



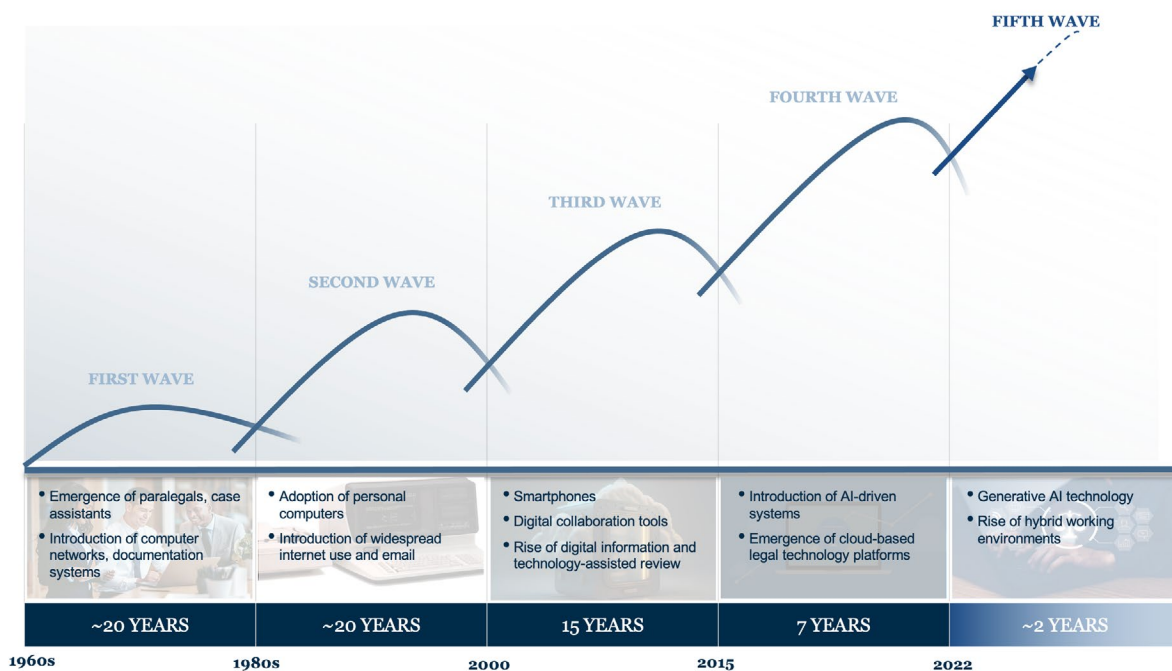
CORPORATE PERFORMANCE IMPROVEMENT

Catching the Wave: Reimagining law firm operations to harness the power of innovation

An Actionable Innovation Approach for Law Firms

Forward-thinking law firm leaders recognize that adapting their ways of working is essential to achieve financial targets and meet client expectations. This task can seem daunting, especially when you are navigating hype-cycle innovations like generative AI, addressing productivity challenges in support staff functions, and continuously bringing enabling capabilities to lawyers. However, by focusing on strategic areas, reimagining staff roles and workflows, and accelerating the deployment of new capabilities, firms can transform uncertainty and raw potential into tangible outcomes.

Over the years, the legal industry has experienced several fundamental shifts, each bringing transformative changes to how firms operate. Each wave of innovation — from the introduction of paralegals, to the adoption of computers, to the advent of cloud computing and AI — has led to increased productivity and profitability for those firms that have successfully adapted. With the pace of innovation now accelerating, it is more critical than ever for law firms to recognize the need for change to maintain relevance with clients and sustain their competitive edge.



Firms now find themselves at the forefront of the latest wave of innovation, with generative AI poised to revolutionize operations by offering unprecedented opportunities for efficiency, accuracy and enhanced client service. Yet, many firms are still catching up with previous waves of innovation, prompting a fundamental question for firm leadership: **Where do we start?**



Leadership

Setting the tone at the top to position your firm for success

Develop and Deploy a Modernization Strategy

Construct and Execute a Comprehensive Data Strategy: Firms must strategically collect, store and process vast amounts of data to power high-impact technology solutions like AI. This involves identifying necessary data, ensuring secure storage, implementing robust data processing systems, and strengthening data protection measures to safeguard sensitive information and comply with regulations.

Select and Implement the Right Solutions To Enable the Firm: Evaluate and choose scalable, flexible platforms and tools that align with your firm's strategic objectives and integrate with existing systems. Partner with service providers who understand the legal industry's unique needs and can deliver tailored solutions for successful technology implementation.

Upgrade and Optimize Tech Stack: Ensure that your technology infrastructure is prepared for seamless integration of new solutions by upgrading existing systems and improving network infrastructure. Focus on scalability and flexibility to handle increased data loads and adapt to evolving capabilities.

Build the Right Roles and Team Structure

Align Roles With Evolving Needs: Ensure that your business and administrative teams have the right people in roles specifically aligned to firm innovation, including specialists to support technology integration, AI, data science and process redesign.

Develop Essential Skill Sets: Equip your staff with the necessary skills to manage and deploy new solutions and ways of working. This includes training in AI tools, data management, cybersecurity, cloud computing and process reengineering to ensure they can effectively support new initiatives.

Optimize Organizational Structure: Redesign your business and administrative organizational structures to facilitate innovation. This might involve creating dedicated teams or roles focused on AI integration to ensure clear communication lines and foster collaboration between departments.

Cascade a Culture of Innovation and Operational Excellence

Promote Cross-Functional Collaboration: Encourage open communication and teamwork between attorneys, staff and technology teams to break down silos and foster a shared commitment to continuous improvement.

Empower and Reward Creative Thinking: Provide opportunities for attorneys and staff to propose new ideas, experiment with innovative approaches, and recognize their contributions to driving operational excellence.

Invest in Continuous Learning and Development: Ensure that all team members have access to training and resources that enhance their skills and knowledge, enabling them to stay ahead of industry trends and contribute to a forward-thinking environment.

How A&M Can Help:

A&M's experts collaborate with your leadership to establish a foundation to better harness the benefits of innovation. We assess your technology and data landscape, identify practical solutions aligned with your goals, and help structure a team optimized for growth. We also ensure seamless integration, making your infrastructure scalable, flexible and built for long-term success.



Staff

Rethinking ways
of working to drive
productivity and
effectiveness

Redefine Ways of Working

Redesign Roles and Responsibilities: Assessing existing roles and responsibilities is crucial for fostering innovation because it encourages flexibility, collaboration and the integration of diverse perspectives. By aligning roles with strategic goals, firms can break down silos, empower staff and create an environment where creative problem-solving and new ideas thrive.

Shift From Task Execution to Task Oversight: As technology automates repetitive tasks, staff roles should evolve from executing these tasks to overseeing technology-enabled processes. For instance, rather than manually drafting documents, staff might focus on reviewing, refining and ensuring the quality of AI-generated outputs while managing exceptions that require human judgment.

Enhance Strategic Contribution: Technology efficiencies will enable paralegals and associates to focus more on high-value activities such as strategic analysis, client relationship management and compliance. This shift will accelerate their development, build higher-level skills and increase speed-to-value for the firm.

Redesign Workflows

Process Optimization: Redesign processes to eliminate inefficiencies, redundancies and bottlenecks. These improvements will not only increase efficiency and reduce cost but will lay the groundwork for the successful integration of new technology.

Technology-Enhanced Workflow Integration: Workflows need to be redesigned to seamlessly incorporate new tools. This might involve integrating AI-driven processes directly into case management systems, ensuring that AI outputs are part of the natural flow of work rather than an additional step.

Iterative Process Redesign: Process improvement is not a one-time project, but an ongoing journey. Firms need to continually assess and refine their processes and technology to ensure that they evolve in tandem to meet changing business goals.

Adopt a Flexible Staffing Model

Dynamic Resourcing: With less manual work, firms can adopt a more flexible staffing model. This may involve reallocating support staff to high-impact projects or client-facing roles during peak periods and reducing administrative headcount during slower periods.

Cross-Functional Roles: Support staff may also take on more cross-functional responsibility, supporting multiple departments or practice areas, thanks to new efficiencies. This will require rethinking how staff are assigned to tasks and projects within the firm.

How A&M Can Help:

Achieving people and process transformation aligned to new technology is what we do best. We partner with you to redesign processes, implement technology-enhanced workflows, and maximize the value of your staff. As the work evolves, we will upskill your team with targeted training and change management to help your firm embrace progress.



Lawyers

Enhancing the
lawyer experience
by embracing
innovation

Shift From Tool Adoption to Workflow Transformation

Enhance Legal Workflows: Legal workflows can be streamlined with technology.

Analyze the daily tasks lawyers perform to identify those that could be supplemented with technology. These could include document review, legal research and contract drafting.

Integrated Technology Solutions: Rather than simply providing new tools to lawyers, embed these tools into redesigned processes. For example, AI-driven research tools should be integrated into the legal research workflow so that they become a natural part of how lawyers gather and analyze information.

Continuous Improvement Mindset: Encourage a culture where lawyers continually assess and refine how technology is used in their work. Technology should not be seen as a static tool but as a dynamic part of an evolving process that lawyers actively engage with and that improves over time.

Prioritize High-Value Work To Elevate Client Service

Reduce Administrative Burden: As technology takes on routine tasks, elevate lawyers to focus more on strategic, high-value work. This could include complex legal analysis, client advisory roles or simply enabling partners to spend more time in the market.

Personalized Client Service: Free from routine tasks, lawyers can spend more time with clients, deepening relationships, understanding their needs better, and providing more personalized, strategic advisement. Technology can provide the data and insights needed to make these interactions more meaningful, which will boost retention and grow accounts.

Adapt to a New Era of Legal Expertise

Technology Literacy for Lawyers: While lawyers do not need to become technologists, they do need to understand how the tools work and how they can be applied to their practice. For AI, this means gaining a working knowledge of how AI processes information, what the limitations are, and how to critically evaluate AI-generated outputs to ensure they meet the high standards of legal practice.

Blending Human Expertise With AI Insights: The most successful lawyers will be those who can effectively blend their deep legal expertise with AI insights. In litigation, AI might help provide insights into the outcomes of a case based on historical data, but it is the lawyer's strategic judgment and understanding of the nuances of the case that will ultimately guide the decision-making process.

How A&M Can Help:

A&M can partner with your team to go beyond basic tool adoption to unlock new efficiencies tailored to the unique demands of your practice. We achieve outcomes to empower your lawyers, elevate client service and deliver long-term value to the firm.



What if you miss the wave?

The High Risk of Falling Adrift

- Reduced ability to attract and retain top talent
- Diminished professional development of attorneys and staff without relevant training and continuing education
- Lower client satisfaction and missed opportunities to demonstrate agility to meet evolving client needs and capitalize on emerging legal trends
- Eroded firm reputation, brand and relevance
- Inability to adapt to market trends and firm competitive dynamics

How A&M Can Help:

A&M ensures that your innovation and growth journey is both thoughtful and effective. We align your innovation-related initiatives with firmwide goals, establish robust data governance, provide targeted training, and design oversight structures that balance automation with human expertise, to drive sustainable success.

If actioned properly, law firms have unprecedented opportunities through recent innovations to boost efficiency, enhance client service and gain a competitive edge. However, the path forward is complex and requires more than just adopting new tools. Success will come to those who rethink their operating models and embrace strategic innovation. By partnering with A&M, your firm can capitalize on today's innovations to not only catch up, but also position itself for future waves of innovation.

Whether you're starting your innovation journey or refining existing initiatives, A&M is here to guide you. Our practical approach maximizes the value of technology while minimizing risks, ensuring a smooth transition. We work closely with your team, tackling challenges in real time to drive profitability and strengthen your competitive position.

If your firm is ready to lead in the industry, Alvarez & Marsal is your dedicated partner every step of the way. Contact us today to learn how our tailored strategies can accelerate your success and solidify your market position. Let's shape the future of your firm together.

Contact Us

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ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 10,000 people providing services across six continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

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