

The background of the cover features a perspective view of a grid pattern, likely a desk or a floor, with a pen resting on it. The grid lines are white and intersect to form a series of squares and rectangles. The pen is dark and lies diagonally across the grid. The overall color palette is a mix of dark blues, greys, and whites.

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# Empathise to innovate

**What MNCs can teach law firms  
about innovation**

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can avoid being 'blindsided'

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client loyalty

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# Empathise to innovate

Empathy is key to building a firmwide culture of continuous innovation and collaboration, says Adam Billing

**F**resh thinking from outside the legal sector will be needed to drive the next wave of growth in law firms.

One approach that a growing number of corporates are using to drive innovation is design thinking. This is a way of working that puts empathy at the centre of the innovation process, encourages cross-disciplinary collaboration and balances creativity with analytical rigour to ensure that great ideas don't just get generated, but are also successfully implemented.

In many law firms, innovation has taken the form of ad-hoc solutions created in response to specific client demands or regulatory changes. These 'spot innovations' have value, yet they often don't have a significant impact on the firm as a whole.

Other firms have taken a more strategic, systemic approach to innovation. They are working hard to build genuine innovation cultures, where the process of identifying growth opportunities and quickly implementing solutions happens continuously as a fundamental part of the way the firm works. Today, most law firms are not yet set up to do this well, and examples of best practice in the sector are not easy to find.

Some forward-looking firms are beginning to search outside of the sector for new approaches to drive continuous innovation. While new to the legal sector, design thinking has helped to transform and invigorate some of the world's most successful corporations today.

## Design thinking

Design thinking is a human-centred approach to innovation used by some of the world's most consistently innovative companies, including Google, Procter & Gamble and Apple.

It is human-centred because it starts with people and seeks to reveal meaningful insights into what they value and care about, in order to better understand how to innovate for them. It is fast paced, iterative and fiercely collaborative. It employs a wide creative and analytical toolset (including storytelling, visualisation, business modelling, rapid prototyping and structured experimentation) to develop solutions that create real value for the firm, its clients and its people.

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**“By seeking to genuinely understand a person’s underlying priorities, pressures and aspirations, you can gain valuable insights into their unmet and unarticulated needs”**

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It is not a cumbersome project management methodology, nor is it just blue-sky thinking. It is a practical approach to creative problem solving and innovation that helps organisations to:

- identify emerging opportunities before competitors;
- develop profitable new revenue streams;
- implement internal and client-facing solutions that have bottom-line impact;
- unlock the full potential of the firm's diverse talent and teams; and
- increase organisational agility and employee engagement.

The list of innovations that have been made as a result of design thinking is as long as it is diverse (see the box 'Innovations inspired by design thinking' for a few examples).

But, is design thinking a good fit for law firms? Let's consider some of the methods and mindsets of design thinking that could enable law firms to drive growth and create sustainable competitive advantage.

## Empathy is king

Design thinking, not unlike legal services, is all about people.

As David Maister noted, “above all, what I, the client, am looking for is that rare professional who has both technical skill and a sincere desire to be helpful, to work with both me and my problem. The key is empathy – the ability to enter my world and see it through my eyes.”<sup>1</sup>

Empathy is also the key to making design thinking pay off. Opportunities for driving growth and competitive advantage are everywhere – the challenge is knowing where and how to look for them. Design thinking provides a framework for consistently identifying insights and systematically translating them into opportunities for the firm to create value.

The first step in any design-thinking approach is to assume a beginner's mindset. Set aside any preconceptions about what the client needs or about the solutions that the firm can offer. The aim of a client conversation shifts from 'what are they asking for?' to 'what are they trying to achieve?' The same applies to the way business functions like L&D and marketing serve their internal customers.

As Stephen Allen, director of service delivery and quality at DLA Piper notes, “to change anything requires us to make

the complicated simple and the simple effective. This requires us to invest in understanding first what really matters to the client rather than jumping straight into 'solutioneering!'

Just relying on clients to tell you what they want isn't likely to lead to innovation. This is a point well illustrated by Henry Ford, who famously said "if I had asked people what they wanted, they would have said faster horses".

By seeking to genuinely understand a person's underlying priorities, pressures and aspirations, you can gain valuable insights into their unmet and unarticulated needs. This applies equally to clients and internal stakeholders, where achieving cost efficiencies within internal business functions and processes could be the focus of a team's innovation efforts.

Solutions that arise from a design-thinking approach tend to be more innovative because they are inspired by insights discovered by interacting with other people. These interactions can help us to see the world through different eyes, reduce our reliance on assumptions and help us to mitigate personal biases.

**“Everyone in the firm becomes a ‘listening post’ for opportunities for innovation, both for client-facing and internal solutions that will save the firm time and money”**

These solutions also tend to have higher rates of acceptance. This is in part because the impetus for innovation is a real human need, not the fact that a new technology or capability is available. Starting the innovation process by understanding what is truly desirable – as opposed to what is technically feasible or financially viable (this comes later) – can help firms to focus their time and resources on the things that they know people will really value (see Figure 1).

**Creativity that delivers**

Innovation is all about letting go of assumptions, venturing into the unknown and coming back with something new and

**THE RISE OF DESIGN THINKING**

For some of the world's innovative elite, design thinking has been fundamental to their approach to innovation for more than a decade. Many of these early adopters were introduced to design thinking by the legendary design firm IDEO, which pioneered the application of these principles in the corporate world. In recent years, a rapidly-growing number of businesses from industries as diverse as financial services, technology, energy, media and accounting have embraced a design-thinking approach.

In recent years, design thinking has been added to the curriculum of many top business schools' MBA and executive programmes, including Harvard and Wharton in the US, and Cambridge and Warwick in the UK.

Now, the first signs of design thinking are beginning to emerge in the legal sector. In the USA, Northeastern University School of Law recently established the NuLawLab, which uses design thinking to develop new legal services delivery and business models. Stanford's 'd.School' (where design thinking is taught to global executives and students alike) is also turning its focus to the legal profession.

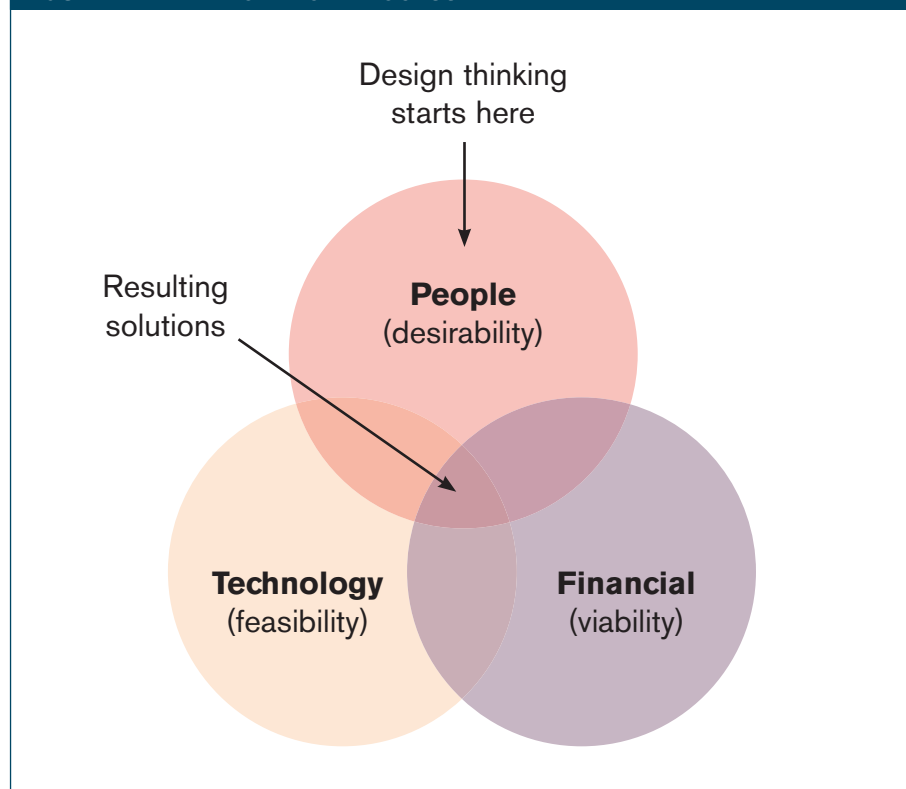
valuable. This doesn't come naturally for most people – and perhaps even less so in the legal profession, where quality work is defined by precision, certainty and the avoidance of risk.

Design thinking can give teams the confidence they need to stray from familiar paths, safe in the knowledge that they are following a structured process. It is simple and intuitive, and can be readily learned

and practiced. This enables everyone in the firm to play a role in the innovation process and helps to tap into the full creative potential of talent and teams within the firm.

Everyone in the firm becomes a 'listening post' for opportunities for innovation, both for client-facing and internal solutions that will save the firm time and money. And, when groups get together, they have a shared process and language for problem solving,

**FIGURE 1: THE INNOVATION PROCESS**



**INNOVATIONS INSPIRED BY DESIGN THINKING**

- ✓ The business model behind the success of Airbnb
- ✓ eBay's internal customer insights system that uses big data to transform the way they understand customers
- ✓ The legendary customer service model developed by Zappos
- ✓ Marriott's redesigned mobile check-in process, which enables guests to check in before they arrive and notifies them when their rooms are ready
- ✓ The Nintendo Wii, which brought a new type of gaming to new types of customers
- ✓ Proctor & Gamble's extremely popular 'Swiffer' cleaning products, which generate US\$500m in revenues each year
- ✓ The Pulse multi-device app (recently purchased by LinkedIn for US\$90m)
- ✓ Gap's successfully-reinvented customer-focused strategy
- ✓ Bank of America's 'keep the change' programme, which resulted in 12 million new customers and US\$13bn in savings

allowing even the most diverse teams to collaborate more effectively.

Design thinking doesn't create additional work for people or ask them to set aside extra time to innovate. Rather, it helps them to do their day-to-day work of serving clients and managing the firm in a more effective way. Teams spend less time talking and more time doing. They use creative techniques like empathy mapping, client personas and user journeys to better understand clients and work in short, fast iterations that help projects to maintain momentum.

**“Some of the best new services and products can come from collaborating directly with clients”**

When brainstorming, groups are encouraged to think big, go for volume and resist the temptation to dismiss ideas that don't seem immediately feasible. These often contain the inspiration for more practical solutions that can be refined later in the process.

Showing is preferable to just telling. A team working on a business development

strategy, for example, might be found on their feet contributing to a rough-sketch storyboard rather than simply sitting at a meeting-room table.

While individual creativity is valued, the ability to let go of one's own idea to support that of another is equally important. In design thinking, victories are shared and collaboration is essential.

The experience of corporates shows that incorporating these practices into everyday working not only results in improved outcomes, but can also have a powerful effect on employee engagement and talent retention.

**Improved collaboration**

Innovation is a team sport. It requires people to get their hands dirty, embrace ambiguity and learn that the best ideas often come from working with those who are different from themselves.

In design thinking, the more diverse the team, the better. Bringing together individuals from across practices areas, sectors and international offices can result in a wider, richer set of ideas. It reduces the tendency to do things the way they've always been done and draws on the combined knowledge and experience of the firm. The ideal team will also possess a mix of analytical and intuitive styles, as both are required at different stages of the process.

In many of the most innovative companies, employees now expect to be involved, even if only briefly, in the work being done by other teams. This is especially relevant to generation Y and millennial workers as they expect to collaborate and be constantly learning, and typically seek meaningful work where they can see their part in the bigger picture.

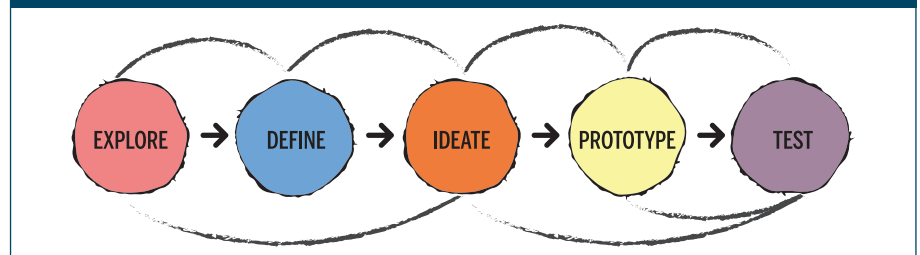
For law firms, there could be significant benefits from working in this way beyond the resulting innovation. Cross-firm collaboration helps to dissolve silos and increase awareness of the firm's capabilities, risks and opportunities. There are fewer strangers in the virtual and physical corridors, making the firm a more personal, connected environment and establishing links that facilitate greater agility, cross selling and fee-earning potential.

Looking beyond the firm's walls, some of the best new services and products can come from collaborating directly with clients. Involving clients in the early stages of service co-creation can provide an invaluable perspective into what really matters to them, resulting in solutions with greater buy-in and support as well as deeper and more enduring relationships.

**Successful implementation**

There is no shortage of great ideas in most law firms. Often, the challenge is seeing the best ideas through to successful implementation. Paradoxically, part of the solution lies in a firm's approach to failure. The mantra 'fail early and often to

**FIGURE 2: FROM IDEA TO INNOVATIVE SOLUTION**



succeed sooner', coined by IDEO founder David Kelley, is central to a design-thinking approach to innovation.

In most corporate and law firm cultures, there is a tendency for individuals and teams to work on an idea in relative isolation until they feel that it is 'ready' to present. Countless hours of meetings and discussion can go into a potential solution before it is shared with someone outside of the group. Over this time, individuals and teams risk becoming overly attached to these developed, yet untested ideas.

Design thinking recognises that no idea is born perfect and that often those closest to the idea are the least able to identify the flaws it might have. New ideas are immediately mocked up as rapid prototypes, shared and tested, allowing for teams to systematically root out and remedy hidden problems as early as possible.

Prototypes can be as simple as a rough sketch or storyboard and should be designed not to demonstrate the final product but to enable teams to test hidden assumptions and obtain valuable feedback early in the process.

Over an established timeline (typically measured in weeks as opposed to months), teams continue to experiment with ideas in low-cost, low-risk ways, incorporating the learning from each round of testing in progressively more developed prototype solutions.

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**“Prototypes should be designed not to demonstrate the final product but to enable teams to test hidden assumptions and obtain valuable feedback early in the process”**

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Working in fast, focused iterations can help to keep good ideas alive, as well as to give teams the data they need to determine if other ideas should be shelved. It can also accelerate the idea-to-invoice cycle and improve the likelihood of the solution's acceptance by internal and external stakeholders.

## BRINGING DESIGN THINKING INTO YOUR LAW FIRM

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Drawing on the lessons learned from the corporate experience, design thinking will have the best chance of taking hold and really paying off in law firms that do the following.

- ✓ **Drive innovation from the top down *and* bottom up.** It is essential that managers and leaders understand the approach, model it and give people permission to do things differently. But, leadership support alone is not enough; fee earners, business services and other frontline staff need to be equipped to apply the processes, tools and mindsets of design thinking in their respective fields. This is where the real value from design-thinking innovation can be created.
- ✓ **Start small.** The tools and mindsets of design thinking can be integrated into almost any aspect of work. In fact, many of the most immediate gains often come from teams introducing small but meaningful changes to the way they approach problems, seek and provide feedback or conduct client pitches and internal meetings. These small, early successes build confidence and mastery.
- ✓ **Reward the right behaviours.** Behaviours that are not rewarded are seldom repeated. In a time-starved, delivery-focused culture, firm leaders and HR teams need to work together to encourage, measure and reward the collective efforts of teams, responsible risk-taking and the learning that results from disciplined experimentation and fast failure.
- ✓ **Remove barriers to collaboration.** Wherever possible, work to identify and eliminate barriers between offices, practices, sectors and functions. Innovation requires a culture of trust and inclusion, along with the willingness of individuals to contribute to the success of others.
- ✓ **Practice patience and celebrate successes.** Building a culture of innovation takes time. Change doesn't happen overnight and it will always have opponents. Communicate and celebrate early successes to build confidence and acceptance of new ways of working and learning.

### Strategic growth

Design thinking has enabled some of the world's most successful companies to continuously innovate, adapt and grow. It is not a silver bullet or a one-size-fits all solution. However, for those law firms willing to break from the status quo and pursue new routes to competitive advantage, design thinking could help to unlock the next wave of growth as well as to build a culture of innovation, thus ensuring the firm's sustained success.

As Mark Smith, a director at LexisNexis, notes: "There is a lot of genuine innovation that can be unlocked by learning from best practice in other industries and, because the legal profession is in many areas behind the curve, applying this learning to the delivery of legal services can unlock real value."

As in any time of significant change and disruption, winners and losers in the legal

services market will emerge over the coming years. Some firms will prove agile enough to anticipate risks and opportunities and respond to them before the competition, while others will cling to old models, ultimately proving unable to innovate and adapt. The time to take a more strategic approach to innovation is now – not after the storm of market disruption is upon us, but rather while the sun is still shining. <sup>mp</sup>

### Reference

1. See 'How Clients Choose', David Maister, 1991

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