



Knowledge Management



Table of Contents

Introduction.....	3
Approach & Methodology	4
Background	4
The Way Forward	5
Summary	5

Introduction

It is time to debunk the myth that the legal industry is so different from other knowledge-based industries, that from an enabling technology perspective, it must be treated as a completely separate “beast.”

LawTechTV’s (LTTV) knowledge management engagement is designed to leverage best practices and lessons learned both within and without the legal domain. Why is it that the legal industry has lagged in its usage of knowledge management? There are many plausible answers to this question, but one obvious one—the billable hour. The legal industry has heretofore resisted the relentless push for efficiency that drives the global economy. Despite the obfuscation, the underlying reason for this is that the industry did not perceive it to be in its economic interests to do so. That is changing. There is no industry that will not be disrupted by enabling technologies, especially pure knowledge-based industries such as the law.

The bottom line is that inefficiency in the delivery of legal services will no longer be rewarded, at least not vis-à-vis sophisticated clients. You can be sure that most clients worth having will become more and more sophisticated over time and that the legal industry cannot escape the economic realities that are driving globalization. Given this reality, law firms must find a way to significantly increase how they leverage their most talented staff and improve margins. Of the four variables that make up the Profit Per Equity Partner calculation ($PPEP = \text{“average realized rate”} \times \text{“leverage”} \times \text{“margin”} \times \text{“utilization”}$) knowledge management targets the two that remain “up for grabs.” Rates will not continue to rise and there is only so much blood that firms can squeeze from the utilization stone.

While the forces that are driving the legal industry to knowledge management are compelling and inexorable, the roadmap for achieving the desired outcome is far from clear. The legal industry (and others) is littered with billions of investment dollars scattered in unused and unusable “knowledge landfills.” It is clear that “big bang” technology only approaches do not work—so the critical question that remains is what does? The LTTV knowledge management engagement is a collaborative approach that addresses this question head on. It focuses on three key challenges: people, process and platform. Of the three, the people challenges are by far the most daunting.

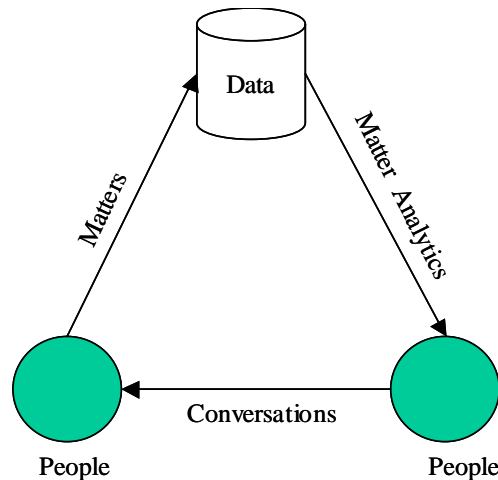
Approach & Methodology

Before discussing the LTTV approach it is instructive to reflect on the current state of technology use in law firms and why emerging technologies address a qualitatively distinct problem set. Subsequently we highlight our proven approach for dealing with “wicked problems.”

Background

The “Information Triad” is a useful model for reviewing the current state of the art and the three distinct evolutionary stages of law firm information technology systems. As the triad illustrates, law firms capture information about matters and deals in order to account for sales revenue (i.e. business results). These

online transaction-processing accounting and billing purposes, other important functions such as Matter analytics, the equivalent systems, are useful in answering questions regarding types of matters handled and, for large firms, in what geographies. These systems play an important role vis-à-vis law firm marketing. Nevertheless, the analytics are still concerned with what type of results the firm obtained, and not how these results were obtained.



systems are used primarily for although they may also serve as conflict of interest searches of law firm decision support questions regarding types of firms, in what geographies. These systems play an important role vis-à-vis law firm marketing. Nevertheless, the analytics are still concerned with what type of results the firm obtained, and not how

Neither stage one nor stage two speak to or capture any information related to how the firm accomplishes its mission. How the firm accomplishes its mission is stored primarily as tacit knowledge in the minds of its partners and employees and in various files and documents, electronic or otherwise, which comprises the firm’s knowledge infrastructure. It is only the third evolutionary stage (labeled in the triad as conversations) that deals with the “how” of the mission. The “how” is the domain that knowledge management initiatives are designed to improve and where sustainable competitive advantage is likely to be found. It is a sustainable advantage precisely because it is both difficult to achieve and difficult to duplicate.

Email is widely credited with being the “killer app” that fueled the growth of the Internet. It still dominates electronic “business conversations” but has proven ineffective for many types of communications. New enabling technologies such as blogging and Wikis are starting to make significant inroads. That is the reason

that Motorola now has around 3,200 Wikis corporate wide and around 2,600 blogs that provide the infrastructure for its knowledge management and collaboration strategy. It is also why some mega law firms such as Allen & Overy are starting to get serious about the same. The genie is clearly out of the bottle and unlikely to return to it any time soon.

The Way Forward

At LTTV our knowledge management engagement is delivered as a subset of our project management services. Our knowledge management (KM) methodology is therefore also built upon the foundation of an iterative approach. This is a “feedback centric” as opposed to “task centric” approach. It is the antithesis of the “big bang” approach that has failed miserably within the legal industry and elsewhere.

The LLTV approach assumes that if KM is to be successful within a firm then it must do so within the context of organic growth. That is, it will become widely adopted within a firm once it has been proved successful somewhere in the firm. The best way to do that is to start small and deal with the people, process and platform vectors within a limited (but substantive) context.

This engagement assumes that the LTTV project manager will work with key stakeholders to define the KM statement of work and steward the evolution of the KM planning and delivery process. This engagement is priced at \$225.00 per hour. Strategic stewardship of project deliverables is performed on an as needed basis over the course of the project.

Summary

This engagement posits that “story telling” is the primary vehicle for the transmission of knowledge and that the creation of narratives around a substantive area of the law is the key objective—essentially reinforcing the idea that the problem is more organization centric than technology centric. It therefore focuses on building a practice narrative that positively impacts the PPEP. Process and platform issues required to enable the narrative are also considered.