices and with our clients?
- How will we leverage and manage knowledge that resides in cloud computing and social media technologies?
- How will we share the knowledge locked in personal email repositories?

“Planning is conducted in a series of collaborative meetings involving all affected stakeholders.”

- As we create and deliver ever-increasing volumes of information to our lawyers, how will we help them work more efficiently by managing their attention and focusing them quickly on what matters to them most in the immediate context of the work they are performing?

ESSENTIAL COMPONENTS OF A KM STRATEGY

At its core, a KM strategy establishes a vision for KM that identifies the initiatives that are most important to a firm’s specific business goals and objectives, and defines a high-level plan to achieve the vision. A KM strategy does not include detailed implementation plans; these are part of the execution work that follows over time, after the strategy has been accepted. When formulating a KM strategy, I rely on the three basic elements of a strategic business plan:

- **Current State Analysis.** This investigation combines interviews with individuals, collection and analysis of data about the KM work performed (e.g., volume, frequency, perceived quality), understanding of current business drivers and benefits achieved, and collection of information about competitors and the current market environment. The investigation often identifies perceived operational deficiencies. It also helps you identify the supporters of KM within your firm. The results are documented in a current state findings report and represent the baseline against which to plot the firm’s future course of action and to measure future success.

- **Future Vision Formation.**

The KM vision is summarized in a document describing the intended future state — how things should operate at the end of the strategic planning window and what the perceived benefits will be. This involves outward-facing research about current and future industry trends and directions, and combines this information with the results of strategic interviews and collaborative visioning workshops that identify the desired future direction. If your firm has a business strategy about its future direction, your work may be easier in this regard.

- **High-Level Planning.** This analytical effort describes how to get from your current state to your vision for the future over

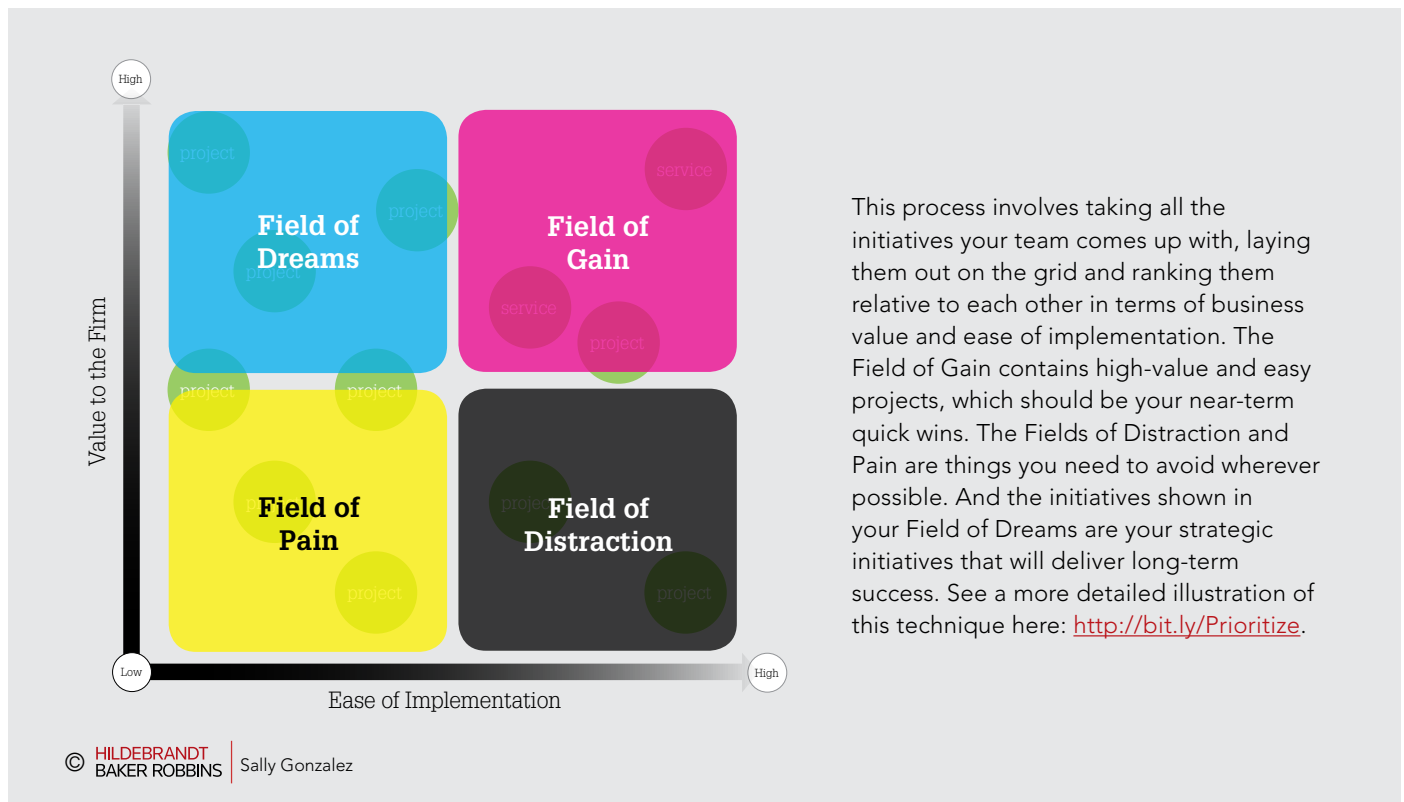
the strategic planning window — typically three to five years. Ideally, the planning is conducted in a series of collaborative meetings involving all affected stakeholders. The outcome of the planning is a series of program definitions. These are short documents that summarize the high-level plan by describing its core components, framing the key risks and benefits and high-level issues that senior management must address (e.g., formation of new business policies), and identifying the resources and investments required (e.g., soft costs such as people and level of effort, and hard costs such as out-of-pocket investments). The program definitions are a critical component of the strategic plan as they provide the practical roadmap to translate the vision into reality.


With these elements in place, the firm is positioned to execute detailed project plans for the near-term priorities and to do so with confidence that the projects will support longer-term strategic goals and objectives.

PRACTICAL TIPS FOR CREATING A KM STRATEGY

Based on my personal experience in building KM strategies, I believe it is important to: engage your stakeholders; prioritize your efforts; and be bold.

- Engage:** Successful KM strategies are formed through a collaborative process that engages your firm’s business and practice leaders, practicing lawyers, KM team members, and other business support department leaders in fact-finding, vision and program formation, and prioritization efforts. Strategic interviews are a key component of this collaboration and you can find a sample questionnaire that I’ve used in the past here: <http://bit.ly/KMinterview>. This engagement is essential to ensure your plan is tailored to your firm and that all parties involved understand it and their roles in its success. This collaborative process necessarily takes time, measured in months and not weeks, but it ultimately makes the plan “Our KM Strategy,” not “KM’s Strategy.” This understanding, ownership and participation are essential to long-term support and adoption.
- Prioritize:** As Syndrome said in the movie *The Incredibles*, “If everyone is super, then no one is.” So while there may be many possible KM projects of value, you must focus on the most important ones for your firm at any specific point in time. One of my favorite tools to help do this is Sally’s “Field of Dreams” prioritization quadrant shown below.



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- **Be Bold:** Don't be afraid to set high aspirations in your KM Vision. "Baby steps" are for implementation, not for vision. Bold aspirations and innovation will give you the strategic edge.

KEEP YOUR KM STRATEGY CURRENT

Your KM Strategy should be a living document that evolves with the firm. We revisit ours annually as part of the budget planning process. The strategy informs our KM project and budget discussions with practice groups and business departments and ensures that all projects align with the strategic plan. Sometimes these discussions reveal changes in business direction that tell us that we need to revise the strategic plan to keep it relevant.

We also must be alert to dramatic shifts in the firm's business environment, such as a leadership change, a major change in one of our markets, a significant merger or divestiture, or external events such as the Great Recession. When such a change happens, we use the "Field of Dreams" model to revisit our KM strategy, reassess our priorities and realign our efforts so that we can continue to deliver value.

While it takes significant effort to implement strategic planning, and commitment to complete the process, the benefits are enormous. Our strategy has become the framework and inspiration for communications with our firm's leadership, with individual lawyers, with business support colleagues, and with our staff. It provides us the foundation to say "no," thoughtfully and convincingly, to requests that threaten to take us off course and "yes" to those that will advance the firm's agenda. **ILTA**

OZ BENAMRAM, as the firm's first Chief Knowledge Officer, provides White & Case LLP strategic direction on knowledge management and technology. He leads the knowledge department in developing and implementing the systems and processes that enable the firm to use its collective knowledge to benefit its clients worldwide, which includes professional support, library and research, competitive intelligence, knowledge resources, information governance and records management. Oz is a globally recognized thought-leader and a frequent speaker on legal technology and knowledge management subjects. He has won numerous awards for the design and development of AnswerBase, an intelligent search system that offers lawyers and staff a powerful one-stop source for finding, understanding and using the vast array of information needed to serve clients. He can be reached at oz.benamram@ny.whitecase.com.

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