

**APPLYING SYSTEMS THINKING TO IMPROVE
PROFESSIONAL SERVICE OPERATIONS**

KRISHNA CHAITANYA BALTHU

Doctor of Philosophy

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Aston University

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Thesis Summary

This thesis presents an in-depth case study of a legal service provider focusing on the operational aspects of service delivery. It explores the challenges in managing operations by directly engaging with professionals through Action Research. Application of a novel soft systems-based methodology called PrOH modelling embedded within the broad Action research framework led to the elicitation of operational issues, followed by implementation of practical changes, consequently generating a better understanding of legal service operations management.

Previous research focused mainly on the institutional perspective of change in professional services. This research presents a practice-based micro-level perspective on how change takes place at the organisational level through a rigorous intervention-based approach to change management grounded in a practical setting, a medium-sized law firm. This thesis demonstrates how operations management-based interventions can effect change in a complex professional service environment, which is often perceived as a challenging ground for operations management researchers (Lewis & Brown, 2012; Harvey *et al.*, 2016). This paper presents a successful way to do this; firstly, by eliciting the factors driving change within the UK's legal services industry accentuated by the recent deregulation (Falconer, 2005); and secondly, by designing and implementing a context-sensitive change management strategy that delivers operational improvements and wider organisational changes within a selected legal service firm.

Embodying the philosophy of Praxis, this action research project generated knowledge on three fronts – the practice of legal service operations management, the methodological approaches used in the research such as Process Oriented Holonic (PrOH) Modelling (Clegg, 2007) and the theoretical frameworks used to validate and make sense of professional service operations such as the professional service archetypes (Cooper *et al.*, 1996, Pinnington & Morris, 2003) and the Change Kaleidoscope framework (Balogun & Hope Hailey, 2008). This learning is transferable to wider professional services industry and also benefits future research aimed at exploring and redesigning operations practice within professional service firms.

Key Words: Systems Thinking, Soft Systems Methodology, Professional Service Operations, Legal Service, Organisational Change, Action Research

Dedication

I dedicate this work to my mother Jyothi and father Laxmaiah whose love and sacrifice encouraged me to choose and pursue the path of Knowledge over material.

I also dedicate this to my wife Tulya whose support and understanding helped me not to drift away from the pursuit of Knowledge.

Acknowledgment

This pursuit which started as a vague ambition to attain higher knowledge has taken me down a long path of self-discovery allowing me to drink from the ocean of wisdom of the many great scholars and masters before my time. I thank all those great beings for their perseverance in codifying the knowledge and making it available for future generations.

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Published work from this study

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Clegg B.T., Balthu, K., Morris, G. (2020) Changing professional service archetypes in a law firm using Process Orientated Holonic (PrOH) modelling, *Knowledge Management Research and Practice*, Vol. 18, No. 1 pp. 38-52.

Conference Publications

Balthu, K, Clegg, BT (2020), Driving efficiencies in professional service firms: The case of high variety legal service operations. Proceedings of the 27th European Operations Management Association Conference, 29-30 June, Warwick (Online), UK.

Balthu, K, Clegg, BT & Morris, G (2019), 'Improving professional service operations using action research: The case of legal services' Proceedings of the 26th European Operations Management Association Conference, 17-19 June, Helsinki, Finland.

Industry related publications

Balthu. K, Clegg, B.T, Morris, G., 'The Laws of Lean'. *Lean Management Journal*. Issue: May 2013.

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List of Abbreviations

AR	Action Research
ARP	Action Research Project
AL	Activity Lawyer
CAR	Canonical Action Research
CMR	Collaborative Management Research
CDFE	Commoditised Delivery with Fixed Fee
CK	Change Kaleidoscope
DR	Dispute Resolution
KPI	Key Performance Indicator
LPA	Lasting Powers of Attorney
LSO	Legal Service Operations
MBO	Management Buy Out
MBI	Matter Budget Indicator
ML	Managing Lawyer
NDVF	Negotiated Delivery with Variable Fee
P2-MPB	Professional Partnership – Managed Professional Business (Archetype)
PI	Personal Injury
PrOH	Process Oriented Holonic
PSF	Professional Service Firm
PSO	Professional Service Operations
PSOM	Professional Service Operations Management
RTA	Road Traffic Accidents
SC	Solicitors Co.
SL	Supervising Lawyer
SRA	Solicitors Regulation Authority
SSM	Soft Systems Methodology
WIP	Work in Progress

Chapter 1 Introduction

This chapter provides the background and context for this study. It presents a discussion around the need for undertaking this research based on the current scenario of legal services delivery which has been disrupted specifically by recent changes in regulation and generally by evolving needs of clients. The research questions and objectives are presented based on a preliminary search of existing literature as well as the growing need for change in operational practices in the provision of legal services. The layout of the thesis is also presented providing the structure and content of subsequent chapters.

1.1 Research Context and Background

The context of this research is professional service firms (PSF). Professional services sector contributes for 27% of the UK's service exports and is one of the fastest growing sectors playing a significant role in the economy (ONS, 2017). Professional services such as law, accounting, medicine, management consulting, investment banking, advertising, engineering, architecture etc., have attracted much interest from management researchers in recent times as they are knowledge-intensive and are observed as models for an increasingly knowledge-based economy (Empson, 2007; Brock et. al, 2014: pp. 1).

Law firms are considered as a prominent form of PSF and account for approximately 2% of UKs economic output. This research focuses on legal service industry which is part of the wider professional service sector. For hundreds of years, law firms in the UK have had a strong entry barrier into their market as legislation restricted non-lawyers from owning law firms. The new Legal Services Act (2007) also dubbed as 'Tesco Law' as it is intended to make buying legal services as easy as buying a tin of beans, made the sector vulnerable to threat of new entrants and radically changed market dynamics. According to a 2018 survey 40% of Top 10, 27% of Top 11-25 and 46% of Top 26-50 law firms in the UK considered the possibility of a merger for reasons of growth and survival (PwC, 2018). With a substantial level of consolidation across the sector, selling legal services has become highly price competitive in the marketplace where many firms have already begun to offer alternative fee arrangements. The advent of 'supermarket law shops' may be a serious threat to small and medium sized law firms as the investment in technology and access to customers could deliver economies of scale. There are currently numerous new-age law firms which provide high volume, low variety services like Will Writing, Conveyancing, and Road Traffic Accident (RTA) claims at a competitive fixed fee and in a time bound manner adhering to set service standards.

Based on Lord Falconer's report about 'putting consumers first', increased competition has been introduced into this sector by relaxing the entry barrier, which in turn should encourage better legal services, that are more efficient, effective and economical (Falconer, 2005).

The premise for this research is that law firms in general need to develop expertise in Operations Management (OM) to optimise the processes and redesign the service life cycles (commoditise the services wherever possible) to provide higher value and greater flexibility of price to clients.

1.2 Research Problem and Motivation

The motivation behind this research is to improve operations management practices within law firms. By providing a comprehensive account of the status quo of operations management practices, suitable action can be taken to improve the current practice towards achieving higher efficiency and effectiveness in the delivery of legal services.

The main reasons for undertaking this research as presented in the two sections below:

1.2.1 Previous Research

Operations Management theories and concepts have been widely applied to service settings in general but researchers argue that limited studies have been conducted in the field of OM, specific to PSFs (Lewis, 2009; Lewis & Brown, 2012; Sampson, 2012; Harvey *et al.*, 2016) and the existing literature suggests that PSFs are a challenging territory for OM theory and practice due to their distinctiveness, high client-contact and complexity of operations. Within professional services, legal services are considered as an exemplar (Nordenflycht, 2010), but still criticised for their need to be more efficient, effective and economical in an increasingly competitive UK legal market (Falconer, 2005). Several studies indicate that little research has gone into development and application of operations management (OM) theory in the context of professional services, especially law firms (Lewis & Brown, 2012; Sampson, 2012; Kaiser and Ringlstetter, 2011; Machuca *et al.*, 2007). Although a substantial body of literature surrounding law firms, focuses on change and transformation, it tends to be conducted at institutional level (Cooper *et al.*, 1996; Sherer & Lee, 2002; and Pinnington & Morris, 2003) and there is little empirical research to draw conclusions about the operations management practices and challenges existing at the ground-level in law firms.

1.2.2 Imminent need for change in practice

Value and efficiency are taking centre stage in the delivery of legal services (Eversheds, 2010). The legal services market is undergoing increased competition as some large retail chains like WH Smith have already entered the industry and others like Tesco and Sainsbury's have plans to enter (The Guardian, 2012; The Telegraph, 2011). Due to these sector-wide changes large firms and individual players are leveraging from economies of scale and low-cost advantage respectively while small and medium size law firms are encountering a host of challenges trying to adopt modern practices. These

challenges can be daunting unless law firms possess internal capabilities and expertise in OM to optimise the processes and redesign service life cycles.

Therefore, by means of studying the current state of OM practices and the inherent challenges within law firms, this research would explore, design and apply suitable interventions that will bring about improvements in the OM practice through conducting research in a practical setting for a set duration of time.

1.3 Research Aim and Objectives

Based on the above scenario in the legal services industry, the following questions can be logically deduced: How will traditional law firms develop the new set of capabilities required to become more productive, efficient, innovative and deliver higher-valued services to clients, and also compete with the new entrants in the market? Do law firms need to transform at an organisation-level if so, what are the drivers for such transformation? If transformation is imperative, how do they go about achieving it?

The focus of this research is on the concept of change in professional service firms (PSF) viewed from an operations management perspective. The use of systems thinking, in particular soft systems methodology (SSM) as a lever for transforming operations towards delivering services of higher value to customers will be explored. This research problem stems from the premise that professional service operations are unique compared to other service industries and delivering legal service is a complex affair. In order to challenge the conventional and obsolete operational practices that are deeply entrenched into the traditional law firm model, a radical form of thinking is necessary.

1.3.1 Aim

This research aims to generate better understanding of the process of creating and delivering professional services from a ‘systems’ viewpoint by throwing light on the operations and the systemic behaviour of different legal services. In doing so, this research develops and implements a suitable intervention for delivering transformational change in the operations of a professional service firm.

1.3.2 Research Objectives

Table below provides the list of research questions and the corresponding objectives linked to them:

Table 1.1: List of Research Questions and Corresponding Objectives

Research Question	Linked Objective
Q1: Do legal service operations need to change for the better? If so, what are the factors driving such change?	J1: Identify the drivers of change currently shaping the operational practices within law firms.
Q2: If change is imperative (as will be identified from J1) how can a law firm go about delivering change in operations?	J2: Explore and articulate the nature of legal processes, inherent inefficiencies and

	<p>complexities that pose challenges in managing operations (capturing the status quo).</p> <p>J3: Develop a framework for intervention into law firm operations that is capable of delivering change and innovation in legal services.</p>
<p>Q3: What are the capabilities required to improve operational efficacy and deliver higher-valued services to clients to compete with new entrants in the market?</p>	<p>J4: Articulate the capabilities required by law firms to improve operational efficacy and deliver innovative services.</p> <p>J5: Apply the framework in a real-life setting and create measurable impact on the OM practice as well as further refine the framework through the learning generated in the process.</p>

This research will therefore be designed to facilitate action towards improving the status quo of operations within a law firm.

1.4 Thesis Outline

This thesis is organised into 8 Chapters as shown in Figure 1.1.

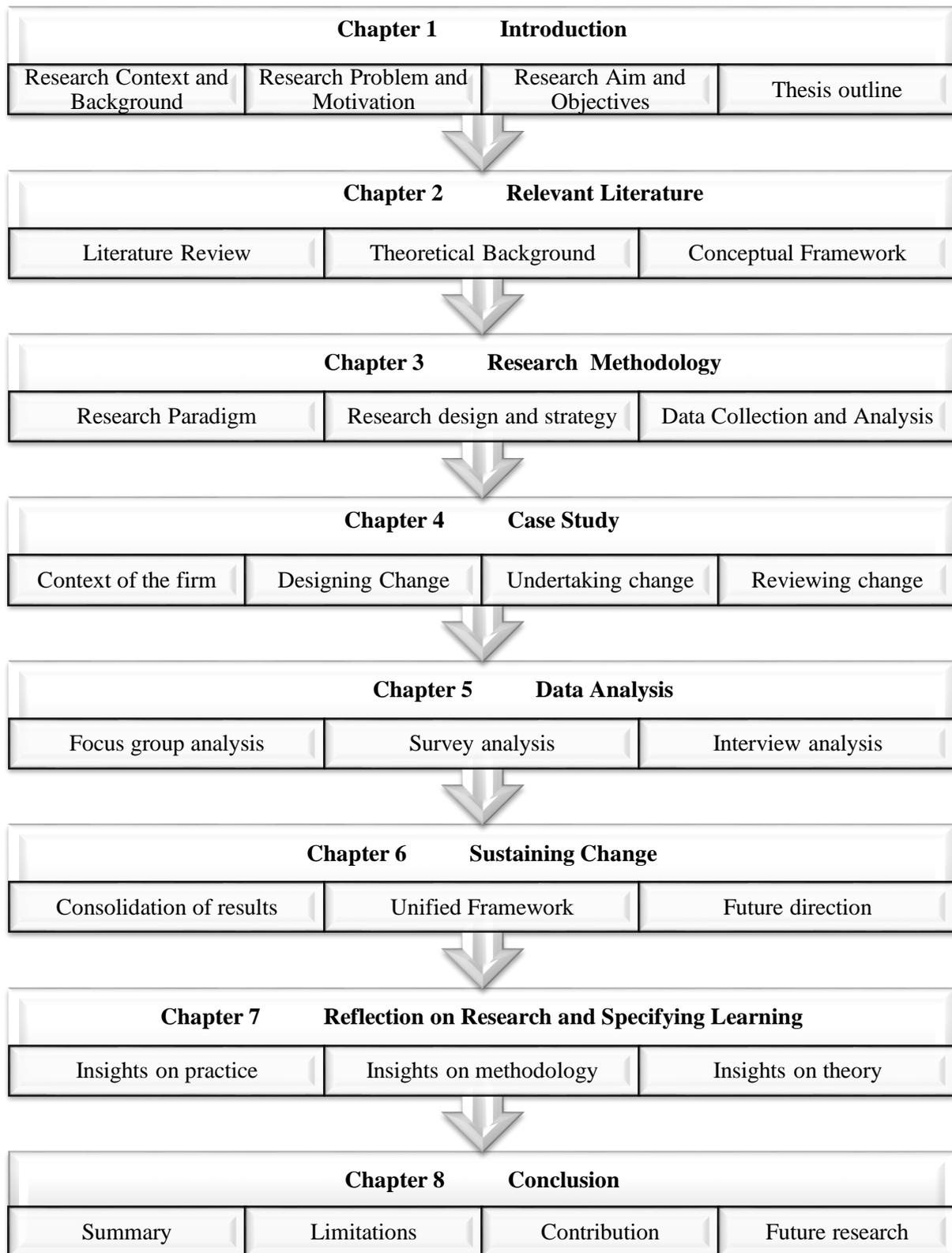


Figure 1.1: Structure

Summary of Chapters

This section presents the structure of all the remaining chapters in this thesis.

Chapter 2: Literature Review

In this chapter the researcher has undertaken a systematic review of literature in the domain of professional service firms (PSF) and in particular management of PSF operations. Based on the evidence of a growing body of literature, recently emerging, a list of publications will be presented that have a direct link to the research topic. The questions and objectives of this research are further verified in the light of light of research and aligned to the previous calls for extending research in the field of professional service operations management (PSOM).

Chapter 3: Research Methodology

In this chapter various methods will be appraised as suitable candidates for employing in this research in the pursuit of the research objectives. Soft Systems Methodology will be identified as being suitable to explore the current research topic. Case study, Action research and ProOH modelling methodology will be presented in detail to establish their merits and suitability for the current topic. Methods for collecting Data and techniques for analysing it will be presented.

Chapter 4: Case Study

This chapter is at the heart of this research project and presents the detailed execution of research in collaboration with the case study organisation. The need for change in the case study organisation will be established through a preliminary focus group exercise, the process of designing the research intervention is discussed in detail and the actual process of engaging with the firm are presented. A variety of tools and frameworks developed in conjunction with lawyers and support staff in the case study organisation are presented as exemplars for innovation and best practice in managing legal service operations.

Chapter 5: Data Analysis

This chapter is an auxiliary to the case study chapter as all of the data analysed in this chapter will be directly fed into the Case Study chapter were the results are discussed and used to achieve the research objectives. The data analysis presented in this chapter will be concurrently undertaken alongside the execution of the research project and has to be treated as an extension of the case study chapter. The separation into two chapters is only a for the convenience of readability and clear presentation.

Chapter 6: Sustaining Change: Consolidation and Future Direction

This is a continuation of the case study chapter which presents the consolidation of output generated from action research and thereby providing future direction for the case study organisation to sustain the change delivered through this research project and also to undertake future change initiatives to improve organisational performance. A unified framework for managing legal service operations is presented alongside the articulation of important typologies persistent in the organisation. An appraisal of the organisational capabilities is also presented.

Chapter 7: Reflection on Research and Specifying Learning

This chapter presents the learning obtained from conducting the action research and is a crucial chapter in terms of making a contribution to knowledge by specifying learning in three areas – the practice of legal service operations, the methodology employed to conduct this inquiry and the underpinning theoretical frameworks used.

Chapter 8: Conclusion

This chapter presents the summary of research and provides future direction to research in light of the limitations inherent in this study. The research objectives will be revisited in light of the findings and outcomes generated by the project.

Chapter 2

Relevant Literature

This chapter provides an examination of the literature which helps to inform and support the central research questions and linked objectives stated in the Introduction chapter. Initially an examination of relevant literature is carried out and presented under the broad themes of service management and professional service firms (PSF). Consequently, this review presented with the need to conduct a systematic literature review which goes on to identify the key publications and their contributions to current research topic of professional service firms and their operations. This chapter refers to the research questions and objectives extensively in relation to the existing literature so as to reinforce and establish the need for undertaking this study.

2.1 Service Management

In developed nations, services contribute to the largest portion of the economy and are an important part of business activity (Chase and Apte, 2007). Unlike products, the concept of services is still ambiguous among research and practitioner communities. Some of the earliest of service operations researchers recognized that the presence of the customer is one source of complexity not generally found in manufacturing settings (Chase 1978; Chase and Tansik 1983). Customer contact, customer interaction, customer encounters, customer participation, and customer involvement are some of the phrases used in operations literature to reflect the impact of the customer on service operations. The term “customer influence” is used to encompass all of these terms (Kellogg and Nie 1995).

The need to study the application of OM techniques and methods in service industry is driven by several assumptions. First, service providers are considered as operating in a similar way to their manufacturing counterparts. This is because the core of service operations is similar to manufacturing that is to transform inputs into outputs through a set of processes (Johnston and Clark, 2001). These processes include designing products and producing and delivering them to customers. On the other hand, services are also considered as inherently different from manufacturing. Nie and Kellogg (1999) articulate the basic assumptions that underlie this argument in the sense that services have unique characteristics that are not found in manufacturing. The most notable characteristics are customer contact, intangibility, inseparability of production and consumption, heterogeneity, perishability, and labour intensity. Each of these is described briefly below:

Customer contact

The presence of customers, commonly termed as contact, interaction, encounters, participation, or involvement, brings complexity to the management of service operations. According to Chase (1978), services are business processes that involve customer contact. Customer contact theory argues that the efficiency of a service operation is dependent upon the percentage of time the customer is in the system relative to the total operation time. High contact processes are inherently inefficient because they involve the customer. However, low contact processes can be separated, carried out in the “back-office” and optimised. The customer’s presence can, to a certain degree, influence the outcome of operations. In addition, it makes the firms pay attention not only to end services, but also to the process of rendering and delivering those services. Most goods are produced in factories without the presence of customers and then shipped, sold, and consumed in separate stages and separate places. Services are usually sold first and then produced and consumed simultaneously. The inseparability of production and consumption, often called simultaneity, makes the production process exposed for customer examination and influence. There is no buffer or clear distinction between the production stage and the consumption stage.

Intangibility

Intangibility is another key characteristic that differentiates services from manufacturing goods. The implication of this characteristic is that services are more difficult to control and monitor. Intangibility is often cited as a fundamental difference between goods and services (Zeithaml, Parasuraman, and Berry 1985). Services cannot be touched, seen, and tasted in the same manner as manufactured goods. Services consist of facilitating goods, supporting facilities, implicit services, and explicit services (Fitzsimmons and Fitzsimmons, 2000). It is through a mix of these four elements that customers perceive and experience service.

Heterogeneity

A further complexity of services is heterogeneity whereby there is a high chance of idiosyncratic customer expectations and perceptions. Because of which, the output of services can vary from one provider to another. Heterogeneity in service outputs exists for two reasons. First, the service may be intentionally customized. Second, because of human involvement of the service provider and the customer, variability is naturally created. The output of the service can vary from service provider to service provider, from customer to customer, and from day to day. To make it more complicated and interesting, customers' evaluation of the same service performance can be quite different. According to Fitzsimmons and Fitzsimmons (2000) the problem with services is that they are both heteromorphic and heteropathic; they appear different from internal and external perspectives and they affect each consumer differently.

Inseparability

Unlike manufacturing goods that can be produced, sold, and consumed by customers in a separate place and time, in the service industry these three processes commonly occur simultaneously at the same place and time. In other words, management cannot prepare a buffer between the production and the consumption stage.

Perishability

Services are also perishable, meaning that any unused capacity is lost and cannot be stored. Airline seats not taken, motel rooms not occupied, and theatre tickets not sold cannot be stored and sold next day. Perishability leads to difficulty in demand management, capacity utilization, production planning, and scheduling.

These characteristics pose major challenges in which the application of several OM methods could be limited in the operations of service firms. A review of standard operations management textbooks shows that operations managers often have to make strategic choices and routine decisions in the following

areas: location, layout, product design, process choice, capacity, quality, productivity, inventory, technology, work force, and job design (e.g., Chase and Aquilano 1998; Heizer and Render 1996). These are also interdependent. It is the collective pattern of these decisions that impact the competitiveness of an organization. It is believed that the characteristics of services have an impact on strategic operations choices and decision making and thus pose a significant challenge for service operations management. Service characteristics are thought to possibly limit strategic choices and tactical decisions.

These characteristics of services as different from products have been widely researched for example Vargo and Lusch (2004) argue that the above characteristics shortly termed IHIP (Intangibility, Heterogeneity, Inseparability and Perishability) are no longer useful for distinguishing services from products, they argued that these characteristics are inaccurate and that services and products cannot be separated. Instead, they proposed a “new dominant logic”, now referred to as Service Dominant Logic (SDL). For example, Sampson and Froehle (2006) also rejected these four characteristics as defining of a service because they do not represent all services. According to them, one significant challenge faced by researchers of services management is that there is no single, comprehensive, and consistently used unifying structure that defines what services are and what they are not (Lovelock and Gummesson 2004; Nie and Kellogg 1999; Vargo and Lusch 2004). This deficiency makes it difficult to achieve coherence within the field and creates a barrier to discovering the managerial and operational implications (Roth and Menor 2003).

2.1.1 Definitions of Service

Cook et al. 1999, informs that researchers have presented such definitions of service that are varying and evolving over time. For example, below are some definitions:

- Levitt (1972) describes a service as being “invariably and undeviatingly personal, as something performed by individuals for other individuals.”
- Chase (1978) sought to define services based on the amount of “customer contact,” which he defines as the physical presence of the customer in the system”.
- Goncalves (1998, p. 1) asserts that “. . . a service business is one in which the perceived value of the offering to the buyer is determined more by the service rendered than the product offered”.
- Harvey simply defines a service as “a result that customers want” (1998, p. 583).
- Pearce (1981, p. 390) observed that services “. . . are sometimes referred to as intangible goods; one of their characteristics being that in general, they are ‘consumed’ at the point of production.”

- Murdick et al. (1990) define services as “economic activities that produce time, place, form, or psychological utilities” to which Riddle (1985, p. 12) adds “while bringing about a change in or for the recipient of the service.”
- Karmarkar and Pitbladdo (1995, p. 397) stated that distinguishing characteristics of services include “. . . intangibility of service output, the lack of inventories, the difficulty of portability, and complexity in definition and measurement . . . and often involve joint production between the buyer and the supplier.”
- Harvey (1998, p. 596) states, “Customer contact and intangibility are the two most important distinguishing features of services.”
- Pine and Gilmore (1998, p. 12) define a service as “a set of intangible activities carried out on the customer’s behalf.”
- Kotler (2006, p. 402) defines a service “as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.”

According to Sampson and Froehle (2006), various definitions of service can provide insights into important issues of services. However, they argue that whether something is a service because it possesses such characteristics, or if it has those characteristics because it is a service, is a moot point. They quote the example of software development which results in a product that is intangible (computer code) and the production process is very labour intensive (computer programmers), but the output can indeed be inventoried and used or sold later. Therefore, the characteristics of intangibility and labour intensity do not inherently define something as a service. In other words, we could conclude that if something is a service, its outputs might tend to be intangible and labour intensive, but not the other way around.

2.1.2 A Systems-based definition of Service

It is fundamental for this research to develop a systemic outlook towards service as this research proceeds with the view that professional service delivery is a system and aims to understand and change such system.

Drawing from the concept of thermodynamic equilibrium and homeostasis in physical and biological systems, it is plausible to say every system tends towards a state of equilibrium with surroundings whether or not there is purposeful activity happening. Therefore, from a systemic viewpoint a service can be defined *as a receiving, reception or absorption that contributes to the change in state of the system*. This definition closely complements the following definitions:

- Hill (1977) defines a service as “. . . a change in the condition of a person, or of a good belonging to some economic unit, which is brought about as the result of the activity of some other economic unit . . .”

- Riddle (1985, p. 12) defines services as “economic activities that produce time, place, form, or psychological utilities while bringing about a change in or for the recipient of the service.”

For example – I received a service at the restaurant which has an effect on me - still holds that there is a change in the system whether or not adding any value to that system. In this case the system is a human agent’s body-mind complex.

Service can also be defined further as that which impacts on the state of the system when received actively or passively.

Service comprises of a provider, a recipient and the act of service.

From an ontological perspective, these three are fundamentally essential components for the service to occur.

2.2 Professional Service Firms

Professional services such as medicine, law, dentistry and education clearly occupy a central role in our society and make increasingly important economic and employment contributions as economies develop. Despite their social and economic importance, possibly because of their typically ‘supporting’ role, professional services remain largely under-researched in the Operations Management field (Harvey *et al.*, 2016).

According to Schmenner (1986), professional services represent a distinct form of service that involves high levels of labour intensity, customer interaction and customisation as characterised in Schmenner’s service process matrix (Schmenner, 1986). Figure 2.1 below demonstrates the Service Process Matrix.

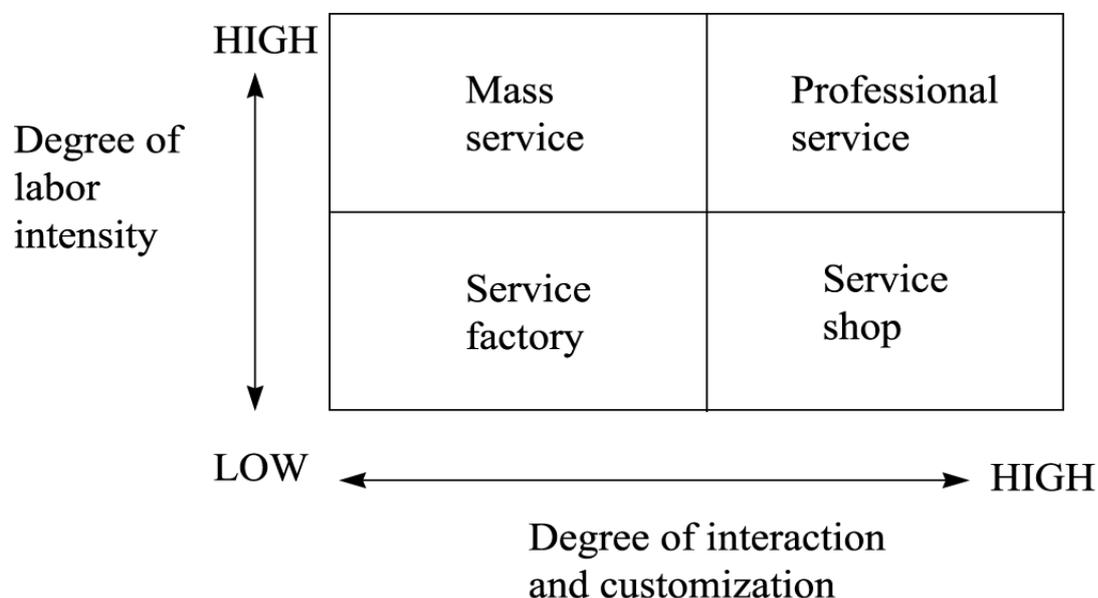


Figure 2.1 Service process matrix adapted from Schmenner (1986)

According to Amonini, et al. (2010), whilst service is an elusive concept, in that professional service falls at the extreme intangibility end of the tangibility spectrum. Harvey et al. (2016) state that, from an operations management perspective professional services can be typically understood using two principal dimensions: 1. Levels of customer contact or degree of interaction (i.e., many face to face interactions, meetings, consultations, etc.) and consequent delivery specifications or customisation (i.e., every condition, case, problem is different) are understood to be high, and; 2. Operational processes that emerge as a consequence of ‘professionals’ making judgments about both ends (what constitutes an adequate/appropriate outcome) and means (the content and sequence of process steps) are essentially fluid/flexible in character.

Though Professional Service Firm (PSF) is a term that has been in use for a long time now, only very recently a study focused on classifying what is and is not a PSF based on the service intensity and managerial implications has been undertaken (Nordenflycht, 2010). According to the taxonomy proposed by Nordenflycht (2010), delivering legal services is marked by the highest degree of professional service intensity which is characterised by a set of three distinct features that include knowledge intensity, low capital intensity and professionalised workforce. Nordenflycht arrived at this definition by examining 52 articles and books of which only 21 offered the definition of PSF. These definitions encompassed a wide range of distinctive characteristics relating to the nature of a firm’s asset base, workforce, output, or key managerial challenges. In reviewing these definitions, Nordenflycht found common ground on three characteristics, knowledge intensity, low capital intensity, and a professionalized workforce, as the central ones. Each of these characteristic features has corresponding managerial implication which in turn have a choice of organisational responses.

Table 2. 1: Nordenflycht's argument about difficulties involved in managing PSF

Concept	Managerial Challenges presented by Nordenflycht (2010)
<p><i>Knowledge intensity:</i> Direction difficulties</p>	<p>Not being able to direct or supervise employees is a problem (pp. 160–161). The solution is to give the employee autonomy— by not trying to direct or supervise (pp. 160–161).</p>
<p><i>Knowledge intensity:</i> Retaining difficulties</p>	<p>There are difficulties in retaining skilled employees with “substantial human capital (such as complex knowledge)” who have “a strong bargaining position relative to the firm, since their skills are scarce and, in many instances, transferable across firms” (p. 160).</p>
<p><i>Professionalized workforce:</i> Autonomy</p>	<p>Firms may be better able to satisfy employee preferences for autonomy by adopting highly autonomous and informal structures, whose consequent lack of internal coordination might be too inefficient in more competitive environments” (p. 164).</p>
<p><i>Opaque quality</i> (customers are nonexperts; cannot evaluate quality of service)</p>	<p>PSFs resolve opaqueness via unlimited liability partnership structures to induce “partners to monitor and pressure each other to provide quality service since each is at risk for any actions of the others that expose the firm to financial or legal liability” (p. 161).</p>
<p><i>Low capital intensity:</i> Employee mobility</p>	<p>Low capital intensity increases “employee bargaining power. . . if knowledge intensity creates the cat herding problem, adding low capital intensity turns it into a situation where the assets go down the elevator each night . . . and the firm can’t control whether they come back” (p. 162).</p>
<p><i>Ownership structure:</i> No outside</p>	<p>Low capital intensity gives the firm the opportunity to avoid outside investors as monitors so that the firm has the freedom to adopt efficient</p>

Source: Adapted from Von Nordenflycht (2011)

Nordenflycht has presented some analogies such as ‘elevator assets’ and ‘cat herding’ (Lowendahl, 1997), to describe the difficulties involved in managing the professional service firm due to their distinct characteristics. These characteristics he proposed are presented in Table 2.1 below.

According to Hinings *et al* (2015) PSF is defined according to four key characteristics (Figure 2.2). It is recognised that many organizations will possess some of these characteristics, but a PSF will possess

all of them, to varying degrees. By accepting that a PSF must possess all four characteristics but can do so with varying degrees the authors recognise the heterogeneity that exists within the sector whilst drawing some conceptually defensible boundaries around the phenomenon under investigation. This makes it possible to conduct more structured comparative analysis within the sector as well as between other sectors.



Figure 2.2: Defining characteristics of PSF

Source: Reproduced from (Hinings, 2015)

2.3 Systematic Literature Review

A systematic literature view has been conducted to search and review relevant literature in the Professional Service Operations Management (PSOM).

The following search string has been prepared to broadly include literature that falls in the domain of PSOM as evident from the search key words given below:

("professional service" OR "law firm" OR "knowledge-intensive firm") AND ("process improvement" OR "operation*" OR "change")

The search has been undertaken on Web of Science, Scopus, EBSCO and ProQuest on 25-10-2018 to identify relevant literature in the field of PSOM. The search was controlled and narrowed down to include results only from the fields of 'Business', 'Management' and 'Operational Research Management Science' which provided list of 119 publications in total. The same search was conducted on 01-11-2020 which resulted in 150 publications. This systematic review broadly complied with the suggestions of Denyer & Tranfield (2009).

The results indicate that the earliest publication in the field date back to only 1994 a paper in the field of Institutional theory relevant to professional service firms published in Organization Science journal. The most recent one is in the area of Strategy published in Management Research Review journal.

However, the wider literature review conducted based on the familiarity gained by the researcher later on in the research process, having referred to journal articles and books has led to identification of publications as far back as 1981, but these are not in the field of operations management. For example, Gummesson (1981) wrote about marketing of professional services.

The review also indicates that PSF literature in particular is concentrated in the areas of Organisation Science and in particular institutional theory.

Key authors and the research areas studied within PSFs (particularly law firms) are presented in the Table 2.2.

Table 2.2: Selected literature and contribution based on literature review

Area of contribution	Authors	Contribution
Operations Management	Prashar, Anupama (2020)	Conducted an exploratory study to understand the quality dimensions of high-contact Professional Service Firms (PSFs) and developed a conceptual model for Quality Management.
	Sampson, Scott (2020)	Studied and presented a model of service automation for PSF. Developed a framework for

		reconfiguring tasks within professional service systems.
	Clegg, Ben; Balthu Krishna; Morris, Glyn (2020)	Soft systems-based modelling of legal service operations resulting in organisational change.
	Giannakis et al. (2018)	Studied legal service operations and developed a conceptual framework that links the service and supply chain modular architectures with the supply chain strategy of service firms
	Clegg, B.T (2018)	Single case study of a University (PSOM) using SSM to improve the efficacy of operations.
	Beltagui, Ahmad; Sigurdsson, Kjartan; Candi, Marina; et al. (2017)	Articulated a shared service concept in PSF to minimise operational challenges through a single in-depth case study of a web-design firm.
	Finne, Max (2018)	Single case study of a business school (PSOM) highlighting the professional service nature of University teaching through process analysis.
	Harvey, Jean; Heineke, Janelle; Lewis, Michael (2016)	Editorial in JOM highlighting the need for empirical based research approaches in PSOM
	Quaggio, Frederico Medeiros; Silva, Marcia Terra (2015)	Studied new service development in PSF and identified obstacles for redesign of PSF operations.
	Lewis, Michael A.; Brown, Andrew D. (2012)	Presented a detailed analysis Operational issues in PSF through an in-depth case study. Identified that law firm operations are suitable for commoditisation.
	Jaakkola, Elina (2011)	Studied legal service operations and presented the various practices in productization of professional service offerings.
	Goodale, John C.; Kuratko, Donald F.; Hornsby, Jeffrey S. (2008)	Studied the factors influencing PSOM and hypothesised that such influence factors moderate compensation schemes.
	Satu Nätti, Pauliina Ulkuniemi and Saara Pekkarinen (2017)	Examined how service modularity can be employed within the context of professional services particularly focusing on the knowledge related characteristics of PSO. Presented two case studies of an engineering firm and a training consultancy.
	Harvey, Jean (1990)	Studied PSO and proposed a model to categorises professional service organisations according to the relative power of the major stakeholders: professionals within the organisation; clients; and top management.
Organisation Theory	Brock, David M.; Hydle, Katja Maria (2018)	Explored the concept of Transnationality in PSF highlighting the global and local features of management.
	Fu, Na; Flood, Patrick C.; Bosak, Janine; et al. (2017)	Integrated resource-based and dynamic capability theories to investigate High Performance Work systems in PSF.
	Malhotra, Namrata; Hinings, C. R. (2015)	Identified the mechanisms that characterise the process of continuity and change in PSF.

Schilling, Annika; Werr, Andreas; Gand, Sebastien; et al. (2012)	Developed a framework for understanding professionals' reactions to change in PSF using three case studies.
Lawrence, Thomas B.; Malhotra, Namrata; Morris, Tim (2012)	Examined the systemic forms of power in radical change within PSF and developed a model.
Segal-Horn, Susan; Dean, Alison (2009)	Studied the phenomenon of globalisation in large law firms and presented implications for internal consistency in delivering of service across multiple locations.
Pinnington, A; Morris, T (2003)	Tested Archetype change in PSF using case research on 197 large law firms in the UK and refined the elements P2-MPB archetype model.
Kirkpatrick, I; Ackroyd, S (2003)	Criticised the model of archetype change in PSF and presented an alternative model
Hinings, C.R, Brown, John and Greenwood, Royston (1991)	Studied the process of organisational change in PSF through a case study based in an accountancy firm.

The above takes into consideration only a select few works pertinent to the areas of law firms within wider PSF which also include other types of firms such as accountancy and consultancy. Other such PSFs have also been studied widely but mostly in the domain of Organisation Science.

Overall this literature review indicates that PSOM is still in its nascence given the volume of publications as well as the time frame. Yet the body of knowledge is growing although at a steady pace specifically over the last few years. Also, very few studies have focused on legal services in particular such as Clegg et al., (2020), Prashar (2020), Giannakis et al., (2018), Lewis & Brown (2012), Jaakkola (2011), Goodale et al., (2008) within the domain of operations management.

Some of the key themes identified from literature review that inform the current study are as follows:

- Archetype change in law firms
- Modularity and standardisation in professional service operations
- Innovation in legal services

These main themes are selected based on the centrality to the research objectives of understanding and improving professional service operations management in the context of delivering legal services. In the process of examining and exploring academic literature, several other sub-themes were identified and explained where it was considered relevant.

One of the key ideas presented within the literature is the proposal that professional service operations management is distinct compared to operations management in other service areas which is an assertion that originally motivated the researcher's interest in this subject. Therefore, literature relating to operations management (OM) practice is presented here in the context of professional services, and in particular legal services.

This review reinforced the questions raised by previous researchers of ‘What are professional services and how different is professional service operations management?’ (Nordenflycht, 2010; Lewis & Brown, 2012). It established that there is substantial evidence from existing research that professional service organisations are representative of a complex organisational form which poses several difficulties not only to manage daily operations but to deliver change.

2.4 Professional Service Operations Management

Operations Management (OM) differs from other areas of management research in terms of addressing both physical and human elements of the organisation. Besides the tangible elements, much of the research is also focused on the softer elements such as people and their interaction with the tangible aspects of systems (Drejer, Blackmon & Voss, 1998). Concepts and theories in OM have been widely applied to service settings but mainly in areas that operate similar to production lines, such as fast-food restaurants, retail stores and hospitals. Researchers argue that limited research has been conducted in the field of OM, specific to PSF (Lewis, 2012; Jaakkola, 2011; Harvey et al, 2016; Lewis & Brown, 2012; Amonini, et al., 2010; Gummesson, 1981) and the existing literature suggests that PSF are a challenging territory for OM theory and practice due to their distinctiveness, high client-contact and complexity of operations.

As Løwendahl et al. (2001, p. 924) put it: Can we assume that for firms which deliver highly customized services, need to remain inefficient and costly to run, or can they develop modes of coordination and collaboration that reduce costs without reducing client responsiveness? This question provokes the need to address two issues simultaneously in professional services which are interlinked – efficiency of operations, and the effectiveness of service delivery.

Similarly, Ertel & Gordon (2012 p.132) question ‘how far can legal services be mapped out, specific activities delineated and sequenced, and the work distributed among providers?’ and they contend that there is no empirical evidence yet to substantiate that claim. Sampson (2012) argues that Service Operations Management (SOM) itself has not sufficiently contributed to research and practice. In spite of a plethora of ‘process mapping’ and ‘flow charting’ tools currently in use by both service and production operations professionals, Sampson advocates that there is an imminent need for new tools that help conceptualise, visualise and analyse service operations.

Recent work on professional services highlighting the distinctiveness and complexity of service operations in a law firm (Lewis & Brown, 2012) indicates that little research has gone into development and application of SOM theory in the context of PSFs, especially law firms.

Based on the premise that professional service operations (PSO) are distinct compared to the other service operations (Schmenner, 1986; Silvestro, Fitzgerald, Johnston & Voss, 1992), Lewis & Brown (2012) paper provides empirical evidence from a case study conducted on a medium-sized law firm

highlighting the distinctiveness and complexity of service operations in a law firm. This work was aimed at refining the existing theory in light of research findings and clearly indicated that ‘PSO is a distinct environment for managing operations’ and that professional and organisational factors ‘can undermine even the most robust efficiency logic’ in these settings (Pg. 10). Lewis and Brown (2012) showed that professional services involve unique challenges and trade-offs in comparison to other service types. They identified three dimensions of professional services pertaining to the service context – the management of customers, of processes, and of professionals and organizations, which impact the way operations are managed within law firms and broadly professional service firms.

Lewis & Brown (2012) and (Benedettini & Neely, 2012) ascertain the notion that legal services are a complex and distinct form of service which is a fundamental construct to this research thesis. These two papers clearly indicate that scope for further research in this area given the significance of legal services to both economy and the society, which is a key motivation for this study.

This is an opportunity where the present research could fit in to conduct empirical research based in a case study organisation.

2.5 Archetype Change in Professional Service Firms

Research on change in professional service firms developed from the notion of archetype or organisational configuration that is empirically observable and reveals a pattern of an overall coherence amongst its component elements. Archetypes are defined as a set of structures and systems that reflect and are underpinned by a single reflective scheme or 'set of values and ideas as to what ought to be' (Greenwood and Hinings, 1988, p.298).

From the findings of case research conducted on law firms more than a decade ago, it is evident that the traditional 'Professional Partnership' termed as P2 archetype was replaced by a more 'business-like' organisation termed as the 'managed professional business' (MPB) archetype (Cooper et al, 1996). The main characteristic features of the MPB archetype are; focus on effectiveness, efficiency, growth, target driven approaches, rationalisation, quality standards, planning and productivity as shown in Figure 2.3. In the process of moving towards an MPB law firms need to develop new capabilities in the broad areas of operations management – to rationalise the processes and people management – to elicit innovative thinking at workplace. Above all they should develop the capability to design and manage change towards adopting modern business practices. While researchers argue that the shift from P2 to MPB is overstated, there is growing need for law firms to shift from traditional management practices (partnership/fusion of ownership and control) (Sherer et al, 2002). The MPB archetype is based upon Cooper *et als.* (1996) research and the P² archetype is based upon Greenwood *et als.* (1990) research.

Sherer and Lee (2002) argue that both institutional theory and resource dependency theory help explain institutional change, but they are more predictive of change when taken together. Resource dependency theory speaks to how competitive pressures drive organizations to be different. However, without legitimacy, organizations will not initially and early be enabled to change. Institutional theory speaks to how institutional forces enable initial innovation and early adoption of change. However, without competitive forces, organizations will not need to change. Both forces thus play off one another.

	P ² Archetype	MPB Archetype
Interpretive Scheme	<p><i>Governance</i></p> <p>Fusion of ownership and control</p> <p>A form of representative democracy</p> <p>Revolving managerial tasks among the owners</p> <p>Local office at centre of commitment</p> <p><i>Primary task</i></p> <p>Professional knowledge</p> <p>Peer control</p> <p>Work responsibility as indivisible</p> <p>Strong links with clients</p> <p>Widely distributed authority</p> <p>Minimum hierarchy</p>	<p><i>Effectiveness/Efficiency</i></p> <p>Management</p> <p>Client service</p> <p>Competition</p> <p>Marketing and growth strategies</p> <p>Rationalisation</p> <p>Productivity</p>
Systems	<p><i>Strategic Control</i></p> <p>Interaction</p> <p>Consensus decision-making</p> <p><i>Marketing-Financial Control</i></p> <p>Specificity of targets</p> <p>Precise financial targets</p> <p><i>Operating Control</i></p> <p>Primary focus of involvement</p> <p>Professional standards and quality of service</p>	<p><i>Strategic Control</i></p> <p>Interaction</p> <p>More directive decision-making</p> <p><i>Marketing-Financial Control</i></p> <p>Specificity of targets</p> <p>Precise financial and market targets</p> <p><i>Operating Control</i></p> <p>Primary focus of involvement</p> <p>Professional standards, quality of service, planning, marketing and compensation, Quality Standards</p>

Figure 2.3: Characteristics of Professional Partnerships (P²) and Managed Professional Business (MPB) Archetypes. Source: Pinnington and Morris, 2003

A vast majority of literature surrounding law firms focuses on change at an institutional level (Nelson, 1988, Galanter & Palay, 1991; Cooper, Hinings, Greenwood & Brown, 1996; Sherer & Lee, 2002; Pinnington & Morris, 2003). Smets, Morris and Greenwood (2012) argue that micro-level factors

involving everyday work of individuals can influence change at the institution-level, and is an important area, largely neglected, in the studies of professional service firms (PSF). This newly developed theory of practice-driven institutional change suggests that *“when three precipitating dynamics - novel institutional complexity, urgency, and consequence - are jointly experienced in everyday work, they activate a chain of core mechanisms that span individual, organizational, and institutional levels”* (p.891). These core mechanisms were labelled as situated improvising, normative network reorientation and unobtrusive embedding.

Closely approximating this idea and the need to focus on the neglected micro-level factors, one of the objectives of this research is to present the exogenous and endogenous forces acting at the organisational boundary. Sherer and Lee (2002) explained how endogenous and exogenous forces pressure professional organisations to change or innovate through a retrospective study of Cravath and Davis Polk, two law firms which set the scene for institutional change.

Qualitative research conducted as part of the single in-depth case study within a medium-sized law firm could synthesise and establish these endogenous and exogenous forces accordingly so that the challenges for organisational change can be addressed. In doing so, the research objectives stated in the previous chapter will be achieved through designing the process of taking action in order to deliver measurable change within a PSF.

2.5.1 The changing legal services landscape

Market research on legal services also indicates that law firms are increasingly facing a buyer's market and the asymmetrical nature of client-lawyer relationship is switching places. Power asymmetry that used to favour lawyers will soon be reversed which will compel legal service providers to permanently move towards a client-led market (Eversheds, 2010). Law firms have long been conservative in their approach to client-centred service, slow in adapting to changing market needs and often detached from adopting modern operational and knowledge management practices. The pressure is however mounting on law firms as clients seek increased value for money and new competitors such as supermarkets and insurance companies enter the legal space by taking advantage of Alternative Business Structure (ABS) (The Guardian, 2012). Incumbent law firms face the risk of losing the price battle as new entrants are more mature and proficient in delivering 'mass services'; ironically the exact antithesis of 'professional services' in Schmenner's service process matrix (Schmenner, 1986). As a consequence, productivity and efficiency are becoming central in the delivery of legal services, two values imported from the industrial world of manufacturing production that potentially clash with the very soul of professionalism (Freidson, 2001).

The advent of 'supermarket law shops' might be a serious threat to small and medium-sized law firms as the investment in technology and access to customers could help them leverage from economies of

scale particularly in providing high-volume, low-variety services like will writing and road traffic accident (RTA) claims.

An intuitive and detailed account of the consequences of the Legal Services Act 2007 is provided by Flood (2008) as below:

“Imagine the typical High Street or Main Street lawyer: a dull office, rather forbidding, no list of prices, no discounts and slow responses to queries. All quite off-putting to the average consumer. Suppose Tesco decides to offer legal services. It could have a section near the doctor and pharmacy, brightly lit, a warm welcome, comfy chairs, and familiar surroundings. Prices clearly marked along with the month’s special offers. And no mention anywhere of billable hours. Even the checkout clerks could be primed to spot potential customers. Credit card rejected at the cash desk; maybe some help with debt management. Special offers after the Christmas big spend to help with the debt incurred over the holiday season. Someone with bruises; a bit of help on the domestic relations front perhaps. It’s a captive market that no lawyer can compete with on price or service. The work could be commoditized, outsourced (to India), and referred out if specialist help is needed. Lawyers would be hired at cheap rates — it’s a competitive market after all. At least they would get a corporate discount in the store.”

How traditional law firms develop a new set of capabilities and competencies required to become more productive, efficient and deliver higher-valued services to clients, whilst competing with the new entrants in the market, remains to be seen.

In relation to the above questions, this research pursues the following specific objectives including those others mentioned in Chapter 1:

- J1: Identify the drivers of change currently shaping the operational practices within law firms (endogenous and exogenous forces).
- J2: Explore and articulate the nature of legal processes, inherent inefficiencies and complexities that pose challenges in managing operations (capturing the status quo).
- J3: Develop a framework for intervention into law firm operations that is capable of delivering change and innovation in legal services.

Also research suggests that, despite this archetype change, continuity exists in form and practice of law firms denoting that partners remain as the power centres determining strategic decisions and controlling client relations to a large extent (Pinnington & Morris, 2003).

One of the candidates for consideration in this research is the exploration of archetype change that was proposed by Pinnington and Morris (2003) in the context of a law firm. This will however be better suited to reflect upon whether the change brought about by this action research project is in anyway contributing to the archetype change in the firm towards a more “business like” organisation given the

current status quo of the firm, which will be found out through initial analysis of case data within the firm.

Pinnington & Morris's template of archetypes (2003) (seen in Table 1) could be the most relevant frame of reference for this research; it will be used as the primary framework to describe changes in the Case Study organisation after the research intervention. For example, the changes achieved through this research project can be criticised through the process of abductive rationalisation (Lawson, 1998) based on the themes presented in P2-MPB schema.

For the sake of this study and other related research, an archetype is defined here in terms of two general statements. First, organizational structures and management systems are best understood by analysis of overall patterns rather than by analysis of narrowly drawn sets of organizational properties. This is the "holistic" perspective asserted by Miller and Friesen (1984). Second, patterns are a function of the ideas, beliefs, and values – the components of an "interpretive scheme" (Ranson, Hinings & Greenwood, 1980) – that underpin and are embodied in organizational structures and systems. An archetype is thus a set of structures and systems that reflects a single interpretive scheme' (Greenwood and Hinings (1993).

Pinnington and Morris (2003) state that, although no single organisation may conform exactly to their template, elements of it should be "*empirically observable*", such will be the case within this study of one organisation in-depth. Based on the authors' idea of observability, the elements of this framework such as the Systems and Interpretive Scheme will be examined in the overall changes achieved in each of the departments to be examined in this study. organisation.

Building on Pinnington and Morris' archetype template, Smets *et al.* (2012) argue that micro-level factors, involving everyday work of individuals can influence change at the institution-level and believes that tactical factors are also important to consider; but are often largely neglected in PSF studies. In response to these shortfalls this study describes both tactical and strategic level changes in the context of Pinnington and Morris' archetype template using Solicitors Co. as an empirical illustration.

2.6 Organisational Change

The word change can be related to "an empirical observation of differences in form, quality of state over time in an organisational entity" (Van de Ven & Poole, 1995; p.512). The organisational entity could mean a variety of organisational aspects, thus adding to the variation in research questions. This section throws light on two major theoretical frameworks that are relevant to the proposed study as detailed below:

2.6.1 Kurt Lewin's Change Model.

Kurt Lewin (1951) proposed the 3-step change model as shown in Figure 2.4. According to Lewin, the first step in the process of change is to unfreeze the existing situation or status quo. He explains that unfreezing can be achieved with the help of three methods:

- 1) by increasing the driving forces that allow people to move away from the status quo
- 2) by decreasing the preventing forces that negatively impact the movement from status quo.
- 3) by finding a combination of the above two methods.

Some actions that support unfreezing include: motivating participants by preparing them for change, building trust and recognition for the need to change. Then active participation in identifying problems and brainstorming solutions within a group.

All the above concepts will be used in this research which are explained in detail within the Methodology section of this thesis.

Second step in the model is Change. In this step, the target system will be moved to a new state. Activities that can promote Change include:

- 1) influencing participants to agree that the status quo is not beneficial
- 2) enabling them to view the problem from a fresh perspective, work together on a mission for new, relevant information
- 3) connecting the views of the group to well respected, powerful leaders that also support the change

The third step is refreezing. This step occurs after the change was implemented for making it sustained over time. Failing to accomplish this step will result in a short-lived change and the reversal of participants to the old status quo. Refreezing is essential to stabilize the new state resulted from change. This can be mainly accomplished by reinforcing new patterns and institutionalising them through formal and informal mechanisms including policies and procedures.

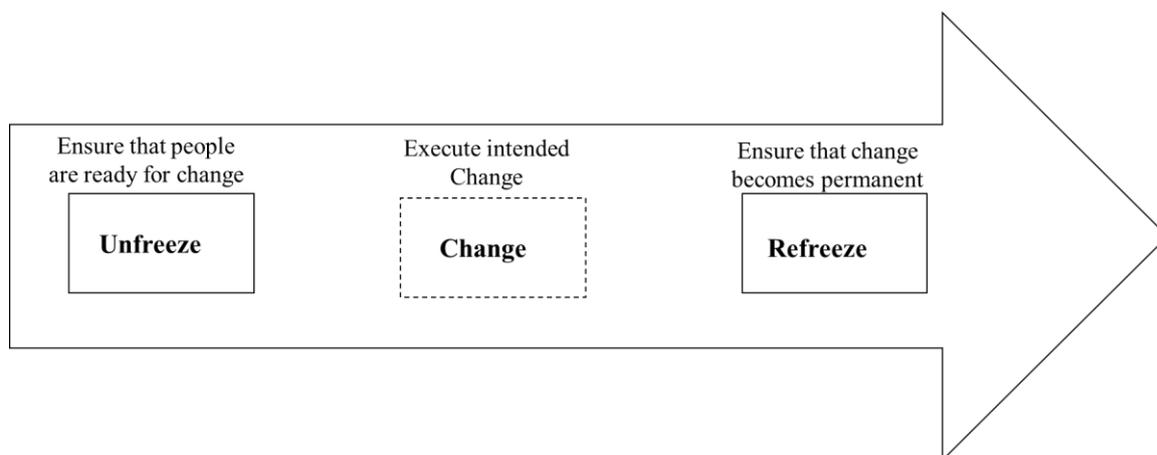


Figure 2.4: Kurt Lewin's 3 Step Change Model

This theoretical framework of change will be used as an underlying principle within a more specific change framework discussed in the next section.

2.6.2 Change Kaleidoscope

Most changes in organisations reflect simple responses to demographic, economic, social and political forces. Although organisational response to environmental events is broadly adaptive and mostly routine, the response takes place in a confusing world (March, 1981 p.563).

Implementing strategic change is one of the most important undertakings of an organisation (Sonenshein, 2010). Research into organisational change suggests that more than 70% of the change initiatives fail and even the largest and most successful organisations have stumbled at achieving change (Nohria & Beer, 2000). The process of change can never be isolated from effects of uncertainty and chance. One may be interested in knowing the secret recipe followed by those organisations that succeed. However, academic literature on organisational change strongly advocates that there is no standard formula for designing change in an organisation. Choices should be made with due consideration to context-sensitive features specific to each organisation (Balogun & Hope Hailey, 2008).

Understanding the status quo of the organisation is essential at the outset of any change initiative and it is the first step towards designing a successful transition (Balogun & Hope Hailey, 2008). By establishing the status quo, the change agent (researcher) can make the right operational and cultural design choices for ensuring a smooth transition from the current state to the desired state. Table 2 provides the definition of eight context sensitive features as well as design choices that can be exercised.

The Change Kaleidoscope model presented in Figure 2.5 could be used as an audit mechanism for designing and managing change inside various organisations and has been used here to instigate the change process. According to this model there are 8 context-sensitive factors which indicate the readiness of employees across the organisation to successfully achieve change. This model is built on the temporal and context-sensitive nature of change.

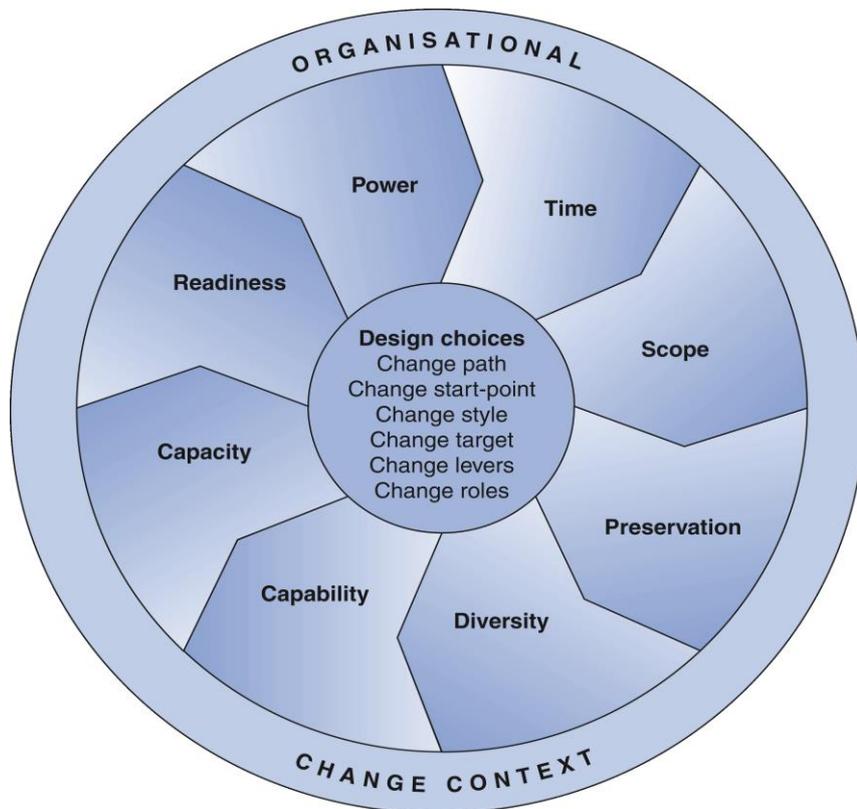


Figure 2.5: The Change Kaleidoscope Source: (Balogun & Hope Hailey, 2008)

Table 2.3: Definitions of the context sensitive features and the design choices Source: Balogun & Hope Hailey (2008)

<p>Contextual features of change</p> <ol style="list-style-type: none"> 1. Time – the time required to deliver change. 2. Preservation – the extent to which it is essential to maintain continuity. 3. Capability – how capable is the organisation at managing change. 4. Scope – depth and breadth of the change. 5. Capacity – how much resource can the organisation invest in terms of cash and personnel? 6. Readiness – extent of awareness on the need for change and the commitment towards implementing change. 7. Diversity – degree of diversity among staff groups that are affected by change 8. Power – where is the power vested in the organisation? <p>Design Choices</p> <ol style="list-style-type: none"> 1. Change Path – nature of change and the desired end result e.g. evolution, adaptation, revolution. 2. Change Start-point – the way change is initiated and developed e.g. top down, bottom up. 3. Change Style – the way change process is managed e.g. directive, collaborative 4. Change Target – what is to be changed e.g. staff behaviour, values, performance objectives. 5. Change Levers – mechanisms to be deployed for enabling change e.g. technical, political, cultural and interpersonal. 6. Change Roles – the different roles which can facilitate change e.g. internal change champion, external facilitation, functional delegation and action team.
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Other change management approaches such as Beckard's (1987) and Pasmore's (2011) change frameworks could also find use in this research.

Beckard's (1987) explains the process of planned change in four steps shown below:

1. Determining the need for change
2. Defining the future state
3. Assessing the present in terms of future state to determine the work to be done
4. Managing the transition

Pasmore (2011) presents a complementary framework comprising of four steps to evaluate the success factors for the change intervention shown below:

1. Understanding the need for change
2. Framing the change
3. Undertaking the change
4. Sustaining the change

These frameworks will be employed in the research to inform the practice of action research to deliver change.

2.7 Modularity in professional service operations

There is a growing body of work on how to organise high volume, low variety operations akin to service factories (Schmenner, 1986, 2004). Harvey *et al.*, (2016) and Lewis & Brown (2012) report on the existence of significant amounts of standard work within professional service operations stimulating the deployment of classic process analysis and improvement interventions from OM literature. There is however not enough research on improving high-variety, low-volume services which are typical of professional services and in particular legal services. This is one of the gaps that the current research is going to address by way of conducting an intervention into the operational practices within law firms based on a single in-depth case study.

Tinnila and Vepsalainen (1995) offered a typology of services based on the degree of service customisation ranging from simple to complex. They classified services into the following categories on the basis of complexity and contingencies involved:

Mass transactions

These are simple services with few options and little customisation of the terms of delivery carried out by routine tasks.

Standard contracts

These services may involve complex specifications but are not extensively adapted to an individual customer. A standard contract would specify the options and application to the customer.

Customised delivery

These are services tailored to individual customers involving some uncertainty.

Contingent relationships

These services involve complex problems, several interrelated activities and intensive communication.

Recent work by Giannakis et al., (2018) presents a conceptual framework that links the service and supply chain modular architectures with the supply chain strategy of service firms. This perspective offers a lens to understand the legal service operations by juxtaposing different service lines to obtain a best fit of modularity based on the potential for standardisation.

2.8 Innovation in Legal Services

Innovation is widely recognised as a means of organisational development and essential for creating competitive advantage within firms (Teece, Pisano, and Shuen 1997). Innovation is a well-researched area concerning product based organisations but less prominent in service based environments (Bitner, Ostrom, and Morgan 2008), in that the role of innovation in legal services or other knowledge-intensive and professional services has been sparsely researched with exceptions of few works published recently for example by Michalakopoulou *et al.* (2021); Bourke, Roper, and Love (2020); Chichkanov, Miles and Belusova (2019); Desyllas et al. (2018); Moore and Haji (2017) and Fu *et al.* (2015). Although innovation in wider services context has seen paradigmatic shift in recent times due to changes in technology (Helkkula, Kowalkowski and Tronvoll, 2018), there is little evidence from legal services sphere.

Moore and Haji (2017) clearly indicated that there is a need for innovation within the conventional structure of law firms in particular relation to partnership model and the billable hour model, which are at the forefront of this present research aligning with the discussion on P2-MPB in the previous section. This view aligns with that of Jabbari (1994) and Pritchard (1991) who commonly agree on the reason for lack of innovative approaches in law firms being the partnership structure.

Coming to the mechanics of what is involved in innovation, Bourke, Roper, and Love (2020) discussed about the 'Activities' that enable innovation in legal services particularly focusing on the distinction between early activities of initiation, ideation, and exploration in juxtaposition with later activities such as implementation, codification, commercialisation or exploitation. The present

longitudinal research draws on both types spanning the whole breadth of activities from initiation to exploitation aligning with the nature of Action Research which is to improve the problem situation for the better culminating in organisational impact. A view that is shared by Michalakopoulou *et al.* (2021) who define innovation as “a service improvement mechanism that creates positive firm change based on technology uptake, human and social capital management, and knowledge transfer”. According to Martin, Gustafsson and Choi (2016), service innovation could comprise of new service development besides new or improved delivery processes, a view that indicates definitions of service innovation to be broad, reflecting novelty and commercialisation rather than new technology. Similarly, Maister (1990) in relation to change in law firms calls for developing “a set of actions that will make the firm's services more valuable to clients than the services of competitors”. Focus on *Action* and the pertinent *Activities* that embody innovation is prominent in literature, for example Hansen and Birkinshaw (2007) present a value chain perspective of innovation which requires firms to cultivate new roles for employees. Roper, Love and Bourke (2016) took a work organisation perspective to innovation in legal services positing that professional service firms gain competitive advantage principally by exploiting their intangible knowledge assets which involves teamwork and the sharing and combining of knowledge within the firm. According to Gottschalk (2002) competitive strength of a law firm comes from knowledge. Knowledge is a renewable, reusable, and accumulating resource of value to the firm when applied in the production of legal services.

Michalakopoulou *et al.* (2021) argue that innovation in legal services goes beyond mere technological uptake and means creating positive change in processes and business improvement. The authors present a distinct set of barriers and enablers for innovation in legal services through an extensive thematic analysis reinforced by empirical data, as shown in Table 2.4 below. The timing of this study is crucial as this overlaps with present research and shares several common elements particularly the focus on Innovation as a vehicle for transforming law firm operations.

Table 2. 4: Barriers and Catalysts for Innovation in Legal Services (Source: Michalakopoulou et al. 2021)

Catalysts for Innovation	Barriers for Innovation
Organisational & Policy Reforms	Organisational Transitions <ul style="list-style-type: none"> • Strict Regulations • Brexit • Legal Aid Decrease
Improved Leadership/Management	Human Factor <ul style="list-style-type: none"> • Poor Management of Employees • Poor Worklife Balance • Resistance to Change

Flexibility & Communication	Client & Market <ul style="list-style-type: none"> • Poor Interaction • High Expectations • Abstract Fee Schemes
Lean Operations	Legal Processes <ul style="list-style-type: none"> • (In)Efficiency • Complexity
Multidisciplinary Education & Training & Knowledge Transfer	Education <ul style="list-style-type: none"> • Limited Cross sector Engagement • Limitations in Legal Education
Technology Transfer	Technology <ul style="list-style-type: none"> • Cybersecurity • Slow Adoption

Some of the barriers presented here have retrospectively been the subject of this present research particularly the themes of Resistance to change, Abstract fee schemes (billable hour), Legal processes with their inherent inefficiencies and complexity. Although the above table provides an extensive set of factors inhibiting innovation in legal services, a crucial factor relating to the ownership and firm structure has been ignored. The ownership structure and partnership model has been extensively studied in Organisation Science literature in some of the papers listed in the systematic literature review presented in Table 2.2. For example, Pritchard (1991) proposes that greater managerial control will unleash the innovative forces in law firms by quoting examples from other PSF such as Accountancy firms who adopted a corporate management structure who gone on to be great service innovators expanding into areas such as recruitment, IT and management consultancy. Lewis and Brown (2012) explained how the law firm structure offers control over operational processes and motivation for members to improve performance. Although the overall structure of the firm remains unaffected, the authors observed how firms were able to benefit from process standardization towards increasing their capacity for volume and reducing operational costs.

Von Nordenflycht (2007) offers some insight on how innovative performance of a professional service firm can be measured in the form creativity awards won in a given year. This view is echoed by other researchers, for example Sherer & Lee (2002) indicates that prestige matters significantly in this field when it comes to initiating institutional change, ‘it is the highly prestigious that initiate change’. Awards are a way that law firms could take leverage of in gaining prestige to legitimise their action. An example of such innovation is that of Davis Polk an American law firm which introduced the Senior Attorney track as a way to address the human resource scarcity in 1980s and the challenges

of Cravath (up-or-out) model of career progression in law firms. The present study will explore this dimension of how action research intervention in a law firm’s operations can elevate its *internally neutral* underperforming operations function (Hayes & Wheelwright, 1984) into one that is *externally supportive* and a role model in the industry imparting prestige and legitimacy to the firm.

Becker et al. (2001) predicted that the legal industry will change rapidly because of three important trends – 1. global companies seeking out law firms that deliver legal services across geographical boundaries in matters such as M&As and capital market transactions, 2. a decreasing trend in client loyalty who are looking for more objective evaluation of value offered by the lawyers and 3. New entrants to the legal market such as online law shops. This view offers a strong case for innovation in the form of new value propositions and services powered by technology. Mountain (2001) argues that legal web advisors are a disruptive technology that law firm competitors, such as supermarket law shops and corporate clients, are beginning to harness to erode law firm margins.

A summary of various themes focusing on innovation in legal services along with the relevant authors is presented below in Table 2.5.

Table 2. 5: Relevant literature with various themes focusing on Innovation in Legal Services

Focus of Innovation in Legal Services	Relevant Literature
Technology	Becker et al. (2001); Mountain (2001)
Work organisation	Roper, Love and Bourke (2016)
Operations (Practice, process and activity)	Michalakopoulou <i>et al.</i> (2021); Bourke, Roper, and Love (2020)
Firm structure and ownership	Moore and Haji (2017)
Knowledge management	Gottschalk (2002)

2.9 Operational capabilities required to deliver legal services efficiently

One of the objectives set out to be achieved through this research is the articulation of capabilities required by law firms to improve operational efficacy and deliver higher-valued services. Operational capabilities can be defined as the sets of skills specific to each firm, its processes, and routines, developed within the operations management system, that are regularly used in solving its problems through configuring its operational resources (Wu, Melynk & Flynn, 2010). The authors developed this definition based on the concept of organisational capabilities in strategic management literature and adapted for operations management context.

According to Wu, Melynk & Flynn (2010) operational capabilities are distinct and hence not imitable by other firms, making them a source of competitive advantage. Operational capabilities provide unity,

integration, and direction to resources and operational practices. They encapsulate both explicit elements (e.g., resources, practices) and tacit elements (e.g., know-how, skill sets, leadership) for handling a variety of problems or dealing with uncertainty.

They identified a set of six capabilities as detailed below:

Operational improvement

Differentiated sets of skills, processes, and routines for incrementally refining and reinforcing existing operations processes.

Operational innovation

Differentiated sets of skills, processes, and routines for radically improving existing operations processes or creating and implementing new and unique operations processes.

Operational customization

Differentiated sets of skills, processes, and routines for the creation of knowledge through extending and customizing operations processes and systems.

Operational cooperation

Differentiated sets of skills, processes, and routines for creating healthy and stable relationships with people from various internal functional areas and external supply chain partners.

Operational responsiveness

Differentiated sets of skills, processes, and routines for reacting quickly and easily to changes in inputs or output requirements.

Operational reconfiguration

Differentiated sets of skills, processes, and routines for accomplishing the necessary transformation to re-establish the fit between operations strategy and the market environment, when their equilibrium has been disturbed

2.10 Summary of findings from relevant literature

The following points can be summarised from review of literature carried out in this chapter:

- Professional Service Firms and in particular law firms seem to be a fertile field for OM researchers in view of the limited research that exists in this domain.
- Though there is evidence of some literature in the HR domain (Hogan, et al., 2011; Hitt, et al., 2001; Semadeni & Anderson, 2010) relevant to PSFs, other areas of management especially service operations have little contribution towards PSF literature other than the publications identified and referred to in this chapter.
- The need for conducting empirical research in this domain can be justified as a means to not only create new knowledge but also as a vehicle to inform practice in professional service operations management which will be of direct benefit to managers in PSFs.

- Based on the various themes discussed above in literature, the following gaps exist particularly in the sphere of innovation in legal services:
 - There is no evidence on how interventions at the process-level can be designed and initiated to harness innovation.
 - There is no evidence on who takes ownership of innovation in law firms and what new roles are required to achieve innovation.
 - There is growing evidence of survey-based research on legal service innovation but little evidence exists on how to effect change based on in-depth case studies.

2.11 Ongoing Review of Relevant Literature

In this thesis, the literature review is not limited to this chapter alone, as literature will be consulted and used in an abductive approach rationalising the findings and phenomenon observed throughout the study. For example literature is presented in the Methodology Chapter which relates to the elaborate multi method approach used in this study and in the case study chapter to design the intervention based on relevant theoretical frameworks, in the reflection chapter (Chapter 7) to discuss various implications of the results, and the link between present context and the wider literature in the broad fields of OM and change management.

Chapter 3 Research Methodology

This chapter presents the various approaches used in the process of meeting the research objectives. The overarching research philosophy, design and methods are discussed in support of the exploration. Systems thinking and Soft Systems Methodology are discussed in detail as the dominant approaches for structuring this study about understanding the operational practices and delivering improvement in a legal services environment. The use of ProOH modelling methodology embedded into the Canonical Action Research model is discussed.

Methodology is a set of tools, techniques and procedures, used to conduct research and is a crucial component of any research activity. Research itself is a methodological process of collecting, analysing and interpreting the data for arriving at conclusions that explain the phenomenon being observed.

Methodological conceptualisations for a research topic is vital as it informs the researcher of the different philosophical worldviews, approaches, designs, methods and analytical techniques that are available for use in a research undertaking (Saunders *et al.*, 2009); as well as provides the researcher an opportunity to make decisions on how to address a research problem.

According to Saunders *et al.* (2009), methodology can be considered as a theory for directing how the research should be conducted and methods are techniques and procedures for gathering and analysing the data. Based on this view and the detailed model for structuring a research undertaking, the model presented by Saunders *et al.* (2009) is employed in this chapter to discuss the broad headings as presented below:

- Research Philosophy
- Research Paradigm
- Research Design
- Research Method
- Research Strategy Framework
- Suitability of Methods
- Combining methods to develop research design
- Data Collection
- Data Analysis

3.1 Research Philosophy

In the process of designing research approach for this study, the philosophy of Daft (1983, pp 540-543) was employed as detailed in the three statements below:

- **Research as a Craft:** This viewpoint argues that a research design should not be too rigorous or controlled, removing all uncertainties, as this assumes that the researcher has such extensive knowledge of the phenomena that results can be predicted. Rather if the aim of research is to acquire learning which is new (where the answer is not known in advance), then the research design has to allow for surprises.
- **Research as Storytelling:** Collection and analysis of data is important, but the most important aspect of research is telling the story which relentlessly asks what the data means - why the results are so. This is the contribution to knowledge. To gain an understanding of the "why" of the research results it was realised it would be necessary to relate the status quo of operations

to an analysis of the organisational culture and the context in which the project was carried out, and in this way try to interpret why events occurred, in places finding an underpinning theme that explained the phenomenon such as the Archetype Theory in Professional Service Firms e.g. P2 – MPB archetypes (Cooper et al, 1996; Pinnington & Morris, 2003)

- **Learn About Organisations First-hand:** This approach encourages to go out into organisations and experience their richness, and only then will it be possible to develop insightful theories. It was decided that the richest learning experience was to take up real organisational scenarios and use them directly for research and thereby generate learning. It was also believed that the researcher's work within legal services, and especially in the role of a change manager over a period of 7 years, has given the researcher a rich understanding of organisational life, which inevitably will underpin interpretation of the case study.

3.2 Research Paradigm

A paradigm may be viewed as the basic belief system that guides the inquirer in fundamental ways such as the choice of method, ontology and epistemology (Guba & Lincoln, 1994). According to Guba (1990), paradigms can be characterised through their:

- **ontology** which addresses the question of ‘What is the form and nature of reality and, therefore, what is there that can be known about it’?
- **epistemology** which addresses the question of ‘What is the nature of the relationship between the knower and what can be known’? *and*
- **methodology** which addresses the question of ‘How can the knower go about finding out whatever he or she believes can be known’?

These three choices create a holistic view of how knowledge is viewed, how the researcher sees himself in relation to this knowledge and the methodological strategies he uses to discover it.

Paradigm can also be understood as the worldview of the researcher. Positivism and Interpretivism are observed to be the two major world views widely prevalent and debated in the research community. The table below provides a comparison between positivist and interpretivist paradigms.

Table 3.1: Comparison between positivist and interpretivist paradigms

	Definition	Positivism	Interpretivism
Ontology	What is the form and nature of reality and, therefore, what is there that can be known about it?	Researcher and reality are separate	Researcher and the reality are inseparable

Epistemology	What is the nature of the relationship between the knower and what can be known?	Objective reality exists beyond the human mind - objectivist	Knowledge of the world is intentionally constituted through a person's lived experience - subjectivist
Methodology	How can the knower go about finding out whatever he or she believes can be known?	Experimental, verification of hypotheses, mainly quantitative methods - statistics, content analysis	Qualitative methods, Hermeneutics, Phenomenology

Source: Adapted from Guba & Lincoln (1994)

In this study, the researcher upholds the view that reality is subjective and context-sensitive, and the purpose of this research is to explore, understand and explain the system i.e., the legal service system in the light of operations management. Such a perception indicates that the researcher has an interpretive world view as dictated by the property of three axioms discussed in the above table – ontology, epistemology and methodology.

3.2.1 Interpretivism as the Dominant Paradigm

Interpretivism is observed to be the dominant paradigm followed by researchers in the studies surrounding professional service firms, especially those focused on enhancing the organisation theory. Interpretivism and qualitative research are sometimes used inter-changeably. For some, the former term is often taken to mean all of those approaches in the human sciences that do not take a hypothetico-deductive approach to investigation, whilst others maintain more narrowly that qualitative research is itself characterised by an interpretive approach (Denzin and Lincoln, 1995 p.2) While interpretivism can be understood as an umbrella term covering several traditions, in that the researchers have mostly followed phenomenology. Phenomenology as a philosophy is based on the premise that 'one who is experiencing something can never stand apart from that experience' (Lee & Lings, 2008 p.59). For example studies focused in law firms that used case research as the methodology include the following example:

- Giannakis *et al.*, (2018) conducted in-depth multiple case studies in 10 law firms as part of an empirical confirmatory analysis (operations management focus)
- De Blok, C., Van Donk, D.P., Seepma, A.P., Roukema I.M. (2015), conducted an explorative case study applying supply chain logic to criminal law enforcement (operations management focus)

- Lewis & Brown (2012) conducted an in-depth case study into a law firm based in the UK (operations management focus)
- Smets, Morris & Greenwood (2012) studied the case of law firms in the UK and Germany (institutional theory focus)
- Pinnington & Morris (2003) studied the case sample of 197 law firms in the UK (institutional theory focus)

3.4 Research Methods

3.4.1 Qualitative and Quantitative Methods

Qualitative and quantitative methods are the two different types of research methods classified based on the information type used to study a phenomenon. Quantitative methods allow gathering and interpretation of data which is in a numeric form. Qualitative research methods are more suitable when the researcher aims to gather insights from and understand a social setting comprising of actors and activities. The resources available, the type of information needed, and training of the researcher are some of the factors that influence the choice of the method used by the researcher (Singleton & Straits, 2005).

For this study qualitative methods will be most suitable as there is little evidence and knowledge base available in the domain of Professional Service Operations Management (PSOM) pertinent to legal services. Therefore, it will permit the researcher to understand and explain the phenomena as observed from a real-life setting.

The method and approaches discussed in the following sections explain the philosophical underpinnings of this research which impart scientific rigour and practical relevance.

3.4.2 Case Study Method

Case study can be defined as an empirical analysis that examines a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2017). Knights and McCabe (1997) indicate that, case study provides a vehicle through which several qualitative methods can be combined, thereby avoiding reliance on a single approach.

The research was designed based on in-depth case research. Case-based methods are widely recognized as an effective means for unpacking complex concepts in the process of developing explanatory theory (Meredith, 1998). The advantages of case research include studying the phenomenon in its natural setting and hence generating theory from actual practice; the ability to ask the why questions rather than just the what and how; the ability to uncover variables which may be misunderstood or unknown (Benbasat, Goldstein and Mead, 1987). Voss, Tsirikrisis and Frohlich (2002) represent the views of a

growing number of researchers when they argue that ‘case research has consistently been one of the most powerful research methods, particularly in the development of new theory’. However, proponents of case methodology emphasize the rigour that must be applied. Effective case selection, underpinned by a structured research protocol, has been identified as critical in ensuring such rigour (Stuart et al., 2002; Voss, Tsiriktsis and Frohlich, 2002).

Case research is dominant in the field of operations management as a method for conducting research, particularly for developing new theory and also for testing and refining existing theory (Voss, et al., 2002). Especially in the contemporary world where technology and managerial methods are continuously evolving, field-based research methods prove helpful for operations management researchers (Lewis, 1998). Of all the published papers, case and field study research accounted for up to 9% (Pannirselvan *et al.*, 1999).

In case research, case study is a unit of analysis. In a typical case research, the researcher might plan to study several units in the form of different organisations in a particular industry or different industries itself. Case research facilitates an inductive approach where empirical data is gathered to form a theory or refine existing theory in light of the data gathered from a particular context. Context is an important feature of a case study. Case studies potentially improve the relevance and workability of resulting operations management theory within that particular context (Lewis, 1998).

In the present research, the context is legal service operations also throughout the research interchangeably used with professional service operations. The Unit of Analysis is a single firm (Solicitors Co.) within which 5 different cases have been selected to study the various legal service operations in-depth.

According to Gummesson (2000), case study provides access to reality and the quality of information availed from it makes it possible for the researcher to better understand the particular system being studied. Though case research is becoming popular in the recent times, operations management has been a field traditionally dominated with *rationalist* methods such as optimisation, simulation and statistical modelling for building new theories in the field (Meredith et al., 1989). Rationalist approach is mainly identified with the belief that phenomenon being studied exists ‘out there’, independent of the research context or beliefs and assumptions of the researcher (Guba, 1990, p. 20–21).

Though each of these approaches, case and rationalist, have both advantages and disadvantages as listed in Table 3.2, the fundamental difference between them lies in their philosophical roots. While case research closely matches with *inductive* approach, the rationalist stance reflects *deductive* approach.

Table 3.2: Advantages and disadvantages of rationalist and case research methods

	Advantages	Disadvantages
Rationalist	Precision Reliability Standard procedures Testability	Sampling difficulties Trivial data Model-limited Low explained variance Variable restrictions Thin results
Case research	Relevance Understanding Exploratory depth	Access and time Triangulation requirements Lack of controls Unfamiliarity of procedures

Source: Meredith (1998)

In this study, the researcher has identified a law firm as the case to be studied acting in the role of an insider to understand the way operations management is practised within the legal services and then generate new knowledge around it. The researcher has also been involved as a participant in this study involving action research which is discussed in the following sections.

There are three major factors for choosing a single in-depth case study for this research: (i) rich data associated with an in-depth case study that could help probe the boundaries of phenomenon (ii) single case study would allow the researcher to become familiar with the details of the profession and the (iii) the context specificity of the organisation and the changing composition of a professional service operations (Lewis and Brown, 2012).

3.4.3 Systems Thinking and Soft Systems Methodology

In this research, an intervention built using the principles of systems thinking will be applied to bring about the required cultural and operational changes in the case study organisation.

For many years systems thinking has been used as an intervention to deliver change, going back to some of the earliest writings produced at the beginning of the twentieth century (e.g. Bogdanov, 1913-1917). There is a long history of work in systems thinking geared to facilitating organisational change and wider social improvement (Midgley, 2003) especially in complex organisational settings. Complex systems are those with multiple causes and effects that are highly context-sensitive and not responsive to linear, prescriptive methods of intervention (Jackson, 2006).

Delivery of legal services can be considered a complex system because there are multiple stakeholders involved in the transaction and interactions between them can result in varied outcomes depending on the contexts (Benedettini & Neely, 2012). Soft systems thinking can provide us with an unconventional

perspective for viewing legal service delivery as a complex system, and a tool to appreciate the interconnectedness of contextually dependent components (Clegg, 2007).

The intuition provided by systems thinking can enhance our world view of legal service delivery by emphasising its systemic behaviour. There are various methodologies within systems thinking, out of which the primary interest of the researcher is on Soft Systems Methodology (SSM). SSM was developed to find a better way of dealing with situations that we continually face in our everyday life, those which we feel “something needs to be done about this” – problematical situations (Checkland & Poulter, 2006).

3.4.4 Action Research

In the broader Case Study framework, action research (AR) has been employed as a method for this study. Action research can be described as a cyclical process where the researcher primarily selects a real-world situation, assigns respective roles to the people (participants) in that situation and begin to inquire about the situation so as to make improvements (Checkland 1991). Simultaneously, both the researcher and participants start to make sense of the situation with the help of the declared framework and methodology. The procedure can be repeated as the earlier stages can be reflected upon and new learning may be generated to apply further to improve the situation. Ultimately, the researcher leaves the situation and reports the findings. The leaving from the problem situation sometimes random as the situation can never completely be solved and social situations perpetually evolve through time. The main feature of an action research methodology is that it comprises a series of successive research cycles, which when connected become a spiral (Saunders, 2003, p.95). As laid out by Coghlan & Brannick (2014), Figure 3.1 demonstrates the spiral action research cycle in a simple way.

Action research is a cyclical methodological research process where researchers select real world situations, assign respective roles to people in situ (participants) and enquire about situational conditions intending to improve any given situation (Checkland, 1991).

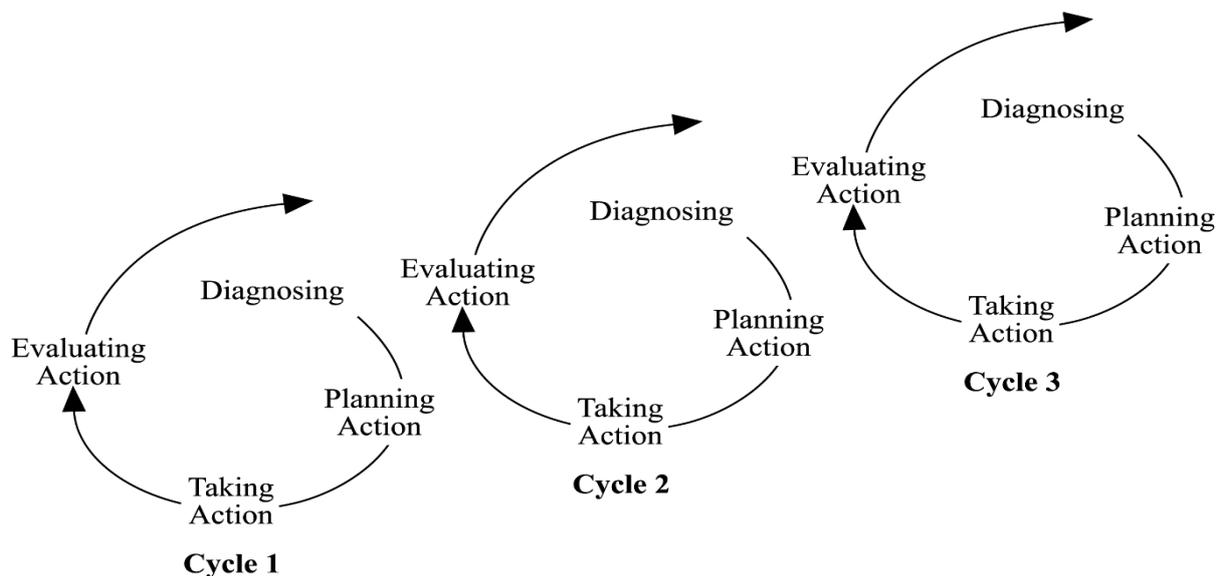


Figure 3.1: *The Spiral of Action research Cycles.*

Source: Coghlan & Brannick (2014, p.11)

According to Carr & Kemmis (1986), action research can be classified into at least three different types. Each type has different aims, roles and relationships between the researcher and the practitioners (Carr & Kemmis 1986). Table 3.3 demonstrates the three different types of action research. The proposed research is of the second type, practical.

Table 3.3: Types of Action Research

Type of Research	Aims	Facilitators Role	Researcher – Participant Relationship
1. Technical	Informing	Expert	Participants dependent on researcher
2. Practical (interpretive)	Understanding	Participation	Process-oriented consultation
3. Emancipatory	Transformation	Moderator	Collaboration to expose injustices

Source: Carr & Kemmis (1986)

The three types of action research are distinguished not by the methodologies they use but rather in the underlying assumptions and world views of the participants that cause the variations in the application of the methodology (Grundy 1982 p.363).

In action research process the researcher gets involved in action, performing the role of an insider influencing the collective action of the group. It is also known as participatory research. Action research has its philosophical roots in pragmatism (Greenwood & Levin, 1998). It mainly uses terms like “intervention” and “collaboration” or “interactivity” in defining the methods of doing things and how

they relate to their field of study and think of their activity as a form of “applied research” (Eikeland, 2012 p.10).

Selener (1997) proposes that participatory action research has its theoretical roots in the liberationist writings of Karl Marx which emphasises the importance of helping people to develop critical thinking so that they could understand the ways in which they could develop their own organized action in order to address these issues. Therefore, action research is understood to have two main objectives – producing knowledge and action directly useful to a group of people, and to empower people at a deeper level through the process of constructing and using their own knowledge (Reason, 2001).

3.5 Research Strategy Framework

The research strategy designed to address the objectives is shown in Figure 3.2. The strategy as defined in a top-down style consists of the interpretivist paradigm, a combination of case study and action research to collect data using interviews, focus groups, workshops and reference to documents.

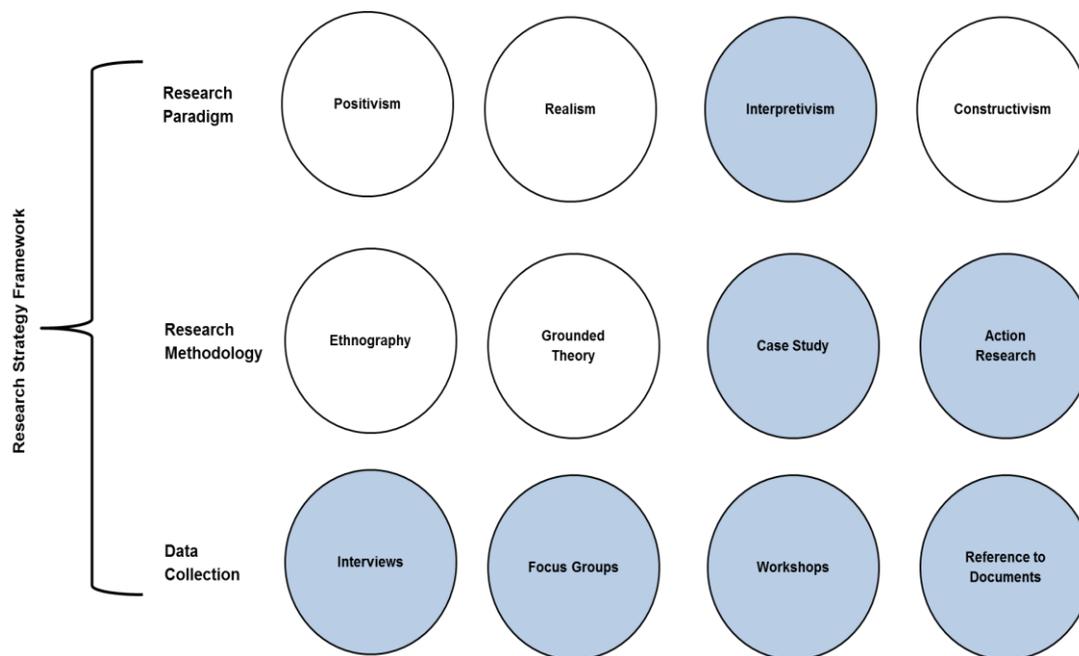


Figure 3.2: Research strategy

3.6 Suitability of Action Research for the research context

According to (Coghlan and Brannick, 2001), Action Research is appropriate when the research question relates to describing an unfolding series of actions over time in a given group, community or organisation; understanding as a member of group how and why their action can change or improve the working of some aspects of a system; and understanding the process of change or improvement in order to learn from it.

3.6.1 Limitations of Action Research

Although action research has a bigger purpose, there are inherent dilemmas to researchers practising it. For example, the double objective of answering a research question as well as fulfilling a practical need simultaneously (Rapoport, 1970). Also, the lack of ability to control processes and outcomes as well as their freedom to pick and choose problems (Baskerville and Lee, 1999). Furthermore, action researchers are also widely critiqued for not declaring and discussing the intellectual framework of ideas they use in their projects (Checkland & Holwell, 1998). Checkland (1981 p.400) argues that “there must be an intellectual framework, declared in advance, in terms of which learning has been defined. Without such a framework, action research can quickly become indistinguishable from mere action.”

The intellectual framework for this research will be presented in Case Study chapter where a portfolio of methods and theoretical frameworks are described along with the method of application.

3.6.2 Collaborative management research

Another possible candidate to consider in designing the current research is the methodology of Collaborative Management Research (CMR). Pasmore *et al.*, (2008, p. 20) define CMR as “an effort by two or more parties, at least one of whom is a member of an organization or system under study and at least one of whom is an external researcher, to work together in learning about how the behaviour of managers, management methods, or organizational arrangements affect outcomes in the system or systems under study, using methods that are scientifically based and intended to reduce the likelihood of drawing false conclusions from the data collected, with the intent of both improving performance of the system and adding to the broader body of knowledge in the field of management.” This definition closely resonates with the way this research is conducted – the researcher being an outside recruit to work for a specific time within the organisation supported by University-Industry partnership. According to Coughlan *et al.*, (2016), CMR is constructed typically out of practitioner perceptions of key issues and out of key issues that emerge out of the themes when issues are analysed.

It is important to note that key issues occur in two iterations as explained above by Coughlan, this pattern is very much evident in this research particularly in conducting the action research cycles as presented in Case Study chapter – initially the key issues that made up the unstructured problem situation will be presented by practitioners themselves, which are then analysed by the researcher to identify themes based on which the research proceeds.

3.7 Framework Declaration: The framework to be used in the research

Systems thinking will be used as the basis for devising the research framework. System thinking emerged as discipline in providing an antidote to the ills of conventional thinking, mainly as a way to make sense of complex, messy systems that require interdisciplinary approaches to problem solving. For example, Senge (1990) has very concisely put it in a set of maxims that encourage the use of out of box thinking or holistic perspective to approach complex problems:

- Today’s problems come from yesterday’s solutions

- Cause and effect are not closely related in time and space
- Small changes can produce big results – but the areas of highest leverage are often the least obvious
- The cure can be worse than the disease
- The easy way out usually leads back in
- Behaviour grows better before it grows worse
- The harder you push, the harder system pushes back

Research methods based on Systems Thinking have delivered positive results in organisations (Senge, 1990). Systems thinking modelling is characterised by the following tenets:

- Represent both parts and wholes in a system through a holistic view
- Highlight interconnection between parts using feedback loops
- Integrate people, process and tools

The two major features of systems thinking according to (Chapman, 2004, p.14) are gaining a bigger picture (going up a level of abstraction) and appreciating other people's perspectives.

Soft Systems Methodology (SSM) is an approach in the broad domain of systems thinking. SSM was developed to find a better way of dealing with situations that we continually face in our everyday life, those which we feel “something needs to be done about this” –problematical situations (Checkland & Poulter, 2006 pg. 3).

Within SSM, the proposed research will particularly employ Process Oriented Holonic (PrOH) modelling to design the intervention. Specifically, (PrOH) modelling will be used to map ‘human activity systems’ (HAS) that help understand the problem situation and design purposeful action towards improving it. In this case, legal service processes will be mapped and redesigned towards achieving greater operational efficiency as well as offer increased value to clients.

3.7.1 Process Oriented Holonic Modelling

PrOH modelling has been developed using cases from the manufacturing and engineering sectors as a real-life application of systems thinking in the domain of business process design (Clegg, 2007). The researcher would apply this technique to develop real-life models of ‘human activity systems’ involved in the delivery of legal services with the aim of redesigning them to achieve greater operational efficiency as well as offer increased value to clients. One of the uses of PrOH modelling is to model and design business processes and its applications are currently in nascence within the professional services environment.

Process Oriented Holonic (PrOH) Modelling (Clegg, 2007) was used as a technique as well as a framework to facilitate, plan and take action in each legal service within the overall action research agenda. As a soft systems methodology (SSM) it is used to build models of human activity systems

(HASs). As the models are holonic; PrOH modelling was used to build holons of five different services, which were then abstracted to form a single firm level holon of the case study organisation. The set of holonic models together formed a holarchy. This project was the first time that PrOH modelling has been used in a professional service environment.

The PrOH models represented tactical level views of legal processes describing the interactions between people, systems, tangible and intangible entities involved in legal service delivery. In this way the service delivery process of each legal service was depicted as a 'Human Activity System' (Checkland, 1981, p.52). Through PrOH the researcher will be able to conceptualise, visualise, and critique services against the theoretical frameworks of volume-variety matrix and P²-MPB frameworks, which will be discussed in detail in the following chapter. A unique feature of PrOH modelling is that the researcher (modeller and facilitator) will be able to create a storyboard of each service which gives him the ability to solicit feedback on the process 'story' from a group of its stakeholders; which replicates other successful studies in manufacturing organisations using PrOH modelling (Clegg & Shaw, 2008). PrOH models will be built and validated during a series of working sessions with stakeholders from each legal service; they will be validated as 'defensible' representations of the real world, and will be verified to make sure that they adhered to the rules and guidelines for drafting a PrOH model (Clegg, 2007). Models will be iterated several times as necessary, as in good 'double loop learning' practice (Argyris & Schon, 1978) as this will ensure their empirical usability (Fitzgerald, 1996, p. 12). A template of a PrOH holon, on which all PrOH models will be based, is shown in Figure 3.3.

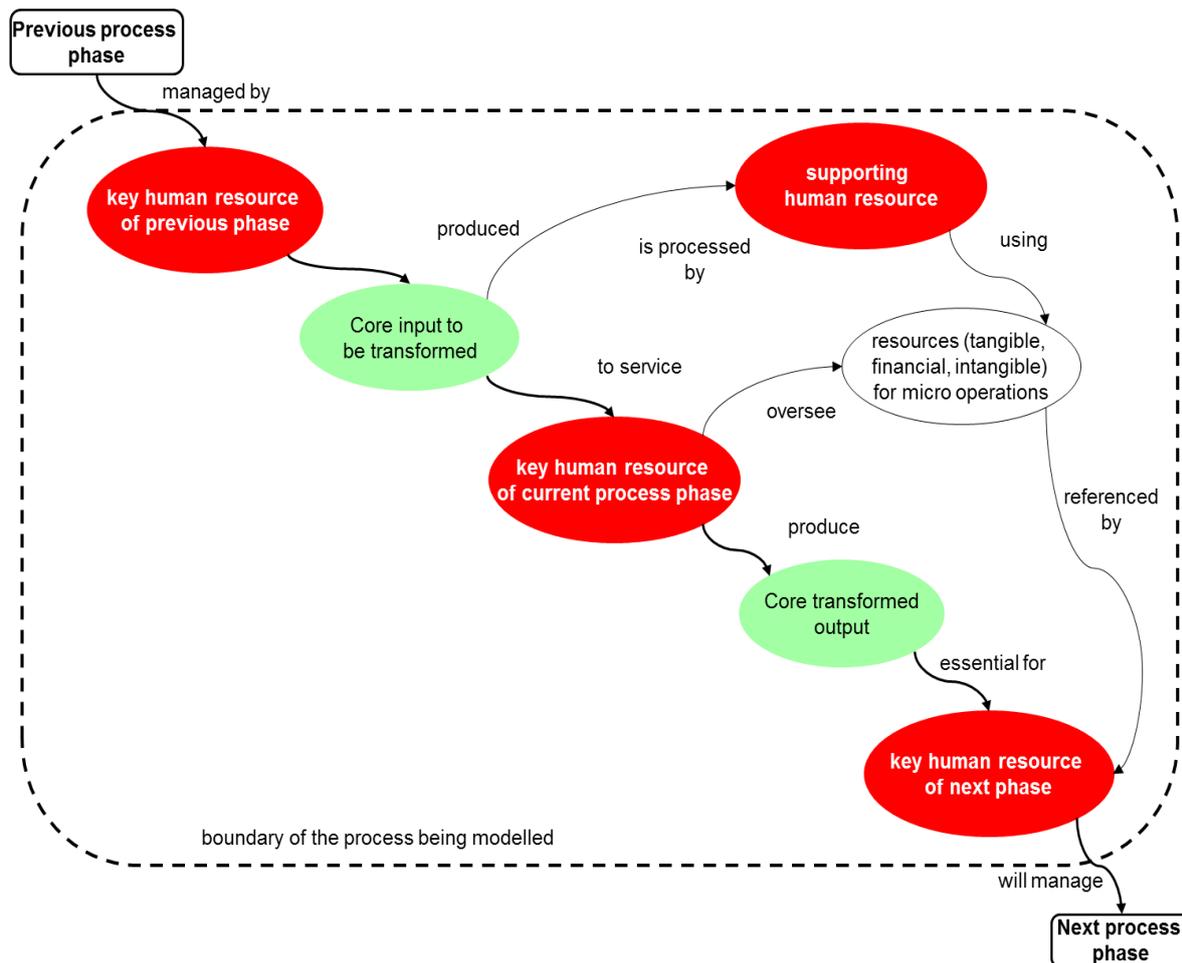


Figure 3.3: The PrOH holon template – “key human resource of current process phase produce core transformed output”.
Source: Clegg & Shaw (2008)

The bold arrows in the above template (Figure 3.3) run from top left to bottom right and show the core process necessary for building any holon. The remaining paths in the template show descriptions of supporting activities which are added to and adapted when specific instantiations are developed. Holons may be strategic, tactical or operational, and can be connected vertically upwards through abstraction techniques, or vertically downwards through refinement techniques (whether processes are sequential or parallel); or can be connected laterally by sequential chaining. It is important to highlight that this is the first time a strategic-level PrOH model has been produced through parallel abstraction, rather than sequential abstraction, of tactical level PrOH models.

Once built each PrOH model will be used as discussion vehicle in workshops with key stakeholders; PrOH models will be presented in scene-by-scene storyboards. Each scene in the process allows participants to debate better alternative approaches, as to whether a service should move towards or away from P² or MPB, and whether the volume-variety offering was appropriate to current and future operational capabilities.

Building a ProOH Model

Building a ProOH model requires full understanding of the process being modelled. The modeller (researcher) gathers information from the process owners (participants) through consultation. Necessary data to build ProOH models has been gathered from key people within respective legal and business support departments (Clegg & Shaw, 2008). All the process owners and stakeholders associated in creating and delivering the legal service has been identified and interviewed in order to understand the status quo of operations. Then ProOH models has been built using that data to depict the service process at different granularities, high-level to detailed-level. This is process will duly follow Step 2 (Planning Action) as detailed in Susman and Evered's (1978) five stage action research methodology discussed in the above section.

ProH models will be developed for each service line and used as a tool to enquire into the problem situation. These will be presented in the Case Study chapter in the respective AR cycles for each of the five departments within SC.

3.7.2 Canonical Action Research

The canonical action research methodology as proposed by Susman and Evered (1978) has been used in this study. There are five stages in the action research cycle as shown in Figure (D) as well as explained below:

- 1. Diagnosing / initial observation** – the project aims to understand the key areas where improvement is needed within the operational practices followed by the case study organisation (law firm). This data will be gathered using various methods such as one-to-one interviews, focus groups and meetings with key stakeholders in the respective legal service areas.
- 2. Action Planning** – based on the initial diagnosis the 'as-is' models of human activity systems will be built using ProOH modelling. The required actions to be taken for improving the problem situation in OM practice will be identified during this stage. The ProOH models will be narrated back to the participants in a workshop where, all the key stakeholders of that process are present. The ProH model will be presented in consequential steps (scenes) in the form of a storyboard. During each scene in the process, participants will discuss an alternative (better) approach and actively provide input that leads to identification of key success factors and corresponding operational challenges in the process. ProOH model storyboarding facilitates dialogue, where people with multiple viewpoints would interact and come to a consensus on the improvements to be made to the current service in question. These workshops will generate a list of key issues that need to be fixed (improved) so as to deliver the best service. These key issues will be categorized into different categories and a task (action point) is created against each issue that calls for action.

The PrOH models will be validated during these sessions to see if they represented the real world accurately, they will also be verified to make sure that they are adhering to their own rules and guidelines. This process will ensure the ‘empirical evidence of [their] usability’ (Fitzgerald, 1996, p. 12). Extensive iteration will be necessary as in ‘double loop learning’ (Argyis & Schon, 1978).

3. Action Taking – in this stage action teams will be formed by drawing people from across the departments. The researcher meets with the individual teams to agree the tasks and assign them to individuals in the team. Each team would then go on to take appropriate action in fulfilling the tasks. The researcher acts as a moderator in obtaining the output from each action team and ensures that the actions are being carried out appropriately as agreed.

4. Evaluating / analysing / reflecting – this stage occurs as a continuum during the process of taking action and afterwards. After the changes have been implemented by the action teams, the outcome will be measured based on the key performance indicators identified in Stage 1.

5. Specifying learning / reporting findings – outcomes of actions and the learning generated in the process of observing and participating in the action research will be specified and reported during this stage. Any theoretical underpinnings that match the phenomenon observed in the process of action research will be discussed.

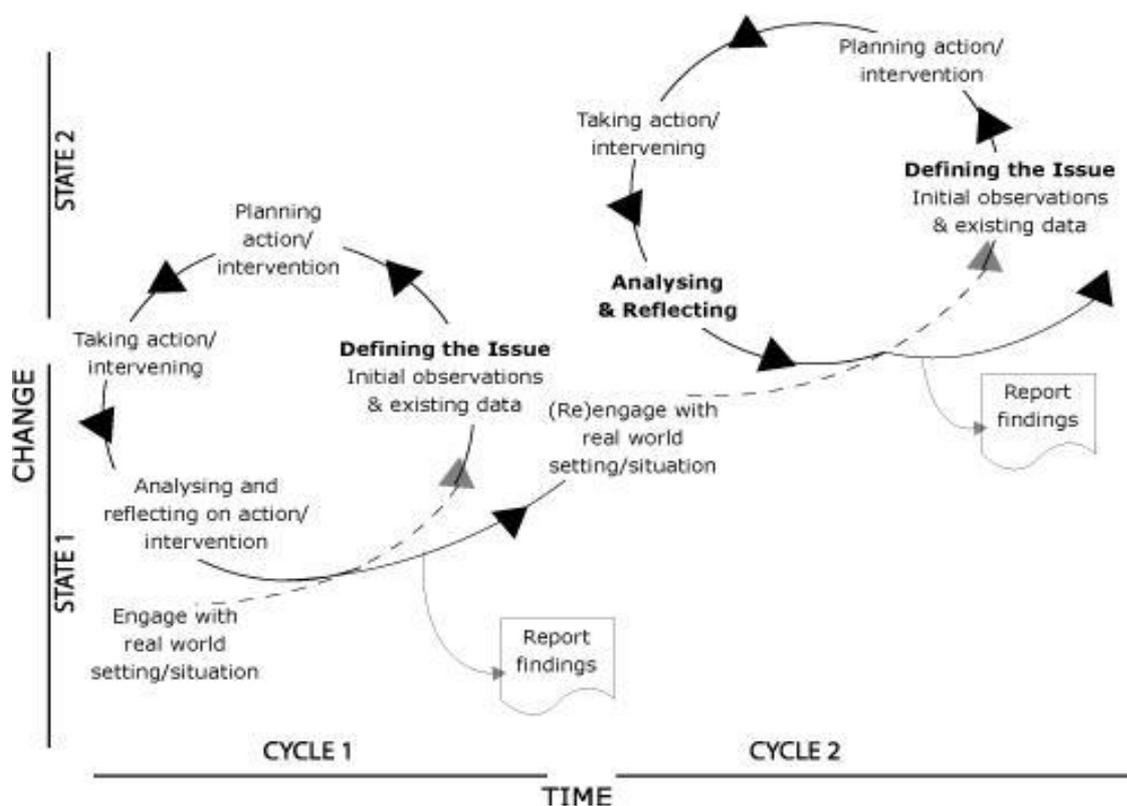


Figure 3.4: Action research methodology to be employed in the study. Source: Susman and Evered (1978)

3.8 Combining case and action research

Case research separates the knower from what it is to be known and research is conducted from a distance. But action research is rooted in each participant's in-depth, critical and practical experience of the situation to be understood and acted in (Reason, 2001). According to Reason (2001), the most important characteristic of action research that distinguishes it from the other forms of enquiry is its purpose. The purpose of academic research is to contribute to the body of knowledge; however it is argued that these theories are barely relevant and applicable to practitioners in the real world. But, the primary purpose of action research is to develop learning that is directly applied. Action researchers call it as communities of inquiry rooted in communities of practice (Argyris & Schon, 1974; Senge, 1990).

Hence due to the nature of the research problem of this study detailed in the Introduction chapter - If change in operations is imperative, how do law firms go about achieving it? Action research would help in finding answers to this question. The researcher's aim is to conduct action enquiry into law firm operations management by using soft systems methodology as an intervention to achieve cultural and operational transformation. Thus, the research will culminate by developing a framework which will act as a best practice for designing and achieving transformational change within a professional service setting.

According to Blichfeldt & Andersen (2006), both case study and action research are generic terms covering various forms of research yet with significant diversity in theory and practice. Both are concerned with the researcher's gaining an in-depth understanding of particular phenomena in real-world settings. Although both of them deal with context-bound knowledge, action research offers a greater role to the participants in defining the issues to be addressed - "action research takes its cues--its questions, puzzles, and problems--from the perceptions of practitioners within particular, local practice contexts." (Argyris and Schon, 1991 pp.86).

According to Schein (1999), the nature of an AR engagement fundamentally alters the traditional researcher's role, he argues that AR is the operating mode of clinical research, which he distinguishes from the nonobtrusive observation common in ethnographic research. Under the clinical research "agreement," the main concern of the researcher, much like that of a consultant, is to help the client achieve the agreed-upon goal, ceding control of the research area and duration of study to the client's appreciation of usefulness. This constraint has consequences for the processes of data acquisition and analysis and limits the results that can be derived from a study (Schein, 1999). It also clearly entails some risk for the researcher to the extent that the focus on the success of the intervention might compromise desired research design protocols.

3.9 Knowledge Creation in Action Research: the three contributions

Susman and Evered (1978) highlight and discuss about a "crisis in the field of organizational science" (p. 582), where they identify that research methods have become more sophisticated but simultaneously research became increasingly less useful for solving *practical problems*. They identify another shortfall which indicates that management science has generated knowledge that has led to improvements in the efficacy of organisations, "but often at the expense of the quality of working life of their members". It can mean that research could only be a practicable 'translation' of the results into management-language and the reality may be missing. In this case, research findings are still useful, but difficult to grasp for practitioners hence regarded as less useful.

Although this research is rooted in practice, hence Action Research (AR), a case for which has been made in the previous sections, it is imperative for any research action or otherwise to develop new knowledge and insights. Particularly AR is concerned with three different contributions in the areas of Practice, Methodology and Theory. This is what distinguishes AR from a mere consultancy engagement which is otherwise solely concerned with the change in client's problem situation, without the need to generate and codify new knowledge/theory.

According to Checkland (1981), AR (which is an intervention into a problem situation with a theoretical framework through a methodology), can generate insights relevant to each context:

- a) the problem situation or area of application A
- b) (b) the ideas in the theoretical or intellectual framework F used in action research and
- c) (c) the methodology or approach M used to improve the problem situation.

Figure 3.5 below illustrates the three learning levels enabled by an intervention.

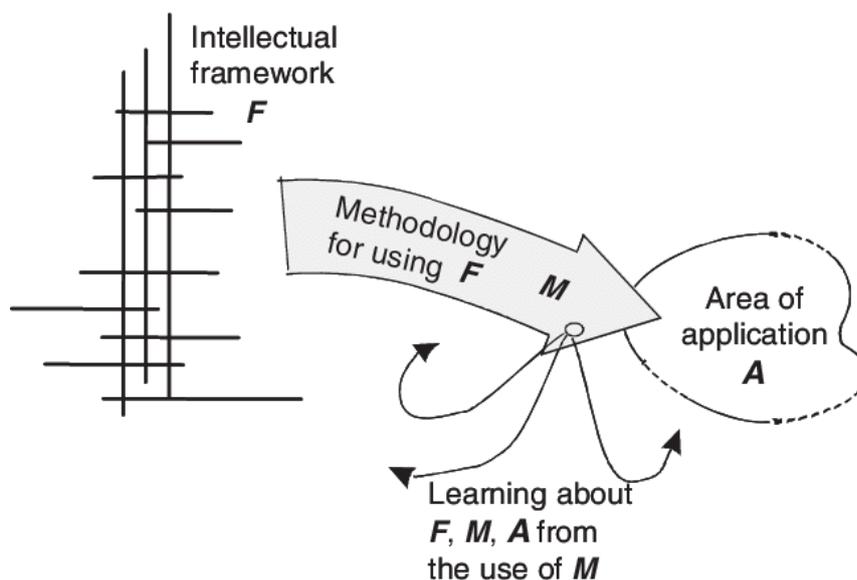


Figure 3 5: A methodology based on Action Research for developing intervention methods (Checkland, 1981)

Therefore, when viewed from the lens presented by Checkland in the above model, the insights or learning generated from this research (i.e. contribution) can be categorised into three types:

- a) Lessons about the problem situation or area of application (A) i.e. ‘legal service operations’
- b) Lessons about the ideas in the theoretical or intellectual framework (F) i.e. Archetype theory in professional service organisations based on the P2-MPB framework, and the framework of Change Kaleidoscope
- c) Lessons about the methodology or approach used to improve the problem situation (M) i.e. Action research in general, and PrOH Modelling methodology in particular

3.10 Research Design

Figure 3.1 represents the research design for this study indicating the interplay of various components such as literature, data analysis, case study leading to learning from the research intervention.

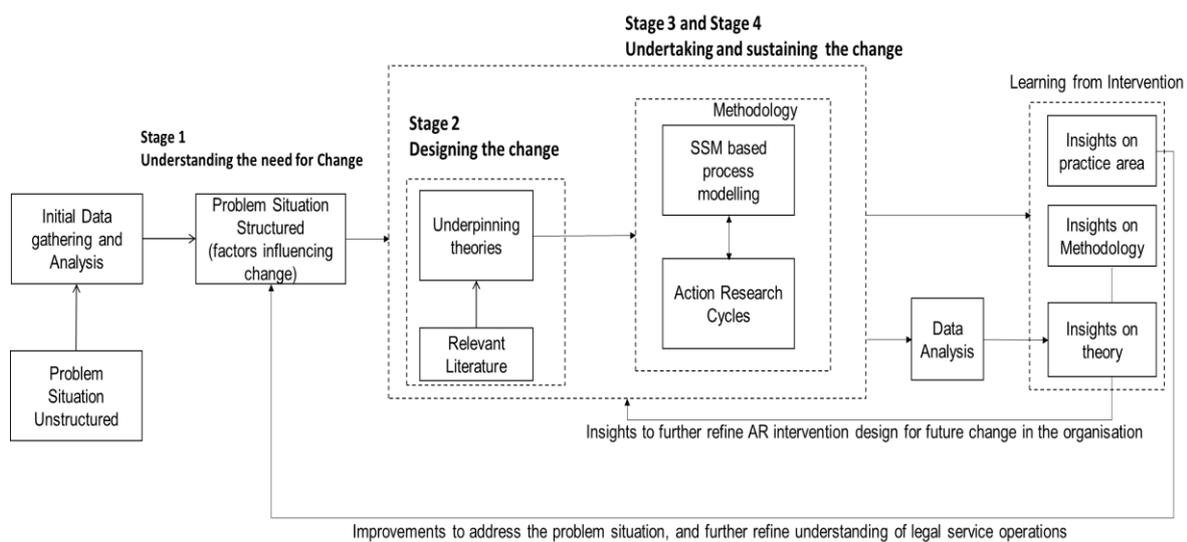


Figure 3.6 Research design of the present study

This research is underpinned by a single in-depth case study which involves an appraisal of 5 different sub-cases embedded into the case study to represent 5 legal service departments at Solicitors Co.

The research will be conducted in pursuit of the objectives stated in the Introduction Chapter. Literature will be consulted throughout the duration of the study in order to relate to the observations made in the field via process of abductive rationalisation (1998).

During the initial stages of the research Change Kaleidoscope model will be calibrated to understand the status quo of operations within the law firm. Based on the Change Kaleidoscope method, which suggests that designing and managing change is a context-sensitive process, with the aim of understanding such context-sensitive features of the law firm, data will be gathered from staff at all levels in the firm during the initial stages of the project. Midway through the project, after implementing several operational changes and engaging with staff members through various activities such as

involving them in focus group discussions, Process Oriented Holonic (PrOH) model storyboarding sessions, one-to-one interviews, action teams etc., the Change Kaleidoscope will be re-calibrated through a firm-wide survey to monitor the progress towards the desired changes in practice.

In the subsequent stages, Action Research is carried out in cycles, as explained in later sections. As an employee working in the role of an ‘organisational change and project manager’ within the law firm, throughout the study, the researcher will assemble several action teams involving people from all strata of the organisation. Models of human activity systems will be developed using PrOH modelling and applied (during the action research phase) to bring about a positive change in Operations Management (OM) practices at the law firm.

The central objective of this research is to practically implement operational changes and during this process generate knowledge about OM practices followed within a professional service firm setting as well as about the best practice for achieving transformational (archetype) change in a Professional Service Firm (PSF) environment.

3.11 Data Collection

As established in the previous chapters, this research requires rich data to understand and establish the “need for change within professional service firms (in particular – the case study organisation)”, the “mechanism for delivering it” and ultimately the “learning generated from the experience of delivering such change”. This rich data needs to be collected from one case organisations via several methods. This section elaborates on the methods used for data collection and analysis.

3.11.1 Data Collection Methods

Multiple sources of evidence need to be gathered for this research which has been discussed in the previous sections.

Interviews

There are two types of interviews conducted as part of this research. Firstly interviews with staff at Solicitors Co. conducted as part of the case study to obtain and codify process related knowledge, and understand the status quo of operations within the organisation. The second set of interviews involve clients outside the organisation to establish the quality of services based on their perceptions and expectations around various aspects of service. The data collection tools and questionnaires are provided in the Data Analysis chapter and in the Appendix.

The guides used for Interviews and Focus Groups will be presented in the Data Analysis chapter and Appendix. People at all levels in the case study organisations will be interviewed ranging from secretaries through to partners. Interviews and focus groups will be recorded where the participants consent to do so. Simultaneously, important ideas from the interviews will be noted down (scribed) during the session. In case where the participants have not agreed for recording the interview, the

researcher will be prepared to take detailed notes so that it could be later analysed and consolidated with data from other interviews of the same group.

Focus groups

In total 9 focus groups will be conducted in the case study organisation at two different points in time. Each group of participants represent staff from all levels in the organisation. The initial set of focus groups will help to understand the status quo of the service operations within the case study organisation. The next set of focus groups will be conducted after the completion of action research cycles within each of the participating departments. This longitudinal data is supposed to inform the effectiveness of the soft systems methodology employed in the process of transformation. The focus group discussions will be moderated by the researcher where possible with the help of key stakeholders in a way that ensures objectivity and allowing participants to express their views freely.

Survey

A survey will be conducted midway in the process of delivering change within the case study organisation to establish the effectiveness of the change intervention. This survey will be used to sense-check the application of use if various change levers employed in the research, for their suitability to the organisation and also to measure the gap between perceptions about change among participants versus non-participants in the research project. A firm-wide participation will be sought in the survey comprising of both closed and open-ended questions. A pilot survey with 10 respondents will be conducted to verify the usefulness of data from open-ended questions so that questions could be refined to make them clearer for respondents to understand and answer.

3.12 Validity and Reliability

Susman and Evered (1978) point to the age-old debate about the validity of research by contrasting between positivist science and social science quoting “Science itself is product of human mind, thus knowledge of the inquirer cannot be excluded from an understanding of how knowledge is generated. If human’s consciousness, worldviews, language, etc., are a product of the history of ideas as well as of social and economic development, then a social science model that ignores this product will ratify the past rather than help to create a better future.” The authors strongly argued that action research is a mode of enquiry more suitable to the perspective on organisations which has it that “organisations are systems of human action in which means, and ends are guided by values”. This is precisely the notion and belief of the researcher in conducting this research.

According to Ryan et al (2002), qualitative researchers should think in terms of procedural reliability, contextual validity and transferability in designing a case study. The author states that, reliability can be ensured by a sound research design involving a comprehensive research plan, clearly specified

research question and clear documentation. The remaining two aspects, transferability and contextual validity can be achieved by the quality of the data gathered and the suitability of the method.

This research will be closely based on these three main aspects as discussed below:

3.12.1 Procedural reliability

The procedure used in this research will be outlined in detail in the case study chapter which includes 5 principles laid out by Davison *et al.*, (2004) in conducting a sound action research-based study. Also a 4 stage model of designing the action research based on Beckhards's (1987) and Pasmore's (2011) work will be used in framing this research.

3.12.2 Contextual validity

The basis of this research and the necessity for conducting it has been laid out in the introduction chapter and this will be further validated using the themes generated from the initial data gathering exercise which would establish the factors driving intervention into transforming legal service operations, which is the context of this study.

3.12.3 Transferability

Transferability will be ensured by extrapolating the results and being able to generalise them to the wider legal and professional services industry. For example, the drivers of change currently shaping the operational practices within the case organisation (which will be established through this research in meeting Objective J1), will be argued as transferable to the wider industry. There is a case for transferability as there is a fundamental commonality in the legal profession where all lawyers draw on a common body of regulated knowledge and standards (in this case Law Society of England and Wales), they are bound by the commonality of professional practice which guides their actions. Similarly the tools and frameworks that will be developed as part of this research's output, will be generalisable to a larger population of firms in the legal sector as they will be based on the common grounds related to Client service and management of processes and managing of professionals as laid out by Lewis & Brown (2012) in previous research conducted in similar lines within a single case study.

3.13 Quality in Action research

There is an emphasis on quality over validity when evaluating action research. There are various suggestions from authors about ensuring quality in action research. For example: four quality dimensions of organization development through action research (Coghlan and Shani, 2014); five quality criteria proposed by Heikkinen *et al* (2007); 15 characteristics of good action research (Eden and Huxham, 2006), and three criteria of rigour, reflection and relevance by Pasmore (2008) etc. Bradbury-Huang (2010) advocates that quality:

- *proceeds from a praxis of participation*
- *is guided by practitioners' concerns for practicality (real-life problems)*

- *is inclusive of stakeholders' ways of knowing (joint-meaning construction)*
- *helps to build capacity for ongoing change efforts (workable solutions)*

These action research quality principles, especially those of Bradbury-Huang (2010) and Reason (2006), will be adhered to in this action research as will be presented in the Case Study chapter and evidenced throughout the thesis.

3.14 Sampling

As the research is based in a single case organisation with 155 employees at the start of the research project, the sampling will need to reflect a careful selection of participants so as to avoid participant bias.

The following criteria will be used in sampling the participants for this study at various stages in the research process:

- Is the participant, the right person to provide information regarding the process and its practice?
- Does the participant have a stake in the outcome of this research? If so, can the participant influence the quality of data?

Participant bias due to the presence of limited set of experts and professionals in the system can pose a serious concern for the collection of data, therefore strategies such as random sampling will be used wherever possible. For example:

- a focus group will be comprised of a participant sample representing a specific group of people (example, Secretaries) drawn from a variety of departments also, a control group will be created to reflect cross-sectional participation involving people from all strata such as Secretaries to Partners and Support staff on the same topic of the focus group.

3.15 Data Analysis

According to Denzin & Lincoln (2010), in qualitative research it is difficult to differentiate and draw a boundary between the data collection and analysis as the researcher will repeat different stages on and on. Myers (2010) suggests that a qualitative researcher ends up with huge amount of data and that it is not possible to include all that data in the thesis. Hence the data must be analysed so as to convey meaningful insights and facilitate understanding of the subject being researched. Therefore, it is advised to abridge and transform the data to derive some meaning. This research is focused on understanding the meaning of the data rather than quantifying or grouping it which complements the tradition of 'Hermeneutics'.

Hermeneutic tradition in natural science focuses on understanding the world through meaning and interpretation. Lee & Lings (2008) describe that hermeneutics emphasises on the process of understanding individual phenomena in light of the larger whole from which they derive an

understanding that the whole is itself given meaning by its parts. Hermeneutics comprises of various concepts such as historicity, hermeneutic circle, prejudice, autonomization, appropriation and engagement etc.

Researchers using hermeneutics depend mostly on their intuition for analysing data with less need for employing text analysis software such as NVivo. Yet, while dealing with large sets of data, a suitable software can be used to interpret data, create memos, as well as mark, index and label data (Myers, 2010).

The approach followed for data analysis has been built on the principles of Analytic Induction (King, 2004) as no suppositions have been made in advance of the study. The aim will be to elicit information from the interview and focus group content as it is and later determine the themes into which the perceptions can be grouped meaningfully.

According to Myers (2010), the major limitation of using hermeneutic analysis is, not knowing when to begin the interpretive process. This limitation will be overcome by recognising and discontinuing the research when the topic is believed to be satisfactorily explained. In order to do so, a methodical approach will be used involving creation of a data structure as laid out by Gioia *et al.*, (2013). The technique will include review of the transcript to initially generate a full set of 1st-order concepts by grouping sentences with similar meaning and spoken in the similar context by participants and then 2nd-order themes will be generated by grouping the concepts and interpreting the higher-order meaning in the context of the study. This will lead to aggregate dimensions, which will then be used to build a data structure.

The data structure enables configuring the data into a *sensible visual aid*, and also offers a graphic representation of how the researcher approached raw data and coded the concepts and generated themes in the process of analysis (Gioia *et al.*, 2013; Tracy, 2010).

This analysis technique will be applied throughout the data analysis process in this research in different stages of executing this longitudinal case study as follows:

1. To meet the research objective J1: *Identify the drivers of change currently shaping the operational practices within law firms* which will require analysis of focus group data into themes that elicit the factors driving change in law firm operations.
2. To design a suitable intervention for change based on a theoretical framework providing ‘a priori’ themes to categorise the themes and concepts into pre-determined categories, then looking for other insights in the form of ‘areas of improvement’, all of this involves analysis of rich data from focus groups.

3. To understand insights of clients about their needs and requirements in receiving legal services, which requires qualitative and quantitative techniques that are supposed present the findings in the form of ‘features clients look for in service – themes’ and the ‘measure of current quality of services – numerical’. Techniques such as SERVQUAL Gap Score measurement will be employed to handle the quantitative analysis.
4. To measure the impact of change by analysing the participation levels and insights from staff about how they perceive change.
5. To review the improvements delivered and to set the agenda for future direction in the organisation by analysing data from focus groups (second set).

Table 3.4: The data to be collected in this research and the corresponding objectives

Data Type	Source	Objective
Face-to-face Interview	<u>Senior</u> Professional in Quality and Compliance	To understand the internal and external perceptions about change
Initial Focus Groups x 5	Across all levels in the firm to cover Secretaries, Paralegals, Solicitors, Associates, Partners, and Support Staff	To establish the need for change in legal services and design appropriate intervention for change
Staff Interviews	Across the firm (Lawyers and Secretaries)	To understand the process flows, and the key issues in each department
Staff Interviews (Support Directors) (Not recorded but notes taken) 5 participants	Finance x 1 HR x 1 IT x 1 BD x 1 Practice Management x 1	To understand key issues in support departments
Storyboarding Workshops (Notes taken)	Cross sectional x 5	To elicit the areas of improvement in each department
Telephone Survey	External - Clients X 100	To understand client perceptions and expectation of service
Online Questionnaire	<u>Internal - Staff</u> X 97	To review the impact of change
Telephone Interviews	Clients X 5	To understand clients expectations and perceptions of service
Final Focus Groups (39 Participants)	<u>Cross Sectional</u> X 4	To review change implementation, understand current issues, and consolidate findings from Action research to develop future direction

3.16 Success Criteria

Within action research, the success of the intervention and the learning generated is interlinked to the role of company management in collaborative developments. According to (Argyris et al., 1985), intervention is the action science analogue of experimentation. When clients involve themselves in change experiments, they engage in non-trivial learning, and they think and reflect seriously on what they are doing. Therefore it is imperative to consider the change in client's situation when evaluating the success of action research interventions.

The Criteria for evaluating the success and quality of this research is presented below based on the test suggested by Checkland (1981) when assessing the success of a system:

Table 3. 5: Criteria for evaluating the Success of Action research intervention

3 Es	Criteria	Measure of Performance	Evidence
Efficacy	Does the research work? Does it Meet the objectives set out initially? Is the transformation being done right? Relates to ' <i>do P</i> '	The quality of the output as judged by the participants in terms of its usefulness to inform or change their practice.	Participant feedback, adoption of the frameworks and tools developed.
Efficiency	Are minimum resources used in arriving at the results?	Additional expenditure on the ARP project during the intervention phase. Time spent by people against the value of the output they generated collectively.	List of tools developed in-house. Data from Case Study highlighting participant time in each action research cycle.
Effectiveness	Does the output satisfy the expectations of the researcher and the case study organisation? Is the right thing being done?	Contribution made by the output to the wider Organisation and the impact of it.	Change in perception of people towards change, improvement in the efficiency of operations, cost savings achieved.

3.17 Ethical Considerations

Several institutions have published ethical guidelines for researchers on how to conduct ethically sound research (e.g. Nuremberg Code, 1947; Social Research Association; Universities). The guidelines provide direction on how to treat the participants and on what constitutes an acceptable research activity. Some of the key ethical concerns relating to this study are as follows:

- ensuring voluntary participation and obtaining informed consent from participants,
- anonymising and protecting confidentiality of the participants,
- secure storage of data so that it does not fall into the wrong hands.

The researcher will carefully adhere to the ethics as detailed in Aston University's research code of conduct and take necessary steps to conduct an ethically sound research.

A thoroughly documented process of negotiation will be designed to take place between the researcher and the participants which will be covered by an Informed Consent Form based on Patton's Checklist of Questions (Patton, 2002). Appendix 3 presents the approach and a sample Informed Consent form used in this research.

3.18 Summary of methods

Based on the discussion in above sections around the research methodology to be employed in this study, the following table presents the choices in each category discussed:

Table 3.6: Choice of Methods and tools to be employed in the study

Philosophy and Paradigm	Interpretivism – Researcher and the reality are inseparable
Strategy	Qualitative approach using an Action Research embedded into a Case Study
Research Methods	SSM and PrOH Modelling as tools of inquiry
Data Collection Methods	Face-to-face Interviews, Telephone Interviews Focus Groups, Surveys, Workshops.

3.19 Conclusion

The research methodology discussed in this chapter informs the methods and techniques to be used in approaching the research questions and meeting the subsequent objectives. Action research embedded into a case study has been presented as the suitable candidate for pursuing the research objectives. Within the case, PrOH modelling methodology has been used as the main technique to engage with participants in the research with the aim of eliciting operational practices within a law firm and thereby improve the status quo. In particular Canonical Action Research model has been selected to conduct the intervention in five different departments forming their own action research cycles.

Chapter 4 Case Study

This chapter presents the actual field work carried out in the process of fulfilling the research objectives. The context of the law firm which acted as the host organisation and its need for improving status quo has been presented in detail by analysing data from a variety of sources gathered within the firm. A comprehensive account of the drivers for change in this firm as well as the broader legal services industry is presented. The approach taken towards design change using three different academic tools bundles into an intellectual framework comprising of – the change kaleidoscope, PrOH modelling and Volume-variety matrix is presented. The approach taken towards delivering the change using Canonical Action research methodology is elaborated through 5 change cycles within 5 different departments at SC. This chapter uses the results from data presented and analysed in the Data Analysis chapter which runs in parallel. A detailed account of the changes implemented and the tools, prototypes and protocols designed in conjunction with lawyers and support staff are presented.

4.1 The context of Solicitors Co.

Solicitors Co. (SC) is a long-established legal practice, trading for over 145 years and delivering a wide range of legal services to clients of all sizes – individuals, SMEs and large PLCs. SC ranks among the top 150 law firms in the UK with an approximate revenue of £20mn as of 2020.

SC's strategy is to maintain its strong regional focus, whilst acting as a high visibility leader of change within the sector. The relocation to a modern office premises in the West Midlands underpins this and provides opportunity for growth and enhanced relationships with clients. SC aims to grow with its SME clients organically, as well as provide innovative value-for-money legal services to its large corporate clients rather than through acquisition.

Due to deregulation and wider sector changes, there are opportunities (e.g. offering additional services to clients) and challenges (e.g. new competition, fee structures and developing unique selling propositions) in the market to prepare for.

4.1.1 Services delivered by Solicitors Co.

The firm provides a full range of services to their client base, including advice, guidance and representation in 11 practice areas covering commercial property, residential property, corporate, dispute resolution, employment, family, motoring & private criminal, private client and personal injury, insolvency and regulatory matters. These 11 practice areas are grouped into 9 departments as follows:

- Commercial Property
- Residential Property
- Corporate
- Dispute Resolution
- Employment
- Family
- Motoring & Private Criminal
- Private Client and
- Personal Injury

These core legal departments are supported by various support departments such as Finance, IT, HR, Information Services, Business Development and Practice Management.

Strategy board is responsible for the long-term planning of the firm and oversees the supporting functions as well as the performance of the core legal departments. Managing Partner is responsible for the overall leadership and draws on the input from Strategy Board, Heads of Departments, the 17 Equity partners. Compliance Officer for Legal Practice (COLP) and Compliance Officer for Finance and Administration (COFA) are the two new roles created in compliance with the recent regulation and

move to Alternative Business Structure (ABS) which allows non-lawyers to own law firms. COLP is assumed by the Managing Partner and COFA by the firm’s Finance Director (a non-lawyer).

A high-level organisational structure representing various legal departments, support departments and governing functions at SC is presented in Figure 4.1

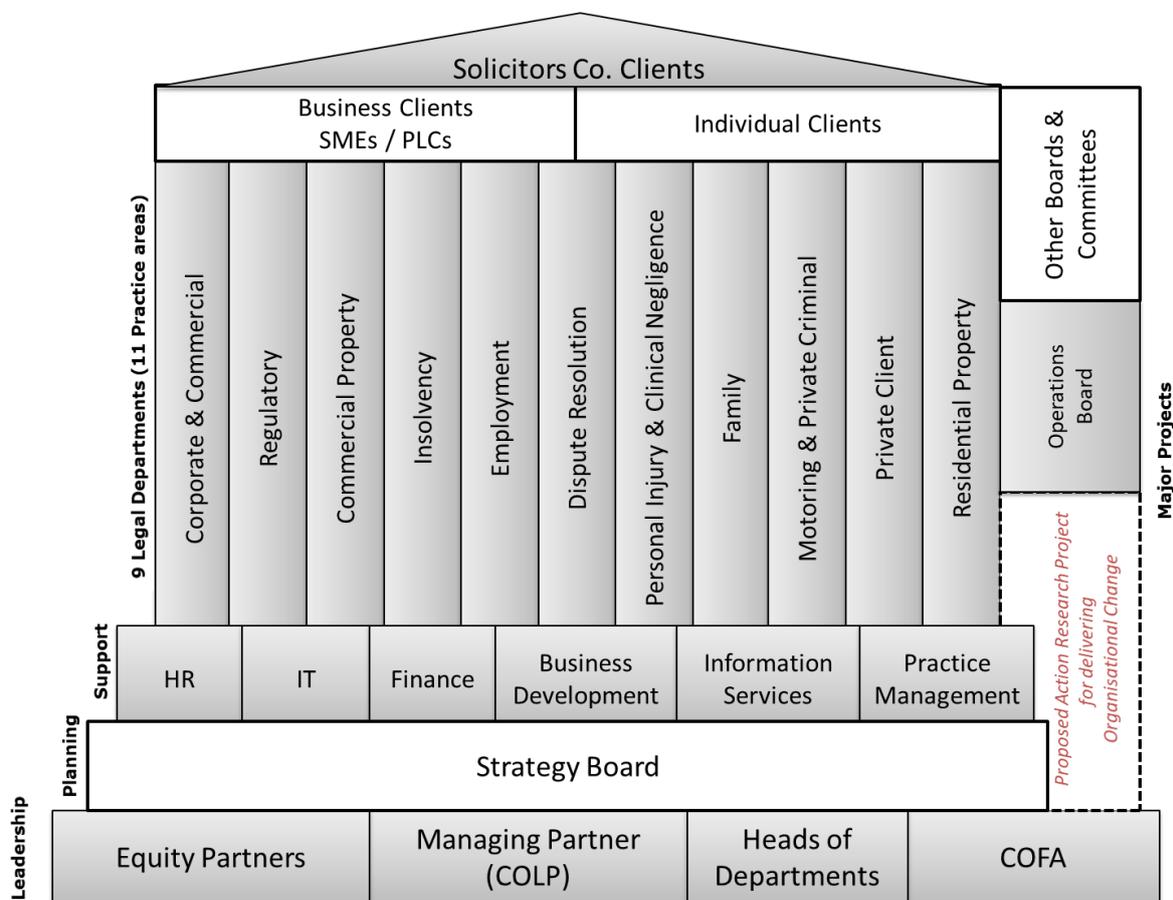


Figure 4.1: Organisational structure of Solicitors Co.

Source: Author (2020)

4.2 Need for a research intervention to deliver change

Due to unprecedented changes in the legal services sector as a result of deregulation, medium-size firms such as SC face increasing competition, primarily from:

- consolidation, where larger firms benefit from economies of scale and scope
- disruption to the traditional way legal services are delivered, enabling the entry of new small specialist low-cost providers (e.g. specialist “Will” services, provided by non-lawyers under the supervision of law professionals)

In order to create sustainable competitive advantage and offer enhanced value-adding services to clients, the firm plans to bring about change in their practice, by transforming their business processes, resourcing models and customer communication.

Befitting a professional service firm, SC has a high proportion of professional staff capable of delivering advice on wide range of legal matters. However, the firm does not have knowledge and expertise in the areas that will be critical to the sustainability of the organisation, namely:

- research and analytical skills to understand client needs
- process mapping and improvement methodology
- effective implementation of customer relationship management (CRM) systems
- best practice in lifecycle and service operations management
- supporting and managing change projects

The Senior Partners believe that such is the pace of change in their sector that they do not have sufficient capacity and capability to develop such skills *in situ*.

Therefore, it was obvious that this expertise and knowledge must come from an external, competent source, resourced to work over a period of time to ensure it is fully understood, accepted and embedded.

4.2.1 Role of the Researcher

In the capacity of a Service Development Executive, the researcher initially joined the organisation through an externally funded project supported by a University resourced to work for two years. Later the researcher went on to work for the firm in the role of an Organisational Change Manager upon completion of the research project. The present thesis covers a period of 3 years which includes a part of the initial funded project as well as the period thereafter.

4.2.2 Timeline of the project

A timeline indicating the key stages in the project and their duration is presented in the Figure 4.2 below:

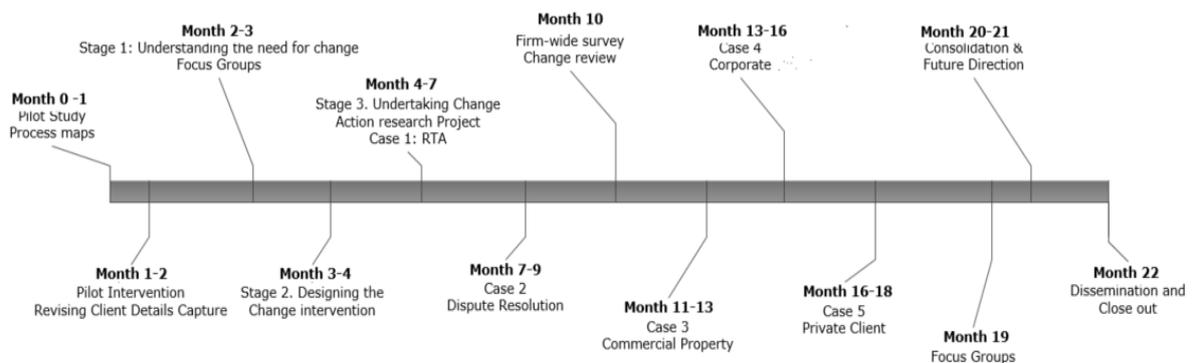


Figure 4.2 Timeline of the Project

4.3 The Problem Situation Unstructured

As detailed in the methodology chapter, this research uses Checkland's SSM as the basis for investigation into the case organisation with the intent of delivering operational improvements. In SSM an unstructured problem is what calls for an exploration to try to make sense of the situation. This exploration can be done through gathering data from interviews with stakeholders, conducting review of documents and analysing the current processes in a bid to make sense of the unstructured situation.

In trying to express this unstructured problem situation further, a pilot study has been conducted to make sense of the problem situation. In this case the unstructured problem situation is the management's recognition of the current operational challenges.

The aim of this preliminary study is to elicit these operational challenges in greater detail so as to structure the action research intervention.

4.3.1 Pilot study before embarking on the Action Research Project (ARP)

During the preliminary stages of the research, a study was conducted with the purpose of understanding external perceptions about the case study organisation. Data for this research has been gathered from one semi-structured interview with a senior member of staff (Compliance Manager) at Solicitors Co. The choice of the informant was made on the basis that a compliance manager is the central resource in the firm dealing with client complaints and quality issues in the firm which will help directly narrow down to the problem areas.

The detailed analysis of this initial study is presented in the Chapter 5 – Data Analysis Section 5.1. An excerpt of the data analysis indicating different areas of improvement is presented in Figure 4.3.

4.3.2 Areas of improvement

The concept map presented in Figure 4.3 from the primary data analysis which presents the case for improvements based on the operational issues currently faced by Solicitors Co.

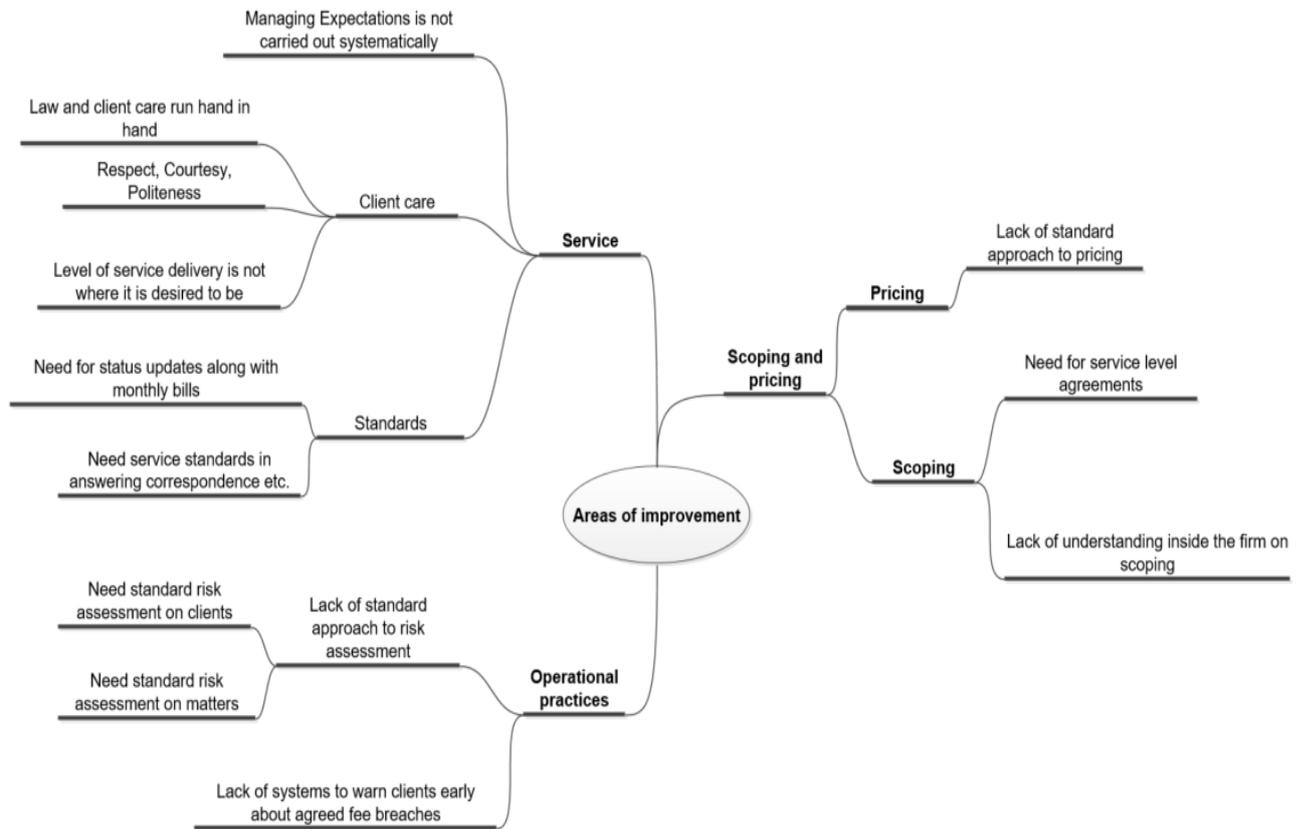


Figure 4.3: Concept map highlighting the areas of improvement based on Pilot Study

Similarly, the secondary data analysis identified a total of 75 keywords relating to the client perceptions on service at Solicitors Co. after reviewing up to 130 Client Review Forms, Letters and Emails which are held in a physical file.

These client perceptions have been categorised into two key themes of service and pricing which correspond to the themes shown in Figure 4.3. The details of this analysis is presented in the Data Analysis chapter.

4.3.4 Appraisal of processes and practices

Whilst understanding the perceptions of employees and their view of the culture and practices within the firm, it was also necessary at the beginning of this project to understand the current service processes within each legal department. This knowledge was imperative for the following reasons:

- It would be difficult to design the process related change without understanding and mapping the current flow of the process
- It would enable the people in the organisation to first visualise the current process *as-is* and thereby relate to the *to-be* process

- There was no trace of a physical process map or flow charts that explains the process of delivering a legal service from receiving client instructions through to completion anywhere to be found in the firm other than as implicit knowledge in the minds of the lawyers and support staff, and shared knowledge that translated into embedded practice within the department

Therefore, it was indispensable to acquire this knowledge of the process and develop end to end process maps for each legal department.

The initial data for understanding the process within each legal department is obtained by requesting each head of the department to in turn engage an experienced secretary within the department to come up with a document explaining the legal service process in the form of a story. Based on this sketch, the researcher developed the initial draft of the process map using Microsoft Visio 2010 and then consulted the secretary back to further develop this map. The draft process map was shared with process owners in the department which included lawyers and partners whose further input resulted in the process maps for each department which will be later reused and refined as part of the Action Research intervention into each department.

The analysis of the data involved the following steps after acquiring the story scripts from secretaries within each department:

- Interpretation of scripts
- Interactions mapping using Entity Relationship Diagrams
- Process maps using flow chart technique - End-to-End process flows
- Actor and Activity definitions
- Colour codes for Actors
- Break-down of several processes that are standard across the firm into sub-processes

At this stage of the project for the benefit of the people involved as well as a mission to decipher and explicate the implicit knowledge held within the organisation, the researcher has process ontology for each of the legal departments, depicting the actors involved and the interactions between them. This can be likened to the *rich picture* but explaining the process flow in a more lucid and visually appealing format whilst objectively presenting the number of stakeholders in the process and the flow of information and material in the process. This was essential to initially develop an understanding about the non-existent process maps and codify them so that the researcher could use it as a prop for data gathering to obtain more details about each of the constituent entities in the ontology – both people and the process. These process ontology maps also served the purpose of capturing the interest of the lawyers and support staff to engage with the process mapping exercise by providing required information and feed into the hitherto uncoded knowledge in the firm.

Rich pictures are an essential part of the Soft Systems Methodology which allow the researcher to capture a view of the system by defining the key stakeholders, their interactions and their worldviews. In this case, Process Ontology could be treated as an improvisation which served the dual purpose of offering a method to analyse the *unstructured problem situation* (from a systems perspective) for the researcher, and then as a way of facilitating broader understanding for the department and the firm as a whole as to how the process currently flows involving people within and outside the organization in delivering a legal service.

4.3.5 Pilot Intervention: Analysing the Matter Opening process

Based on the initial process maps and the accounts of people consulted in the organisation, it was clear that there was no standard way of processing clients that is common across the departments. Besides, there are several disparate systems and inconsistencies in carrying out routine activities that not only differed from one department to the other but from one file to the other within the same department. For example, there is no standard approach for capturing client details at the outset of the matter where every lawyer (fee earner) followed their own way of gathering the details sometimes hand-written on paper, sometimes over the email which finally had to be dictated to the secretary who fills a standard form called the IB1 (Pseudonym). Until this form is filled in, the matter cannot be opened officially on the finance system and therefore time cannot be recorded against the matter. The effect of this translates into lost fee, as lawyers often end up spending time on the file even before the file is open on the system.

Matter opening as a process therefore was an early opportunity for the researcher which were to be used as a vehicle to further investigate the core legal service delivery within the firm. Upon investigation, the following issues came to the fore which have been presented to the firm's finance director, practice director, IT director, managing partner and the compliance manager in a dissemination session:

- three different departments are using only one address for all communication and correspondence - Legal department, Finance Department, Marketing Department
- There are multiple locations in which the client details are held
- In some service areas, there is no standard format for collecting contact details
- The process of creating new clients in Axxia (firm's core practice management system) is lengthy, manual and time consuming for three departments as shown in Table 4.1
- Inconsistent and wrong contact details entered
- Missing details in IB1 Form – Post code, Business Source, Work type
- Vague hand Writings
- Time wasted for clarifications in IB1 Form, as archiving consulted lawyers and lawyers in turn consulted clients for clarifications.

- Finance team still uses a Serial Number even though the system is generating a unique number
- Time recording is linked to Axxia and Fee earner has to wait until matter is created in Axxia
- Time recording is often neglected or rounded-off until matter is created in Axxia leading to loss of billing hours
- Month-end load to archiving – legal departments rushing to archiving team at the end of the month with IB1s to be entered into Axxia for billing purposes
- Several repetitive steps in handling contact details leading to several redundant stages for filling IB1 Form
- IB1 creators are often not searching Axxia to ensure if the client already exists in our system

On average 29 IB1 forms reach Archiving team every day out of which circa 10 need further clarification (which is 35%) because of wrong Post Codes, insufficient details, already existing clients (with a new Client No.) etc. (1700 matters created in last 3 months prior to this exercise was undertaken). On average it takes 15-20 minutes to create a matter on Axxia.

When this information was shared with the key stakeholders as mentioned above, the immediate reaction was to resolve the bottlenecks in the process of capturing new client details and creating new files on Axxia. This led to the drafting of *as-is* and *to-be* maps for ideally capturing the client details within the firm as shown in Figures 4.4, 4.5 and 4.6.

Table 4.1: Various departments involved in capturing client details

Legal Department	Finance Department	Archiving Department
1. Fill Initial contact Form 2. Do Conflict search 3. Do Risk Assessment 4. Fill IB1 Form 5. Assign Matter Reference 6. Get Client Number	1. Generate Client Number	1. Search client in Axxia 2. Online Call Credit Search for verifying Address 3. Create client in Axxia 4. Revert to Legal dept. for clarifications 5. Archive Money Laundering file 6. Give authorization to finance team

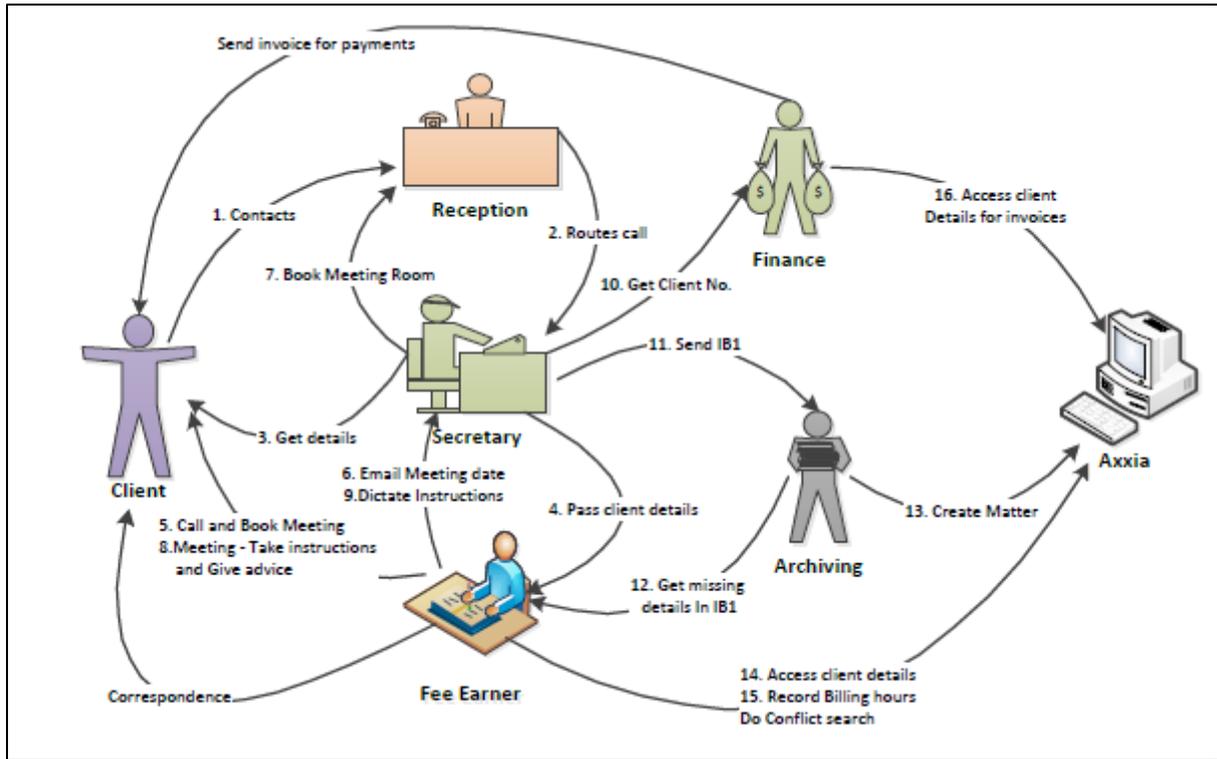


Figure 4.4: Process Ontology capturing client details depicting actors and their actions

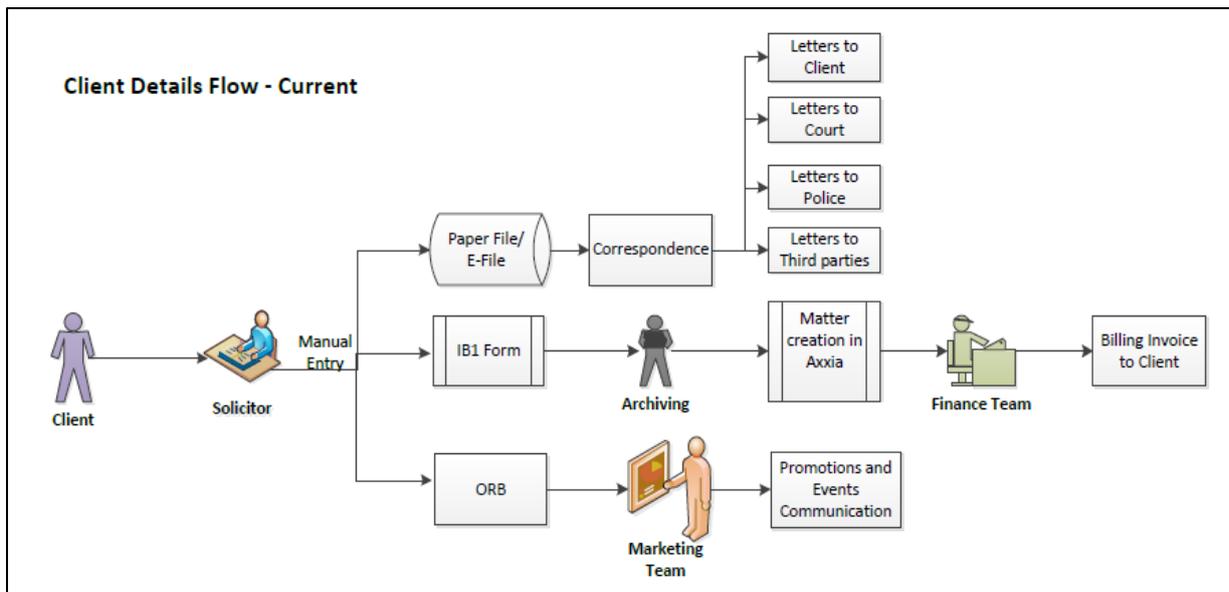


Figure 4.5: Process flow of client details within disparate systems

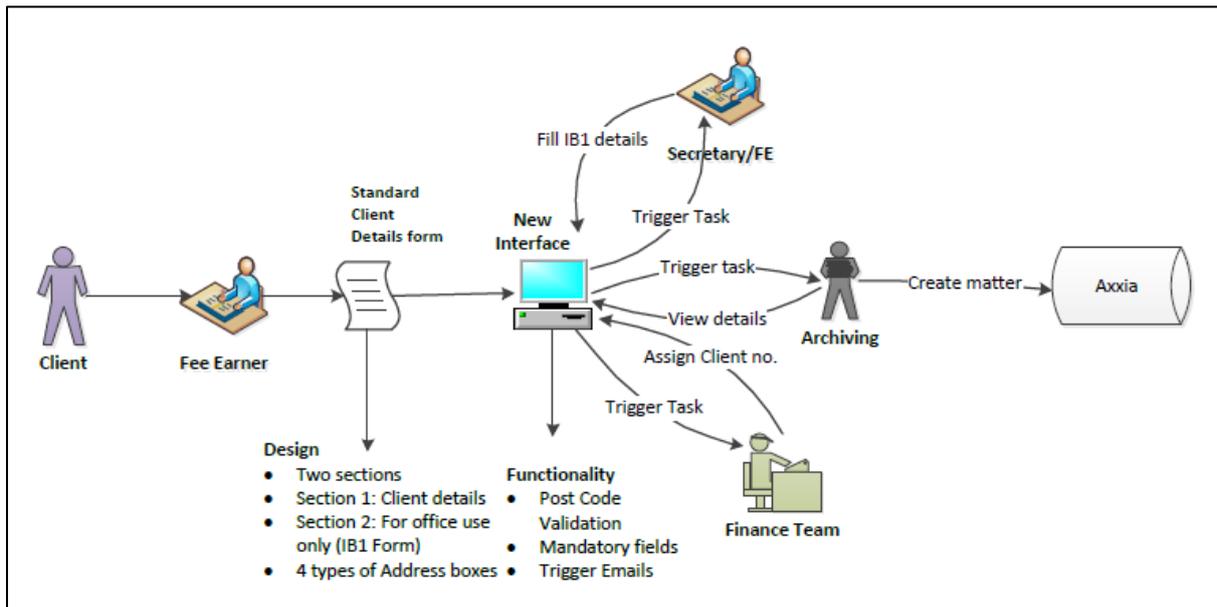


Figure 4.6: Process Ontology of the recommended process for capturing client details

This exercise delivered various benefits for the researcher in the form of setting the scene for the wider action research project to be undertaken by firstly enabling familiarisation and a positive working relationship with the key stakeholders and then establishing credibility within the wider firm.

4.4 Problem situation expressed

To summarise, the findings showcased in the qualitative data analysis as well as the appraisal of service processes at SC, presented in the above sections, led to the understanding of the status quo of operations within the organisation. Such understanding helped to articulate and define the problem situation to build consensus among people before embarking on the change journey, as presented in the following points:

Legacy practices

- There are several legacy processes and practices within various departments and the firm as a whole which went unchallenged for a long time. For example, the use of IB1 form and its origins could not be traced back.

Inefficient processes

- There is a wide agreement from staff and evidence that current processes are inefficient and required a review. For example, there is a
- The current processes are inconsistent within and across the departments.
- Operating practices that deal with resourcing, pricing, and service delivery

Frustration among professionals and support staff

- There was frustration and discontent within pockets of the firm who felt either powerless to question or bring about any change to the obsolete practices.
 - Mainly lawyers complained about the administrative burden they are posed with whilst what they truly value doing is the core legal work (e.g. research, drafting documents, offering advice), and also from an efficiency perspective it is least desirable to let fee earning lawyers spend time on non-chargeable activities such as filing, printing, raising bills and chasing clients and other external stakeholders for information.
 - Support staff complained about how some projects could not be completed as they relied heavily on the consent of partners and it was hard to get their buy-in and participation due to their time constraints which led to delays or abandonment of key ideas proposed by staff.

Lack of change management

- There is no specific role or department responsible for reviewing obsolete processes and delivering change.

Currently the firm's operations can be seen as *underperforming* in relation to the firm's actual potential to compete in the market. This is symptomatic of an SME with an *internally neutral* operations function which is focused on fixing the worst problems akin to Stage 1 of Hayes & Wheelwright's (1984) operations contribution model.

In the case of Solicitors Co., a strong operations function could directly influence the firm’s strategy to fulfil its potential for higher capacity, faster throughput and thereby increase revenue and profitability.

With this preamble, the research progresses on to the next step of articulating the unstructured problem situation to elicit the drivers for operational improvement in more detail through an extensive data collection exercise.

4.5 Structure of the Case Study

The remainder of this chapter is structured into four stages based on Pasmore’s (2011) framework for designing a change intervention which is underpinned by Beckhards’s (1987) framework for planned change and as outlined below:

Stage 1: Understanding the need for change

Stage 2: Designing the change intervention

Stage 3: Undertaking the change

Stage 4: Sustaining the change

The overall structure is presented in detail covering the above four stages of change in Figure 4.7.

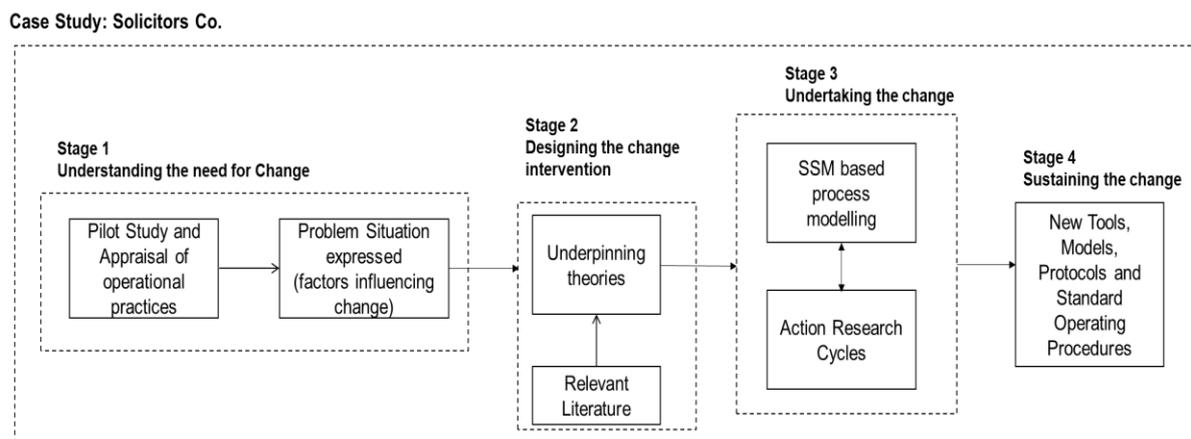


Figure 4.7: Overall approach to Change within the Case Study

Stage 1: Understanding the need for change

This section aims to investigate the research questions of whether operations management practice in law firms need to change? and what are the factors driving such change?

This pursuit will lead to the fulfilment of objective J1: Identifying the drivers of change currently shaping the operational practices within law firms.

4.6 Articulation of endogenous and exogenous factors at firm-level

Besides the initial appraisal presented in the previous sections, it was necessary to further appreciate and establish the factors that are driving the need for change (improvement) within SC, so that a more practical intervention can be designed to directly address these needs. In order to establish these factors, focus groups were conducted to collect data.

Data shown in Figure 4.8 has been gathered from 5 focus groups, conducted with 21 staff members at different roles and from different departments within SC. The participant sample comprised of people from all levels in the firm, secretary to senior partner. Participants were asked about their opinions on the challenges faced by them in day-to-day activities. Focus groups were recorded and transcribed generating a total of 80,000 words of rich data from eight hours of recording. The aim was to elicit information from the focus groups as-is and later, by text coding and abstraction, determine themes into which the perceptions can be grouped. Data were manually coded into the themes shown in Figure 4.8.

A detailed process of how the data has been coded and analysed to arrive at the factors driving the need for change in SC, is presented in Chapter 5 – Data Analysis.

Figure 4.8 presents the list of endogenous and exogenous factors acting at the firm-level for Solicitors Co.

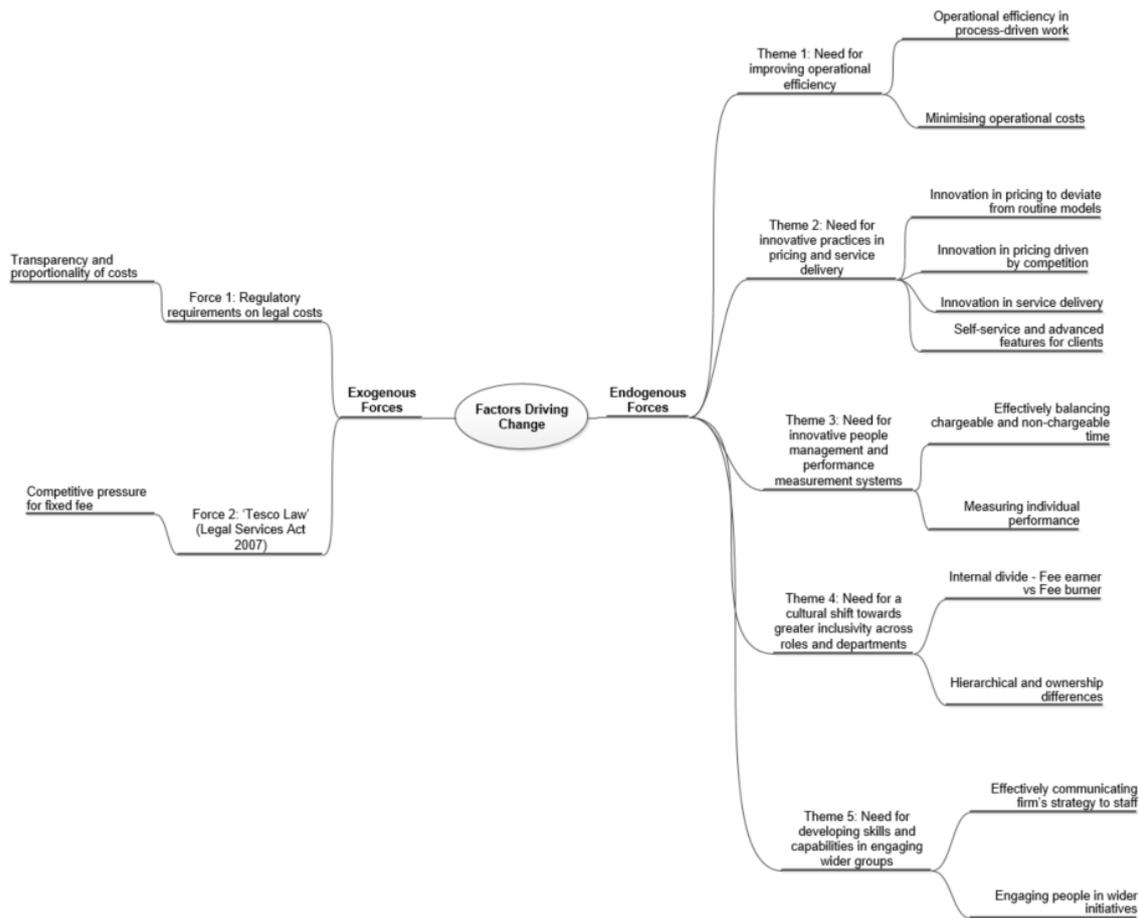


Figure 4.8: Exogenous and endogenous factors driving change in SC.

Owing to exogenous forces presented above, there is ever-increasing need for SC operations to be more efficient and value adding to its clients. The above endogenous themes indicate the need for change within various operational aspects at Solicitors Co. Based on this evidence the action research project was directed at achieving change within these areas.

It is evident from this exercise that the need for change within SC arises also from the need to meet the potential threats triggered by new regulations and to readily internalise the paradigm shift in delivering client-led legal services. Such change is inherently difficult to implement because detecting the informal systems (cultural or operational) that guide people’s behaviour is time consuming, tacit and stochastic. Therefore, it was necessary to understand the nature of change required at SC in order to effectively deliver it.

Meeting Objective J1: Identify the drivers of change currently shaping the operational practices within law firms.

This exercise met the Objective J1 by identifying the drivers of change currently shaping the operational practices within SC and the wider industry. These factors are partly reflective of the wider legal services industry due to the fundamental commonality in the legal profession as lawyers draw on a common body of regulated knowledge and standards (in this case Law Society of England and Wales), they are bound by the commonality of professional practice which guides their actions. The appraisal of these themes and forces formed the basis for designing the operational changes that are to be achieved by Solicitors Co. In view of these factors it can be understood that organisational transformation in operations and culture is impending in the firms operating in the legal sector within the UK.

Stage 2: Designing the Change Intervention

4.7 Declaration of Intellectual Framework

In the process of designing the change intervention, that would go onto understand the legal service operations and subsequently deliver changes, three main research tools have been used which collectively form part of the intellectual framework (underpinning theories):

- the Change Kaleidoscope (Balogun & Hope Hailey, 2008) for appraising the nature of change required through a rigorous consideration for the context sensitive features of Solicitors Co.
- the ProOH Modelling methodology (Clegg, 2007) for mapping human activity systems as well as facilitating a *structured debate about desirable and feasible change* within Solicitors Co. (Checkland & Poulter, 2006), and
- the volume variety matrix (Silvestro *et al.*, 1992) for selecting the service lines to be examined at Solicitors Co.

These frameworks have been embedded into the overall 4 stage approach to change, forming the intellectual framework in terms of which learning from this Action Research Project will be defined as suggested by Checkland (1981). Checkland argues that, “*there must be an intellectual framework, declared in advance, without which, action research can quickly become indistinguishable from mere action*”.

The intellectual framework supported by the three research tools – Change Kaleidoscope, ProOH Modelling and the volume-variety matrix is shown in Figure 4.9.

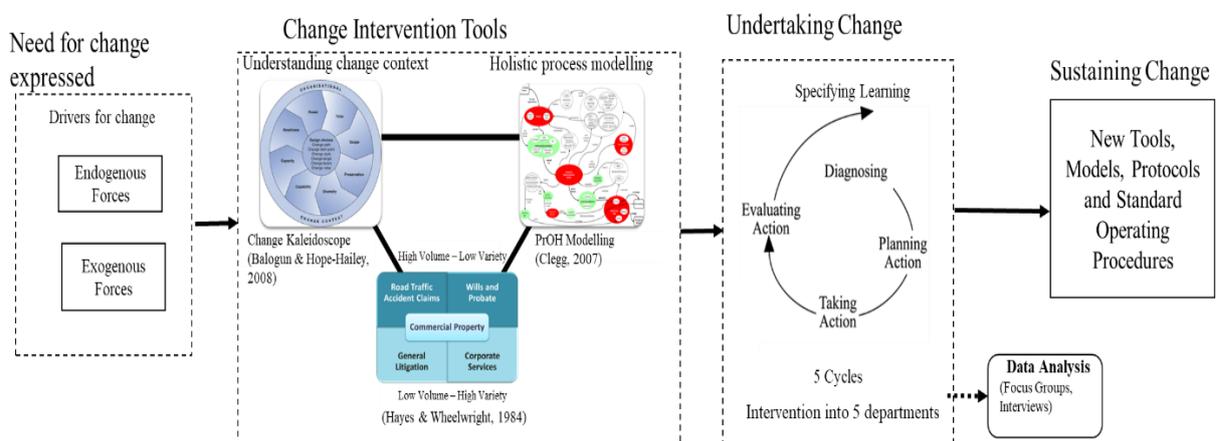


Figure 4.9 : The intellectual framework for this action research project underpinned by three academic theories.

4.7.1 Understanding the context of change – Change Kaleidoscope

The Change Kaleidoscope which is founded on the temporal and context-sensitive nature of change has been used to appraise the nature of change within SC (Balogun & Hope Hailey, 2008). This intellectual framework is an audit mechanism for designing and managing change inside organisations and has been used here to design the right intervention required to instigate the change process. According to this model there are eight context-sensitive features of the organisation that relate to its culture, competencies and current situation.

Understanding the status quo of the organisation is essential at the outset of any change initiative and it is the first step towards designing a successful transition (Balogun & Hope Hailey, 2008). By establishing the status quo, change agents can make the right operational and cultural design choices for ensuring a smooth transition from the current state to the desired state. Thus, for the purpose of understanding the *status quo* at SC, and changes to SC, we adopted the Change Kaleidoscope intellectual framework.

The data initially obtained from focus groups were also coded, aggregated and abstracted into the eight *a priori* contextual features of the Change Kaleidoscope as given in Table 4.2. This is said to form an ‘initial calibration’ of the ‘system under observation’ using the Change Kaleidoscope. So, focus groups offered data to give both a broad-based open context to generate themes and to be coded within an *a priori* platform.

Table 4.2: Initial calibration of the Change Kaleidoscope at the beginning of the project

Contextual Feature	Enabler / Inhibitor of change	Status Quo	Appropriate design Choices resulting from contextual features
Time	Enabler	Long-term: Several years <i>(Positive)</i>	Change Path: Evolution and adaptation
Scope	Neutral	Across the firm including every individual from all the departments	
Preservation	Neutral	In spite of being technologically advanced, need to retain the level of personal service to off-the-street client Preserve the family friendly culture and ethos of a people-focused firm	Change Start-point: Top-down Change Style: Combination of Directive (partners to decide on the changes needed) and Collaborative (involve change-affected groups)
Diversity	Inhibitor	Divide between experienced members who have been there for	

		<p>a long time and less experienced staff who have the perceived flexibility and adaptability to change (<i>negative</i>)</p> <p>Support staff perceived as not participative in Change initiative (<i>negative</i>)</p> <p>Distinction between fee-earning lawyers versus non fee-earning staff (<i>negative</i>)</p>	<p>and individuals in the design and delivery process)</p> <p>Change Levers: Primary levers – Technical (new models for pricing, scoping and client engagement, new systems for streamlining routine procedures)</p>
Capability	Enabler	<p>Individual: Perceived lack of individual adaptability to changes in technology (<i>negative</i>)</p> <p>Managerial: Capable management with experience in delivering major changes such as office move (<i>positive</i>)</p> <p>Organisational: Through collaboration with a University on a funded project, acquired skills and personnel for managing change (<i>positive</i>)</p>	<p>Secondary lever - Interpersonal (Soft systems-based approaches to bring together people from different functions to share the vision of improvement)</p> <p>Change Roles: Internal change champions (engage with active and bought-in individuals to influence other members of the department) and change action teams (create specific groups of people working together on common goals).</p>
Capacity	Neutral	<p>Cash available (<i>positive</i>)</p> <p>SC has seen a consecutive increase in fee income and profits for the last four years prior to start of the study.</p> <p>Time of fee-earning lawyers is hard to buy for non-chargeable work (<i>negative</i>)</p>	
Readiness	Neutral	<p>Partners, Associates and Support teams realise the need for change. (<i>Positive</i>)</p> <p>The firm as a whole is perceived to lack the sense of urgency (<i>negative</i>)</p>	
Power	Enabler	<p>Partners are the power centres for making key strategic decisions and can influence change (<i>positive</i>)</p>	

Most of the legal services offered by SC not only involve high degrees of interaction with the client but also require liaising with several other stakeholders outside the firm. To deal with these operational challenges, that are both hard and soft in nature, it was imperative to use a holistic methodology to design the intervention used to enable change in each of the departments within SC.

The above calibration of change kaleidoscope shown in Table 4.2 presented with a range of choices to be made in designing the change initiative which is both operationally and culturally aligned to the firm's status quo.

4.7.2 Eliciting operational practices and debating about change – PrOH Modelling

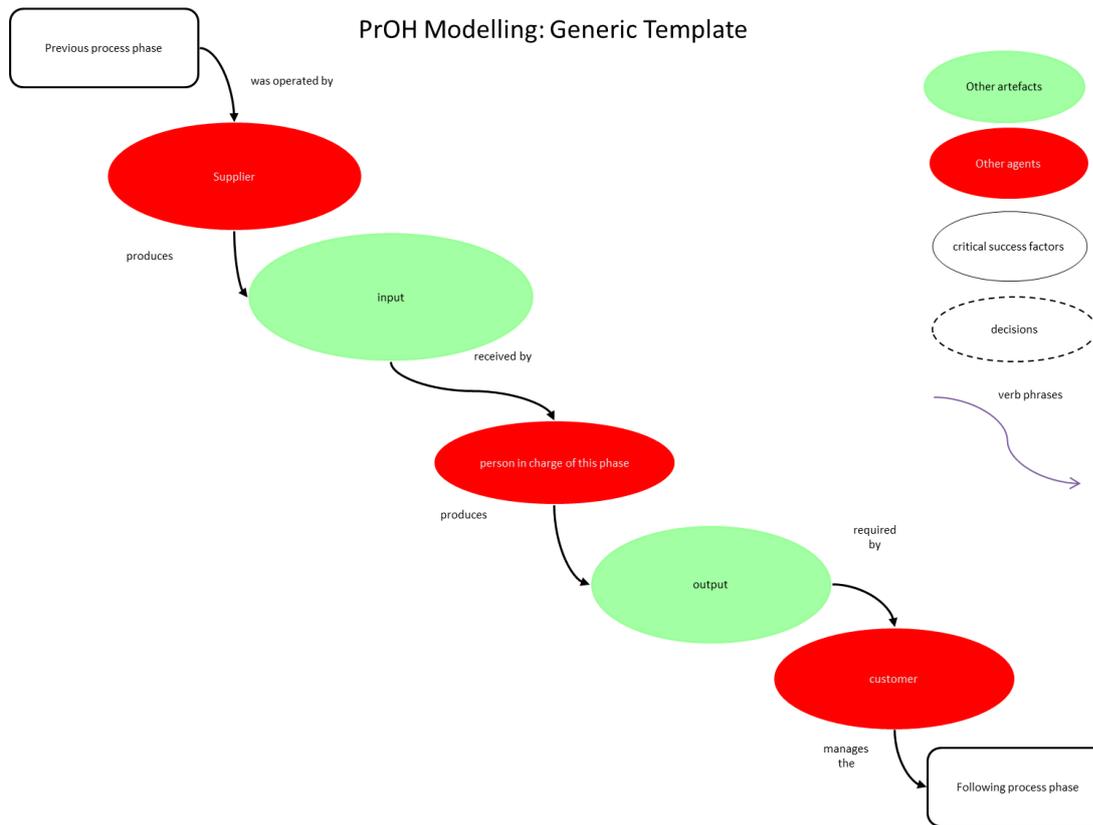
As detailed in the methodology section, PrOH modelling will be used to make sense of the operations within SC by eliciting operational practices within individual departments. Process Oriented Holonic (PrOH) modelling is a novel methodology developed from the principles of SSM using cases from the manufacturing and engineering sectors as a real-life application of systems thinking in the domain of business process design (Clegg, 2007). PrOH Modelling Methodology thrives on the shortcomings of conventional process mapping techniques by way of enabling the modeller to elicit intangible factors in a service process such as success factors and the multiple feedback loops.

For example, Sampson (2012) argues that there is an imminent need for new tools that help conceptualise, visualise and analyse service operations. Furthermore, process mapping techniques are criticised for being overly reductionist and less effective in modelling human activity systems (HAS) (Checkland, 1981, p.52). Legal services involve excessive human activity due to high labour intensity and customer contact. In explicating the hidden and emergent properties of systems and meta-systems, PrOH Modelling offers the right balance of visualising both process and people in the system.

A 'holon' (a system that is part of a higher level system and also contains systems within it), which is the basis of all PrOH models (See Figure 3.3 in Chapter 3) is similar in purpose to Checkland's SSM 'root definition' and thereby itself lends into a 'conceptual model' (Checkland and Scholes, 1990) as it helps to define the essential parts of systems models, involving human actors, and depicting their interactions in the process.

In this research PrOH Modelling will be extensively used to model the service operations within SC. PrOH models of legal service processes will be built in order to extract and articulate the interactions between people, systems and other tangible and intangible entities involved in the delivery of legal services. The principles of abstraction and enrichment proposed in the PrOH Modelling Methodology (Clegg, 2007) will be applied to develop models of *purposeful activity* and utilised in the process of analysing the *status quo* of operations as well as proposing changes to current practice at Solicitors Co.

A generic template of PrOH Model is presented below:



4.7.3 Selecting the service lines for intervention – Volume Variety Matrix

Based on the initial data gathered to build the process maps for each department and the data gathered from ad hoc meetings with heads of departments, support directors, lawyers and support staff, the nine different legal service departments are broadly categorised into two types based on Hayes and Wheelwright's (1979a, 1979b) volume and variety contingency framework along with Silvestro's *et al's*' (1992) adaptations for services. This was used as an *a priori* framework to *define* and select contrasting services to use in this study. Five legal services were chosen, as identified and characterised in Table 2, from a total of nine departments at Solicitors Co., these were chosen to represent a cross section of services by volume and variety (Hayes and Wheelwright, 1979a, 1979b) because it is widely accepted that processes with different output volumes and varieties require different designs, controls, technological support, measures of efficiency and effectiveness, and levels of knowledge-based intensity, professionalism (Silvestro *et al.*, 1992) and 'managerialism' (Pinnington and Morris, 2003). These five services are further characterised in Silvestro's *et al.'s* (1992) Volume-Variety Matrix for

services shown in Figure 4.10; they are: Road Traffic Accident (RTA) Claims; Wills and Estate Administrations (Wills); Commercial Property; Dispute Resolution; and Corporate Services.

Table 4.3: Volume-Variety characterisation for five service Departments at SC

Legal Service	Volume	Variety
Road Traffic Accident Claims (RTA)	High	Low
Wills and Estate Administration (Wills)	High	Low
Commercial Property	High	High
Dispute Resolution	Low	High
Corporate Services	Low	High

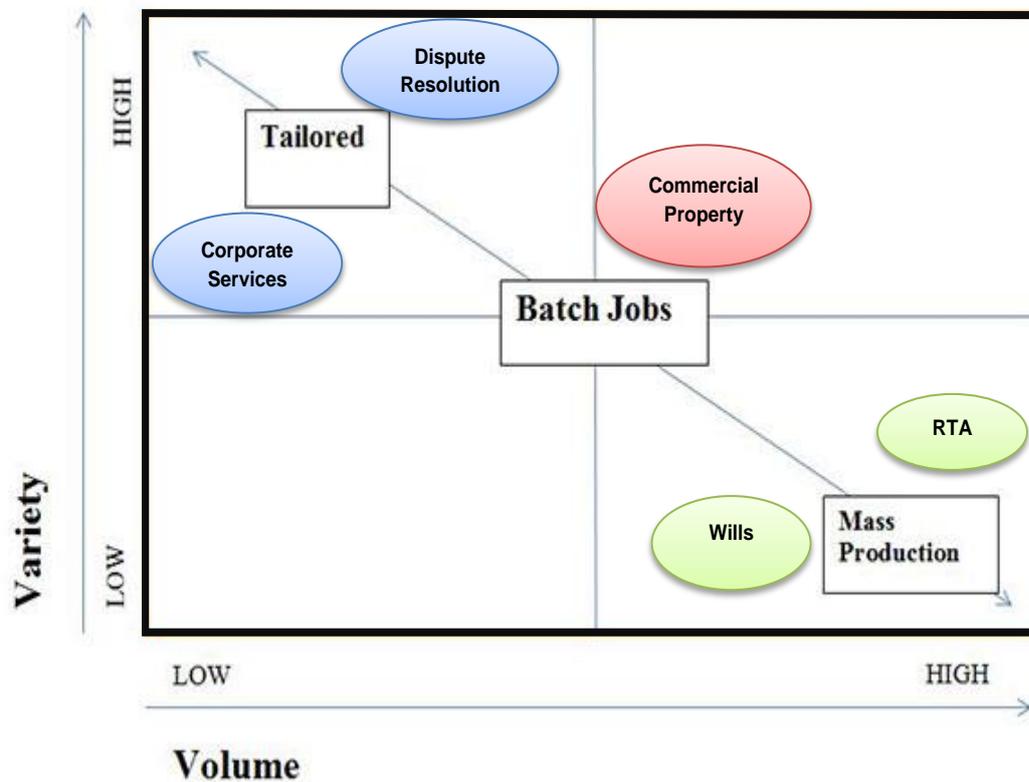


Figure 4.10: Volume-Variety matrix representing the legal departments at Solicitors Co.

Source: Adapted from Silvestro et al. (1992).

Each department will be explored longitudinally, each one forming its own action research cycle.

Stage 3: Undertaking the change

This stage is about directly intervening into the 5 departments identified in the previous stage, to examine the operational practices and then deliver improvements to current practice as well as wider changes. As detailed in the methodology section, Canonical Action Research (CAR) methodology has been used as the intervention mechanism to engage with each department and deliver changes.

4.8 Canonical Action Research

Each service line formed its own action research cycle lasting approximately 12 months in total; cycles were staggered and overlapping. The CAR methodology involved the five steps: 1. Diagnosing, 2. Action Planning, 3. Action Taking 4. Evaluating and 5. Specifying learning.

In the process of using CAR, the five principles laid out by (Davison *et al.*, 2004) were used as guidelines as shown below:

- 1) the Principle of the Researcher–Client Agreement (RCA);
- 2) the Principle of the Cyclical Process Model (CPM);
- 3) the Principle of Theory;
- 4) the Principle of Change through Action; and
- 5) the Principle of Learning through Reflection.

The CAR execution model comprising of the various stages in each cycle and the corresponding research activity is presented in Table 4.4.

Table 4.4: CAR Execution Model with different stages and activities

Case/ Department	CAR Stages	Research Activity
Case 1 – Road Traffic Accident Claims	<ul style="list-style-type: none"> • Problem Diagnosis • Action Planning • Action Taking • Evaluating • Specifying Learning 	<ul style="list-style-type: none"> • Stakeholder Interviews • Drafting and refinement of Maps • Storyboarding Workshop • Action Team Tasks • Standing Meetings • Client / Lawyer Interviews • Model Development • Model Refinement • Consolidation Team Meetings • Report • Final dissemination and handover
Case 2 – Dispute Resolution		
Case 3 – Commercial Property Lease Transactions		
Case 4 – Corporate Sale and Purchase Transactions		
Case 5 – Private Client Will Writing		

Case1: Personal Injury Department

4.9 Road Traffic Accident Claims

Road Traffic Accidents (RTA) is a service line within the broader Personal Injury department which accounts for a significant portion (90%) of the department’s revenue, other services delivered by the department include Product Liability, Private Liability, Work Accidents, Public Liability and Clinical Negligence.

This stage of the project occurred 4 months into the action research engagement after initially establishing the need for improvement within the organisation through a wider consultation of stakeholders based on the focus groups and interviews presented above. During this stage initially the researcher met with the Head of Department (HoD) of Personal Injury to scope out the intervention. A set of five key participants has been identified with the help of HoD, who are supposed to go on to work closely with the researcher to provide necessary data to conduct the action inquiry with the main aim of identifying improvements and delivering them. This consultation adhered to the first principle of CAR establishing the Researcher-Client Agreement. It was agreed that the engagement would last for 8 weeks in total, where the key issues will be identified and addressed with the help of the key participants. This sample of key participants has been sourced from a set of 20 professionals working in the department at the time and contained Secretaries, Paralegals, Lawyers, Associates and Partners, covering the breadth of all roles in the department.

The following sections outline the investigation and the improvements delivered which are aligned with the main stages of Canonical Action Research (CAR) methodology (Susman and Evered, 1978).

4.9.1 Diagnosing the issue

Based on interactions with lawyers and support staff within the department, several maps have been drafted to represent the process flow within the RTA department, so as to establish the process flow and hence articulate the operational issues better by identifying any fail points. Five interviews lasting for 60-75 minutes have been conducted before the process maps were fully developed.

It was observed that processing a typical RTA requires interaction with fifteen external organisations (e.g. third parties' insurers, triage assessors, medical experts etc.), all of whom affect settlement timescales (up to fifteen months) which makes it difficult to estimate timescales and maintain service expectations for clients, plan work accurately and measure performance effectively. Figure 4.11 provides a view of the various stakeholders and their interactions. Lawyers have to liaise and obtain essential knowledge from all external stakeholders to reduce processing time whilst preserving the quality of service. Process efficiency is crucial and effective streamlining of operations could help to reduce costs.

Approximately the department has an inflow of 120-150 cases per month (approximately 1500-1800 per year), and the majority of these matters are referrals from a major motor insurance company. These matters are distributed among the RTA service line's 6 fee earners. The case load on each fee earner is up to 200 matters at any given time and a fee earner handles on average about 175 telephone calls per month from clients.

Upon discussion some of the key issues identified were as follows:

- Excessive time spent on photocopying and handling documents due to lack of process automation and systems allowing electronic filing/retrieving capabilities
- Multiple redundant steps in handling the process which meant lost time
- Manual filing and entering details into multiple spreadsheets
- Inefficient handling of bills
- Majority of the time is consumed in chasing other parties
- Workload being shared between two secretary teams RTA and Clinical Negligence
- Handling excessive client enquiries as currently unable to communicate the case status through the system

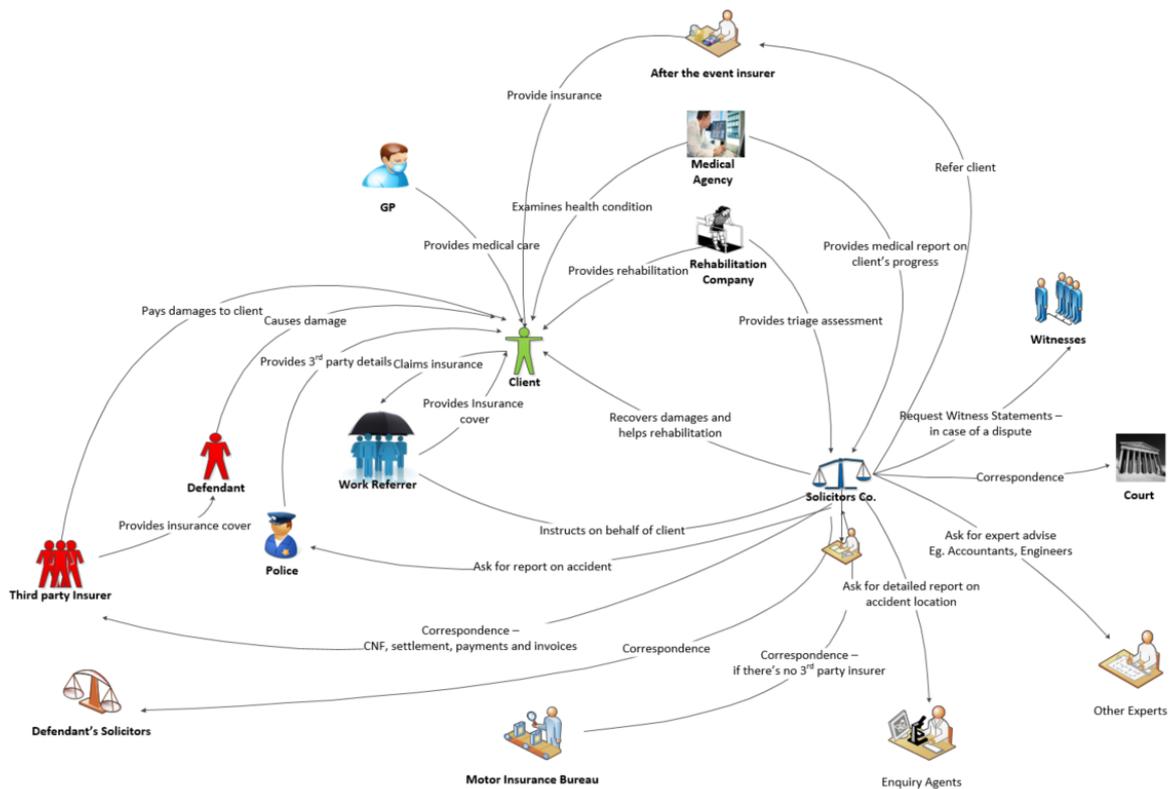


Figure 4.11 : Process Ontology depicting the stakeholders in a typical RTA matter and their interactions

Source: Author (2020)

List of stakeholders in RTA cases

1. Claimant (Injured) or Client
2. Defendant (Individual responsible for the injury)
3. Police
4. GP (Hospital)

5. Work Referrer (Client's Insurance Company)
6. Third party insurance company
8. Rehabilitation Services company (Triage Assessor)
9. Medical Expert (Medical Agency)
10. Motor Insurance Bureau
11. Witnesses
12. Court
13. Enquiry Agents
14. After the event insurer
15. Other experts
16. Defendant's Solicitors

Appraisal of current process flow – mapping the RTA service delivery process

During the first week of engagement with the department, an appraisal of the current processes is carried out by gathering data from individual consultations with process owners and thereafter analysing processes using flowcharts (process maps). Out of the 11 granular process flows developed in trying to articulate the end-to-end service delivery process, one process map is presented in Figure 4.12 which represents a high-level process map of RTA including several sub processes. Each of the sub processes has a separate process flow drafted and analysed to explore the fail points/bottlenecks through an exercise of Value Stream Mapping.

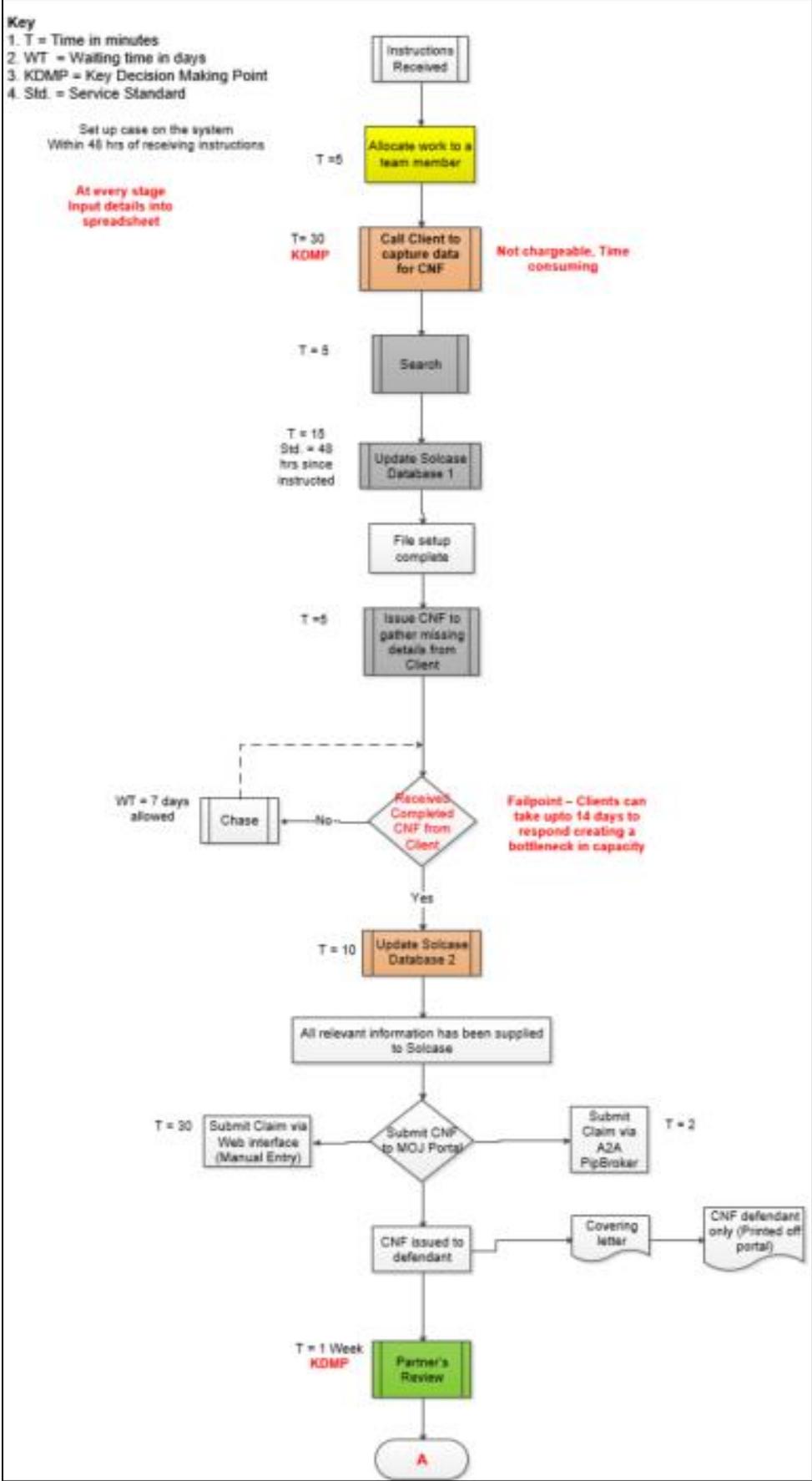


Figure 4.12: Process Map of RTA (Part 1)

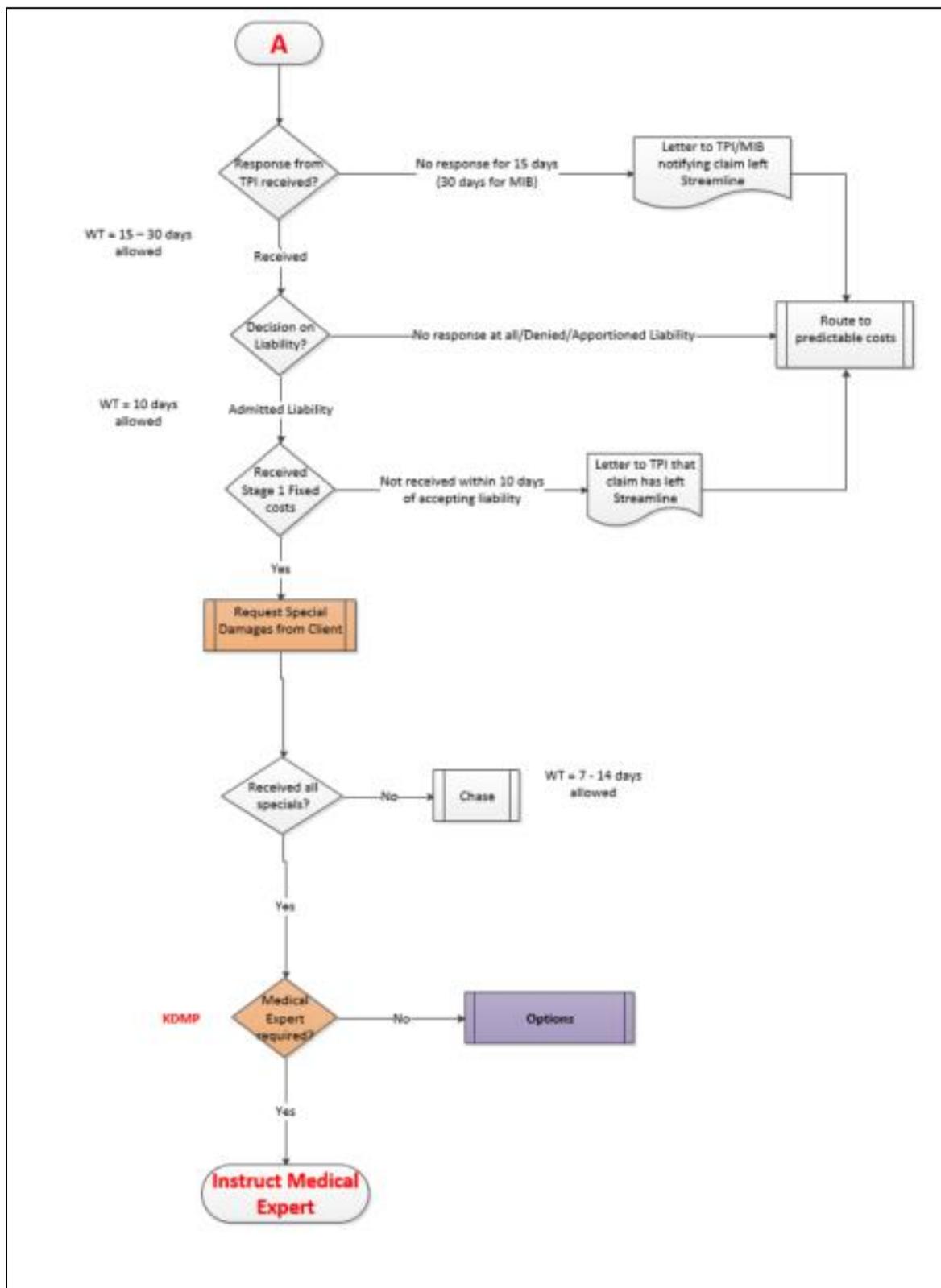


Figure 4 13: Process map of RTA (Part 2)

Source: Author (2020)

Formulating the Key Performance Indicators (KPIs)

It is essential to first establish the performance measures before undertaking improvement. According to (Paton *et al.*, 2011), performance measurement allows:

- To communicate objectives and targets
- to create a shared understanding of the organisation’s strategy
- to focus on the critical success factors
- for operations staff to communicate with and influence strategic decision makers

Checkland & Poulter (2006, p.42) suggest that it is useful to ask ‘what would be the measures of performance by which the operation of the notional system would be judged? Such measures would sharpen up the thinking about the purposeful activity being modelled’. The following KPIs presented in Table 4.5 have been identified based on the consultation with HoD and the key participants:

Table 4.5: Key Performance Indicators for RTA service

KPI	Aim	Governing factors
1. Days file is open (Time in days)	Lower the better	Work organisation (internal) and third-party turnaround times (external)
2. Damages Recovered (£) a. General Damages (£) b. Special Damages (£)	Higher the better	Case merits (External) Fee earner’s ability (Internal)
3. Hours per file (Time in hours)	Lower the better	Work organisation (Internal)
4. Days to arrange Medical Assessment (Time in Days)	Faster the better	Fee earner’s liaison (Internal) Third-party turnaround (External)
5. Client satisfaction (Scoring Matrix)	Higher the better	Various (internal and external)
6. Conversion rate (percentage of enquires converted to new matters)	Higher the better	Fee earner’s handling the enquiry (internal), enquirer’s needs and wants (external)

A systems-based problem definition

It was necessary to condense all the information gathered and analysed in this first phase of the CAR cycle to arrive at a *root definition* for the system under consideration. A root definition is a concise description of a human activity system which captures a particular view of it (Checkland & Poulter, 2006). It is a statement of purpose which captures the essence of the system under consideration. It is based on the notion that a system functions to transform inputs into outputs. CATWOE (Customers, Actors, Transformation, Worldview, Owners, Environment) technique can be used to develop as well

as verify a root definition. A generic model of any purposeful activity as represented through CATWOE mnemonic is shown in Figure 4.14.

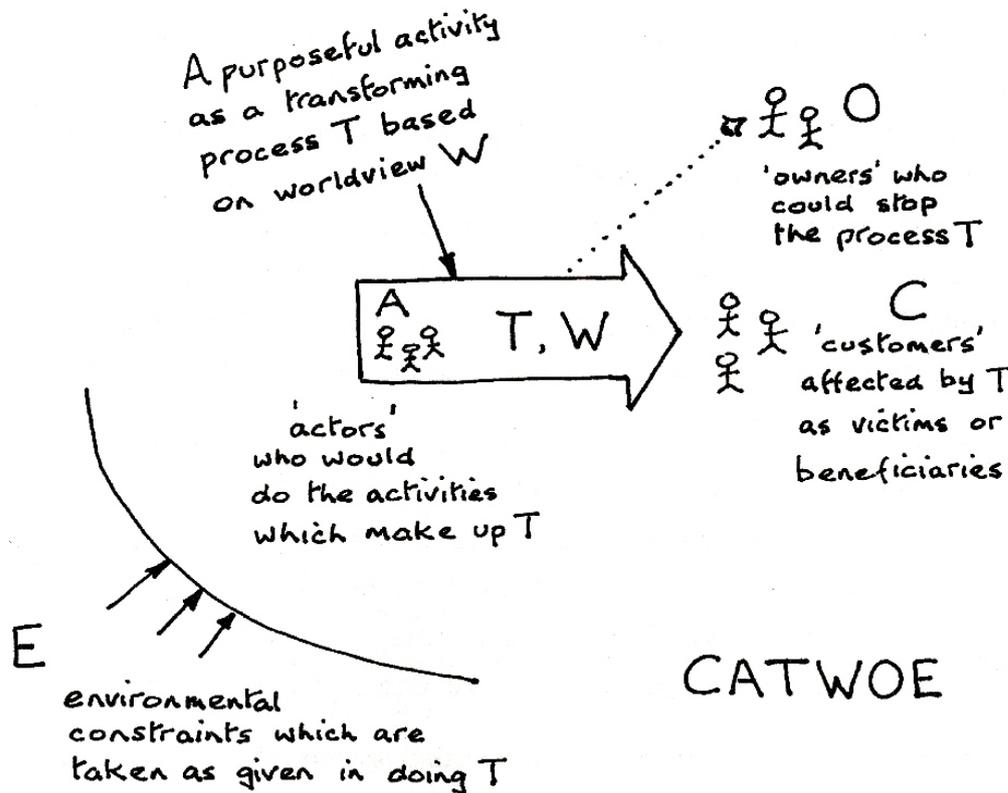


Figure 4.14: A generic model of any purposeful activity, which yields the mnemonic CATWOE

Source: Checkland and Poulter (2006, p. 41)

- **C – Customers: Victims of road traffic accidents (Clients), Insurance Companies**
- **A – Actors: Staff at Solicitors Co. (Lawyers and support staff)**
- **T – Transformation: Legal service delivery to satisfy customer needs**
- **W –Worldview: RTA service is a system to deliver justice to victims of road traffic accidents**
- **O– Owners: Partners of Solicitors Co.**
- **E – Environment: Legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, third party service providers such as police, triage assessors, medical experts, rehabilitation providers etc.**

The root definition is made up of all the elements of CATWOE linking each element appropriately and meaningfully to describe the transformation process delivered by the legal service system based on the world view of the modeller (researcher).

Root Definition of RTA system

The root definition of RTA service viewed as a system delivering a transformation can be understood as follows based on the above definitions of each element in the CATWOE mnemonic:

A system owned by Partners of Solicitors Co., where lawyers and support staff deliver legal service to satisfy the needs of road traffic accident victims on behalf of the insurance companies by delivering them justice under the constraints posed by the legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, third party service providers such as police, triage assessors, medical experts, rehabilitation providers etc.

This definition sets the preamble for conducting the action research enquiry by providing a structured description of a 'system under observation' and provides the perspective taken by the researcher to enquire into the system.

4.9.2 Action Planning

Having understood and defined the issue, it is imperative to plan for taking action to improve. In order to identify the improvements PrOH Modelling (Clegg, 2007) has been used whose merits and application have been detailed in the previous section in this chapter as well as the Methodology chapter. As a Soft Systems Methodology (SSM) it was used to build models of human activity systems (HASs).

Based on the process maps initially developed, as well as the root definition, a core process statement (objective) has been agreed to build the PrOH model as 'RTA team aiming to reach settlement' in a given matter. This statement takes a process perspective of delivering legal service in RTA and captures the essence of what each fee earner (Paralegal) is individually aiming to achieve within each matter. According to Clegg (2007), 'it is imperative that each individual model should be given an objective to provide focus to a business process model. This objective should be reflected in its name which denotes the purpose why the process exists. This gives the exercise more validity and makes the application of systems thinking easier'.

The process ontology and process maps developed were used to create a Suppliers, Inputs, Process, Outputs, and Customers (SIPOC) table that formed the basis for drafting a PrOH Model representing the process of a typical legal matter within the department. The RTA PrOH model shown in figure 4.15 represents provides the interactions between people, systems and other tangible and intangible entities involved in legal service delivery.

Storyboarding

During the storyboarding session, the key participants including the HoD were invited to participate in a working session aimed at identifying current issues and suggest potential improvements. The intention of this exercise from an SSM point of view is to *compare the purposeful activity models with the real world which sets up a structured discussion about change* as shown in Figure 4.16 below:

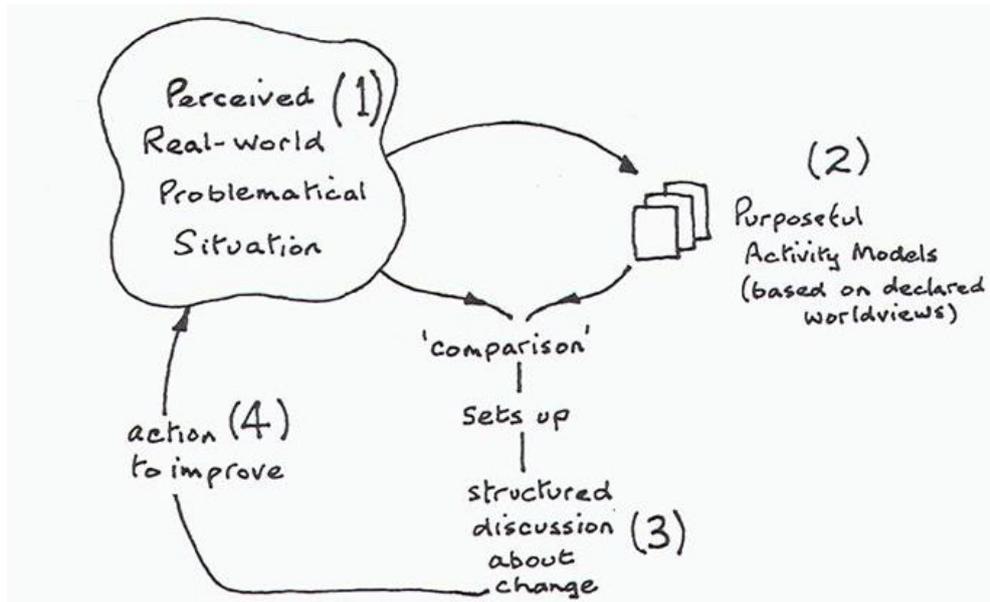


Figure 4. 16: SSM's learning cycle

Source: Checkland and Poulter (2006)

In the storyboard, a set of questions were added onto every scene covering each activity, dependency and performance measure (KPIs) based on the following questions based on Checkland's (2006, pp. 49 & 77) suggestion as follows:

- How is it done?
- Who does it?
- Could someone else do it?
- How else could it be done?
- Does it need to be done?
- When and where is it done?
- How do we judge it?

In every scene, the participants are posed with questions which allowed them to participate in the discussion and highlight any issues as well as provide suggestions for improvement. Participants were

allowed to input their ideas for improvements using post-it notes which were later analysed to be grouped into different clusters based on which the actions were designed.

Identifying issues: Summary of the participant inputs from RTA Storyboarding Session

Based on the various questions asked of the group at each step (slide) in the storyboarding process, several responses have been provided by the stakeholders which have been presented below:

1. How to improve the conversion rate from 60-70% to more?

As identified during the formulation of departmental KPIs, it was noted that conversion rate is one of the key indicators of success for the department as it drives volume and revenues alongside strengthening the relationship with work referrer (institutional client). The responses to this question were as follows:

- a. Chase the client more
- b. Conversion rate depends on the quality of instructions (clients referred) passed on by the Work Referrer
- c. Some clients are not interested but the insurer would forward them anyway – these clients will not respond to us.
- d. Distinguish between Fee paying client and Legal expenses covered client.
- e. Spreadsheet is designed by an external provider and hence contains information what they want, not what we want – change the format of spreadsheet?

2. How to face the threats from alternate business structures (ABS) – vertical integration of Insurance companies?

As identified from the initial data gathering exercise which pointed out that one of the forces affecting the operations of the mid-size law firms and the case study organisation in particular is the competition from newly formed ABS firms which benefit from a structure built ground-up solely with the focus of providing lean services at a fixed fee. The responses to this question were as follows:

- a. Clients think that the amount of paperwork involved in RTA cases is daunting
- b. Client Notification Form (CNF) is quite lengthy (15 pages) – clients don't read the CNF fully and try to contact the solicitor

- c. Increase the face time (telephone) with client – Paralegals also enjoy talking to clients more than the routine processing work
- d. RTA team is so busy to balance both activities: processing claims and talking to clients
- e. An RTA paralegal received 173 calls from reception last month – 50% of these calls are not productive
- f. Changing the way paperwork is posted to client – colour code the forms and letters and attach a brief note to explain the degree of importance of the enclosed documents.
- g. Labelling the outgoing documents with post it notes
- h. 10 min phone call to explain the documentation clients are going to receive
- i. Enclosing a checklist along with the documents pack sent to clients
- j. Enclosing a similar client story along with the Client Care Letter
- k. Include an FAQ on RTA process in the website
- l. Improve the call handling system (Voicemail issues) - Answering machine asking the caller to leave the case reference and the message for RTA team to get back later

3. How to provide more choice to client through enhanced service?

- a. Profiling the clients based on factors like employment status to sell additional services
- b. Segmentation of clients based on what they need– recovery from injuries or settlement or justice through court
- c. Typify cases to provide individual service – need to trim some of the routine checks in the existing system and make them specific to fit the client’s context

4. How to reorganise the team?

- a. Better to have different people to service the client throughout the progression rather than have a single person.
- b. Need for admin support - Fee Earners are currently doing a lot of administrative work in terms of printing, scanning and posting documents
- c. Dedicated resource for making initial calls
- d. Dedicated resource for dealing with incoming settlement cheques, bill payments and receipts

5. How to speed up external factors in the process?

- a. Client expectations on the expert are not met – maintain our own database of good and bad experts
- b. Alter process flow: instruct rehab only after receiving the CNF from client not before, this is leading to a greater number of phone calls made
- c. Cases that don't fit in streamline system: depending on the severity of injury cases worth up to £10k require more liaising with other parties which is hard to comply with standard timelines – need to think of a separate service line for this type of cases

6. How good is the current electronic workflow system?

- a. Workflow system is good and easy to use but several issues need to be addressed: proper overhaul and update, standard letters need polishing to make them more client friendly.
- b. Need for additional functions such as ability to trigger automatic updates to clients

7. What can be improved in the Billing process?

- a. Bill request for Stage1 fixed fee is going through the finance team – explore the possibility for paying straight into the account.
- b. Develop an interface with the firm's practice management system – just like Private Client department (BACS)

8. Issues with medical records handling

- a. Currently there is no central location where these files are being saved consistently
- b. Some files are saved on a third-party portal where they get deleted after a certain period of time
- c. The team can benefit from a dedicated server space to exclusively store medical records
- d. If this space is converted to a portal with access to third party, it would be even more cost/time effective as we can allow experts, client and counsel to directly access all MR and docs from portal itself
- e. There is no version control in place for referring to latest documents
- f. Review of MR takes 2-3 hours per lever arch file
- g. Ability to search for Keywords would help lawyers
- h. In-house pagination resource can massively help the team and save time and cost

Eliciting the Systemic Success Factors

A description of the systemic success factors (SSFs), the aspects that influence the behaviour of the system, also referred to as its holons and holarchy has been presented in Table X. These factors are richer than the objective performance measures defined previously (KPIs). SSFs provide a more qualitative basis and guidance for designing the improvements to RTA system.

Table 4.6: Systemic Success Factors within RTA service

Systemic Success Factors		Operational and Knowledge Challenges
For Lawyer	For Client	
Complexity of the case - number of parties involved, claim amount, personal injury.	Recovery of damages (justice, claim amount, rehabilitation).	Improving client experience – adhering to standard procedures whilst maintaining the same level of personal service.
Turnaround time for receiving documentation from outside parties.	Quicker settlement.	
	Personal service – answer all queries, provide assurance and help recover damages to the best possible extent.	Reducing turnaround time for reaching settlement.
		Streamlining internal finance procedures.
		Understanding client needs and improving service quality.

4.9.3 Action Taking

By reflecting on legal processes through structured brainstorming facilitated by ProOH modelling, several areas of improvement have been identified as shown in the above section. These are small improvements with a potential to change the way service is created and delivered by the RTA team. Making these improvements might not require capital investment but requires the participation and active contribution from staff. To access the collective knowledge of staff and their ideas cross-functional teams have been formed by recruiting members from relevant legal and business support departments. These are termed as ‘Action Teams’ and each team was empowered to work autonomously with the right level of support from line management for addressing the challenges identified in the consultation and storyboarding sessions.

Cross-functional teams play a potentially important part in the innovation process by enabling cross-discipline knowledge sharing, the development of trust and overcoming spatial and organizational barriers (Love & Roper, 2009).

Instead of long formal meetings brief get-togethers were arranged which were called ‘standing meetings’. In a standing meeting the teams shared ideas and proposed solutions for improving specific problem areas (Weisbord & Janoff, 2005; Pot, 2011). The task has been considered as a mini project with effective delegation and agreed timelines which enabled quicker implementation of the solution, in a week or two, which could otherwise have taken longer.

The researcher acted as facilitator throughout the implementation process which involved coordination between teams, organising standing meetings, setting tasks, monitoring progress and communicating updates back to teams.

Action Teams

Five action teams have been formed to address the challenges identified through the PrOH model storyboarding exercise. Each team has taken up a set of challenges to be addressed, these challenges are mutually exclusive to each team. The members of each team are selected in way such that the team comprises of process owners and experts from relevant legal and support department who have the skills and experience to provide advice and improvements. Table 4.7 provides the list of team members and the challenges taken up by them.

Each team was given 2 weeks to complete their tasks which included either to specify the solution or to implement it where possible. Those solutions that require more time and resources to be implemented were taken up as a separate project which extended beyond the duration of the action research intervention in the department.

Table 4.7: Challenges taken up by action teams in RTA

Team	Challenge	Team Members
Team 1	<ul style="list-style-type: none"> • Improve conversion rate beyond 67%. • Reduce 2-3 weeks of waiting time to receive CNF from client. • Eliminate tedious and time-consuming manual entry of client and matter details into case management system. • Reduce the number of disparate information sources (spread sheets) being used in spite of employing a case management system 	HoD Partner Finance Director IT Director
Team 2	<ul style="list-style-type: none"> • Revise client care letter and accompanying documents as they are too long and written in technical language. • Reduce the number of incoming client calls enquiring about trivial issues that were already explained in the client care letter. 	Practice Support Lawyer Compliance Manager Paralegal IT Applications developer
Team 3	Improve call handling procedure for initial enquiries from referred clients as this currently involves waiting time Eliminate the redirecting of calls from reception	IT Director Paralegal Reception Manager

Team 4	<ul style="list-style-type: none"> • Reduce the redundant steps in handling bills and cheques, currently incoming cheques are being passed across 3 departments and handled by 5 separate individuals. • Reduce the time, effort and paper being wasted in printing bills and cheque requests. 	Secretary Finance Team Cashier Paralegal Post Room Messenger Finance Team Manager
Team 5	<ul style="list-style-type: none"> • Understand the requirements of RTA clients better through a service quality measurement exercise. • Design a standard mechanism to capture client feedback from time to time. • Explore the opportunities for selling additional services to RTA clients. 	Finance Director Researcher External Consultant

Implementing changes

Most of the solutions developed by the action team members were readily implementable with little resource. However, some of the solutions such as conducting telephonic survey to understand client needs (Team 5) have continued beyond this stage of the action research project and was concurrently run along with the next stage. Table 4.8 below provides the list of changes implemented and the impact of those changes on RTA service.

Table 4.8: Changes implemented by each team and their impact on RTA

Team	Changes implemented and their impact
Team 1	<ul style="list-style-type: none"> • A new method has been designed to engage with clients at the beginning of the service. The idea is to increase solicitor's face-time with client thereby increasing awareness of the complex claim process. By establishing a relationship with client at the outset, conversion rate will be remarkably increased leading to economies of scale in processing RTA claims and increase in gross revenue of the department. • Improved conversion rate of referrals from 67% to 93% • Reduced waiting time of 2-3 weeks, through eliminating a bottleneck, leading to overall time reduction for reaching settlement and increased capacity to handle more cases. • Paper saved in printing CNF • Improved cash flow due to quick turnaround time. • Staff time saved due to automated entry of client and matter details into case management system.

Team 2	<ul style="list-style-type: none"> • Rolled out a new SRA compliant and company branded client care letter replacing the older version to make it more concise, readable and easy for clients to understand the costs information • Total number of incoming calls are expected to reduce.
Team 3	<ul style="list-style-type: none"> • Cheque/bills handling has been streamlined eliminating redundant steps saving time and effort in PI and Finance departments • Electronic filing procedure eliminated the need to print bills and cheque requests saving paper and improving electronic record management. • Eliminated the need for partner signature on cheque requests saving time and removing bottleneck.
Team 4	<ul style="list-style-type: none"> • FAQs have been created and published on the website and sent along with client care letters which is expected to reduce the number of trivial telephone enquiries from clients. • Calls will be handled efficiently by eliminating client waiting time in redirecting the call. The capacity to handle calls will be increased. • Reduced call load on paralegals can allow them to spend more time on rendering quality advise to clients. • Client satisfaction levels are expected to improve.
Team 5	<ul style="list-style-type: none"> • Conducted the first ever telephone survey for SC setting a standard for understanding client needs and improved the prospect of selling additional services. • Understood the insights of 100 clients about expectations and perceptions on service delivery using SERVQUAL framework. • Established the metrics for service quality and identified areas of improvement.

Understanding Client Expectations

It was identified in the storyboarding session that there is a need for understanding the clients' expectations of service in the RTA claim process so that the service could be redesigned accordingly. Therefore, telephone interviews have been conducted with 100 different clients of Personal Injury department. The telephone survey was based on the SERVQUAL framework involving 2 sets of clients which was outlined in detail in the Data Analysis Chapter Section 5.4. The Table presented below provides a list of expectations categorised into 5 different SERVQUAL themes. The detailed concept map containing the illustrative data is presented in Section 5.4 of the Data Analysis Chapter.

Table 4.9: Illustrative data and aggregate themes from SERVQUAL exercise

SERVQUAL Dimension	Theme	Illustrative Data
Tangibles	Status of Claim	<ul style="list-style-type: none"> • I needed to chase the solicitors and when he went on holiday, I needed to wait for him to come back before anyone could update me on the status of my claim

		<ul style="list-style-type: none"> I had to chase constantly, cheque was in the post for weeks!
	Clarity of instructions	<ul style="list-style-type: none"> They spoke as if I understood everything and in the end I was so fed up that I gave up and settled.
Reliability	Interest towards solving client problems	<ul style="list-style-type: none"> I was given a quote at the beginning which I was happy with, but I actually received a lot less so not so happy! Didn't really think that they were interested
	Proactive updates	<ul style="list-style-type: none"> I think that even if there is no update to be given, a phone call to say that something is happening is a good idea. I am always the one chasing SC for an update. I needed to chase them a lot! I did need to chase them and didn't always get a response It took a long time to settle my claim - 18 months -2 years and went through 2-3 solicitors. I needed to chase up quite a bit and felt that information wasn't passed through from solicitor to solicitor. I have had to chase repeatedly for updates even if there is nothing new to say or you are waiting for information from a third party - it would be nice to know what is going on without me calling up
Responsiveness	Available when needed	<ul style="list-style-type: none"> People weren't always in the office when I wanted them They were slow at times in responding back They did not reply to my emails and so I had to chase by phone
	Focus on recovery (Health & Damages)	<ul style="list-style-type: none"> Because it dragged on I just wanted it to end but I am still not in full health. I was advised to take the offer by SC, but I thought I would get more
Assurance	Knowledge of fee earner	<ul style="list-style-type: none"> The person dealing with my claim did not seem to believe me when I gave her information relating to the loss of earnings. I needed to send a lot of information in and although my employers took some time to respond to a request for information, I was

		<p>still unhappy with how everything was handled.</p> <ul style="list-style-type: none"> • The person dealing with my claim did not seem to believe me when I gave her information relating to the loss of earnings. I needed to send a lot of information in and although my employers took some time to respond to a request for information, I was still unhappy with how everything was handled.
Empathy	Personal touch	<ul style="list-style-type: none"> • People were rude on occasions
	Customised service	<ul style="list-style-type: none"> • I thought that she (lawyer) just wanted to close the case rather than help me • We moved house and so I gave them my new address but they sent the cheque to my old address and I couldn't get it so we had to start that process all over again!

4.9.4 Evaluating

Following the spirit of action research, the process models and improvements designed during this stage were comprehensively reviewed in workshops involving SC partners, lawyers and support staff. The models were validated to check if they embodied characteristics of real time practice accurately. The models were verified to ensure that they were adhering to the guidelines of PrOH modelling methodology such as follows:

- Defining an objective for each model
- Minimising codification and maximising normal language
- ‘Enrich and abstract’ as opposed to ‘reduce and aggregate’
- Reflect not re-create
- Validating and building consensus

The evaluation required extensive iteration which meant rigorous consultation with process owners.

Evaluating the involvement of participants

In this stage of the action research project, 16 members of SC staff at all levels both within the Personal Injury department as well as support functions have participated and contributed to the implementation of changes in the department. They spent around 97 hours approximately participating in various activities such as providing data through interviews, spending time with the researcher in refining the process maps, participating in storyboarding workshop, standing meetings and working on action team tasks as shown in Table 4.10.

Table 4.10: Stage wise schedule of participants and their time contribution

CAR Stage	Activity	Participants involved (Role)	Time spent (hours)
Problem diagnosis	Interviews	Paralegals X 4	4
		Professional Support Lawyer (PSL-Associate)	1
Action Planning	Drafting and refinement of Maps	PSL	2
		Paralegal	1
	Storyboarding Workshop	PSL	1.5
		Directorsx2	3

		Paralegal X3	4.5
		Secretary	1.5
		Support Staff Member	1.5
Action Taking	Standing Meetings	Directors X 2	3.5
		Paralegals X 4	2
		Partner	0.5
		Associates x2	1
		Secretaries x2	1
		Support Staff Members X 7	3.5
	Action Team Tasks	Directors X 2	12
		Paralegals X 4	4
		Partner	2
		Associates x2	4
		Secretaries x2	2
		Support Staff X 7	7
	Client Interviews	Director	4
		External Consultant (Time not accounted)	0
	Model Development (SERVQUAL Report, Workflow system development, Impact Analysis)	Director	6
	Model Refinement (SERVQUAL	Director	4

	report review/revision)		
Evaluating	Consolidation Team Meetings	Directors X 2	3.5
		Solicitors X 4	2
		Partner	0.5
		Associates x2	1
		Secretaries x2	1
		Support Staff X 7	3.5
Specifying Learning	Stage Report	Director	6
	Final Dissemination and handover	Director	1
		Partner	1
		Associate	1
Total Time spent by all participants (excl. researcher)			97

This data presented in the above table reveals three things that ensure sufficient evaluation:

- That the action research cycle proceeded in a series of logical steps from data gathering to final dissemination and handover meeting, in each step involving consultation with process owners and further refinement, meeting the Principle of the Cyclical Process Model (CPM);
- The Principle of the Researcher–Client Agreement (RCA) has been applied by meeting with HoD at different strategic decision making points in the process – at the beginning to agree the project (stage) scope, during the execution to agree the 5 action teams and their objectives, at the close of the stage to ensure final review, dissemination and handover the project to periodically revisit the KPIs and take corrective action including fulfilment of any outstanding tasks.
- The Principle of Change through Action is met by ensuring all the areas of improvement identified in the process of investigation have been taken up by the action teams to develop solutions and deliver them.

- The Principle of Learning through Reflection is met by specifying learning outlined in the following section 4.9.5.

4.9.5 Specifying Learning

RTA is a high volume, low variety service line which offered a number of pockets of opportunity to improve the

- Using PrOH modelling helped to improve the overall understanding of complex legal processes involving stakeholders from inside and outside the firm.
- By presenting the high-level view of the processes, greater visibility, improved awareness and consensus was developed among the legal and business support departments to work together in delivering the service.
- Narrating the whole process in a simple story-boarding fashion enabled the researcher to engage staff to reflect on current process and identify potential improvements for delivering high value services.
- PrOH model storyboarding proved to be a powerful intervention in bringing lawyers and support staff onto a common thinking platform.
- The engagement with RTA team using PrOH modelling as an intervention has imparted a new way of engaging people at all levels in the firm towards contributing to the wider organisational goals.
- Building on the initial success of standing meetings, a firm grounding has been established for access ideas from staff which can be implemented in the upcoming CAR cycles to be conducted with the remaining four departments across the firm.

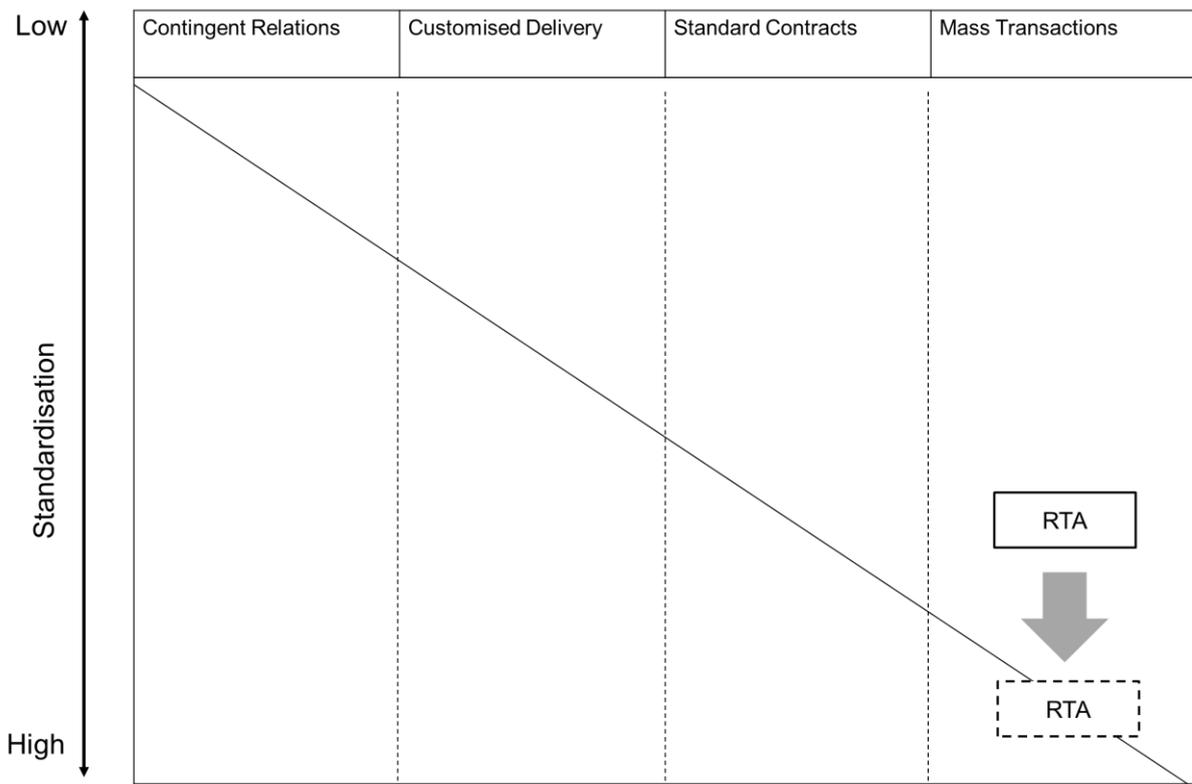


Figure 4.17: Dominant service type of RTA in Personal Injury department and its position along the standardisation diagonal.

Source: Adapted from Giannakis et al. (2018)

Execution Timeline

Presented below in Figure

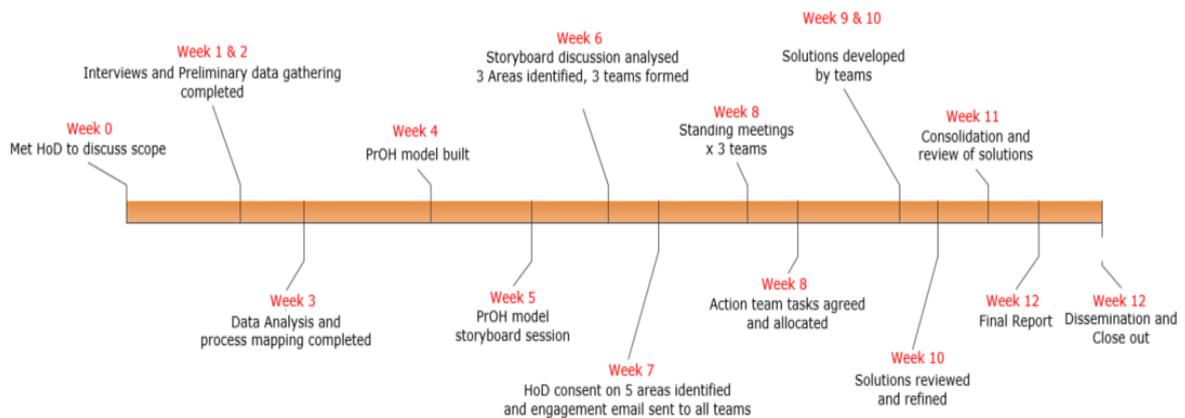


Figure 4.18: Timeline of execution for Personal Injury department AR cycle

Case 2 – Dispute Resolution Department

4.10 Litigation Services in Dispute Resolution Department

Dispute Resolution can be considered one of the complex areas of law as it overlaps with many other legal disciplines. Within this department at SC, the case volume is relatively low, and every case is unique requiring lawyers to tailor it to client's specific requirements as well as be well-versed within that niche of law resulting in higher professional work intensity involving research and preparing detailed legal arguments. It also requires greater degree of interaction with clients which makes managing the costs of litigation challenging, unpredictable and constantly prone to changes due to unexpected disclosures, counterclaims and submission of new expert evidence.

This stage of the project occurred 6 months into the action research engagement after the completion of RTA stage presented above. During this stage initially the researcher met with the Head of the Department (HoD) of Dispute Resolution to scope the intervention. Four key participants have been identified with the help of HoD, including 2 Lawyers, 1 Associate and 1 Secretary.

The following sections outline the investigation and the improvements delivered which are aligned with the main stages of Canonical Action Research (CAR) methodology (Susman and Evered, 1978).

4.10.1 Diagnosing

Based on interactions with lawyers and support staff within the department, a process map (Figure 4.19) has been drafted to represent the process flow within Dispute Resolution department in a typical commercial contract dispute matter. Three interviews lasting up to 60 minutes each have been conducted before the process maps were fully developed. Notes taken by the researcher during the meeting and follow up conversations with the three lawyers has led to the identification of the following details:

Commercial Contract Dispute

- Length: Varies depending on the complexity and type of the case
- Types of cases: Small, Fast track and Multi track
- Small: value up to £5000 (3 – 4 months), requires no disclosure, no witness statements, less formal, no solicitors other side.
- Fast track: £5000 to £25000 (8 – 10 months)
- Multi track: above £25000 (12 – 18 months)
- Reasons for dispute: Vague Terms & Conditions, Vague agreements.
- There are several types of contractual disputes. For example, the client is being sued by his customer for selling faulty equipment. Client in turn purchased this equipment from a

manufacturer who should be liable for the faults. (Type - Sale of Goods and Supply of Services Agreements)

- Solicitor might receive instructions from client at any time during the course of the dispute. Usually when something is brewing up between the parties involved, which is also the best time for a solicitor to get involved.
- Initial contact occurs mostly by telephone or email. Then the client is called in for a face-to-face discussion.
- In the first meeting, client explains their situation and hands-in all the relevant documentation. The amount of documentation can range from few documents to several lever arch bundles. The solicitor gets to know only one version (client's) of the dispute from the first meeting.
- Identifying the strengths and merits of the case is a crucial aspect and an on-going process throughout the matter. Solicitor gathers as much information as possible from client in the form of documents and through enquiry to analyse the position of the client with respect to the defendant.
- Pre-Action Correspondence (Letter before action): After the solicitor has analysed the merits and established the position of the case, correspondence is sent to the defendant notifying the allegations made by the claimant (client). Through this letter, solicitor will propose the prospect of outside court settlement to the defendant explaining the nature of court proceedings which is a lengthy and costly route.
- Meeting with defendant: Based on the response received from the defendant, a meeting will be scheduled with both the parties along with defendant's solicitors. This meeting will provide further insights into the merits of the case based on the defendant's version. The earlier this meeting is arranged, the better it is for both parties as they might need to continue commercially whilst the case is on-going.
- Based on the meeting outcomes, the case can take two different routes: outside court settlement through mediation or to proceed through court.
- Mediation: Usually mediation takes place before the court proceedings are issued, but it could as well occur anytime during the course of the matter before it reaches court trial. Mediators are qualified professionals appointed by the solicitor with the consent of both parties. Mediation costs are shared equally between claimant and defendant.
- Court Proceedings: The process is driven by court and actions take place in stipulated timelines. Whilst the case is on-going as per court directions, solicitors on either side try to reach a settlement without going to trial. However, it is very unlikely that a case progresses to trial as more than 90% of them are settled outside court intervention.
- Claim form: If the case is decided to be pursued in court, the solicitor needs to prepare a claim form to be submitted to the court. Preparation of claim form is a crucial step in the process of

litigation. Based on the complexity of the case, a barrister can be instructed if necessary, to help draft claim form and provide support throughout.

- Outside Court Settlement: On every possible occasion, solicitor will try to encourage both parties to settle the case outside the court. If both parties agree for a settlement, it will lead to negotiation.

Key issues in Dispute Resolution department

It was observed that the process of delivering a dispute resolution matter can be unpredictable, leaving costs uncertain and unforeseen claims can be brought within the proceedings by an opponent. Levels of disclosure can be greater than expected and may be piecemeal. There may be interim applications along the way. As well as the number of witnesses impacting upon the length of trials, limited information available at the outset can lead to scope creep, disproportionate costs and a potentially negative experience all round. A partner said “litigation is like horse trading” which involves dealing with many unknowns giving rise to difficulty of evaluating case merits. With these challenges estimation of the legal costs has long been considered more of an art than a science, heavily reliant on experience and judgement. Thus, the emphasis will be on building consensus with the client, working on indivisible tasks and managing widely distributed authority.

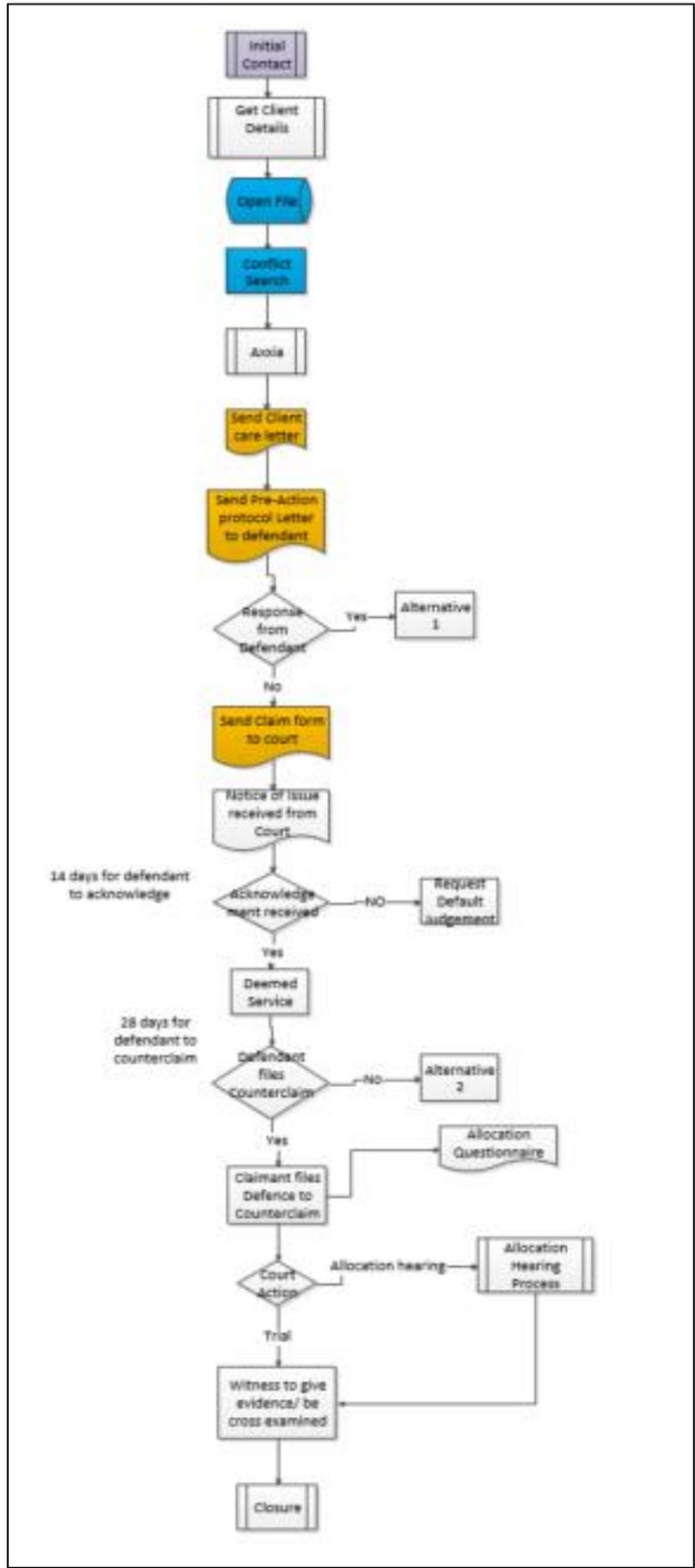


Figure 4.19: Process map of a typical commercial contract dispute

Key Performance Indicators (KPIs)

The following table presents the KPIs of Dispute Resolution department:

Table 4.11: Key Performance Indicators in Dispute Resolution Department

KPIs	Aim	Governing factors
1. Days file is open (Time in days)	Lower the better	Work organisation (internal) and third-party turnaround times (external)
2. Claim settlement value (£)	Higher the better	Case merits (External) Fee earner's expertise (Internal)
3. Hours spent on establishing case merits (Time in Hours)	Lower the better	Complexity of the case (external), Lawyer expertise (internal) Client Disclosure (external)
4. Write offs (£)	Lower the better	Fee earner's approach to time recording (internal), Poor scoping (internal), Costs proportionality requirement of courts (external)
5. Billing realisation rate (fee billed/hours worked/fee earner hourly rate - %)	Higher the better	Fee earner's approach to time recording (internal), Write offs (internal, external)
6. Proportionality of cost to claim value (legal cost/value of claim - %)	Lower the better	Accurate scoping (internal) Full disclosure by client (external) Counter claims by defendant (external)

Root definition

- **C – Customers:** Claimants and defendants in litigation cases (Clients)
- **A – Actors:** Staff at Solicitors Co. (Lawyers and support staff)
- **T – Transformation:** Legal service delivery to satisfy customer needs
- **W –Worldview:** Dispute Resolution service is a system to deliver justice to Claimants and defendants in litigation cases
- **O– Owners:** Partners of Solicitors Co.
- **E – Environment:** Legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side, expert witnesses etc.

The root definition of dispute resolution service viewed as a system delivering a transformation can be understood as follows based on the above definitions of each element in the CATWOE mnemonic:

A system owned by Partners of Solicitors Co., where lawyers and support staff deliver legal service to satisfy the needs of claimants and defendants in litigation cases by delivering them justice under the constraints posed by the legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side, expert witnesses etc.

4.10.2 Action Planning

Based on the process maps initially developed, as well as the root definition, a core process statement (objective) has been agreed to build the PrOH model as ‘Claimant’s Dispute Resolution Solicitor aims to reach a Settlement’ in a given matter. The PrOH model for litigation service is shown in Figure 4.20.

Claimant's Dispute Resolution Solicitor aims to reach a Settlement

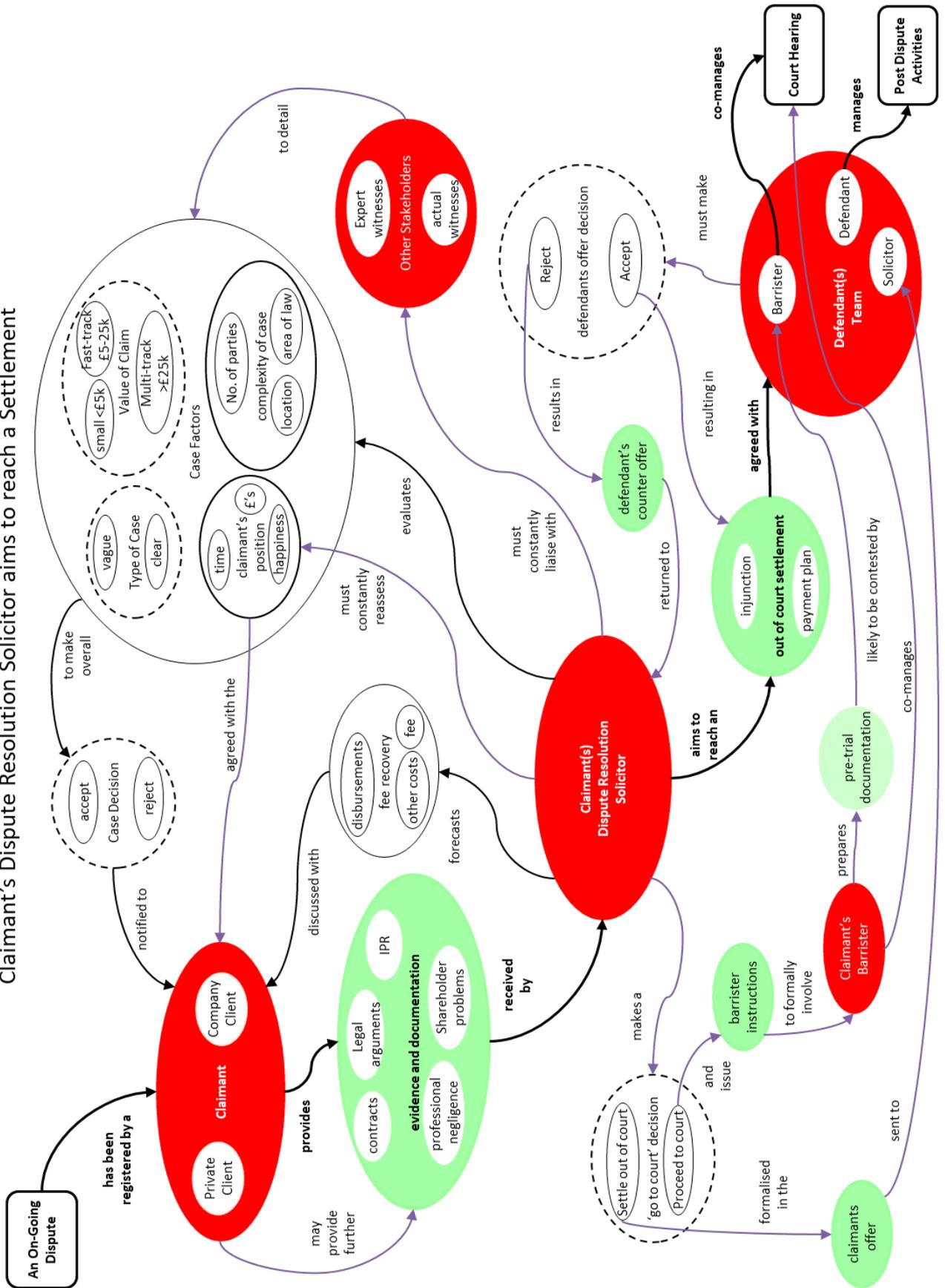


Figure 4.20: ProOH Model depicting the litigation process

Storyboarding

Following is the summary of participant inputs from dispute resolution storyboarding session:

Scene1

- Client's aim is documented – set out in the client care letter and agreed.
- Knowing the opponent – clients will be asked about the opponent's personality and their financial position

Scene2

- Happiness of client – depends on individual personality, every client is different
- People change so much through the process
- Generally, clients do not disclose everything in full
- Risk assessment is made but not documented
- Case acceptance decision is made in the first conversation itself
- Longer the duration of the case, more is the scope creep.

Scene 3

- Cost benefit analysis is done every 3 months
- Cases can sometimes get simpler than the initially agreed scope
- Some clients are reluctant to follow solicitor's advice which impacts on the outcome
- The more labour intense, the more cost conscious

Scene4

- These days cases can't be delayed anymore as the court is keen on quick resolution.
- Consent of client on go-to court decision is documented based on the complexity of the case.

Scene 5

Case is not always claimant-driven, defendant can drive it often.

Administrative issues

a. Issues from post it notes

- Improve the process of opening a new matter on the system
- Issues with turnaround of work from secretarial side
- Amendments to correspondence
- The volume of emails from clients
- Mess in my office!
- Number of interruptions in a day

- Sending of post
- The court service
- Volume of filing (printing emails and filing)
- Cheques being passed unsigned – finding partner to sign them
- The reluctance of a few individuals not prepared to go extra mile
- Communication
- Lack of case management system and remote access
- Lack of access to detailed online resources
- Time spent looking for things (books)
- Information –access to client on status of the case and costs

b. Issues identified from PrOH model discussion

- Date stamps on post
- Printing all emails and filing
- Time recording categories
- Document management

Scoping and Pricing related issues

a. Issues from post it notes

- Disbursements in counsel fees
- Month end billing
- Difficulties in estimating costs
- Partner signing all the bills
- Automated costs info – integrate with Axxia

b. Issues identified from PrOH model discussion

- Time recording
- Lawyer and court rates
- Source of client has no impact on service standards

Client experience related issues

a. Issues from post it notes

- Client’s understanding of our job/role and the process of litigation
- Client reporting
- Risk assessment
- Inconsistency in correspondence – perceptions to outside world

- Stage wise updates to clients
- Client care letter – primary document for Managing expectations
- Client engagement
- Go to court decision – can client afford it?

b. Issues identified from PrOH model discussion

- Knowing the other side – personality, financial status.
- Non-disclosure
- Knowing your client – personality, financial status and non-case factors
- Emotions and circumstances change throughout the case
- Pricing decision based on client acceptance preferences
- Time Vs Scope increase
- Counter claims (Client’s understanding)
- Client’s reluctance to follow advice
- Demanding clients increase costs and drive down fee
- Change in court behaviour – steps towards quicker resolution of cases
- Go to court decision – verbal or written depending on factors
- Client’s aim
- Lawyers’ duty to the court
- Letter of advice – Sprat to catch a mackerel
- Pre-court discipline vs in-court discipline

Eliciting Systemic Success Factors

Systemic success factors (SSFs) for the lawyer and client are summarised in Table 4.12

Table 4.12: Systemic success factors within the Dispute Resolution Department.

Systemic Success Factors		Operational Challenges
For Lawyer	For Client	
Complexity of case – number of parties involved, area of law, location of client, value of claim, clear/vague documentation, merits of the case, witnesses required/not required.	Positive outcome – expected route (settlement/go to court), expected value of settlement.	Need for better pricing, budgeting and scoping mechanism.
Client type – experience of litigation, technical knowledge, easy to advocate (expect clients to follow the advice).	Lawyer type – expect lawyer to be technically sound, strategic in dealing with other side.	Need for a robust process for factoring in soft issues such as managing client expectations and driving performance of fee earners.
Managing client expectations throughout (impacts on fee recovery rate).	Cost of litigation – proportionate to the value of claim, transparent.	Understanding the typology of litigation cases to better estimate prices.

4.10.3 Action Taking

Three action teams have been formed to address the challenges identified through the PrOH model storyboarding exercise. Each team has taken up a set of challenges to be addressed, these challenges are mutually exclusive to each team. The members of each team are selected in way such that the team comprises of process owners and experts from relevant legal and support department who have the skills and experience to provide advice and improvements. For example, where a Task required financial analysis, a relevant member from the Finance Team has been involved. Participation was voluntary but driven by the Head of Department who emailed the Team members in advance or met them face to face to discuss the level of involvement and time commitment required.

The team members involved and the challenges taken up by them is presented in Table 4.13.

Table 4.13: Challenges taken up by action teams in Dispute Resolution

Team	Objectives	Team Members
Team 1	<ul style="list-style-type: none"> • A report on feasibility of referring clients to other parts of the firm • Design a process/tool/protocol/guide capable of being implemented and used by all litigation lawyers that will: <ul style="list-style-type: none"> - improve client service experience - increase certainty of price - add value to clients - would improve client satisfaction - would increase fee recovery 	Compliance Manager IT Team member Associate
Team 2	<ul style="list-style-type: none"> • Categorise all matters and create standard pricing templates • Design method/tool to estimate litigation costs • Produce methodology to deliver precedent HB using existing system (Axxia) • Identify payment cycle barriers and advise adjustments to billing protocols • Understand client expectations about costs and service level 	Finance Director Financial Analyst Associate External Consultant
Team 3	<ul style="list-style-type: none"> • Improve the process of organising knowledge in the department – filing procedure, shared folders etc. • Improve the current Client Care Letter and create a template for consistency across the department • Improve the process of accessing knowledge resources such as case law • Improve the process of client due diligence which is stalling the file opening procedure 	HoD Practice Manager Secretary Information Services Manager IT team member Associate

Implementing changes

In conjunction with lawyers and support staff, various improvements have been made to the current process with the aim of eliminating inefficiencies, improving utilisation, and also enriching the client’s experience of receiving the service, as presented in the systemic success factors table above. Improvements and changes implemented to the process also reflect the addressing of challenges presented in Table 4.13 above. The changes implemented in Dispute Resolution department can be categorised under three broad headings – *administrative improvements, pricing and scoping work and client service*.

Table 4.14: Changes implemented within the Dispute Resolution Department.

Category	Changes implemented
Pricing and scoping (Team 1)	<ul style="list-style-type: none"> • Developed a typology based on the crucial case factors such as the value of the dispute and type of dispute. Created new work types and categorised existing matters more effectively. • Developed a ‘straw man’ litigation case using historic data from 4 different cases to arrive at approximate costs based on statistical average. • Replicated Precedent H (the new regulation on costs management from Court) template using Microsoft Excel and linked it to firm’s core database for extracting actual costs based on new time recording codes. • Analysed the department KPIs and identified payment cycle barriers based on specific cases with slow cycles.
Client service (Team 2)	<ul style="list-style-type: none"> • Interviewed 5 clients to find out what can be improved in the current service and published the results to the department (See Table 4.14). • Developed a case management dashboard to manage complex matters involving many lawyers from different departments. • Developed a Matter Assessment Radar (MAR) tool that lawyers can use to identify the matter risks to modify their approach and fees accordingly, based on client’s input.
Administrative improvements (Team 3)	<ul style="list-style-type: none"> • Implemented new procedure for filing emails electronically and share email folders with secretaries. • Identified the additional knowledge resources needed and submitted a proposal – this resulted in acquiring department’s communal digital tablets (iPad) using which lawyers can instantly access case law. • Client care letters (CCL) have been reviewed and a gold standard CCL template has been produced for use across the firm as a standard template. • Explored and implemented a new solution for client due diligence involving quick credit checks at the time of file opening.

Understanding Client Expectations

It was identified in the storyboarding session that there is a need for understanding the clients’ requirements and expectations in the Dispute Resolution process so that the service could be redesigned

accordingly. Therefore, telephone interviews have been conducted with 5 different clients of Dispute Resolution department. Table 4.15 presented below provides a list of expectations categorised into 5 different themes. The detailed concept map containing the illustrative data is presented in Section 5.5 of the Data Analysis Chapter.

Table 4.15: Client expectations around service level and costs in Dispute Resolution matters

Aggregate Themes	Client expectations
Costs	<ul style="list-style-type: none"> • Expect transparency in billing practices with regular updates • Expect to be updated on who's working on their file apart from the concerned fee earner • Keep them communicated about any change of circumstances affecting the estimated fee and get their consent before billing any further • They do not expect to see Trainees time recorded on the file and billed for
Personal Service	<ul style="list-style-type: none"> • Expect not to be shown technical superiority or make them look less knowledgeable • Expect lawyer to value their opinions about the case merits and outcome • Expect to know them as an individual • Expect to know what is critical to them and fully consider their position • Expect to take an inclusive approach to delivering service – show that we are part of the litigation process and are not just there to advise • Understand exactly what they are asking for and know their case inside out • Retain the information and knowledge passed on by clients
Legal Advice	<ul style="list-style-type: none"> • If lawyer is unable to answer a client's query, they expect to be directed to another professional who could deal with it • Expect to be explained legal process in plain language • Expect lawyer to have a strong understanding on client's business • Expect the lawyer to be knowledgeable, experienced and qualified enough to deal with strong corporate opponents • Expect the same lawyer to be handling the matter for the entire duration
Communication and correspondence	<ul style="list-style-type: none"> • Correspondence should be clear, understandable and should back up what was verbally told • Clients expect to speak to a person rather than an answering machine • Clients expect a call from the lawyer before sending out important letters • Need an option to select a preferred method of receiving correspondence – Emails/Post • Expect to return their calls quickly • Expect to be informed when the lawyer is likely to get back to them
Cross referrals	<ul style="list-style-type: none"> • Expect to receive free general advice on other related matters or promptly direct them to relevant departments if needed

4.10.4 Evaluating

In line with the previous RTA stage of the AR cycle, ProOH model developed during this stage were verified to ensure that it adhered to the guidelines of ProOH modelling methodology. The evaluation required extensive iteration which involved rigorous consultation with process owners. The principles

outlined in the previous such as the cyclical process model, researcher-client agreement, change through action and learning through reflection have been applied.

Evaluating the involvement of participants

In this stage of the action research project, 13 members of SC staff at all levels both within the Dispute Resolution department as well as support functions have participated and contributed to the implementation of changes in the department. They spent around 111 hours approximately participating in various activities such as providing data through interviews, coordinating and consulting with the researcher in refining the process maps, participating in storyboarding workshop, standing meetings and working on action team tasks as shown in Table 4.16.

Table 4.16: Stage wise schedule of participants and their time contribution

CAR Stage	Research Activity	Participants involved (Role)	Time spent (hours)
Problem Diagnosis	Interviews	Partner	1
		Associates X 3	3
		Solicitor	1
	Drafting and refinement of Maps	Partner	0.5
		Associates X 3	1.5
		Solicitor	0.5
Action Planning	Storyboarding Workshop	Partner	2
		Associates X 2	4
		Solicitor	2
		Secretary	2
		Director	3
Action Taking	Standing Meetings	Partner	0.5
		Associates X 4	2
		Solicitor	0.5
		Secretary	0.5
		Directors X 2	2
		Support Staff X 3	1.5

	Team Tasks	Partner	1
		Associates X 4	4
		Solicitor	1
		Secretary	1
		Directors	4
		Support Staff X 3	1.5
	Client Interviews	Partner	0.5
		Associate	0.5
	Solutions Development	Director	35
	Solutions Refinement	Director	10
		Associate	1
		Partner	1
Solicitor		1	
Evaluating	Consolidation and Review Meetings	Partner	0.5
		Associates X 4	2
		Solicitor	0.5
		Secretary	0.5
		Directors X 2	2
		Support Staff X 3	1.5
	Final Report and Review	Director	6
Specifying Learning	Final Dissemination (Close Out meeting)	Partners X 3	3
		Associates X 3	3
		Solicitor X 3	3
Total Time spent by all participants (excl. researcher)			111

4.10.5 Specifying Learning

Whilst there is a strong case for organising high volume, low variety operations akin to service factories (Schmenner, 1986, 2004), there is not enough emphasis on the low volume, high variety services such

as Dispute Resolution. In addition, there is no evidence on how and to what extent these service lines within a law firm can be redesigned to deliver better efficiencies and increase value to clients. According to Harvey et al., (2016) the existence of significant amounts of standard work within professional service operations stimulates an opportunity for deploying classic process analysis and improvement interventions from the OM literature.

Findings from engagement with Dispute Resolution department indicate that despite high labour intensity, customer interaction and customisation involved in delivering a low volume, high variety legal service, there is potential for rationalising processes and improving efficiencies. This is shown to be possible by clearly delineating the administrative tasks from core legal service tasks as well as through better and structured client engagement. For example, administrative improvements such as electronic filing, ability to quickly generate Client Care Letters, Client due diligence tasks such as credit and conflict searches which return the results quickly, have been separated out and standardised.

Dominant Service Type

Based on the Tinnila and Vepsalainen’s (1995) typology of services categorised by the degree of service customisation ranging from simple to complex, Dispute Resolution service at Solicitors Co., can be observed as analogous to *Customised Delivery* as shown in Figure 4.21. This service type is characterised by flexibility and customisation. It requires more confidential management of relationships as both the provider and customer may consider a number of options in drawing up the service contract.

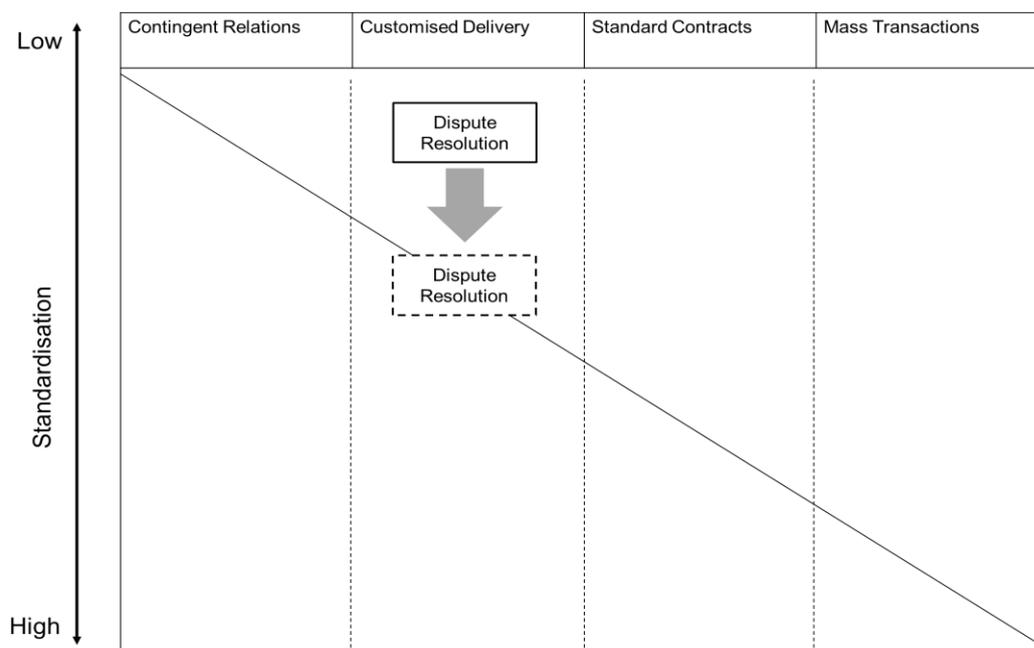


Figure 4. 21: Dominant service type of Dispute resolution and its position along the standardisation diagonal.

Source: Adapted from Giannakis et al. (2018)

Giannakis *et al.* (2018) argue that positioning of the service above the standardisation diagonal indicates that firms are overlooking opportunities for process standardisation and cost savings. Whereas through the improvements delivered in the Dispute Resolution department mean that administrative issues have been addressed moving the service in this department closer to the standardisation diagonal. Solutions such as structured engagement during client meetings through MAR, the newly developed typology of matters that allows lawyers to adapt service levels depending on the matter type and the case management dashboard allow lawyers to deliver the service consistently across the department and manage the client relationship diligently throughout to meet some of the client expectations for costs and service level as identified through client interviews.

Timeline of execution

This cycle of the Action Research Project (ARP) took 12 weeks in total. The major stages of execution are shown in the timeline presented in Figure 4.22.

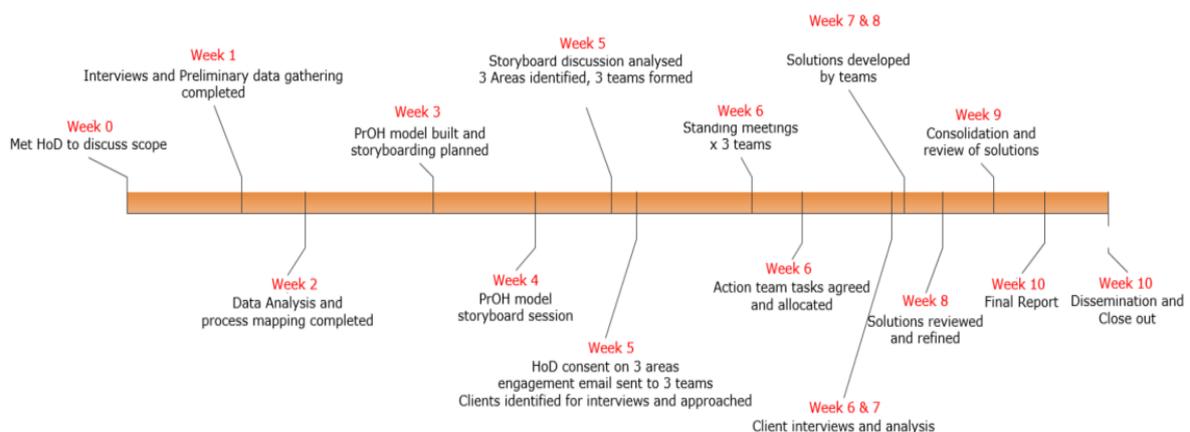


Figure 4. 22: Timeline of execution for Dispute Resolution AR Cycle

4 a. Reviewing Change – Staff Survey

Having completed the first half of the ARP project covering the initial pilot study, followed by understanding the need for change, and designing the intervention where Change Kaleidoscope was calibrated to understand the design choices for undertaking change, and there after actually embarking on Change through the two cycles of RTA and Dispute Resolution, at overall 9 months into the ARP it was imperative to review people's attitude towards change.

Therefore, with the objective of firstly understanding how change has been received by staff at SC and also to inform future direction for the next stages to be undertaken in ARP, a staff survey was conducted.

This survey was designed to

Reinforce the issues and areas of improvement within the firm in order provide direction for the remaining 3 AR cycles to be conducted with the departments of Commercial Property, Corporate and Private Client in the coming months.

Results

The results of this has informed the following:

1. Showed how the ARP has changed attitudes and increased the orientation of staff towards change as presented in Figure 4.23
2. Provided indications about how to embed and sustain change.

This survey was based on the theoretical model that has guided the design of the change intervention, the Change Kaleidoscope. It offered ways of assessing how operational and culture change has been embedded into the firm.

Several points are apparent, linked with the CK model:

Scope of change

SC is working towards *reconstruction* rather than *revolution*. The firm is undertaking change proactively in anticipation of the impact of recent and emerging industry developments as outlined in the Exogenous Forces. This offers of the benefit of time to design a change programme rather than being pressured to do so, which might suggest a lack of urgency for radical change across employee groups, and to some extent this observation can be detected in the survey. Although 62% of the survey respondents agree that change is needed, they are of the view that the changes required are moderate in nature. A persistent minority (16%) have the feeling that 'little needs to change in SC. There are differences in the orientation of those who have participated in the ARP relative to those who have not yet been directly involved, suggesting an important additive benefit of the project.

Readiness

The hesitation evident in the data on 'scope' is present to some extent when the data on 'readiness' is examined. 24% believe that the company is extremely ready for change, while 44% have the view that the company is 'moderately ready. Very high score in this category could be indicative of complacency (such as 'we have done everything needed') so it's sensible to see that a substantial number of respondents believe that the company still has to build its change readiness. This score potentially indicates that the firm is tilting towards a sense that they have done everything needed to embrace the changes required which might not be helpful in shaping an on-going orientation towards change.

Capability

The data in this category suggests that the firm has required capability to achieve change (nearly 70% of people believe this to be the case). This is encouraging however, insights from the focus groups held at the beginning of the project provide a rather different picture. The focus groups spent time discussing the main levers for achieving change- appraisal and training- and there was a sense that these levers may not be fully aligned with the company's change orientation. People are unclear about what knowledge, skills and behaviours are required for enhancing customer engagement. For example, Staff also reported that it would be valuable to have a stronger insight into their developmental needs relative to the company's strategic direction, and that people would benefit from the opportunity to be involved in developmental needs analysis. These points are suggestive of an organization that is moving towards but has not yet entirely realized its full capability in building a culture such that people understand what is required of them to play their part in organizational innovation. Several areas suggested as improvements in this Survey highlight where organizational capability could be further developed- for example, better communication, team workers achieving their potential, sharing know-how, externally marketing SC services and so on.

Capacity

This area concerns the company's willingness to devote time and money to achieving change. The score (97% in favour) suggests that people strongly believe that the company will take care of this problem. While encouraging, it may also indicate the feeling that the responsibility for achieving change rests with the company rather than the individuals themselves. This sense may inadvertently limit the potential contribution of employees to the innovation process.

Preservation

The firm's strong culture is greatly valued, with many references to the SC ethos and identity, core values, integrity and honesty, sense of belonging and so on. One respondent summed up feelings suggestive of the need to 'remain a family firm and not having the mentality you might see in a City

firm'. This widely shared sense of what is special about SC suggests that the company would be well advised to look for ways to further strengthen these cultural attributes. Somehow, new values need to complement, rather than detract from what currently exists while at the same time incorporating values that add to the innovation orientation of the company.

Taken together, the indications are that although the ARP is clearly impacting on employee perceptions, and offering measurable and significant benefits to the company, to derive full value from the initiative the company could usefully look for ways to signal through its HR systems that innovation is expected as part of day-to-day functioning- even after the project is complete.

Evidence of Cultural Change

Nine months after implementing several operational changes and engaging with at least 30% of staff members in various stages of the project through activities such as involving them in focus group discussions, PrOH model storyboarding sessions, one-to-one interviews, standing meetings, action teams etc., this survey was conducted to monitor the progress towards change. From the results presented in Figure 4.23, there is evidence to state that, participation in ARP project activities has improved the orientation of people towards operational improvement and wider organisational change.

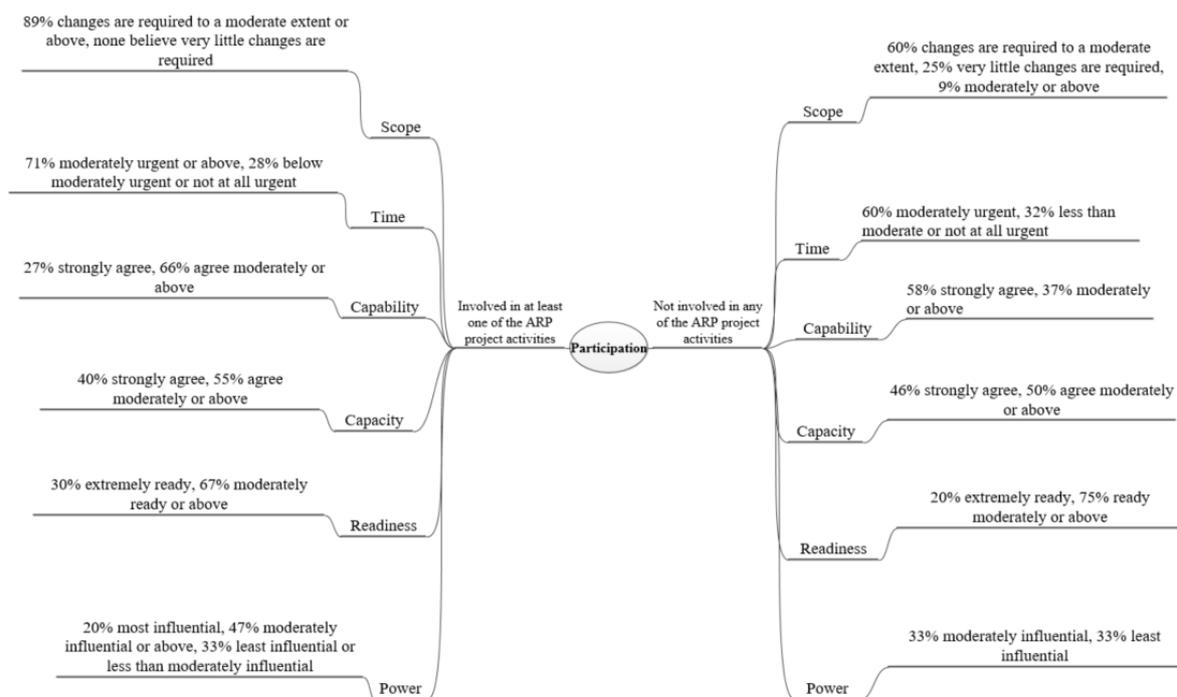


Figure 4.23: Survey responses categorised based on involvement in ARP.

Case 3 – Commercial Property Department

4.11 Lease Transactions

The Commercial Property Services Department provides bespoke services in a variety of property related legal matters. Drafting lease documentation is a process-driven activity. Lawyers act for both tenants and landlords, and even though the service can differ hugely depending which side the lawyer is acting on, clients of both sides are increasingly demanding fixed fee arrangements. This is because it is anticipated that fixed fee propositions will be the future of leasing transactions: which forces property lawyers to be more accurate on cost estimates whilst simultaneously preserving suitably high levels of personal client contact, which is a potentially conflicting set of performance characteristics and measures if not carefully managed. The success of this service lies in developing versatile capabilities able to cope with a high volume and high variety of case for large business clients, individual landlords, and private tenants.

This stage of the project occurred 11 months into the action research engagement after the completion of RTA and Dispute Resolution stages presented above. During this stage initially the researcher met with the Head of the Department (HoD) of Commercial Property to scope the intervention. Four key participants have been identified with the help of HoD, including 2 Lawyers, 1 Associate and 1 Secretary.

The following sections outline the investigation and the improvements delivered which are aligned with the main stages of Canonical Action Research (CAR) methodology (Susman and Evered, 1978).

4.11.1 Diagnosing

Based on interactions with lawyers and support staff within the department, a process map and an interactions map have been drafted to represent the process flow within Commercial Property department. Three interviews lasting up to 60 minutes each have been conducted before the process maps were fully developed.

Key issues in Commercial Property department

Though time-based (hourly) billing is the most common method to calculate fee and considered the most profitable option for the department as increasing number of clients are turning towards fixed fee arrangements. It is purported that fixed fee will be the future of leasing transactions dictating property lawyers to be lean and at the same time preserve the level of personal service to clients which could be challenging.

- Unlike contentious matters, the output of a leasing transaction remains the same regardless of the lawyer or the law firm.
- To differentiate themselves in the marketplace and to win new clients, it is vital for the team to develop a Unique Selling Proposition.

Process Map

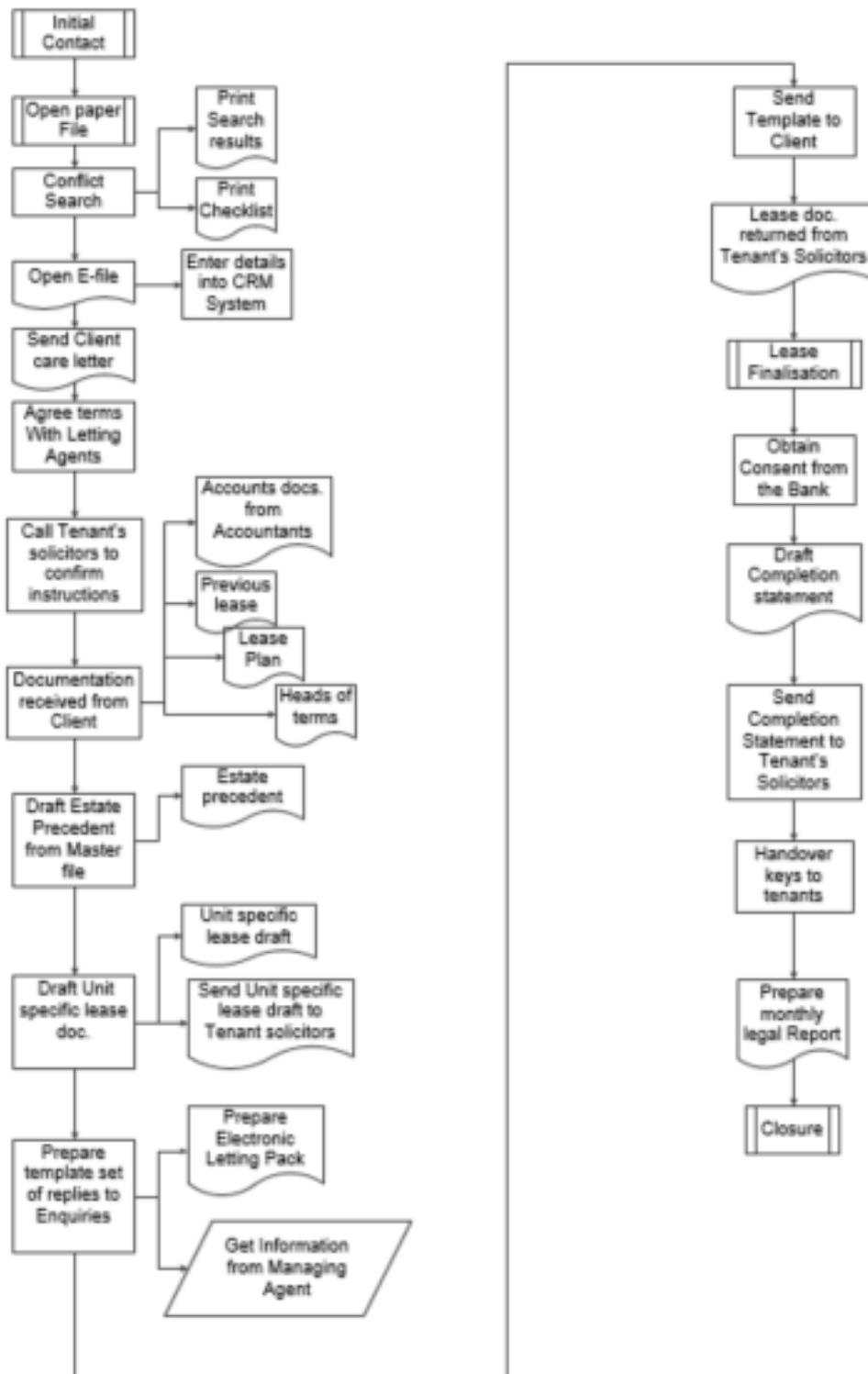


Figure 4.25: Process map of a New Letting service in Commercial Property department

Key Performance Indicators (KPIs)

The following table presents the KPIs of Commercial Property department:

Table 4.17: Key Performance Indicators in Commercial Property Department

KPIs	Aim	Governing factors
1. Days file is open (Time in days)	Lower the better	Work organisation (internal) and third-party turnaround times (external)
2. Number of documents to review (Number)	Lower the better	Accurate scoping (internal) Fee earner's expertise (Internal)
3. Post completion activities (Time in Hours)	Lower the better	Complexity of the case (external), Fee earner's expertise (internal)
4. Write offs (£)	Lower the better	Fee earner's approach to time recording (internal), Poor scoping (internal), Client's pressure (external)
5. Billing realisation rate (fee billed/hours worked/fee earner hourly rate - %)	Higher the better	Fee earner's approach to time recording (internal), Write offs (internal, external)
6. No. of changed completion dates (Number)	Fewer the better	Fee earner's liaison (Internal) Third-party turnaround (External)

Root definition

- **C – Customers:** Property owners and tenants in commercial property matters (Clients)
- **A – Actors:** Staff at Solicitors Co. (Lawyers and support staff)
- **T – Transformation:** Legal service delivery to satisfy customer needs
- **W –Worldview:** Commercial property leasing service is a system to deliver legal service to minimise the risk for property owners and tenants in commercial property leasing matters
- **O– Owners:** Partners of Solicitors Co.
- **E – Environment:** Legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side etc.

The root definition of Commercial property leasing service viewed as a system delivering a transformation can be understood as follows based on the above definitions of each element in the CATWOE mnemonic:

A system owned by Partners of Solicitors Co., where lawyers and support staff deliver legal service to satisfy the needs of Property owners and tenants in commercial property matters by delivering them

legal service to minimise their risk under the constraints posed by the legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side etc.

4.11.2 Action Planning

Based on the process maps initially developed, as well as the root definition, a core process statement (objective) has been agreed to develop the PrOH model as ‘Commercial property solicitor aims to complete a lease transaction’. The scope of the model lies between a client deciding to lease a property and the lawyer managing post completion activities. The PrOH model for Commercial property lease transaction is shown in Figure 4.26.

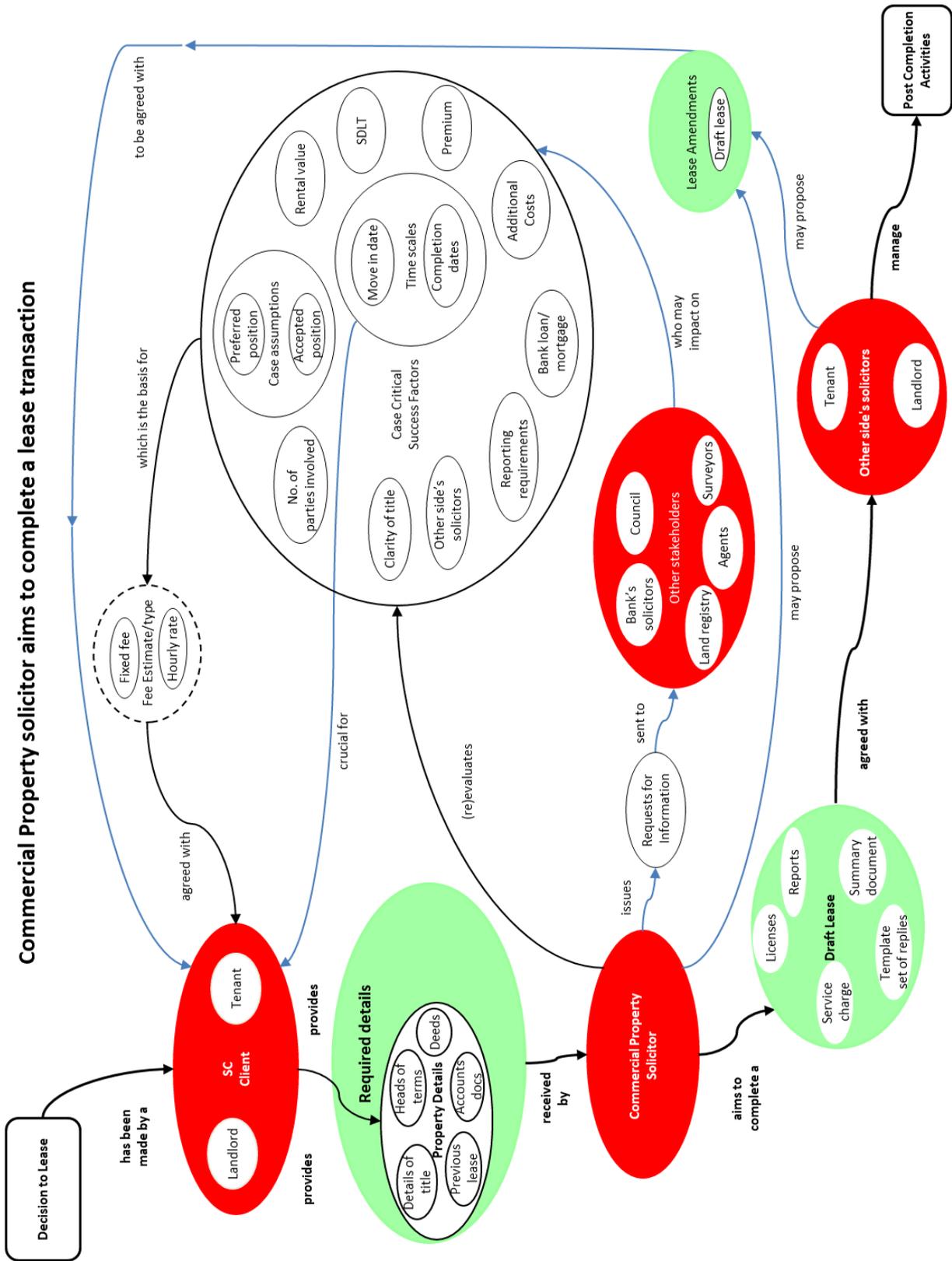


Figure 4. 26 : PrOH Model depicting a typical Commercial property lease transaction

Storyboarding

Following is the summary of participant inputs from Commercial property department storyboarding session. Based on responses to storyboarding questions and other issues highlighted by the participants, the problem areas have been grouped into various categories spanning the operational and strategic levels as shown below:

a. Knowledge Management

- Currently there is no formal process for maintaining and sharing knowledge in the department, such as precedents, clauses, standard letters etc.
- The repository of clauses and precedents previously used in the department by all fee earners needs to be replenished, organised and shared.
- No consistency in file naming and version control which makes it difficult and tedious for fee earners to review and replicate content.
- Each document (e.g. Standard lease) is drafted by different fee earners differently and lacks consistency.
- Need for upskilling lawyers and secretaries in using tools such as Microsoft word to use advanced features.

b. Scoping and pricing

- There is no consistent approach to scope and price matters such as standard leases which make up a significant portion of the department's matters
- There is no approach to elicit and include client's requirements and preferences into scoping and delivery of service.
- There is no standard approach to respond to client's additional requirements during the matter progression.
- There is need for a standard approach to fixed fee work and delivery of messages to clients under fixed fee arrangements.

c. Work Division

- There is no standard approach to allocating new files/matters among the fee earners within the department.
- There is no standard approach to transfer clients from the department to other departments such as a lawyer passing on client relationships to a new lawyer in another department.
- There is a strong overlap in matters between other departments such as Corporate department which might need a standard protocol in dealing with elements related to property and referring clients to the department.

d. Client Relationship Management

- Client relationship is crucial in both new and repeat clients but currently relationship management is ad hoc and differently done for different clients. There is need for a standard approach to nurture relationships mainly with clients who have significant property holdings.

Eliciting Systemic Success Factors

Systemic success factors for lawyers and clients are provided in Table 4.18 below.

Table 4.18: Systemic success factors within the Commercial Property Department.

Systemic Success Factors		Key Challenges
For Lawyer	For Client	
Assumptions at the outset – Accepted/preferred position of client.	Fee type - fixed fee.	Efficiency in process-driven transactions.
Completion timescale – move in/move out dates.	Relationship with lawyer (institutional clients).	Balancing personal service while operating on fixed fee.
Reporting requirements.	Completion timescale – move in/move out dates.	Improving relationship with institutional clients.
Number of parties involved in the transaction.		Effective work division among senior and junior fee earners.
Lawyers of other side – amendments to documents, agreeing clauses.		Administrative routines to be standardised.
Fee type – hourly rate.		Effective precedent and document management.

4.11.3 Action Taking

Three action teams have been formed to address the challenges identified through the PrOH model storyboarding exercise. The objectives for each team are presented in Table 4.18. The same logic used in previous action research cycles in RTA and Dispute Resolution has been applied to this stage in selecting the team members who have been sourced from different levels and departments within the firm to reflect diversity and relevance in task expertise.

The team members involved and the challenges taken up by them is presented in Table 4.19

Table 4.19: Challenges taken up by action teams in Commercial Property

Team	Objectives	Team Members
Team 1	<ul style="list-style-type: none"> • Develop a high-specification Sector Analysis Report covering the critical factors facing UK landlords and the impact of those on the provision of legal services. • Interview a sample of existing landlord clients to understand their requirements and preferences. • Develop a client relationship plan template to define the process and key features in the development of relationships with clients who have significant property holdings. • Develop a reporting system (dashboard) to monitor and control scope and fees in fixed price work. • Develop a knowledge transfer methodology for lawyers to pass on clients from one department to another. • Develop a guide on standard approach to fixed fee work and delivery of messages to clients. 	HoD Associate Knowledge Manager Finance Director
Team 2	<ul style="list-style-type: none"> • Develop a pricing and scoping approach that could be consistently applied across the team. • Develop a protocol for fee earners in the corporate department to use when negotiating and pricing transactions with property related elements and train them in the use. • Develop a landlord and tenant checklist. This knowledge tool will tailor the service accordingly for each client and reduce unnecessary and costly communications. • Develop a system for client and matter allocations amongst the lawyer team members. 	Associate x 2 Solicitors x 2 Finance Director
Team 3	<ul style="list-style-type: none"> • Build a repository of clauses and precedents for all lease documentation. • Define a methodology for maintaining and disseminating precedents and best practice to all team members. • Initiate consistent file naming convention, version control and locations for all documents. • Create a training programme for use of Microsoft Word as directly relevant to lease preparation, clearly outlining the needs and identifying a provider. 	Partner Associate Solicitor Secretary

Implementing changes

By involving lawyers and support staff, several models have been developed that aimed at delivering improvements to the current process in order to address the main issues listed under the categories of knowledge management, scoping and pricing, work division and client relationship management. The changes implemented have been presented in Table 4.20 below.

Table 4.20: Changes implemented within the Commercial Property department

Category	Changes implemented
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Knowledge Management	<ul style="list-style-type: none"> • Developed and implemented a file naming convention, dissemination of best practice and repository of clauses which will facilitate faster production of legal documentation and more consistent quality of output. • Commercial Property Standard Enquiries (CPSE) have been documented and will be provided to the Seller or Landlord. These will be made available to clients via the lawyers and help facilitate better provision of information thereby reducing time and scope creep and increasing fee recovery.
Pricing and scoping	<ul style="list-style-type: none"> • Developed a flexible pricing model, capable of demonstrating the variety of hourly rate pricing options available to repeat client's with significant property holdings – termed these value pricing alternatives. • Working prototype of a visually appealing individual report has been tested with the department's lawyers. The design is capable of being rolled out to the whole firm and could potentially impact on every lawyer working within a fixed fee. This will lead to greater client satisfaction through better communication of matter fee and value.
Client Relationship Management	<ul style="list-style-type: none"> • Created a relationship plan template to improve hand over procedure from department to another. • Designed a new client engagement model to help align the client's and lawyer's perspectives in 4 areas: price, value, responsiveness, assumed knowledge. This will enhance client satisfaction and increase Billing realisation rate. • Developed a protocol for communication between Corporate and Commercial Property lawyers which will reduce time expended in dealing with queries.

4.11.4 Evaluating

In line with the previous AR cycles, PrOH model developed during this stage were verified to ensure that it adhered to the guidelines of PrOH modelling methodology. The evaluation required extensive iteration which involved rigorous consultation with process owners. The principles outlined in the previous such as the cyclical process model, researcher-client agreement, change through action and learning through reflection have been applied.

Evaluating the involvement of participants

In this stage of the action research project, 12 members of SC staff at all levels both within the Commercial Property department as well as support functions have participated and contributed to the implementation of changes in the department. They spent around 94 hours approximately participating in various activities such as providing data through interviews, coordinating and consulting with the researcher in refining the process maps, participating in storyboarding workshop, standing meetings and working on action team tasks as shown in Table 4.21.

Table 4.21: Stage wise schedule of participants and their time contribution

CAR Stage	Research Activity	Participants involved (Role)	Time spent (hours)
Problem Diagnosis	Interviews	Partner X 3	3
		Associate X 2	2
	Drafting and refinement of Maps	Partner X 3	1.5
		Associate X 2	1
Action Planning	Storyboarding Workshop	Partner X 3	6
		Associate X 2	4
		Secretary	2
		Director	2
Action Taking	Standing Meetings	Partners X 3	1.5
		Associates X 5	2.5
		Solicitors X 1	0.5
		Support Staff	0.5
		Director	1.5
	Team Tasks	Partners X 3	3
		Associates X 5	5
		Solicitors X 1	1
		Support Staff	3
		Director	2
	Client / Fee Earner Interviews	Director	2
		Partners X 2	1
		Associates X 3	1.5
	Model Development	Director	24
	Model Refinement	Associate	2
		Director	6
Evaluating	Consolidation Team Meetings	Partners X 3	1.5
		Associates X 5	2.5
		Solicitors X 1	0.5

		Support Staff	0.5
		Director	1.5
	Report	Director	6
Specifying Learning	Final dissemination and handover	Director	1
		Partner	1
		Associate	1
Total Time spent by all participants (excl. researcher)			94

4.11.5 Specifying Learning

Research in this stage initially focused on studying the long standing relationship with a nation's leading property company but the later consultations with lawyers and partners revealed that the challenge for this department was to develop the much needed USP for the department which would not only help in developing a competitive edge in the eyes of new clients, but also safeguard the existing client base by continuously nurturing the relationships and identifying windows of opportunity to sell additional services.

With the help of three action teams several models have been built, knowledge repositories created and innovative ways of working have been introduced that added value to both clients and the lawyers. Central to this stage are the case management tool, client relationship plan, new client on-boarding process, work organisation within the group and finally administrative improvements which have been a common theme since RTA stage.

Dominant Service Type: Standard Contracts

Based on the Tinnila and Vepsalainen's (1995) typology of services, Commercial Property lease transactions can be seen analogous to *Standard Contracts* as shown in Figure 4.27. This service type is characterised by involvement of complex specifications but are not extensively adapted to an individual customer. There is a standard contract that specifies the options and application to the customer.

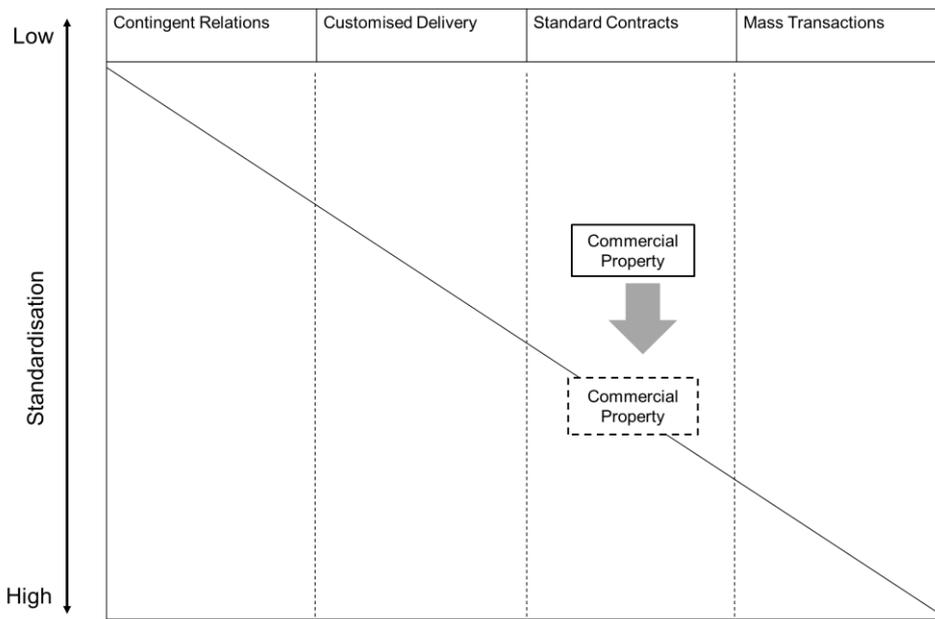


Figure 4.27: Dominant service type of Commercial Property lease transactions and its position along the standardisation diagonal.

Source: Adapted from Giannakis et al. (2018)

Applying the logic of Giannakis *et al.* (2018) for positioning the service below the standardisation diagonal for improving cost saving opportunities, the solutions developed during this AR cycle have helped transition the Commercial property department as shown in Figure 4.27. Solutions such as the client engagement model, standard enquiries and access to repositories of clauses, has improved consistency and standardisation across the department which will result in cost savings and improved client relationship.

Timeline of execution

This cycle of the Action Research Project (ARP) took 10 weeks in total. The major stages of execution are shown in the timeline presented in Figure 4.28.

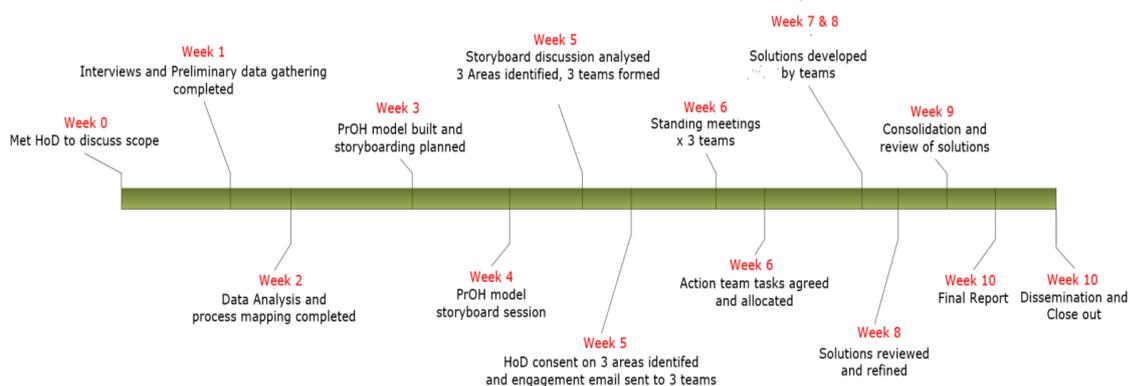


Figure 4.28: Timeline of execution for Commercial property AR Cycle

Case 4 – Corporate Department

4.12 Sale and Purchase Transactions

Negotiating legal fees for corporate services, (e.g. large management buyouts) is notoriously challenging, as clients often supply the lawyers with insufficient knowledge at the outset. For example, information on claims, disputes, opponent’s lawyers and banks’ lawyers may only come to light during the latter stages of the case and affect the time spent by the lawyers on a legal case. In addition, there can often be excessive competitive pressure to win the work, and lawyers have to provide attractive quotes to ‘out-do’ the competition. In doing so lawyers often have to make assumptions at the outset of a case to arrive at a price quote, which may contain uncertain estimates and inaccurate initial projections of time and effort, which may ultimately result in loss of revenue in the form of a fee ‘write-off’. The ability to produce near-accurate projections of billable hours is the ‘holy grail’ in negotiating, winning and sustaining legal business of this type.

This stage of the project occurred 13 months into the action research engagement after the completion of Commercial Property stage presented above. During this stage initially the researcher met with the Head of the Department (HoD) of Corporate department to scope the intervention. Five key participants have been identified with the help of HoD, including 2 Lawyers, 2 Associate and 1 Secretary.

The following sections outline the investigation and the improvements delivered which are aligned with the main stages of Canonical Action Research (CAR) methodology (Susman and Evered, 1978).

4.12.1 Diagnosing

Having interviewed lawyers and support staff within the department, a process map (Figure 4.29) has been drafted to represent the completion of a shareholder agreement in a typical sale/purchase matter within the Corporate department. Four interviews lasting up to 60 minutes each and several ad hoc consultations have been conducted before the process maps were fully developed. Notes taken by the researcher during the meeting and follow up conversations with the four lawyers (3 x partners, 2x solicitors) has led to the following information and identification of key issues:

Corporate department can be largely divided into two groups based on the type and value (income) of the work they do: Mergers and Acquisitions (M&A), and Business Structures and Contracts. Some of the key features of each of these service lines is presented below in Table 4.22.

Table 4.22: Features of two service lines in Corporate department

Case features	Corporate (Mergers & Acquisitions)	Corporate (Business Structures) and Commercial (Contracts)
Volume of cases	Low	High
Variety	Each case is different to the other	There are variations sometimes but in most cases they tend to be similar.

Value	Fee varies between 5k and 50k there were cases with £95k fee billed	Fee varies between £150 to £1500 In some cases, up to £10k
Scope for long term relationship	If acting on buyer's side – there is scope for repeat business Sellers tend to be one-off clients	Same
Source of business	Source of business is: Corporate Financial Analysts, other lawyers at SC and repeat clients	Accountants, repeat clients
Resourcing	Sometimes 4-5 lawyers work together as a team on these type of matters	Individuals fee earners carryout the whole transaction with little support from other members of team
Case management	These require to be managed more like projects and the head partner will be managing multiple stakeholders, resources and client expectations	The work is project based but doesn't deal with multiple stakeholders as in M&A
Issues	Scoping the work and providing a quote with several unknowns at the outset, heavy documentation involved (lever arch files), huge Write offs, dealing with multiple stakeholders	Write offs
Type of clients	Businesses – large, medium and small	All types of businesses, Mostly owner managed businesses.
Type of work	Large and complex deals worth in £millions. These transactions involve reference to almost every discipline of law	Should have knowledge on every other area of law while producing contract agreements
Length of the matter	4-8 months	Few days to few months based on the turnaround from client
Billing Arrangements	Hourly billing but excess fee on top of initial estimate gets written off.	1 st draft of agreement – fixed fee, after that hourly Retainer Agreement – every month client provides minimum 10hrs of work and will pay for it in advance

Key issues in Corporate department

- Lawyers face difficulty in negotiating fee for large Management Buyout (MBO) matters
- Clients supply with insufficient information at the outset of the matter to estimate time and effort
- There are many unknowns at the time when lawyers are asked to provide a price quote for the matter

- No information on pensions, claims, disputes, lawyers of other side, lawyers of bank, amount of documentation involved they only come to know after certain progress in the matter
- Lawyers should commercially justify why they had to concede to some aspects of service provision
- There are excessive competitive pressures to win the contract and lawyers must provide attractive quote to win the contract
- There is imminent need to design new approaches for dealing with this type of matters
- Lawyers make several assumptions to arrive at a price quote leading to inaccurate projection of time and effort ultimately leading to loss in revenue

Process Map

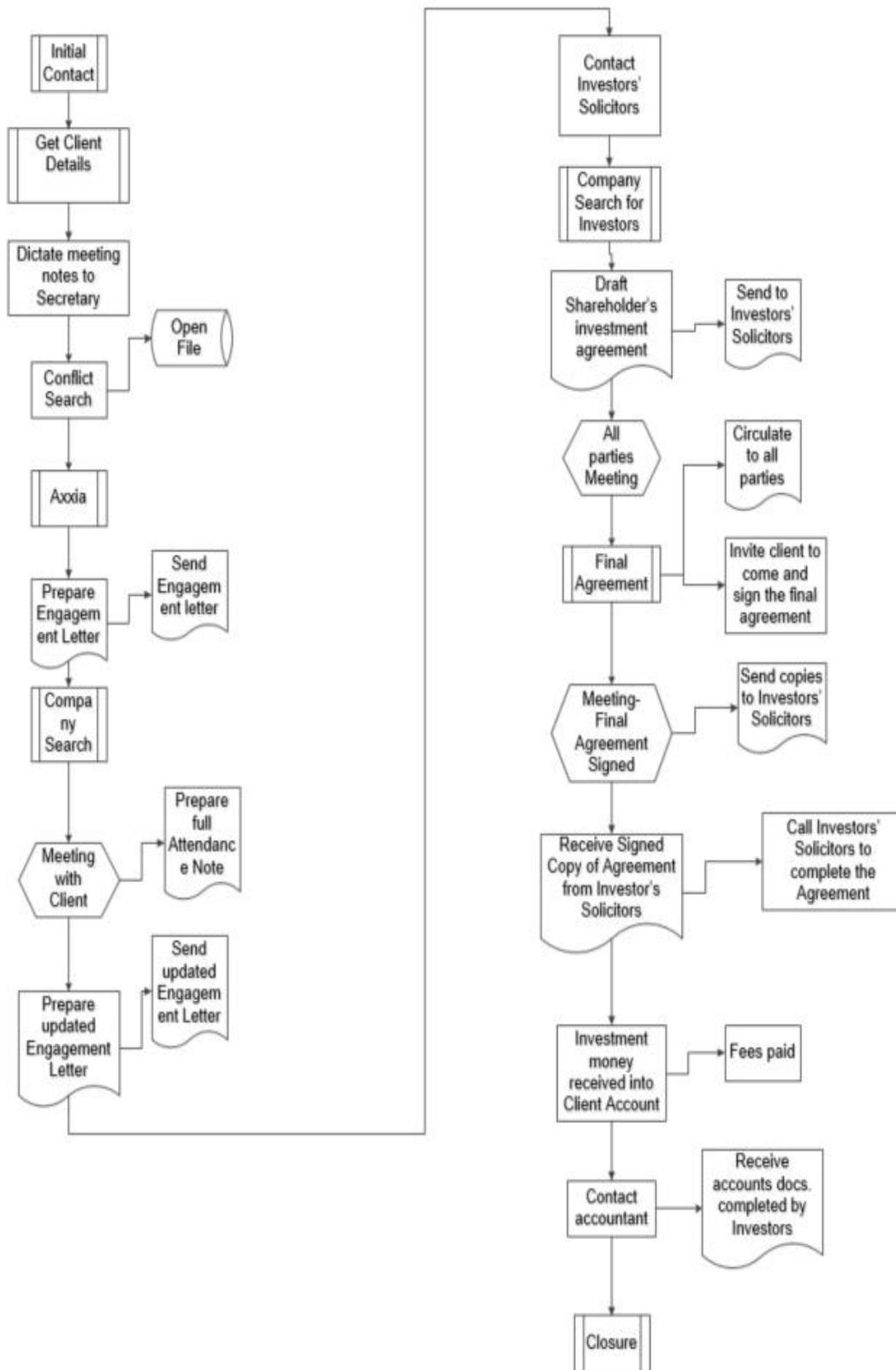


Figure 4.29: Process map of drafting a shareholder’s agreement in Corporate department

Key Performance Indicators (KPIs)

The following table 4.23 presents the KPIs of Corporate department:

Table 4.23: Key Performance Indicators in Corporate Department

KPIs	Aim	Governing factors
1. Days file is open (Time in days)	Lower the better	Work organisation (internal) and third-party turnaround times (external)
2. Claim settlement value (£)	Higher the better	Case merits (External) Fee earner's expertise (Internal)
3. Number lever arch files for review (documents)	Lower the better	Complexity of the case (external), Lawyer expertise (internal)
4. Write offs (£)	Lower the better	Fee earner's approach to time recording (internal), Poor scoping (internal), Costs proportionality requirement of courts (external)
5. Billing realisation rate (fee billed/hours worked/fee earner hourly rate - %)	Higher the better	Fee earner's approach to time recording (internal), Write offs (internal, external)
6. Time Spent on due diligence (hours)	Lower the better	Accurate scoping (internal) Full disclosure by client (external) Lawyers of other side (external)

Root definition

- **C – Customers:** Buyers and Sellers in Merger and Acquisition matters (Clients)
- **A – Actors:** Staff at Solicitors Co. (Lawyers and support staff)
- **T – Transformation:** Legal service delivery to satisfy customer needs
- **W –Worldview:** Corporate transactional service is a system to deliver legal service to Buyers and Sellers in Corporate transactional matters to minimise risk and maximise deal value
- **O– Owners:** Partners of Solicitors Co.
- **E – Environment:** Legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side, professionals such as Independent Financial Advisors etc.

The root definition of dispute resolution service viewed as a system delivering a transformation can be understood as follows based on the above definitions of each element in the CATWOE mnemonic:

A system owned by Partners of Solicitors Co., where lawyers and support staff deliver legal service to satisfy the needs of buyers and sellers in corporate transactional matters by delivering them legal service under the constraints posed by the legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, solicitors of the other side, and professionals such as Independent Financial Advisors etc.

4.12.2 Action Planning

Based on the process maps and the above root definition, a core process statement (objective) has been agreed to build the ProOH model as ‘Corporate Solicitor aims to complete a Sale or a Purchase’ in a transactional matter such as an MBO. The ProOH model for corporate service is shown in Figure 4.30.

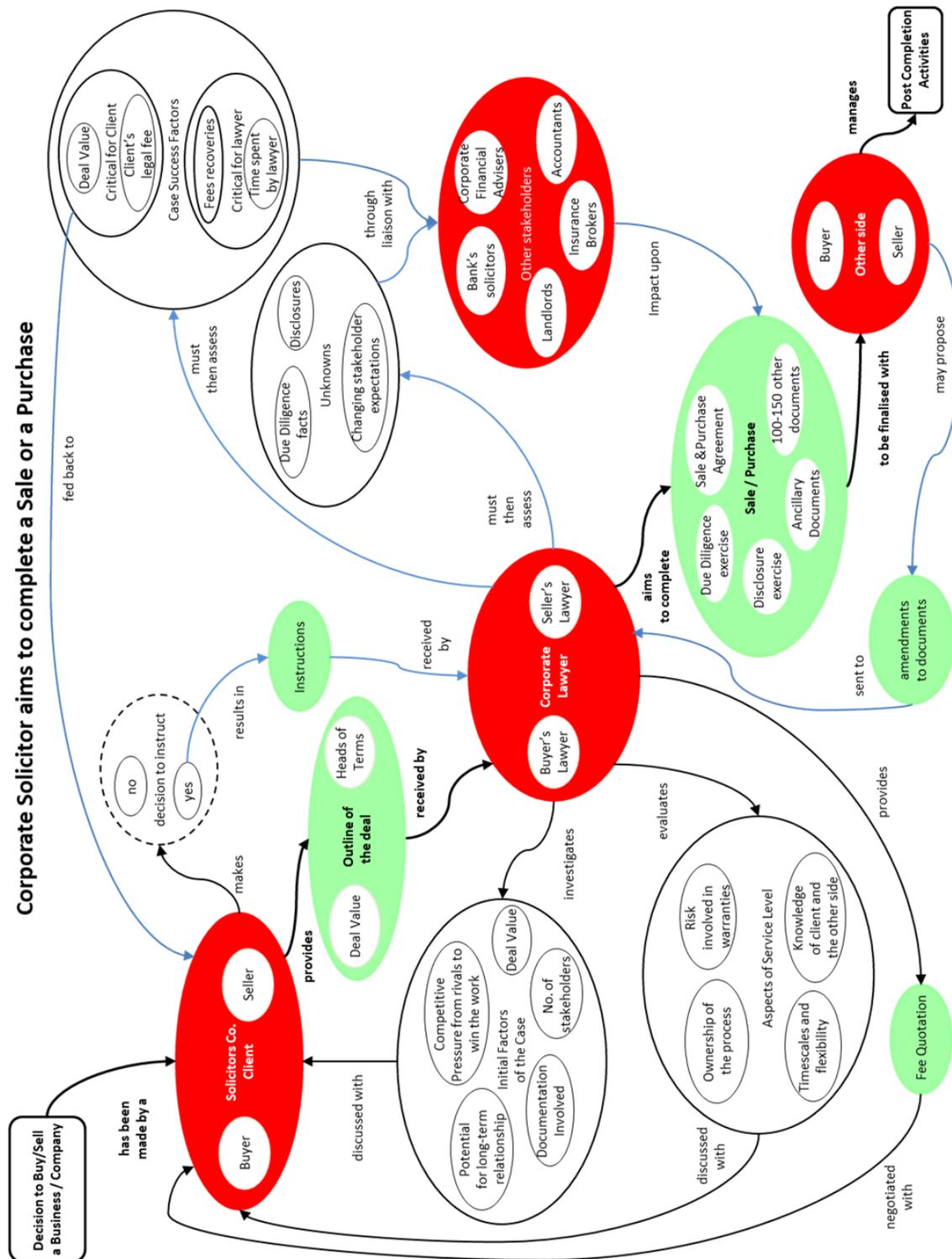


Figure 4.30: ProOH Model depicting the Sale/purchase in Corporate transaction matter.

Storyboarding

Following is the summary of issues identified by participants in the storyboarding session:

Client Service, Scoping and Pricing issues

- Lawyers need to communicate to clients about exceeding bills by providing periodic updates at each meeting about underlying issues and the possible variations to the bill.
- Most clients disagree to pay in excess of previous quotation, they get frustrated over excess bill
- Lawyers need to inform the client at the outset about possible variations to the quote
- Experienced and effective lawyers should be dealing with large contracts
- Based on the knowledge of the clients, each of them has to be educated differently to appreciate the value in the transaction
- Need standard method for work allocation
- Lawyers need an approach to educate the clients
- Imminent need for a USP to stand out from the competition e.g. Post Completion Care
- Hasty decisions on quoting the work have to be minimised by following a more methodical approach and a standard framework for scoping and quoting.

Administrative issues

- There isn't a consistent document formatting standard for the department – numbering system/style etc.
- Electronic file handling is not sophisticated and is often leading to duplication and waste of time and effort
- Due to lack of ownership on matters (current secretarial pool arrangement) it is becoming hard to pick up from a certain point in the matter which was previously dealt by someone else – prefer to be in charge of a matter throughout its progression.
- Secretaries prefer to work for specific people throughout than to work for everyone.
- Sometimes scanning and printing consumes half a day – during due diligence checks and during close of the matter while preparing case

Knowledge Management issues

- There is no common location or precedent bank to store all precedents with a proper folder structure – leading to waste of time.
- There is no reference index to quickly locate precedents – leading to waste of time.

Eliciting Systemic Success Factors

Systemic success factors (SSFs) for the lawyer and client are summarised in Table 4.24:

Table 4.24: Systemic success factors within the Corporate Department.

Systemic Success Factors		Key Challenges
For Lawyer	For Client	
Case complexity -Unknowns at the outset (Due diligence facts, disclosures, expectations of clients), value of the deal (e.g. management buyout), number of stakeholders, volume of documentation, amendments to documents. Fee recovery – time spent by lawyer before being instructed. Timescales and flexibility. Knowledge of client and the other side.	Less involvement in the process and technicalities – expect lawyers to close the deal smoothly. Fee – transparent and proportionate.	Quoting and scoping the work. Need for training in negotiation skills. Administrative improvements in file opening, archiving, document management.

4.12.3 Action Taking

Three action teams have been formed to address the challenges identified through the PrOH model storyboarding exercise. Each team has taken up a set of challenges to be addressed, these challenges are mutually exclusive to each team. The members of each team are selected in way such that the team comprises of process owners and experts from relevant legal and support department who have the skills and experience to provide advice and improvements. Participation was voluntary but driven by the Head of Department who emailed the team members in advance or met them face to face to discuss the level of involvement and time commitment required.

The team members involved and the challenges taken up by them is presented in Table 4.25.

Table 4. 25: Challenges taken up by action teams in Corporate department

Team	Objectives	Team Members
Team 1	<ul style="list-style-type: none"> • Create a client lifecycle model documenting all key activities from first client contact through to transaction completion and post completion activities. • Fast Tracking Pitch Documentation - Develop a slick client pitch and documentation process based on lessons from successful and failed proposals. • Develop a Scoping, Pricing and Budgeting tool with potential for price elasticity, price upper and lower limits, pricing choices and wriggle room. • Develop a flow of funds tool to accurately help the client assess the impact of wider financial implications of the transactions, including potential onerous clauses and warranties. • Locate and procure Advance Negotiation Skills Training for those team members frequently engaged in client facing scoping and fee negotiation. • Post Completion Best Practice guide and precedent. Standardise the post completion activities across the whole team. • Specifically identify missing information triggers and describe how these scope exceptions may be used to communicate over runs on transaction costs. • Create a pre-quotation questionnaire. A definitive list of critical information that will impact both the delivery and the fees for the transaction. • Document a list of 'Unknown factors' 	Partner Business Development Manager Associates x 2
Team 2	<ul style="list-style-type: none"> • Create and document a client training guide to assist potential clients to be able to negotiate terms of a transaction more effectively, prior to our involvement so that we minimise subsequent issues e.g. lawyer cost overruns. • Develop a framework to support advising the client of the impact of a variety of potential routes a transaction can take, from the point at which we become involved and the impact of this on fees. E.g. Decision tree. • Client feedback procedure to create an impact to the client respecting 'what is involved' in certain additional tasks. Potentially create a 'currency' for exchange. The outcome should be an effective dialogue about results, price and value. • Script and produce a video guide on buying or selling a business. • Produce an early warning guide. What are the features and characteristics that clearly identify a client that will be difficult on fees / overly demanding? 	Partner Associate Associate
Team 3	<ul style="list-style-type: none"> • Establish a protocol for the standardisation of documentation and house style to be used consistently across the team (to 	Partner Associate x 2 Secretary

	<p>include numbering and creation of a document bible and index).</p> <ul style="list-style-type: none"> • Structure and organise communication protocols between fee earners and secretaries including provisions for out of hours documentation handling. • Identify and investigate potential ‘hot docs’ type products / replace hyperlinks for increasing the efficiency of document production. • Outline the reporting needs of the department in respect of both WIP management and Business Development. • Initiate procedure for systematic file reviews within in the department that works. • 5 simple things to improve file opening and billing. • Reproduction solutions. Resolving issues related to photocopying, scanning, indexing and printing. • Archiving solution. Improving the arrangements for both electronic and physical filing. 	
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Implementing changes

Working with lawyers and support staff, various improvements have been made to the current processes and practices addressing the challenges presented in Table 4.25 above. The changes implemented in Coporate department can be categorised under three broad headings – *administrative improvements*, *pricing and scoping*, and *client service* as presented in Table 4.26.

Table 4.26: Changes implemented within the Corporate Department.

Category	Changes implemented
Pricing and scoping (Team 1)	<ul style="list-style-type: none"> • Fee negotiation skills training has been identified and critically assessed. Trainer identified and about to be engaged. • The life cycle of a client, pre-inception through to exit, has been documented and delivered as a critical path chart for use in identifying additional opportunities and potential pitfalls. • Firm’s standardised client pitch documentation is redesigned to create a short form version. • Corporate Sale and Purchase Scoping Pricing and Budgeting model has been developed to maximise prior transaction knowledge and extrapolate forward. • Created a system to uncover effect of funds flows particularly arising in post-completion. • Standardised best practice toward post-completion tasks.
Client service (Team 2)	<ul style="list-style-type: none"> • Purchase and sale transactions have been fully documented as a process and full glossary appended. This tool will be used to quickly and cheaply educate clients involved the process for the first time or intermittently.

	<ul style="list-style-type: none"> • A transaction planning tool, designed for a touch screen interface, will chart the transaction through all of the stages and identify key variances to expectations. • A new fee see-saw model was developed to facilitate effective communication on changes in scope. • The development of the client fee commitment model, explaining their responsibilities in the transaction will facilitate stronger discussions on variance to scope and improve client's commitment. • Created a video presentation to educate clients on all of the major components related to an MBO transaction.
Administrative improvements (Team 3)	<ul style="list-style-type: none"> • Standardised documentation style and format across the department - this may be best practice to firm-wide house style. • Established work protocols between fee earners and secretaries which will create efficiencies in document production. • Developed a file review protocol- which included ideas such group reviews on a particular day of the month, involving ringing of a bell upon completion of one file review and spot prizes for lawyers. • A structured approach to document storage and delivery has been created. This will save electronic and physical space and reduce wastage. • A developed system to facilitate faster and more effective archiving of files. Which will improve appearance of the office space (otherwise occupied with file bundles) and help data storage compliance.

4.12.4 Evaluating

In line with the previous stages, PrOH model developed during this stage were verified to ensure that it adhered to the guidelines of PrOH modelling methodology. The evaluation required extensive iteration which involved rigorous consultation with process owners. The principles outlined in the previous such as the cyclical process model, researcher-client agreement, change through action and learning through reflection have been applied.

Evaluating the involvement of participants

In this stage of the action research project, 14 members of SC staff at all levels both within the Corporate department as well as support functions have participated and contributed to the implementation of changes in the department. They spent around 112 hours approximately participating in various activities such as providing data through interviews, coordinating and consulting with the researcher in refining the process maps, participating in storyboarding workshop, standing meetings and working on action team tasks as shown in Table 4.27.

Table 4.27: Stage wise schedule of participants and their time contribution

CAR Stage	Research Activity	Participants involved (Role)	Time spent (hours)
Problem Diagnosis	Interviews	Partners X 2	2
		Associates X 2	2
		Secretary	1
	Drafting and Refinement of Maps	Partners X 2	1
		Associates X 2	1
		Secretary	1
Action Planning	Workshops	Partners X 2	2
		Associates X 2	2
		Secretary	1
Action Taking	Standing Meetings	Partners X 3	1.5
		Associates X 5	2.5
		Solicitors	0.5
		Support Staff	0.5
		Secretary	0.5
		Director	1.5
	Action Team Tasks	Partners X 3	3
		Associates X 5	5
		Solicitors	1
		Support Staff	1
		Secretary	1
		Director	2
	Solutions Development	Director	15
		Associates x 2	10
		Solicitors x 2	10
	Solutions Refinement	Director	10
		Associates x 2	6
		Solicitors x 2	6

Evaluating	Consolidation Meetings	Partners X 3	1.5
		Associates X 5	2.5
		Solicitors	0.5
		Support Staff	0.5
		Secretary	0.5
		Director	1.5
	Report	Director	4
Specifying Learning	Final Dissemination and close out meeting	Partners X 4	4
		Associates X 5	5
		Solicitors X 2	2
Total Time spent by all participants (excl. researcher)			112

4.12.4 Specifying Learning

There are two different service lines in Corporate department as outlined in Table X. This AR cycle was mainly concerned with the M&A Service line, which is typical of low volume, high variety matters. Findings from this engagement reveal that the ability to produce near-accurate projections of billable hours based on real experience in the past would prove most helpful in quoting, negotiating and winning new business. As there is currently little to no support for lawyers in this process, there is an overwhelming need to design new tools and approaches for acquiring and executing large corporate transactions. This is one of the big challenges taken up in this phase. In addition to issues around scoping and pricing, this stage has immensely focused on the client's point of view and developed several models to engage clients and communicate value in the transaction. The project explored and addressed some of the practical issues surrounding administrative tasks and handling of documentation as well as the process of delivering pitch documentation and supporting the lawyers with softer skills and knowledge, which led to an extensive standardisation of processes and knowledge management within the department.

Dominant Service Type

Based on Tinnila and Vepsalainen's (1995) typology of services Corporate M&A transactional service at Solicitors Co., can be observed as analogous to *Contingent Relations* as shown in Figure 4.31. This service type is characterised by complex problems, several interrelated activities and intensive communication which are evident in M&A service. This type of service is described by risk sharing and requiring close relationships with the client.

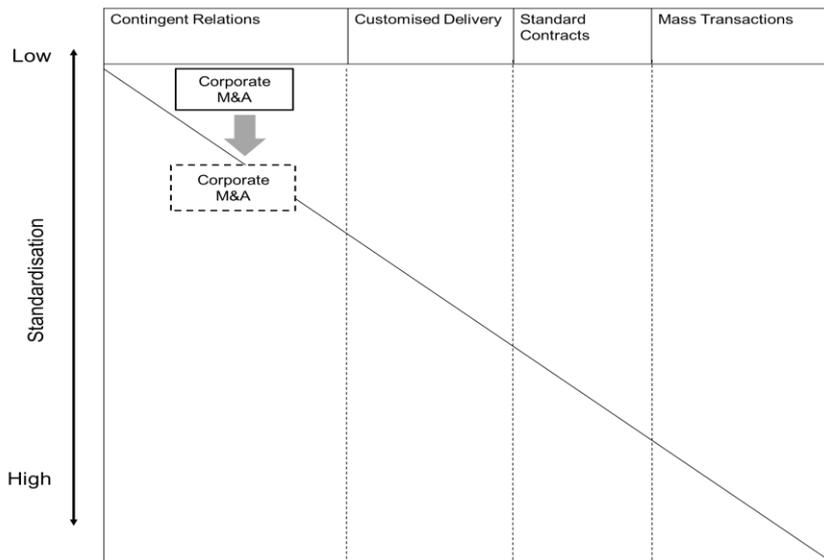


Figure 4.31: Dominant service type of Corporate department and its position along the standardisation diagonal.

Source: Adapted from Giannakis et al. (2018)

Giannakis *et al.* (2018) argue that positioning of this service below the standardisation diagonal will result in cost savings. Through the improvements delivered in the Corporate department several administrative issues have been addressed moving the service in this department closer to the standardisation diagonal as shown in Figure 4.31 above.

Solutions such as client transaction guide, flow of funds tool and fee see-saw will not only help align the client and lawyer’s perspectives on value, but also impart a great degree of uniformity and consistency in service delivery.

Timeline of execution

This cycle of the Action Research Project (ARP) took 12 weeks in total. The major stages of execution are shown in the timeline presented in Figure 4.32.

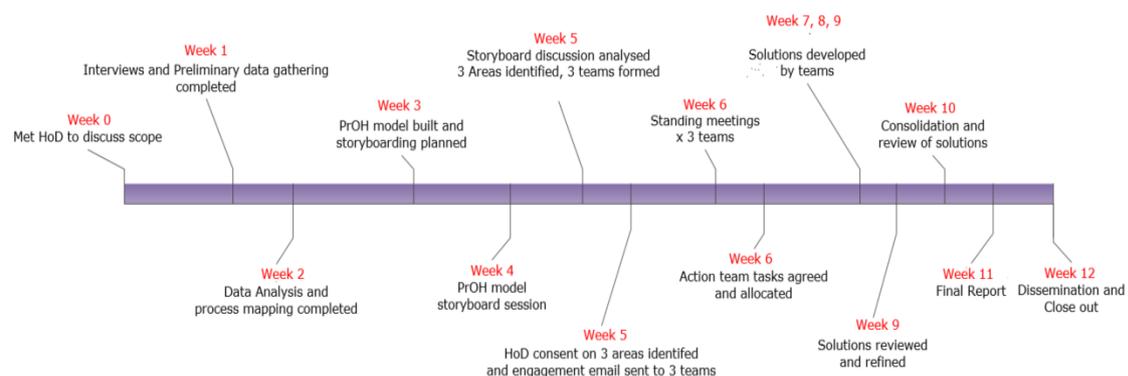


Figure 4.32: Timeline of execution for Corporate department AR cycle.

Case 5 – Private Client Department

4.13 Wills and Probate Services in Private Client Department

Drafting a legal will in most cases is a straightforward activity and can be standardised. This is one of the service areas most likely to be affected by competitive market forces as semi-qualified specialist will writers and ‘supermarket law shops’ pose an increasing threat to medium-sized law firms. The major challenges facing this department are: minimising cost of will production, building long-term relationships with clients, effective ability to cross-sell additional services and to provide additional value-adding services to clients.

This stage of the project occurred after the completion of RTA, Dispute Resolution, Commercial property and Corporate stages presented above. During this stage initially the researcher met with the Head of the Department (HoD) of Private Client to scope the intervention. 5 key participants have been identified with the help of HoD, including 1 Partner, 2 Solicitors, 1 Associate and 1 Secretary.

The following sections outline the investigation and the improvements delivered which are aligned with the main stages of Canonical Action Research (CAR) methodology (Susman and Evered, 1978).

4.13.1 Diagnosing

Having interacted with lawyers and collected process data from secretaries within the department, a process map (Figure 4.33) has been drafted to represent will writing service process within Private client department. Three interviews lasting up to 60 minutes each have been conducted before the process maps were fully developed.

Key issues in Private Client department

- Private client matters are mostly process driven and there is no system in place (standard workflow) to assist lawyers in quickly completing these matters.
- Currently it is taking 3-4 weeks for completing a Will matter. But a will can be delivered within a week with proper systems in place.
- Clients in this department have to be treated as clients for a lifetime. There is large scope for selling additional services to clients and their family members which the lawyers need to be mindful of.
- There is a huge will bank for SC with over 20,000 stored wills which if tapped properly can open up numerous opportunities for selling additional services including the fees for refreshing the wills.
- Will writing is currently perceived as a ‘loss leader’ within the department because most of the low-end transactions have a significant element of written-off time.

- Lasting Powers of Attorney (LPA) service on the other hand is priced high and is considered a ‘profit leader’.
- Scoping of matters is not carried out systematically and consistently, everyone has their own approach. For example, scoping and pricing estate work is a technically challenging area with no standard approach.
- Currently there is a precedent repository (bank) and system to upload or edit precedents but it requires regular updating and there is capacity for improving it further.
- Billing process is perceived by team members as being very inefficient and cumbersome.
- The need for effective work division, particularly the use of Partners’ time which should be ideally spent on:
 - Establishing trust and strengthening relationship with clients
 - Provide strategic and commercially focused advice
 - Getting new clients on-board
- All the detailed documentation, filing and administrative tasks should be carried out by fee earners down the ladder.

Process Map

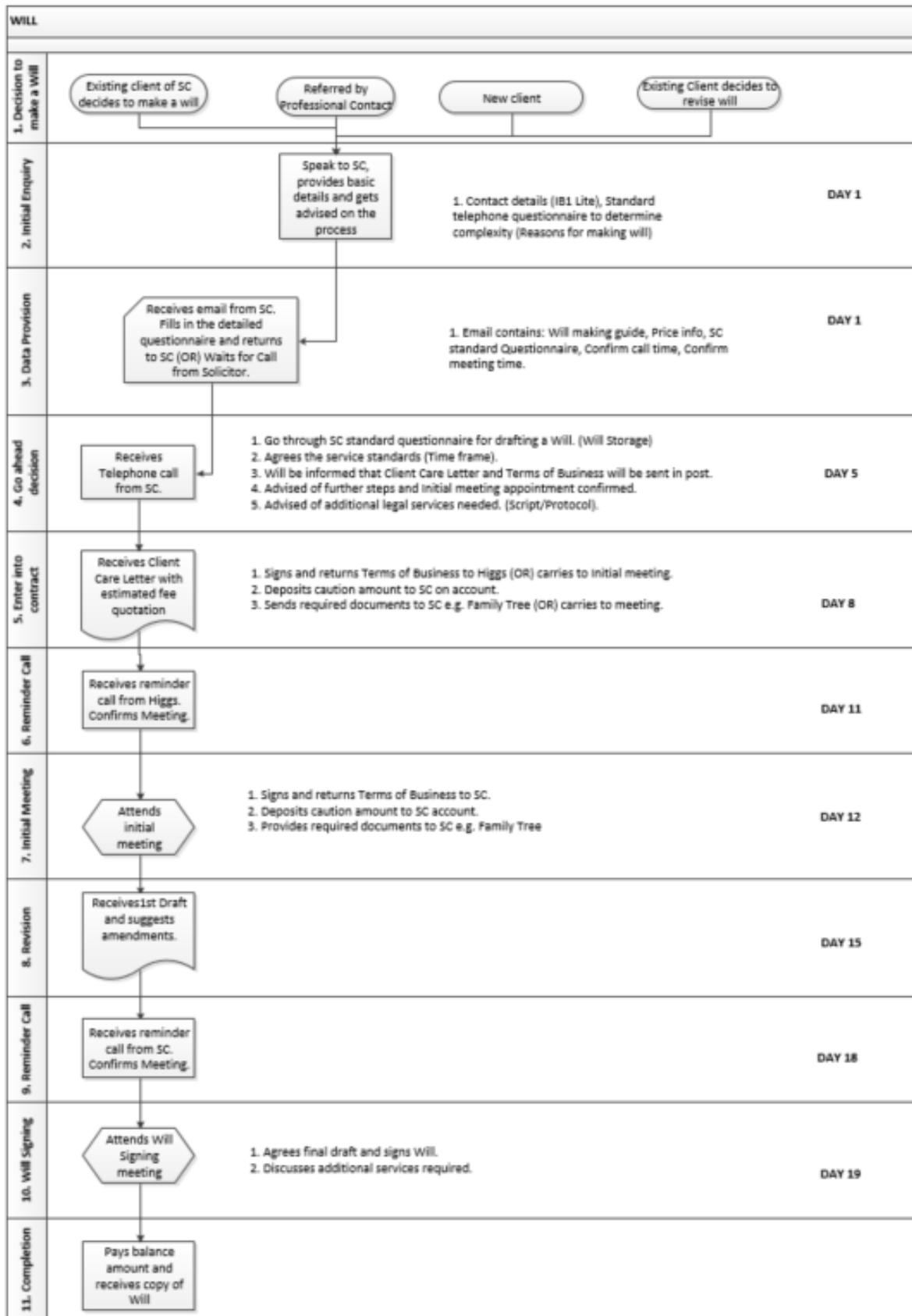


Figure 4.33: Process map of delivering a standard Will

Key Performance Indicators (KPIs)

The following table 4.28 presents the KPIs of Private Client department.

Table 4.28: Key Performance Indicators in Private Client department

KPIs	Aim	Governing factors
1. Days file is open (Time in days)	Lower the better	Work organisation (internal) and Client turnaround times (external)
2. No. of Wills in Will Bank (Number)	Higher the better	Department's approach to selling additional services (internal)
3. Revenue from refreshed Wills (£)	Higher the better	Department's approach to contact clients (internal)
4. Number of LPAs sold (Number)	Higher the better	Fee earner's ability to approach clients (internal)
5. Billing realisation rate (fee billed/hours worked/fee earner hourly rate - %)	Higher the better	Fee earner's approach to time recording (internal), Write offs (internal, external)
6. Revisions before Will signing	Lower the better	Accurate scoping (internal), change in client circumstances (external)

Root definition

- **C – Customers:** Private clients requiring wealth protection and end-of-life care
- **A – Actors:** Staff at Solicitors Co. (Lawyers and support staff)
- **T – Transformation:** Legal service delivery to satisfy customer needs
- **W –Worldview:** Will writing service is a system to deliver wealth protection and financial security to the family of Private clients
- **O– Owners:** Partners of Solicitors Co.
- **E – Environment:** Legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, HMRC, Banks and Building Societies, Probate registry, Financial advisers etc.

The root definition of Will writing service viewed as a system delivering a transformation can be understood as follows based on the above definitions of each element in the CATWOE mnemonic:

A system owned by Partners of Solicitors Co., where lawyers and support staff deliver legal service to satisfy the needs of private clients and their families by delivering them wealth protection and end-of-life care through legal will writing service under the constraints posed by the legal framework, Courts, Solicitors Regulation Authority (SRA), Law Society, HMRC, Banks and Building Societies, Probate registry, Financial advisers etc.

4.13.2 Action Planning

Based on the process maps initially developed, as well as the root definition, a core process statement (objective) has been agreed to build the PrOH model which is stated as ‘Private client solicitor aims to complete a Will, LPA or Probate’ as shown in Figure 4.35.

High volume/low variety services can be organised and operationalised as service factories akin to what was proposed by Schmenner (1986, 2004). But there is no evidence on how and to what extent these service lines within a law firm can be redesigned into a service factory model of operations. In the following sections, a Will writing service which is part of the Private Client department at LC is analysed using a Service Blueprint (Shostack, 1984) to understand the existing service design and mainly to analyse the *customer contact* involved in this operation so that it can be redesigned for the better. Also, Harvey et al., (2016) argue that the presence of significant amounts of standard work inside the professional service space suggests an opportunity for deploying classic process analysis and improvement interventions from the OM literature.

For example in a typical matter involving Will writing service, client contact occurs in three to four instances – once at the beginning when making an enquiry, once in the middle when providing the personal details, also there can be a second contact here for providing further details and once in the end for signing the will in the presence of a witness which is often done at the law firm offices.

Service Blueprint of Will writing service

An investigation into understanding the customer involvement in Will writing service at SC using the Service Blueprint has revealed two major fail points which needed to be addressed. Figure 4.34 provides a Service Blueprint that takes into account major activities in the process of delivering a Will writing service.

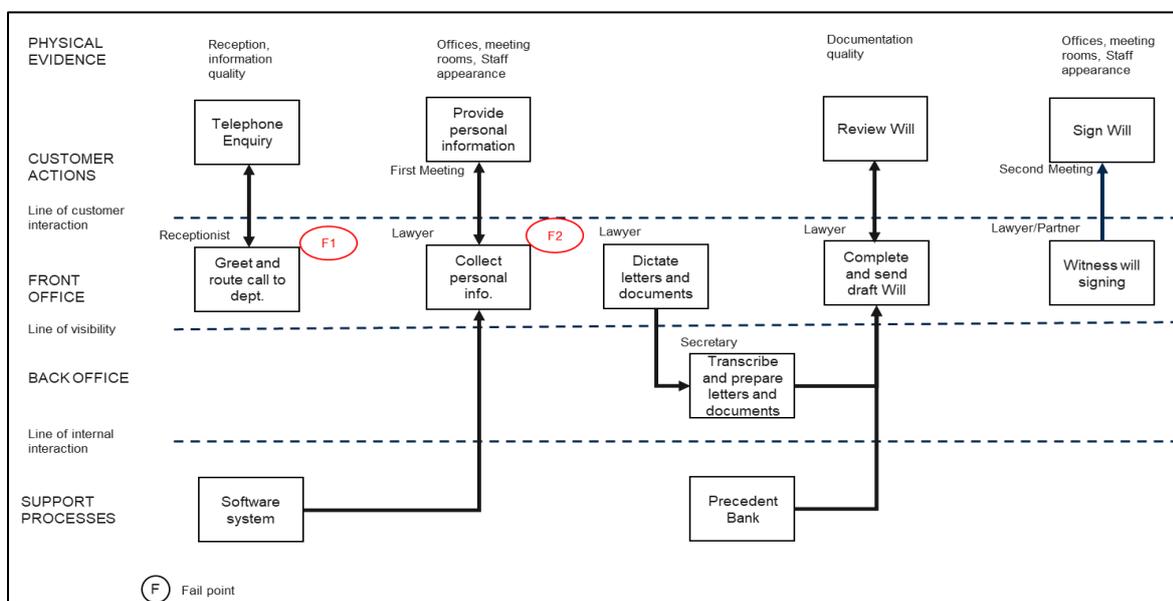


Figure 4.34: Service Blueprint of Will writing service

Fail points

As shown in the Service Blueprint in Figure 4.34, the two fail points occur at the stage of receptionist responding to initial enquiry by potential client (F1) and at the first client-lawyer meeting (F2). F1 denotes the wastage of opportunity for capturing client details by the receptionist and the lack of empowerment and training to carry out initial screening of the enquiry (for example finding out whether the client is ready to instruct the firm, or needs additional information before instructing the firm, or is simply shopping around for the lowest quote). Also F1 indicates that every enquiry that is routed to the lawyer in Private Client department is a potential waste or ineffective use of lawyer time – lawyer having to collect the personal details over the phone spending time which cannot be billed or recovered is a waste that can be eliminated. F2 indicates another redundant step in the process, collecting personal and case details at the first meeting, which can be altogether avoided if the client is willing to provide required details over the phone and submit documents over email – a waste that can be eliminated by providing alternative options to direct meeting. Besides these fail points, there can be several other systemic success factors that need to be understood before taking action for redressal.

Eliciting Systemic Success Factors

The success factors are considered for each element of the professional service triad, the Professionals (lawyers), Clients and the Firm as shown in Table 4.29.

Table 4.29: Systemic success factors and challenges for private client department at Lawyers Co.

Systemic Success Factors			Key Challenges
For Lawyer	For Client	For Firm	
Case complexity – value of assets, assets abroad, number of children etc. Information provision at the outset.	Flexibility, Asset protection, Tax mitigation. Speed of delivery	Profitability Utilisation = (actual hours billed/Total hours available) Value = realised fee per hour(Fees/Hours) Productivity = (Value)x(Utilisation) Selling additional services to clients	Improving client engagement whilst maintaining compliance. Improving time recovery. Document reusability and effective case management. Administrative routines to be standardised. Pricing and scoping complex probate matters. Work division and creation of new roles Training and upskilling paralegals and lawyers

4.13.3 Taking Action

As a result of the investigation and in conjunction with lawyers and support staff, various improvements have been made to the current process with the aim of eliminating fail points, improving utilization, productivity and also enriching the client’s experience of receiving the service, as presented in the systemic success factors table above. Improvements and changes implemented to the process also reflect the addressing of challenges presented in Table 4.30. The changes implemented in Private Client department can be categorised under three broad headings – *process improvement*, *knowledge management* and *client service*.

Table 4.30: Challenges taken up by action teams in Dispute Resolution

Team	Objectives	Team Members
Team 1	<ul style="list-style-type: none"> • Revisit and develop a robust system to save, retrieve and use precedents effectively. • Prepare checklists of documents required to scope matters better. • Explore the use of a dedicated workflow system and scope the high-level specifications. 	Partner Associate Solicitor
Team 2	<ul style="list-style-type: none"> • Identify training needs to improve handling of new enquiries and dealing with bereavement matters. • Develop new protocols for improving client engagement and capturing details accurately in the initial meeting which helps accurate scoping. 	HoD Associate Solicitor
Team 3	<ul style="list-style-type: none"> • Redesign the will writing service to reduce the time for delivering standard wills. • Review the work allocation procedure to identify opportunities to reorganise the roles in the team. • Reduce customer contact in standard will writing to reduce the cost of production. • Redesign the billing process to reduce manual entry of details. 	Partner Associate Finance Team Member

Implementing changes in the Private Client department

Process improvement

- The redesigned Will writing service as shown in Figure 4.36 clearly indicates the changes made to the process. The receptionist is making use of the newly created diary allocation system to route the call to the available case manager or schedule a telephone meeting with the client at a later date which imparted more certainty and speed to the process. At this stage, the receptionist can also collect personal information and input to the central client data base which has proved cost effective as billable lawyer time is not spent on this administrative task. This is similar to the Mid Office concept discussed by Silvestro and Lustrato (2015) who argue that ‘if the mid office can facilitate high volume processing and scale economies in the back office, while also enabling service customization in the front office, then the mid office may offer a service configuration which supports mass customisation. In the case of LC the mid office is the case manager (paralegal)

sandwiched between Reception (front office) and the Lawyer (back office) who is now relegated to only review the draft will and not directly face the client in Will writing service.

- New roles have been created not by adding members to the team but by effectively dividing work between the existing team. For example two administrative roles have been created by assigning one existing paralegal (legal executive) and upskilling one existing secretary to take on the roles of *case managers* as shown in the revised Service Blueprint in Figure 4.36. The designated case manager will be responsible for making contact with client, sending letters, drafting the will and ensuring matter closure. According to Bordoloi et al. (2019, pp. 262) a dedicated non-billable manager assigned to a group of professionals might bring down the utilization but will increase the efficiency and competitiveness of the group in the long run. The role of the highly-skilled lawyer has been limited to only reviewing the Draft Will thus spending less time in the process which leads to more profitability. Will writing is a fixed fee service and thereby benefits from reducing the cost, as the lawyer can focus on more complex, customisation-intense matters in Private Client department such as probate and estates planning which do not operate on a fixed fee.
- Customer contact has been reduced by reducing the number of face to face meetings which results in time savings (realised as lower cost) as well as improving efficiency.

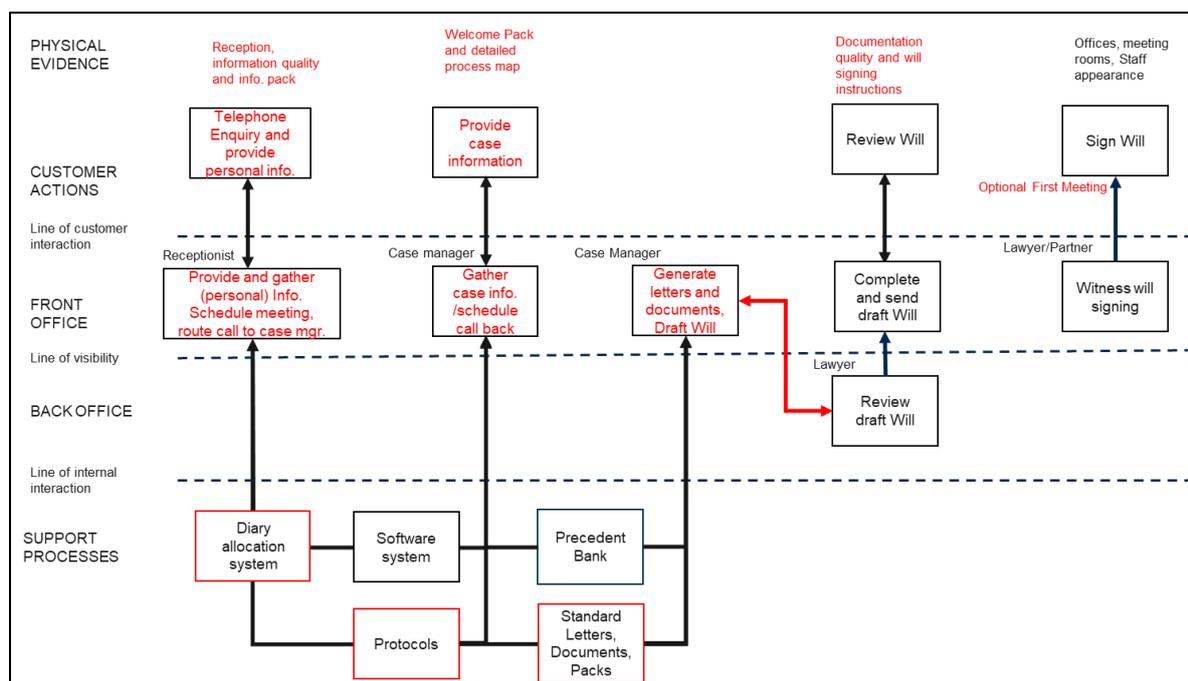


Figure 4.36: Service Blueprint of the revised Will writing service at Lawyers Co (all changes highlighted in red colour).

Knowledge management

- Information packs have been created which detailed the flow of events and processing involved in each service line within the department including the indicative prices. For example, a standard

information pack comprising of different services within Wills and Estates planning has been created which will be emailed or posted to clients according to their preference based on the telephone enquiry. New forms have been created such as the initial enquiry form which will directly feed into the firm's central client data base.

- Standard letters – 12 standard letters have been drafted and made available to staff in the departmental folders electronically. These letters include follow up communication after the initial enquiry, reminders for payment, reminders for information provision, instructions for will signing etc.
- Forms and Documents – 11 standard documents have been drafted and made available to staff in the departmental folders electronically. These documents include draft Will templates, Will explanation letter templates, instructions to execute Will and codicil etc. Notably, the newly created payment authorisation form eliminates *idle time* lost in waiting for the client's payment before the lawyer/case manager begins to draft the Will. A checklist has been created which comprises of the list of various details regarding client's personal wealth, family information etc. which allows the case manager to obtain all the evidence required to draft a Will at once.

Client Service

- Systems and Protocols – different client service protocols have been created such as the one for receptionist and case manager to deal with clients based on the initial enquiry type – those ready to make a Will and those requiring additional information before instructing the firm and those simply shopping around for the lowest quote. A diary allocation system has been proposed which allows receptionist to schedule meetings in the diaries of the available case manager at the time of enquiry based on a distributed workload management system, which results in prompt service to clients whilst improving the utilisation rate.
- Training has been provided to these case managers using a robust manual newly created based on a typology of clients drawn by consulting senior lawyers in the team and corroborating with historic data on fee billed on a range of matters with differing complexity. In order to equip lawyers dealing with Probate matters where the relatives of deceased clients approach the firm for executing the will, bereavement training is provided to all lawyers in the department.

4.13.4 Evaluating

In line with the previous stages of the AR cycle, PrOH model developed during this stage were verified to ensure that it adhered to the guidelines of PrOH modelling methodology. The evaluation required extensive iteration which involved rigorous consultation with process owners. The principles outlined in the previous such as the cyclical process model, researcher-client agreement, change through action and learning through reflection have been applied.

Evaluating the involvement of participants

In this stage of the action research project, 9 members of SC staff at all levels both within the Private Client department as well as support functions have participated and contributed to the implementation of changes in the department. They spent around 90 hours approximately participating in various activities such as providing data through interviews, coordinating and consulting with the researcher in refining the process maps, participating in storyboarding workshop, standing meetings and working on action team tasks as shown in Table 4.31.

Table 4.31: Stage wise schedule of participants and their time contribution

CAR Stage	Research Activity	Participants involved (Role)	Time spent (hours)
Problem Diagnosis	Interviews	Partner X 2	2
		Associates X 2	2
		Solicitors X 2	2
	Drafting and refining of Maps	Solicitor X 2	2
		Associate X 2	2
		Partner x 1	1
Action Planning	Storyboarding Workshop	Partners X 2	4
		Associates X 2	4
		Solicitors X 2	4
Action Taking	Standing Meetings	Partners X 3	1.5
		Associates X 2	1
		Solicitors X 3	1.5
		Support Staff X 1	0.5
		Director	1.5

	Team Tasks	Partners X 3	3
		Associates X 2	2
		Solicitors X 3	3
		Support Staff X 1	1
		Director	2
	Solution development and refinement	Director	14
		Partner x 2	4
		Associate x 2	4
Director		10	
Evaluating	Consolidation and review Meeting	Partner	1
		Director	1
	Report	Director	6
Specifying Learning	Final dissemination (Close out meeting)	HoD	1
		Partners X 2	2
		Associates X 3	3
		Solicitor X 3	3
		Director	1
Total Time spent by all participants (excl. researcher)			90

4.13.5 Specifying Learning

It is estimated that the firm holds in the region of 20,000 wills. These wills have been in the firm's repository (Will Bank) often for decades, but changes in technology and the potential of electronic storage capability and the possibility to 'fast track' any refreshing of personal information or new wishes opens up some practical challenges, for example just keeping track of the client's change in circumstances is proving difficult due to the manual process involved in retrieving the will, verifying the current address and posting letters. This is one of the major challenges identified and articulated through the action research project. In addition to issues around price and client experience this stage of the project explored some of the practical issues surrounding administrative tasks, particularly the inefficiency of the current billing procedures.

In the review meetings with team members it was identified that there is a scope for developing the following systems:

- A system for identifying client's best interests in the first or subsequent meetings to sell additional services.
- A system for scoping and budgeting complex matters.
- A typology for determining the complexity of matters and take necessary approaches to minimise time spent – for example a case summary of critical factors and actions to take.
- Workflow management tool – that helps set reminders for necessary actions at each step and helps manage the process.
- An electronic data base with contact details of all will holders and their next of kin or Executors named in the will.

Although marked with several customer contact instances throughout the matter progression, drafting a legal will in most cases is a less complex operation compared to other legal services, and therefore can be potentially standardised. Also the need for standardising or productising this service is driven by the competitive market forces due to the threat from semi-qualified specialist will writers and 'supermarket law shops'. The major challenges faced by Private Client department at SC have been understood and addressed using this action research engagement.

Dominant Service Type

Based on the Tinnila and Vepsalainen's (1995) typology of services categorised by the degree of service customisation ranging from simple to complex, Private Client services such as Wills and Probate can be observed as analogous to *Mass Transactions* as shown in Figure 4.37. These are simple services with few options and little customization of the terms of delivery. They are routine tasks carried out according to market rules and at market price

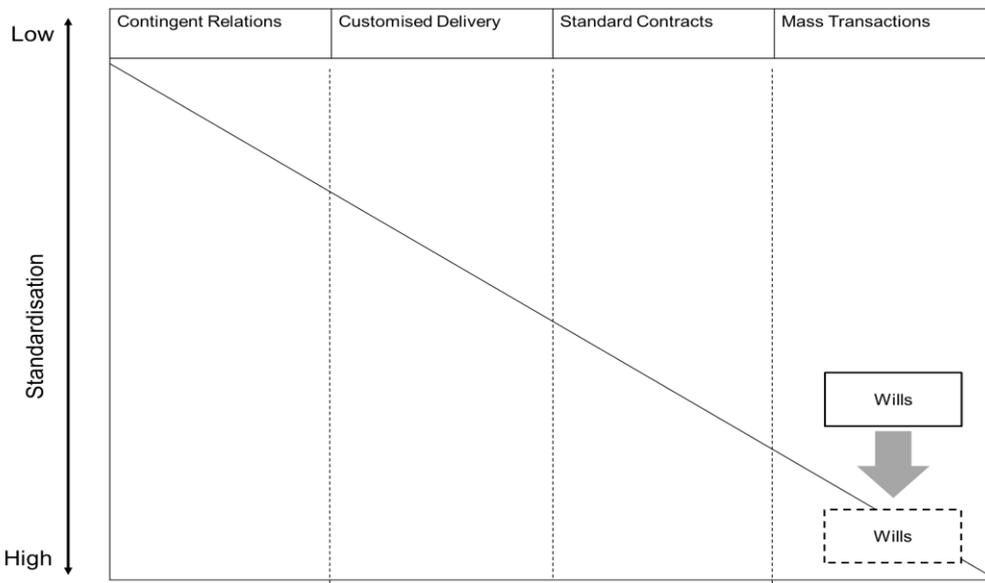


Figure 4. 37: Dominant service type of Private Client department and its position along the standardisation diagonal.

Source: Adapted from Giannakis et al. (2018)

Giannakis *et al.* (2018) argue that positioning of the service above the standardisation diagonal indicates that firms are overlooking opportunities for process standardisation and cost savings. Through the improvements delivered in Private Client department several administrative issues have been addressed moving the service in this department closer to the standardisation diagonal. By redesigning the will service to minimise client contact, by creating new roles to reduce the cost of producing a will document and through other improvements such as standardising letters, forms and information packs, the Private Client department has been effectively positioned closer to the standardisation diagonal as shown in Figure 4.33.

Timeline of execution

This cycle of the Action Research Project (ARP) took 12 weeks in total. The major stages of execution are shown in the timeline presented in Figure 4.38

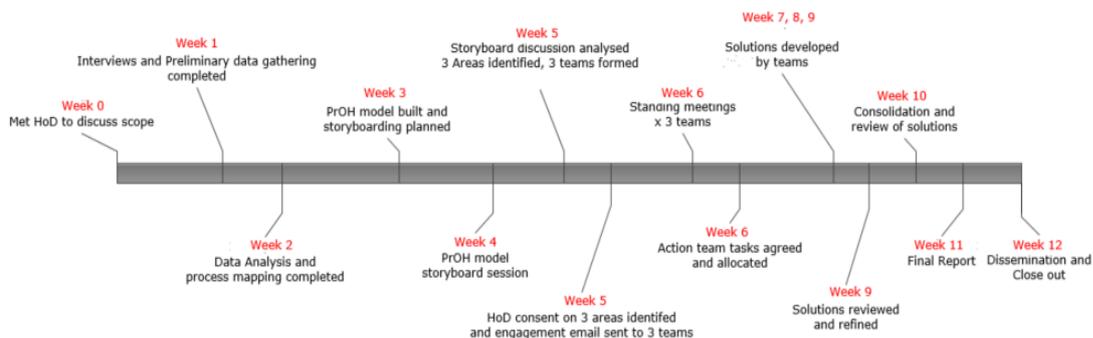


Figure 4. 38: Timeline of AR Cycle 5

Stage 4: Sustaining the change

In order to sustain the change that has been brought about by the ARP project it was necessary to implement the many tools and frameworks developed in the 5 AR cycles to the entire firm. In order to assess the issues related to service delivery and pricing, which were the main themes generated from initial focus groups and pilot study, in the remaining departments which did not participate in the ARP project, a further data gathering exercise was conducted which comprised of 4 focus groups. The details of this are presented in Data Analysis chapter Section 5.7 including the results.

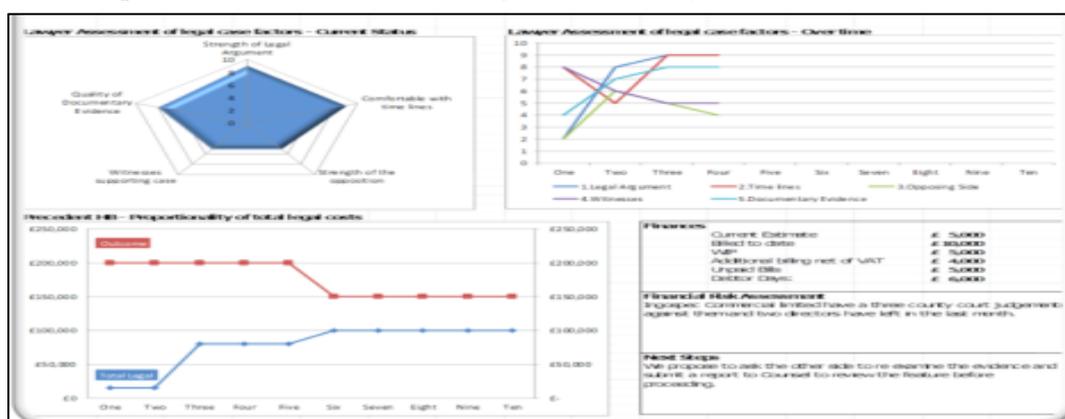
The findings from this set of focus groups indicate that there is obviously a scope for further improving operational practices within the rest of the firm as well as directly applying some of the tools, approaches and frameworks developed as part of ARP to the wider firm. Analysis of focus groups also acted as a platform for cross case analysis where themes common across all the participating departments and the non-participating departments offering an insight into the wider operational practices in legal services. A detailed discussion of this consolidation and future direction is presented in Chapter 6.

4.14 Summary of tools and models developed through Action Research

During each of the five CAR cycles within the main action research project, several tools have been developed for improving efficiency of service delivery and effectiveness of lawyers. All these tools and models have been developed exclusively using the resources available at hand such as Microsoft Word, Excel, and Visio. These tools provide a platform for embedding and sustaining the changes delivered through the Action research Project (ARP). A detailed plan of how these tools have been integrated into a Unified framework for delivering matters across all the departments of SC is laid out in Chapter 6 – Sustaining Change: Consolidation and Future Direction.

Following is the description of the key tools and models developed from the project, each tool is represented with an icon which is based on a screenshot taken from the actual tool:

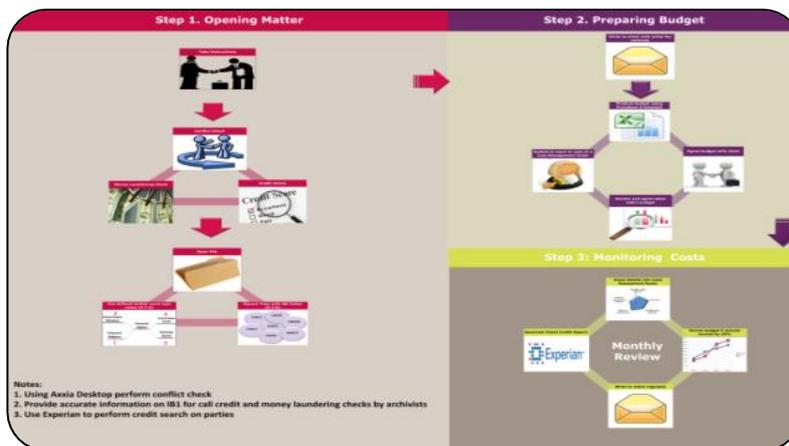
- **Matter Assessment Radar (Dispute Resolution):** An innovative model that will act as a matter management dashboard and helps lawyers in managing a case and its costs. This is supposed to deliver improved client satisfaction and higher fee recovery.



- Precedent H based Scoping & Budgeting Tool (Dispute Resolution):** A model for estimating the costs of litigation in each stage of the budget template (Precedent H). The goal is to drive compliance in Dispute resolution department in light of the new costs management requirements from the judiciary. This will increase visibility for financial reporting and helps estimate the costs at the beginning of the matter more easily through statistical sampling.

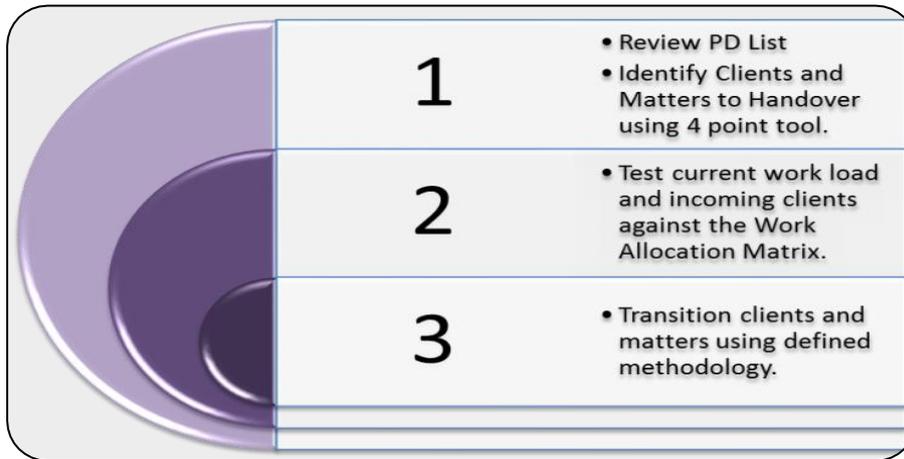
PRECEDENT H						HBOS READY RECALCULATED				
Work Done	Incurred		Estimated		Total (£)	% of Budget inc	Budget		Hours Left	Insert main Rate
	Disbursements (£)	Time costs (£)	Disbursements (£)	Time costs (£)			Disbursements (£)	Time costs (£)		
HB01 Pre-action costs	0	0	300	900	1,200	0%	900	900	5	185
HB02 Issue / pleadings	0	0	400	1,500	1,900	0%	400	1,500	8	185
HB03 CMC	0	0	0	0	0	0%	0	0	0	185
HB04 Disclosure	0	0	0	0	0	0%	0	0	0	185
HB05 Witness statements	0	0	0	0	0	0%	0	0	0	185
HB06 Expert reports	0	0	0	0	0	0%	0	0	0	185
HB07 PTR	0	0	0	0	0	0%	0	0	0	185
HB08 Trial preparation	0	0	0	0	0	0%	0	0	0	185
HB09 Trial	0	0	0	0	0	0%	0	0	0	185
HB10 ADR / Settlement discussions	0	0	0	0	0	0%	0	0	0	185
HB11 Contingent cost A: [explanation]	0	0	0	0	0	0%	0	0	0	185
HB12 Contingent cost B: [explanation]	0	0	0	0	0	0%	0	0	0	185
HB13 Contingent cost C: [explanation]	0	0	0	0	0	0%	0	0	0	185
GRAND TOTAL (including both incurred costs and estimated costs)	0	0	700	2,400	3,100	0%	1,300	2,400	13	

- Standard Operations Guide (Dispute Resolution):** A practice manual that will explain the step by step procedure for complying with the new costs management rules and how to make full use of the new models to include Case Assessment Radar and Precedent HB budget template.

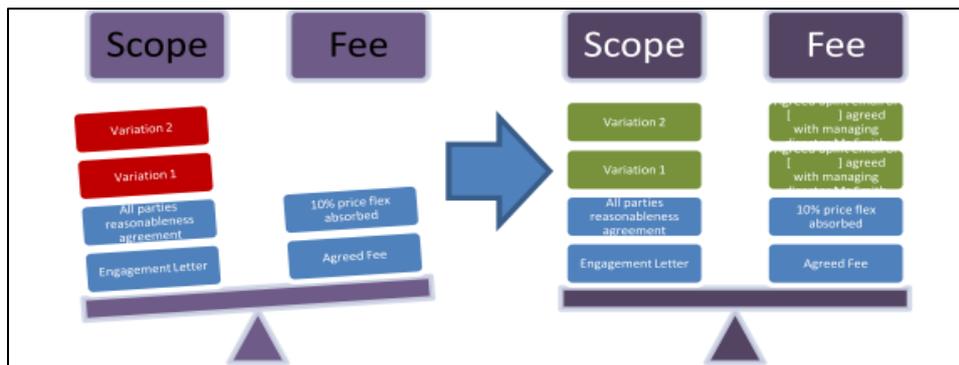


- Client Selection and On-boarding Process (Commercial Property):** Selection, investigation and pursuit of potential target clients is incredibly time consuming for all parties. The lack of a systematic approach can mean that effort is misdirected without results. By implementing a defined methodology, this framework helps target efforts to maximise time and valuable resources.

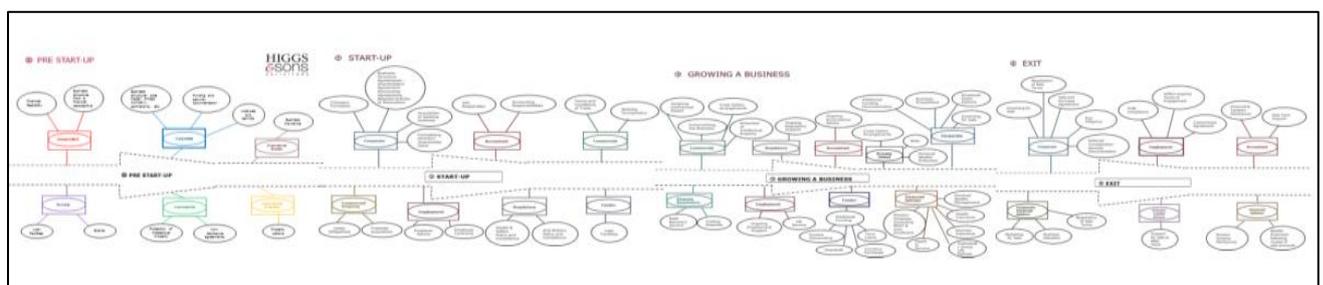
- **Work Allocation Procedure (Commercial Property):** This model will help in allocating files to the individual fee earners who are best positioned to maximise the fee recovery of the file and best manage the client relationship.



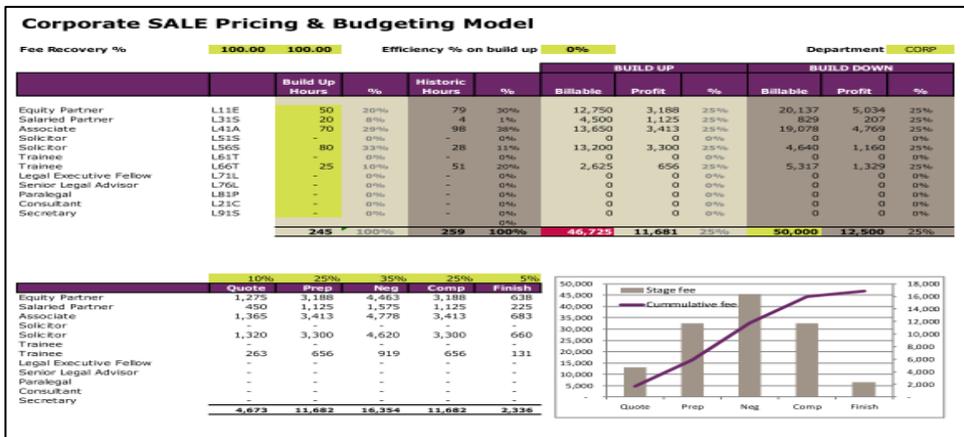
- **Transaction Scoping & Fee Control Tool (Corporate):** A model based on Seesaw design for enabling clients to appreciate ‘what is involved’ in particular additional tasks. This will help to facilitate effective communication of changes in the initial scope of the matter.



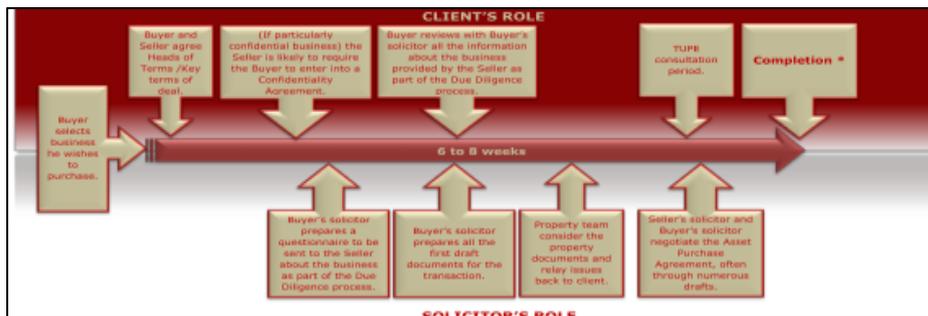
- **Life Cycle of a Business Client (Corporate):** This model encapsulates all the stages of a business from pre-inception through to exit. It will be used for identifying additional business opportunities and potential pitfalls.



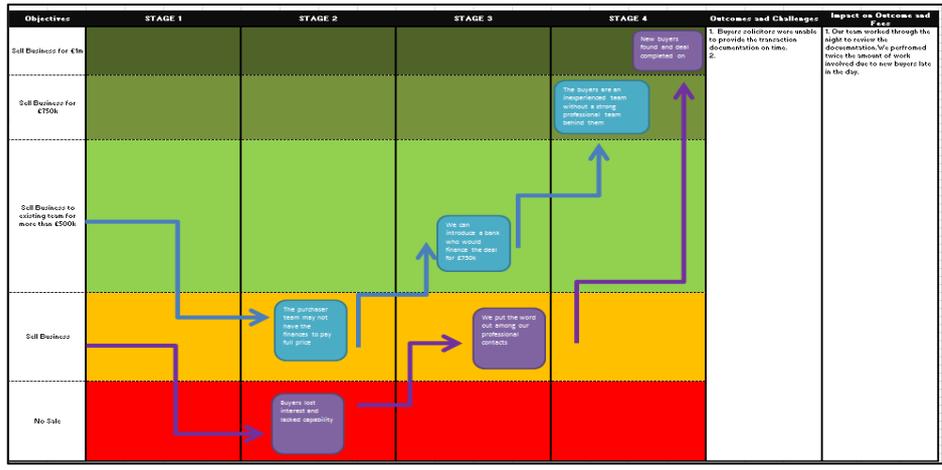
- **Flexible Pricing & Budgeting Model (Corporate):** This tool will help lawyers in scoping, pricing and budgeting of corporate transactions by leveraging on prior transaction knowledge and to extrapolate forwards.



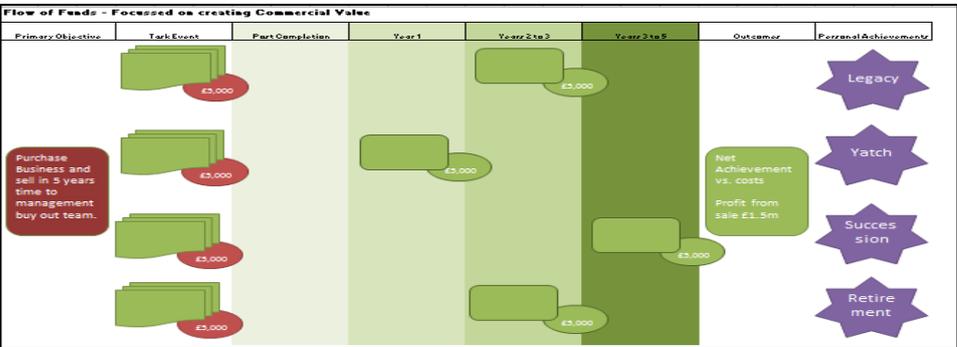
- **Client Transaction Guide (Corporate):** This is an informative guide that will assist potential clients in negotiating terms of a transaction more effectively, prior to the involvement of lawyers so that subsequent issues can be minimised. e.g. lawyer cost overruns. This will help improve client's awareness of the entire process and assist lawyers in spotting



- **Scope Change Indicator (Corporate):** A soft systems methodology based tool to assist lawyers in advising the client of the impact of a variety of potential routes a transaction can take, from the point at which a lawyers become involved and the impact of this on fees.



- **Flow of Funds Tool (Corporate):** A model for helping the client to accurately assess the impact of wider financial implications of the transactions, including potential onerous clauses and warranties.



4.14.1 Recommendations

All the above tools and models can be divided into 3 categories - desktop based tools, touch screen interface based tools (such as an iPad) and static models. The following recommendations are made in order to fully leverage from these tools and models:

- Lawyers must be able to access all these tools and models quickly and with minimum effort.
- Some of these models which are currently in static form need to be developed into interactive tools that are capable of dynamically generating output based on user inputs (e.g. Flow of Funds tool, Transaction planning tool, Transaction Scoping & Fee Control tool), so that they can be used by lawyers in direct interaction with client through a hand held device.
- A Graphical User Interface (GUI) has to be created which enables the lawyers to launch all the desktop-based tools from a single application.

4.15 Conclusion

This chapter presented a detailed account of how change was conceived, designed and delivered through a comprehensive intellectual framework embedded into the overall action research. In the process of delivering this action research project at every stage several thousand words of rich data was gathered and analysed which is detailed in the following chapter, Data Analysis. Whilst the findings from this data has been used to meet the departmental change requirements locally during the course of the project, for the purposes of presenting the data and the detailed findings from it, a separate chapter has been dedicated.

Chapter 5 Data Analysis

This chapter presents the analysis of data gathered at various stages of the ARP and supports fulfilment of project objectives. The stages in this chapter correspond to the ARP stages and are divided into 5 sections reflecting the order of execution of the Case Study chapter namely, Pilot Study carried out at the beginning of the project through to Stages 1, 2, 3, and 4. Analysis of data was carried out in conjunction with the execution of the ARP project feeding directly into the corresponding stages. The results of each stage of data analysis are referenced in the Case Study chapter directly feeding into the project informing action and reflection throughout. Stage 4 data analysis feeds into the follow-on Consolidation and Future Direction presented in Chapter 6.

5.1 Pilot study data analysis

This stage corresponds to Section 4.3 of the Case Study chapter where the need for a pilot study was discussed before embarking on the strategic change project, the ARP.

Sampling

Primary data for this research has been gathered from one semi-structured interview with a senior member of staff at Solicitors Co. The participant has been provided with the Informed consent form in advance of the interview which explained the purpose of the study and the consequences. The participant has agreed and signed the consent form and the interview appointment has been booked at the convenience of the participant with prior consultation.

The semi-structured questionnaire consisted of 8 questions which were handed to the participant moments before the interview. However, the interviewer has spontaneously posed several other questions during the interview which complemented the overall objectives of the interview.

The interview lasted for an hour and has been tape recorded. The transcription generated 7500 words of data which is the source of all findings presented in this section.

Data collection was focused around the following areas of interest which have been framed into interview questions:

1. Reasons for choosing Solicitors Co. as a legal service provider
2. Expectations of first-time clients.
3. Expectations of repeat clients.
4. Important aspects of service.
5. Overall experience with the firm
6. Actual perception of service against initial expectations
7. Improvements required in service delivery.
8. Critical comments from clients

3-Tier taxonomy has been employed for the process of grouping data. The elements in each tier are mutually exclusive from those in the same tier which is a necessary but not sufficient condition to be satisfied in Content Analysis.

Category: The categories have been derived from the semi-structured questionnaire and have been modified only in two instances - critical comments (Question 8) later evolved as Client Touch Points and Questions 4 and 6 have been grouped together as category 4.

Theme: 13 themes have been derived from the exhaustive list of keywords extracted from the interview content.

Node: Nodes have been derived by re-phrasing sentences from the interview content to generate more meaningful keywords. The analysis has generated a total of 82 nodes.

Sub-node: Sub-nodes are keywords at a more granular level which would give near-exact reasons for a particular phenomenon. In total there are 35 sub-nodes.

Based on the 3-tier taxonomy mind maps were constructed manually and then mapped on to the software Microsoft Visio 2010.

Table 5.1: Final list of Categories and Themes after refinement

Category	Themes
Reason for choosing Solicitors Co.	<ul style="list-style-type: none"> • Reputation • Legacy • Offices
Initial expectations of First time Clients	<ul style="list-style-type: none"> • Service • Billing • Scoping • Variations • Faith • Cross Selling
Expectations of Repeat Clients	<ul style="list-style-type: none"> • Service • Billing
Client perceptions as against initial expectations	<ul style="list-style-type: none"> • Service • Billing • Scoping • Variations
Important aspects of service	<ul style="list-style-type: none"> • Service • Billing
Improvements required	<ul style="list-style-type: none"> • Service • Billing • Scoping • Difficult Conversations • Best practice
Client Touch Points	<ul style="list-style-type: none"> • What makes clients Happy • What irritates Clients

Table 5.2: Elements of 4-tier taxonomy

Tiers	Elements	Source	Condition
Tier 1	Category	Pre-defined and emergent	Mutually exclusive from other categories
Tier 2	Themes	Emergent	Mutually exclusive from other themes in that category
Tier 3	Nodes	Keywords	Mutually exclusive from other nodes in that theme
Tier 4	Sub-nodes	Keywords	Mutually exclusive from other sub-nodes in that node

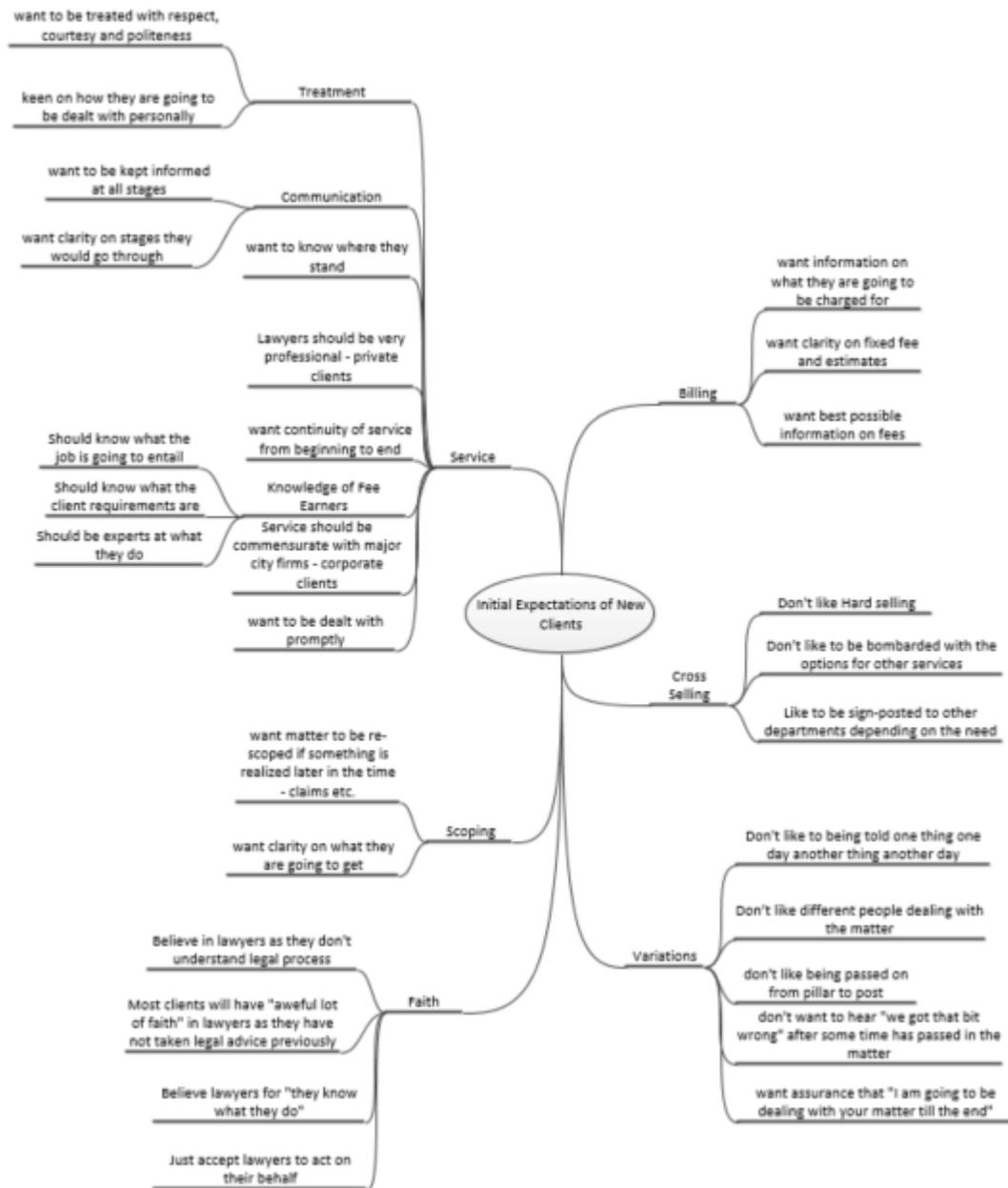


Figure 5. 1: Interview Data on expectations of first-time clients about the service of Solicitors Co.

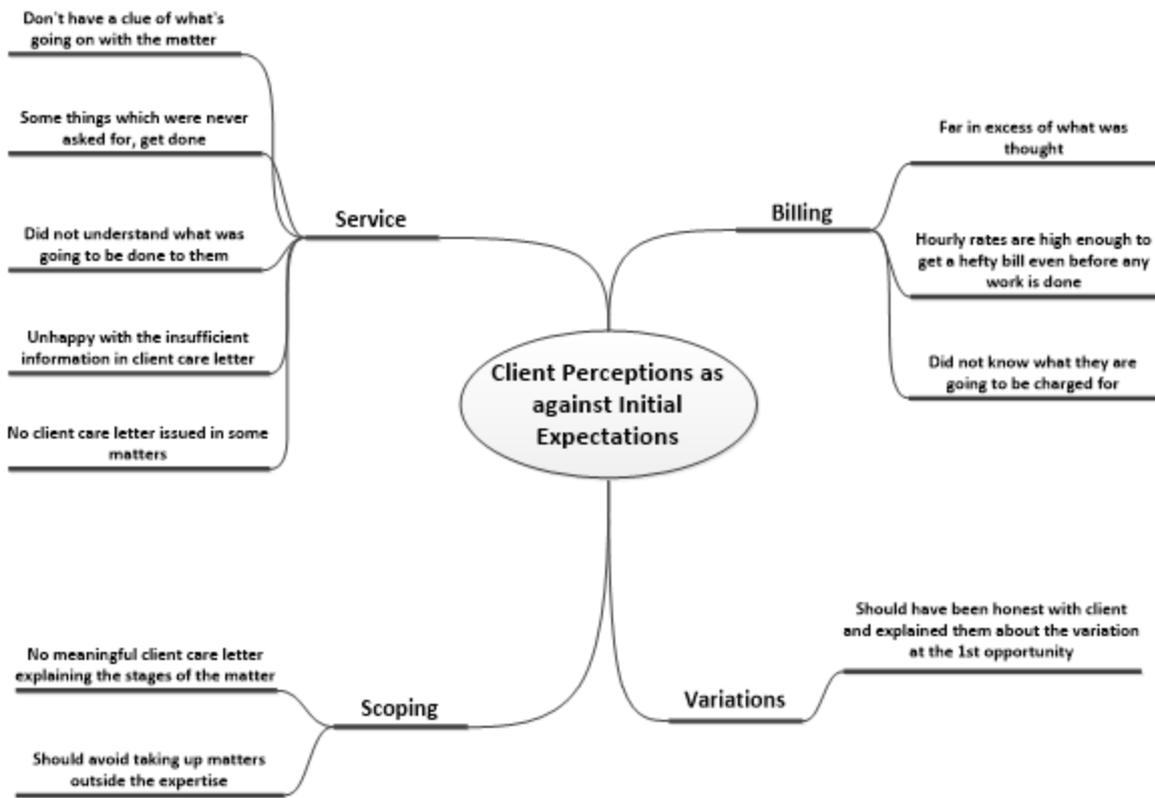


Figure 5.2: Interview Data on client perceptions as against the initial expectations of Service delivered by Solicitors Co.

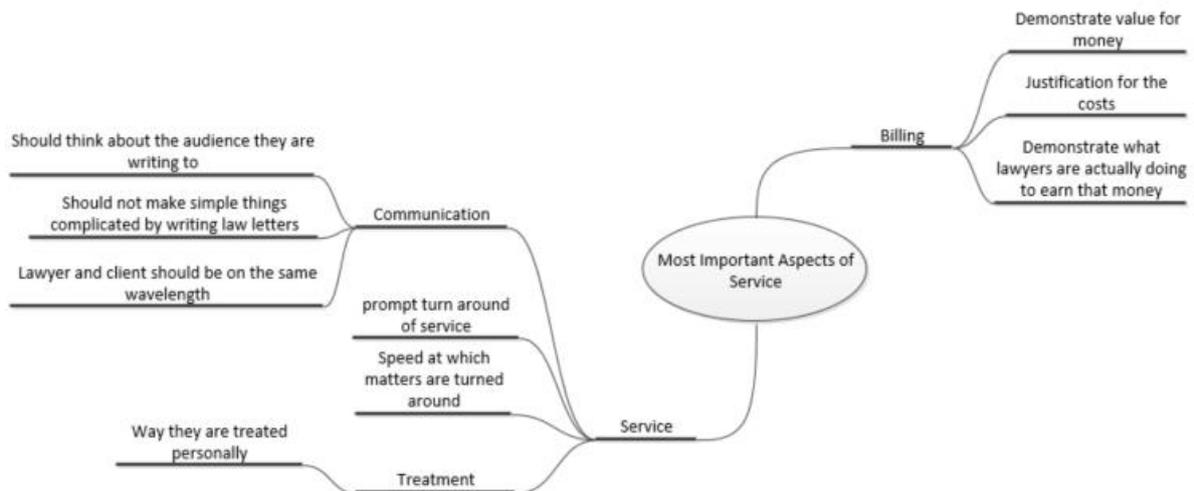


Figure 5.3: Interview data on crucial aspects of service at Solicitors Co.

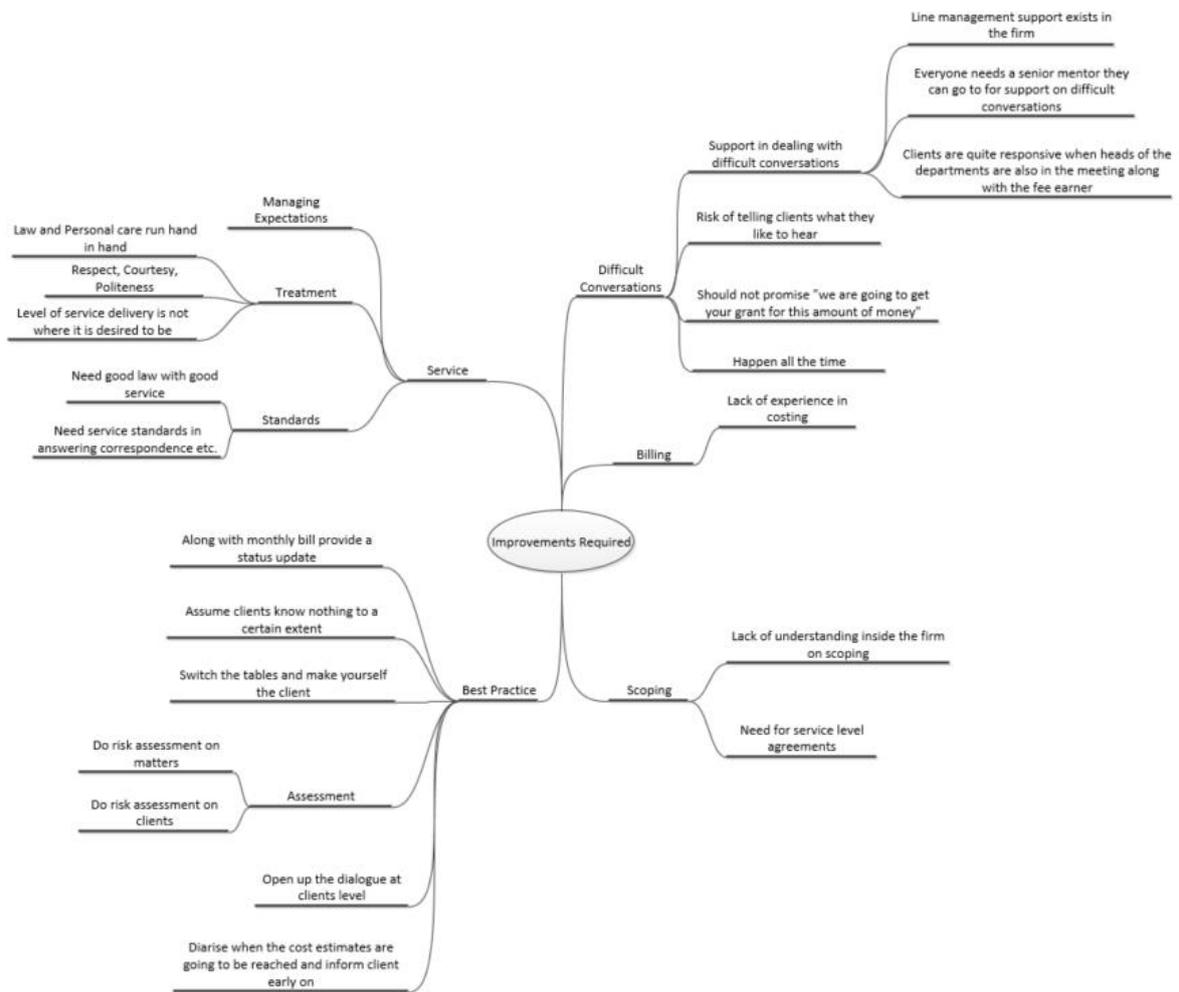


Figure 5 4: Interview data on improvements required for service delivery at Solicitors Co.

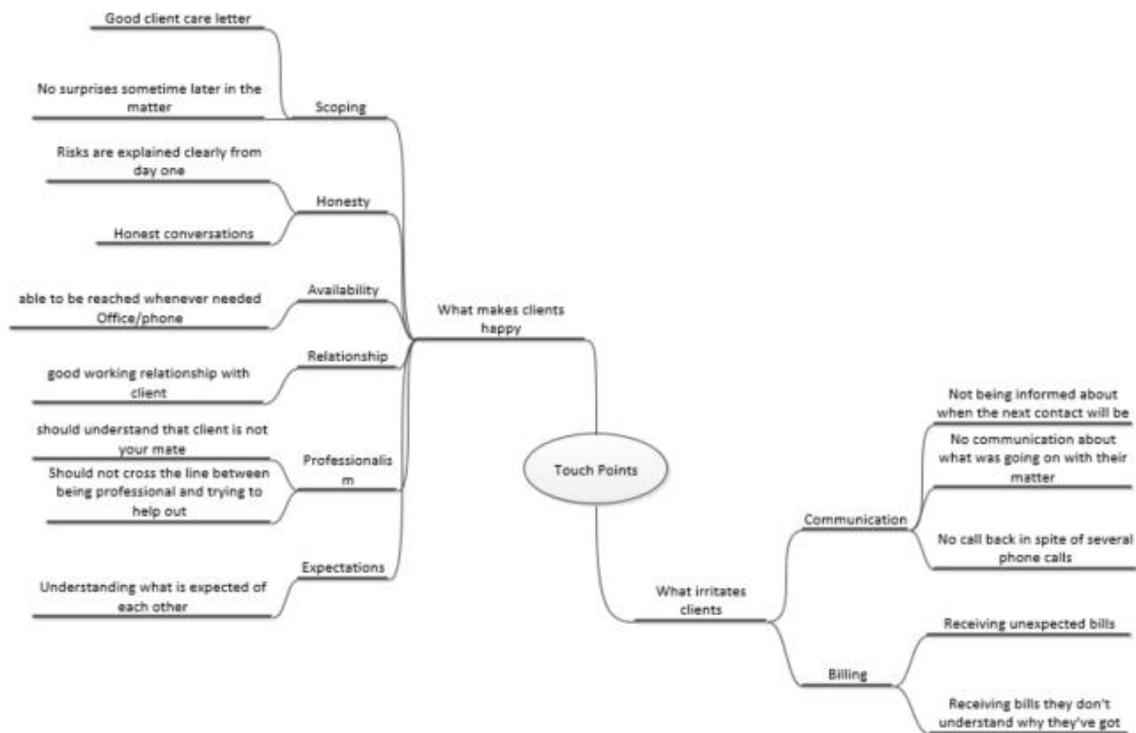


Figure 5.5: Interview data on client touchpoints at Solicitors Co.

Based on this interview, a preliminary view of the service delivery and perceptions about the firm's service are obtained. This is essential for understanding the themes based on which further research can be structured.

The Concept map highlighting the areas of improvement based on Pilot Study data analysis above is presented in the Case Study chapter in Section 4.3.2.

Reliability and Validity

Primary data having been gathered from a single informant lacks the sufficient condition for fully exploiting any of the qualitative analysis techniques like Content Analysis and Template Analysis. But the data has been manually analysed and segregated into different categories applying the principles of Content Analysis. The recursive steps followed for arriving at conclusions has been taken from the concept of Template Analysis.

The degree of reliability of interview findings might be questionable because the opinions of only one employee have been considered in a company with 155 staff members. However, the intention of this exercise is to generate primary themes for structuring the Action research project with the intention that

an extensive data collection and analysis will be carried out in the future stages of this research project within the case study.

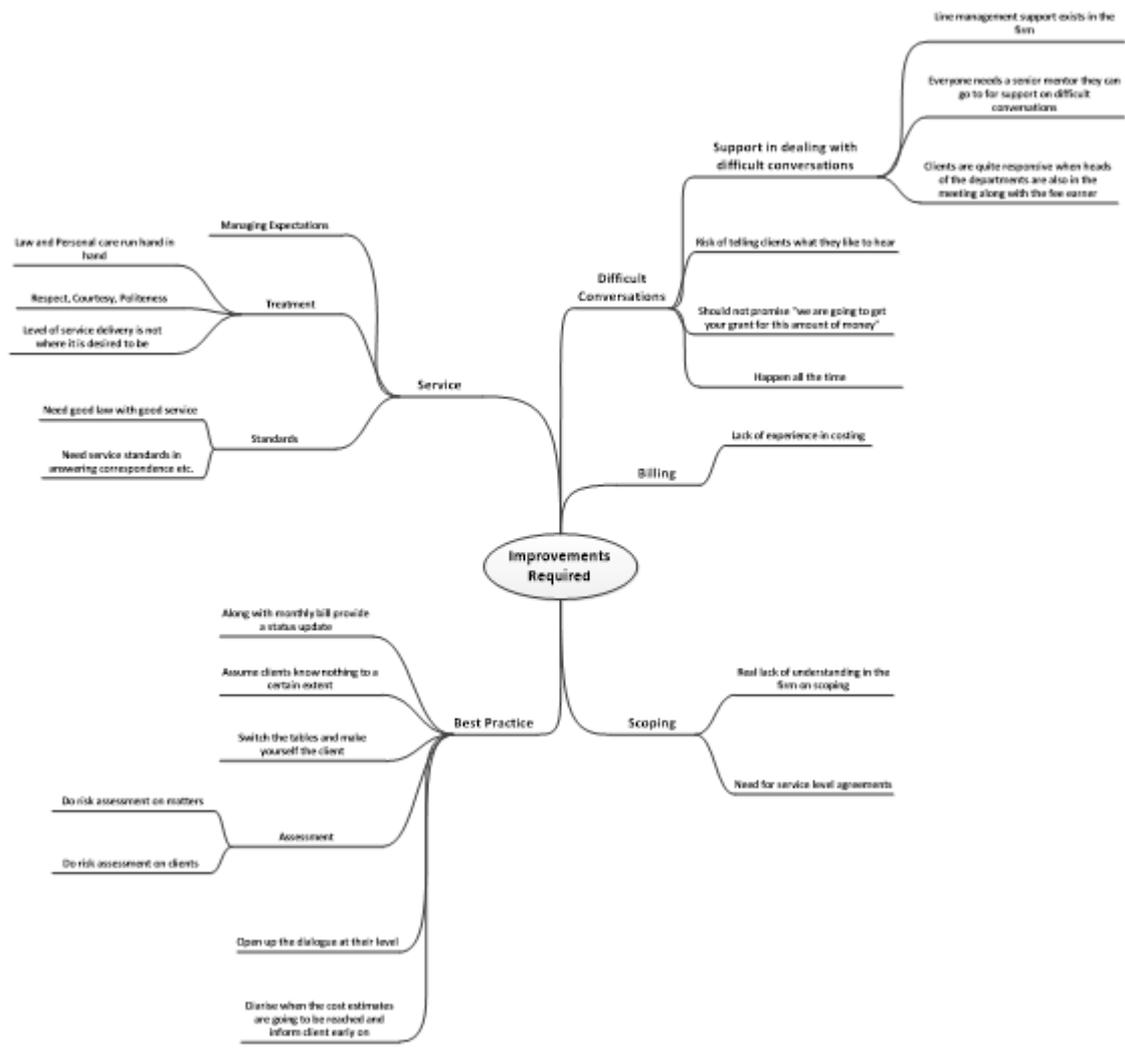


Figure 5.6 : Interview data on improvements required for service delivery at Solicitors Co.

5.2 ARP Stage 1 Data Analysis: Understanding the need for change

5.2.1 Initial Calibration of the Change Kaleidoscope

It is essential for organisations to understand their status quo at the outset of any change project. This information will help the change agent or modeller in making the right design choices for ensuring a smooth transition from a current state to the one desired by the organisation. Academic literature on organisational change strongly advocates that there is no standard recipe for designing or managing change in a particular setting, but the choices should be made with due consideration to context-sensitive features that are firm specific.

For the purpose of understanding the status quo of Solicitors Co seen as an organisation embarking on change project(s), 'Change Kaleidoscope' model has been used which offers a working proof for designing and managing the change inside various organisations evident from several case studies. According to this model there are 8 context-sensitive features which, up on careful analysis and judgement can lead to 6 choices for designing the process of change.

The analysis carried out in this section will aim to present showcase the design choices for the upcoming change initiatives within Solicitors Co in the context of the ARP Project.

Sampling

The data for understanding the current state has been gathered from 5 focus groups, conducted with 21 staff members at different roles and from different departments in the firm. The participant sample comprised of people from all levels in the firm, secretary to senior partner. Participants were asked about their opinions on the challenges faced by them in day-to-day activities. Focus groups were recorded and transcribed generating a total of 80,000 words of rich data from 8 hours of recording. Analytic induction has been employed as an approach to analyse the data as no suppositions were made in advance of the study. The aim was to elicit information from the focus groups as it is and later determine the themes into which the perceptions can be grouped. Content analysis (Berelson, 1952) technique has been used to analyse the data which has been manually coded into themes that were further grouped into the overarching forces.

The overall data structure has been designed based on Gioia's methodology (Corley & Gioia, 2003; Gioia et al.,2013). Figure 5.7 presents the data structure based on which the rich data has been analysed and the themes generated.

Three examples of change have been centrally discussed in the focus group which are:

- a. The move to New Offices
- b. Rollout of Customer Relationship Management (CRM) System
- c. Changes in Legal Sector

The strength of this analysis lies in reverse mapping the design choices that were made knowingly or unknowingly during the process of change in the past (examples: a and b). Though these choices will not offer any readymade solutions for designing the change that is to come but will certainly provide deeper understanding on the natural alignment of the firm towards change and helps the change agent (researcher) to adapt or design sensible mechanisms for enabling and ensuring a smooth transition.

This data analysis has resulted in two substantial outcomes as shown below:

- Endogenous and Exogenous forces driving the need for change in legal services (Research Objective J1) – used in Stage 1: Understanding the need for change
- The Design Choices for structuring the Change Programme based on Change Kaleidoscope ‘a priori’ framework – used in Stage 2: Designing the change intervention

5.2.2 The derivation of endogenous and exogenous forces acting at the firm-level

Data analysis presented in this section corresponds to Section 4.6 of the Case Study Chapter which presented the basis for articulating the need for change in legal services.

Data Structure

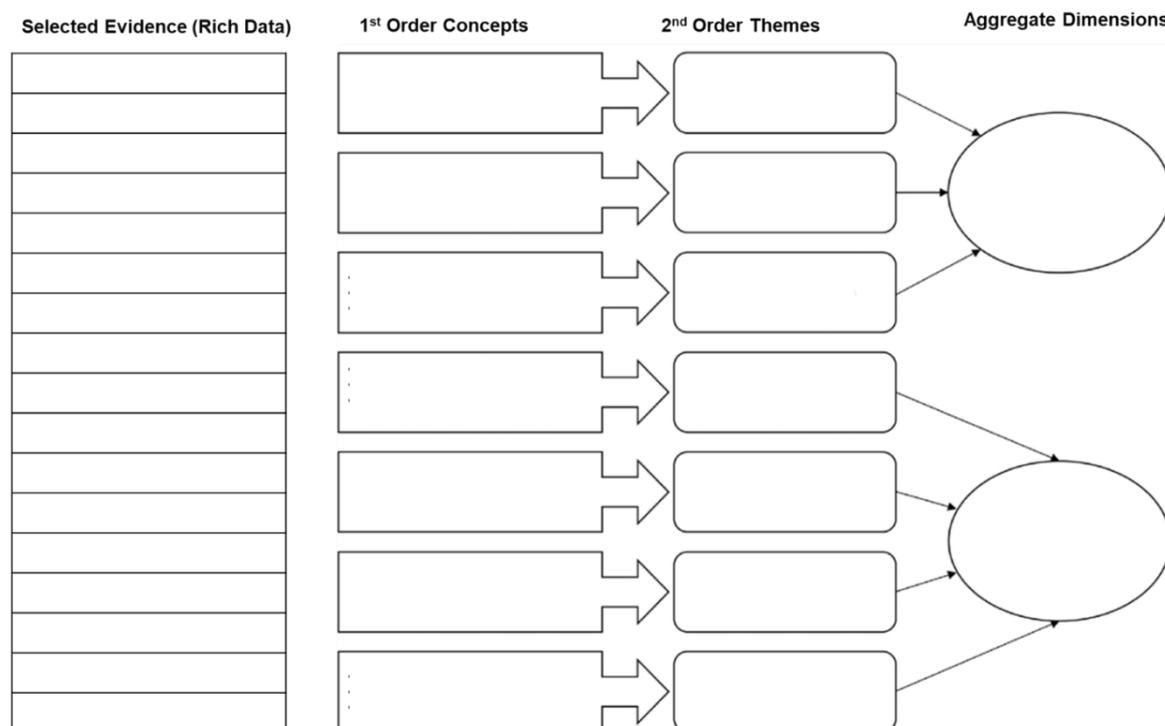


Figure 5.7: Data structure for analysing focus groups and the derivation of themes

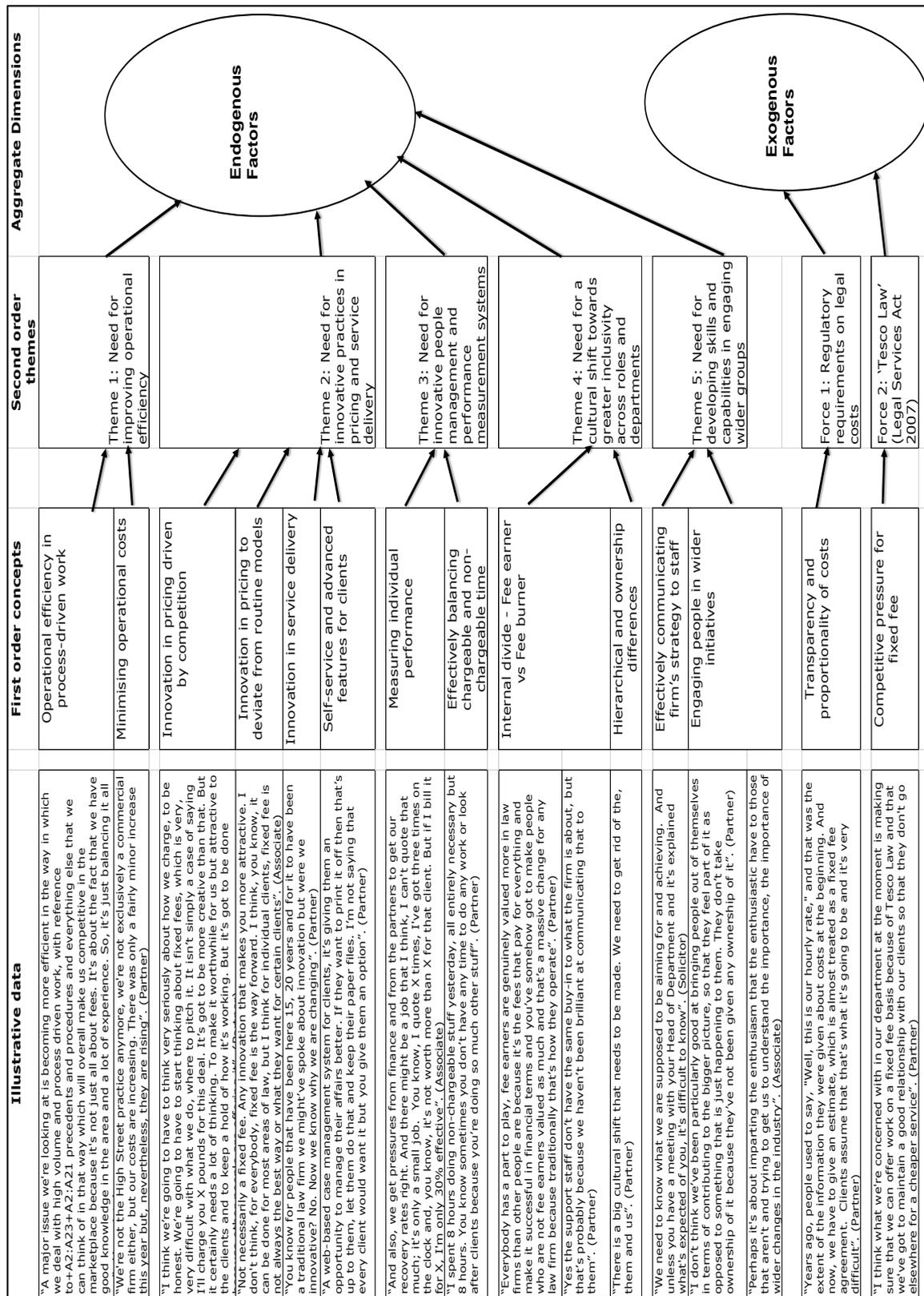


Figure 5.8: Thematic analysis showing the derivation of endogenous and exogenous forces driving the need for change

Table 5.3: Illustrative data organised into concepts and themes

Aggregate Dimensions	2 nd Order Themes	Illustrative data and 1 st Order Concepts
Endogenous	Theme 1: Need for improving operational efficiency	<p><i>Operational efficiency in process-driven work</i> “A major issue we're looking at is becoming more efficient in the way in which we deal with high volume and process driven work, with reference to precedents and procedures and everything else that we can think of in that way which will overall make us competitive in the marketplace because it's not just all about fees. It's about the fact that we have good knowledge in the area and a lot of experience. So, it's just balancing it all up”. (Associate)</p> <p><i>Minimising operational costs</i> “We're not the High Street practice anymore, we're not exclusively a commercial firm either, but our costs are increasing. There was only a fairly minor increase this year but, nevertheless, they are rising”. (Partner)</p>
	Theme 2: Need for innovative practices in pricing and service delivery	<p><i>Innovation in pricing driven by competition</i> “I think we're going to have to think very seriously about how we charge, to be honest. We're going to have to start thinking about fixed fees, which is very, very difficult with what we do, where to pitch it. It isn't simply a case of saying I'll charge you X pounds for this deal. It's got to be more creative than that. But it certainly needs a lot of thinking. To make it worthwhile for us but attractive to the clients and to keep a hold of how it's working. But it's got to be done because other people are offering it”. (Partner)</p> <p><i>Innovation in pricing to deviate from routine models</i> “Not necessarily a fixed fee. Any innovation that makes you more attractive. I don't think, for everybody, fixed fee is the way forward. I think, you know, it can be done for most areas of law, but I think for individual clients, fixed fee is not always the best way or what they want for certain clients”. (Associate)</p> <p><i>Innovation in service delivery</i> “You know for people that have been here 15, 20 years and for it to have been a traditional law firm we might've spoke about innovation but were we innovative? No. Now we know why we are changing”. (Partner)</p> <p><i>Self-service and advanced features for clients</i> “A web-based case management system for clients, it's giving them an opportunity to manage their affairs better. If they want to print it off then that's up to them, let them do that and keep their paper files. I'm not saying that every client would want it but you give them an option”. (Partner)</p>
	Theme 3: Need for innovative people management and performance measurement systems	<p><i>Measuring individual performance</i> “And also, we get pressures from finance and from the partners to get our recovery rates right. And there might be a job that I think, I can't quote that much; it's only a small job. You know, I quote X times, I've got three times on the clock and, you know, it's not worth</p>

		<p>more than X for that client. But if I bill it for X, I'm only 30% effective". (Associate)</p> <p>Effectively balancing chargeable and non-chargeable time "I spent 8 hours doing non-chargeable stuff yesterday, all entirely necessary but 8 hours. You know sometimes you don't have any time to do any work or look after clients because you're doing so much other stuff". (Partner)</p>
	<p>Theme 4: Need for a cultural shift towards greater inclusivity across roles and departments</p>	<p>Internal divide - Fee earner vs Fee burner "Everybody has a part to play, fee earners are genuinely valued more in law firms than other people are because it's the fees that pay for everything and make it successful in financial terms and you've somehow got to make people who are not fee earners valued as much and that's a massive change for any law firm because traditionally that's how they operate". (Partner)</p> <p>"Yes the support staff don't have the same buy-in to what the firm is about, but that's probably because we haven't been brilliant at communicating that to them". (Partner)</p> <p>Hierarchical and ownership differences "There is a big cultural shift that needs to be made. We need to get rid of the, them and us". (Partner)</p> <p>"I don't think you can generalise but I think that the lawyers tend to be more switched on in terms of the big picture and they have a stake in the company and what it's about and I'm not saying that the support staff don't, but probably not to the same degree". (Partner)</p>
	<p>Theme 5: Need for developing skills and capabilities in engaging wider groups</p>	<p>Effectively communicating firm's strategy to staff "We need to know what we are supposed to be aiming for and achieving. And unless you have a meeting with your Head of Department and it's explained what's expected of you, it's difficult to know". (Solicitor)</p> <p>Engaging people in wider initiatives "I don't think we've been particularly good at bringing people out of themselves in terms of contributing to the bigger picture, so that they feel part of it as opposed to something that is just happening to them. They don't take ownership of it because they've not been given any ownership of it". (Partner)</p> <p>"Perhaps it's about imparting the enthusiasm that the enthusiastic have to those that aren't and trying to get us to understand the importance, the importance of wider changes in the industry". (Associate)</p>
<p>Exogenous</p>	<p>Force 1: Regulatory requirements on legal costs</p>	<p>Transparency and proportionality of costs "Years ago, people used to say, "Well, this is our hourly rate," and that was the extent of the information they were given about costs at the beginning. And now, we have to give an estimate, which is almost treated as a fixed fee agreement. Clients assume that that's what it's going to be and it's very difficult". (Partner)</p>

	Force 2: 'Tesco Law' (Legal Services Act 2007)	<p>Competitive pressure for fixed fee</p> <p>"I think what we're concerned with in our department at the moment is making sure that we can offer work on a fixed fee basis because of Tesco Law and that we've got to maintain a good relationship with our clients so that they don't go elsewhere for a cheaper service".</p> <p>(Partner)</p>

Results

Results from this section have been used to establish the factors driving change in SC operations and broadly the legal services sector. These factors have been instrumental in structuring the subsequent AR cycles within this study.

ARP Stage 2 Data Analysis: Designing the change intervention

5.3 Derivation of the Design Choices for structuring the Change Programme based on Change Kaleidoscope ‘a priori’ framework

This section presents the analysis of data from 5 focus groups by mapping the insights on to 8 context sensitive features of the change kaleidoscope taken as ‘a priori’ with this objective of deriving the design choices made in the previous change initiatives so that it can inform the design and structure of the ARP project.

Out of the three examples of change discussed in the focus group, only one topic’s analysis is presented here as a sample i.e. “The move to New Offices” presented in Table 5.4. Remaining topics have been analysed and the themes merged together, which resulted in Table 4.7 presented in Case Study Chapter.

- a. Rollout of Customer Relationship Management (CRM) System
- b. Changes in Legal Sector

Design Choices Key

The definitions of each of the design choices is presented in the Methodology chapter.

CP – Change Path

CS – Change Style

CSP – Change Start-Point

CT - Change Target

CL – Change Levers

CR – Change Roles

Table 5.4: Data Analysis for the example “The Move to New Office Offices”

CK Feature	Illustrative Data	First Order Concept	‘a priori’ Themes from Change Kaleidoscope
Time	<ol style="list-style-type: none"> 1. But then all of a sudden, we're doing loads of different things 2. It's completely different. It's like working for a different firm. 	<ol style="list-style-type: none"> 1. Radical Transformation 	<ol style="list-style-type: none"> 1. CP- Revolution
Preservation	<ol style="list-style-type: none"> 1. But you want to keep your existing clients and the client bases happy 2. traditional Black Country people seeing where we are now and whether we are moving away from their interests, you don't want to lose them. 3. We moved two minutes down the road and it was massively important that we continue to serve the little old lady off the street to provide her with her will and to sell her house and everything else that we always did before, because that's what makes us and that we do the full range and we're good at the full range 4. I'm sure this is what's made us successful during the recession – black country clients 	<ol style="list-style-type: none"> 1. Preserve loyalty of existing customers 2. Do not lose faith in Black Country 3. Preserve the level of service – to individuals in low value cases 4. Do not lose emphasis on mixture of clients – low value, high value, individual and business clients. 5. Preserve the location advantage - black country client base 	<ol style="list-style-type: none"> 1. CP – Evolution 2. CT - Values
	<ol style="list-style-type: none"> 5. And I think that's the important thing really in the relationships that we've got with the clients that we haven't changed as people and I think that's a good thing about us 6. And the rates of our bills haven't changed, which isn't going to upset them 	<ol style="list-style-type: none"> 6. Preserve the relationship with clients 7. Preserve the cost factor- to not lose the old clients 	<ol style="list-style-type: none"> 3. CT - Output
	<ol style="list-style-type: none"> 7. I mean consciously our rates weren't changed 8. I think it's fair to say that Previous Location ‘A’ has been left as it is because of its location. It is very good at what it does, otherwise there'd be no reason for the Previous Location ‘A’ office. So, you know, strategically, that's why it's been left alone. 	<ol style="list-style-type: none"> 9. Previous Location ‘A’ - strategic location 	

	<p>10. And I think that's the important thing really in the relationships that we've got with the clients that we haven't changed as people and I think that's a good thing about us</p>	<p>8. Preserve the warmth and the culture of being approachable by Black Country folk</p>	<p>4. CT – Behaviours to get Value change</p>
	<p>9. our vocation was based on the fact that we wanted to keep our existing clients as well because we didn't move out of the Black Country</p> <p>10. Want to remain Approachable and I think it's the way that we are and that the culture here, which means that we can still make our off-the-street clients happy in this environment as well</p> <p>11. People coming in for free advice. We're getting a little bit less of that, but still.</p> <p>12.</p>	<p>11. Preserve the offering for off-the-street client</p> <p>12. Should preserve the number of potential clients coming for free advice</p>	
Capability	<p>1. departments working exceptionally hard to make sure that the move was successful</p> <p>2. I don't know, personally I think there's not much more than could have been done really</p> <p>3. I do think they've kind of - they really thought about the whole process of it and hit the nail on the head personally.</p> <p>4. I think they pitched it right</p>	<p>1. Highly capable management</p> <p>2. Thoughtful leadership</p>	<p>1. CSP – Top Down</p> <p>2. CS - Collaborative</p>
	<p>5. I think they did that really, really well. That was down to two people.</p> <p>6. So they did all that. I think they did a lot of work beforehand to make it go quite well.</p>	<p>3. Capable Management</p>	
	<p>7. I suppose it must be positive for people that build these things, you know, because it's obviously cheaper to do that than it is to have separate offices. You can hear someone else's phone ringing and you can pick that up. But concentration-wise, no, I don't think it does. I must admit, personally, I struggle with that.</p>	<p>4. Staff were not consulted before deciding on open office plan.</p>	

	<p>8. fairly well communicated and there was sort of efforts made to sort of get everybody's buy-in and to keep them informed as to the developments and the timeline and all that sort of stuff</p>		<p>3. CL - Interpersonal</p>
	<p>9. There's no process, there's no training programme in place. In organisations where I've worked before everybody in the firm, whether they work in office services, secretary, or the senior partner has a training assessment to assess the training needs and a process whereby what they do is discussed and a programme for 12 months is agreed with them. There is no system at all here for assessing training requirements, needs</p> <p>10. I think the actual move went incredibly well and from staff dealing with it, it went unbelievably smoothly, people back at work, some by 9 o'clock the day after we'd moved everybody by 10.30, it was incredibly smoothly done and so it wasn't at all disruptive in terms of their working life, that was very positive.</p> <p>11. the one negative impact I think it has had, in our particular department, the configuration of our department has had negative impact. We had a much better atmosphere we talked a lot more in our old offices, we were all on one floor together, we were all together and the atmosphere was so much better than it is now. Our support staff have become very detached from us, we can't see them, they can't see us, they're around the corner, one of them is sort of stuck in the middle of a thoroughfare and that has definitely had a negative impact.</p>	<p>5. There's no performance review or continuous training mechanism inside the firm – this has serious implications to organisational change. If change goals are included in individual goals, ownership and participation can be improved.</p> <p>6. Move was organised exceptionally well – highly capable management.</p> <p>7. Individual departments not consulted on configuration of offices.</p>	

	<p>12. Whereas I think in departments – certainly in our department – it doesn't feel always that communication is there. Things get sprung upon you and then suddenly it's like, yeah, from Monday we've got this happening, and it's like, oh okay. Not much notice there.</p> <p>13. And I heard about one recruitment from somebody in a completely different department who shouldn't really have known before we knew. I think with things like that, we need a bit more information on.</p> <p>14. But I felt, personally, firm-wide, that there was a sort of shift and a gearing up when we moved to being a more, you know, business-driven, more focused firm. And actually, the communication of that was a little bit behind. I felt a shift and a sort of acceleration in where they wanted to get to and, actually, it wasn't communicated exactly where we were going to. I think, certainly over the last twelve months, I feel that that's been improved upon.</p> <p>15. I do think it hasn't always been as good. We haven't always known the information that, you know, we've now been given. We haven't always, as staff, been included in the bigger picture. So, to end on a positive note, I do think it's improving and I think the partnership, I feel, are trying to make sure that we're not being left behind and we are along on this journey because</p>	<p>8. Lawyers/PLs are lately communicated of impending changes - Management not participation oriented.</p> <p>9. Improvement in staff communication evident over last 12 months.</p> <p>10.</p>	<p>4. CSP- Top down</p>
Capacity	<p>1. the support service teams worked exceptionally hard to get everybody in and up and working as quickly as possible, so that sort of limited the amount of disruption and helped the change process.</p>	<p>1. Sufficient resources – cash, people and commitment*</p>	

Readiness	<ol style="list-style-type: none"> 1. it made us like kind of wake up a little bit 2. I reckon the secretaries have had a big shock –survey - everyone was all up for moving, but then when they've moved here I think that's been the biggest culture shock 3. quite cosy where they were at Previous Location 'B' because they've been there for, what, 20, 30 years some of them, and that was a massive culture change shock for them because you do kind of get stuck in your ways and you're quite happy where you are and that changed too, a massive jump 4. there was a particular individual who said he wasn't going to move to the new office because he'd been in the old offices for, what, 30 years. 	<ol style="list-style-type: none"> 1. Unprepared 2. Not aware of consequences 3. Unwilling 	<ol style="list-style-type: none"> 1. CS –More Directive 2. CSP-Top down
	<ol style="list-style-type: none"> 5. Personally I think it was received extremely well. I think most people, from my own experience, the people that I've spoken to like the new home, it was a massive step up from where they'd worked previously, it was a true reflection of the company that they work for and I've heard nothing but positivity in that respect and I honestly can't think of one negative comment. 6. I openly kept some of my clients away from the office. I'm proud to bring them to this office 	<ol style="list-style-type: none"> 4. Significant transformation, received well and sudden change 	CP - Revolution
Diversity	<ol style="list-style-type: none"> 1. There is a big cultural shift that needs to be made. We need to get rid of the, them and us... We have an incredible distinction between equity and salary partners, that must go, these I think are my personal views, for me those things need to go and then you treat people, you need to treat people as equals. Everybody has a part to play, fee earners are genuinely valued more in law firms than other people 	<ol style="list-style-type: none"> 1. Internal divide between fee earners and support staff 2. Micro cultures* exist across teams of Business Support, secretaries, and trainees. 	CL - Interpersonal

Based on the above analysis the initial calibration of change Kaleidoscope was accomplished and the results are presented in Table 4.2 in the Case Study Chapter Section 4.7.1.

ARP Stage 3 Data Analysis: Undertaking the change

5.4 Case 1: Road Traffic Accident Claims

As outlined in the case study chapter, during this stage a SERVQUAL exercise has been carried out to measure the quality of service delivered by RTA team in the Personal Injury department and thereby understand any issues relevant to service delivery process.

It was imperative to directly hear from clients about their expectation at the start of the claim process and about their perception of the service quality provided by SC at the end. The respondent sample was therefore made up of two groups of clients, equal in number, one group of recently referred cases and the other group made up of recently closed cases. Each respondent was asked 10 questions covering the 5 dimensions of service quality.

A sample of 100 clients have been interviewed with the help of an external consultant who used the script and questions provided by the researcher to conduct the telephone interviews.

The questionnaire is presented in **Appendix 1** at the end of the thesis.

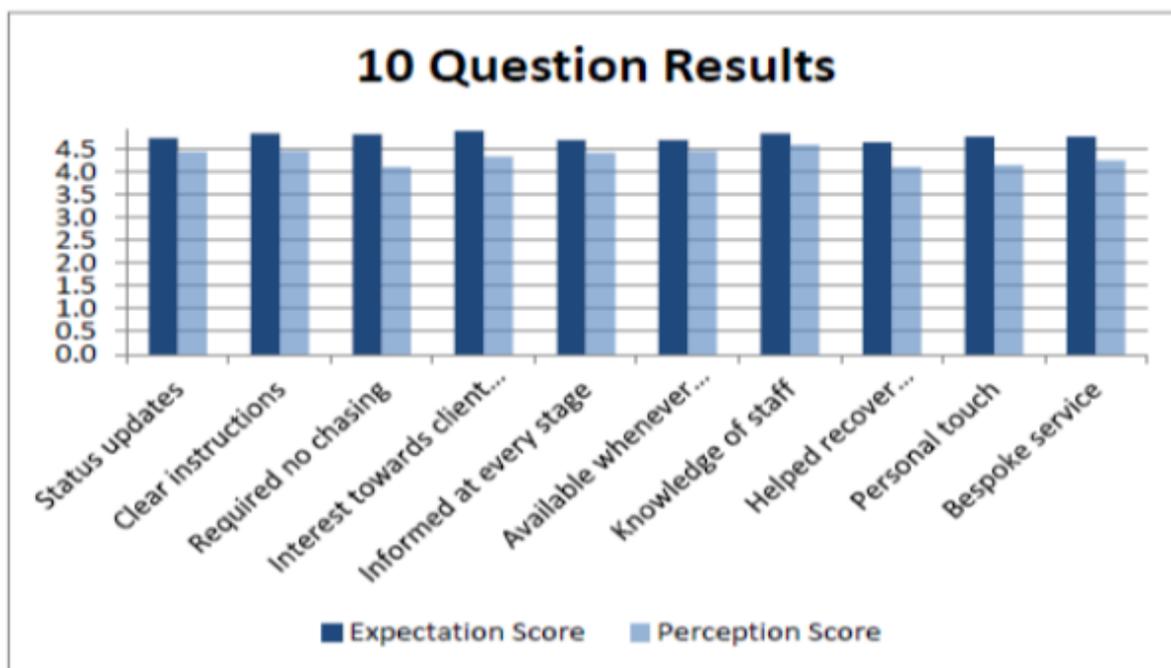


Figure 5.9: Graph indicating expectation vs perception score for each question in the SERVQUAL questionnaire

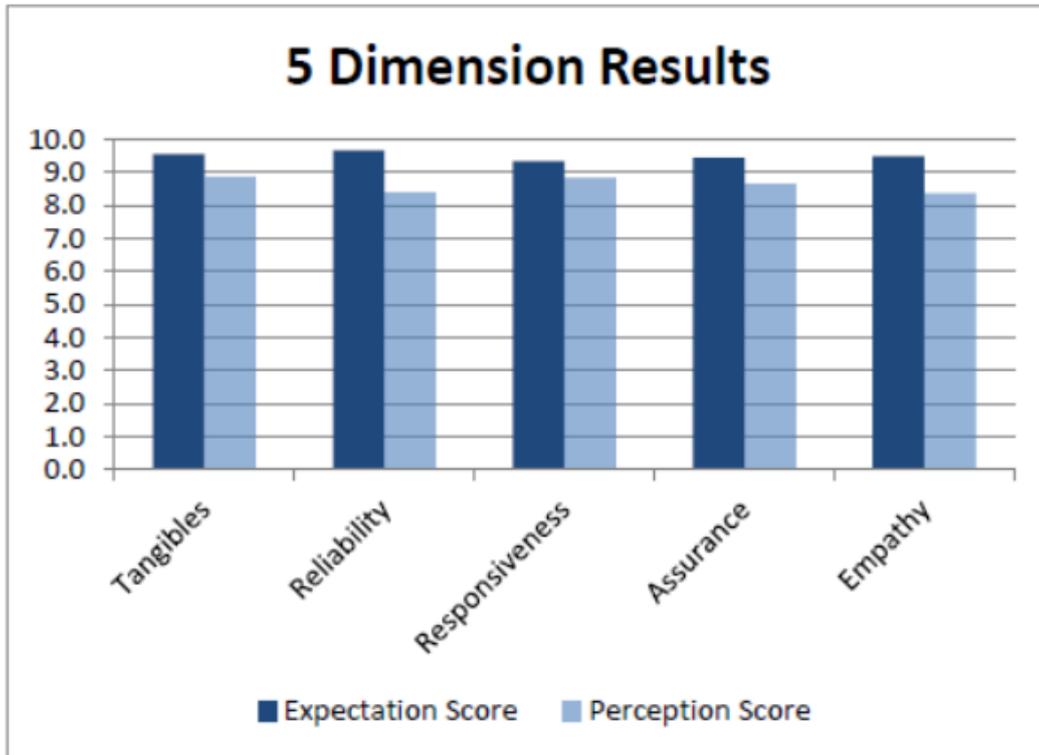


Figure 5.10: Expectation vs perception scores in 5 SERVQUAL Dimensions

The analysis indicates that there is a clear gap between expectation and perception of RTA service among clients.

Table 5.5: SERVQUAL scores for the RTA service line showing the difference between expectation and perception.

Dimension	Statement	Expectation Score	Perception Score	Gap Score	Average for Dimension	Positive Score (by adding 1)
Tangibles	1	4.725	4.423	-0.302	-0.34	0.66
	2	4.825	4.446	-0.379		
Reliability	3	4.8	4.085	-0.715	-0.64	0.36
	4	4.875	4.319	-0.556		
Responsiveness	5	4.675	4.404	-0.271	-0.25	0.75
	6	4.675	4.446	-0.229		
Assurance	7	4.825	4.574	-0.251	-0.39	0.61
	8	4.625	4.09	-0.535		
Empathy	9	4.75	4.13	-0.62	-0.57	0.43
	10	4.75	4.234	-0.516		
Unweighted SERVQUAL Score					-0.44	



Figure 5. 11: Quality score for each of the 5 SERVQUAL dimensions

Of all the dimensions, Responsiveness of Solicitors Co. has been rated highest (0.75). Next comes tangibles (0.66) followed by Assurance (0.61) and Empathy (0.43). Reliability was rated the lowest (0.36).

Results

The results are all in the highest percentage quartile. Most of the aspects of service quality were rated high, on a Likert scale of one to five, with 'Responsiveness' topping the chart. The expectations score in each of the dimensions was rated, with an average of 4.75 whilst client perception scores averaged 4.31.

Clients typically start with high expectations on the quality of service. The gap between expectation and perception can be attributed to clients miscalculating factors beyond the firm's control, like the length of claim and damages recovered. It is important to note there are 16 other stakeholders in the process of delivering RTA service who could influence the timescales.

Some of the issues highlighted are:

- Prompt responses so clients do not need to chase to find out what is happening with their claim.
- Setting clients expectations of the timing involved and explaining who could be involved in processing a claim should be a top priority
- The significance of providing ongoing status updates to all clients has been highlighted in the course of this survey because in some instances where the case took a long time to settle or a third party was involved clients scored much lower responses overall and were clearly unhappier with the service that they received.
- Providing several points of contact is also something that might be examined. Some clients have benefited from other key staff being involved in their case from the outset to give them another point of contact if that was necessary.

The respondents did not have many comments to make in relation to the scores that they gave and the scores were generally fives across the board. This does indicate however, that their expectations of how their claims will be handled are high.

Where clients had started a relationship with Solicitors Co. and were not being contacted within the timeframe that they expected, the scoring was lower either in a specific question or overall.

Some clients displayed a greater understanding of the flow of information and process within a claim and either scored the questions differently or added comments that displayed this.

Overall client feedback is aggregated into the five dimensions of SERVQUAL and presented in figure 5.12.

Qualitative Data from SERVQUAL: Client Feedback

Besides the SERVQUAL rating exercise, the feedback of interviewees has been gathered in the form of typed notes on an excel sheet, which has been analysed and presented in Figure 5.12.

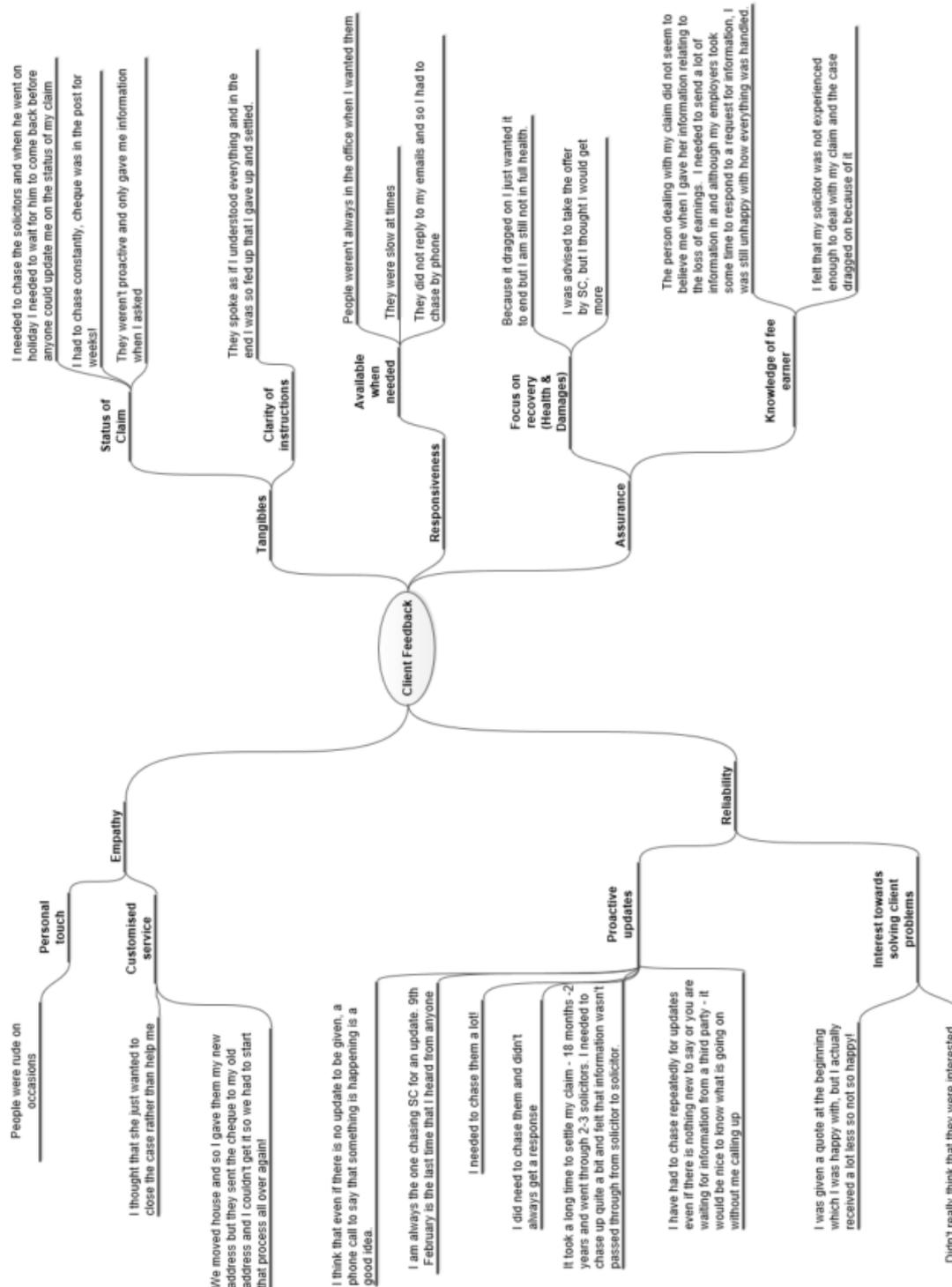


Figure 5.12 Themes generated through SERVQUAL feedback from customers

Results

Data analysis indicated that there are three different types of clients depending on the requirements as discussed below:

- Those who want to quickly recover from injuries
- Those who want to maximise the damages recovered, as soon as possible
- Those who want justice and someone to be accountable for the injury

This typology presents implications for the RTA serviceline to realign the service proposition based on the client requirements/objectives by enquiring and capturing these at the start of the process. By discovering the clients' priorities and engaging with them to uncover their expectations at an early stage, presented the firm with an opportunity to tailor the service and thereby improve clients' satisfaction.

A table representing the overall data analysis comprising of illustrative data, themes and SERVQUAL dimensions is presented in Section 4.9.3 of Case Study Chapter.

5.5 Case 2 Data Analysis: Dispute Resolution Department

Client interviews to establish service expectations

Sampling

A sample of 10 clients have been identified randomly based on the list of matters completed in the last 6 months. Emails have been sent to these clients requesting participation in the interview. Of the 10 requests sent, 5 clients responded back and agreed to participate in the study.

The interview questionnaire is based on the elements identified in the previous findings from the Pilot Study where the themes of Costs and Service level were particularly highlighted. The questions were framed based on the process knowledge and experience gained from conducting the Dispute Resolution stage where the process maps and PrOH model have already been drafted and refined in the department.

Interview Structure

Each interview was planned to take between 15-20 minutes and is based on the following questions generated from a priori themes:

1. What is your overall view of the following aspects of the service that you received from Solicitors Co. in the following areas?
 - Costs
 - What was important for you regarding the costs?
 - Were they in line with what you were quoted at the start of the matter?
 - Service
 - What was important to you in terms of legal advice? E.g. Lawyer expertise, clearly presented advice.
 - What was important in terms of service delivery? E.g. communication, speed of response.
2. If you could go back to the start of the process with the knowledge that you now have, is there anything that Solicitors Co. could have done to make the litigation experience better in any way?
3. Are there any other areas in which we could improve our service?

Data

Approximately 12000 words of rich data has been generated from the interview transcripts which has been analysed to look for new themes around client expectations and areas of improvement in the delivery of Dispute Resolution service. The analysis is presented below in Figure 5.13.

Results

The analysis of client interviews presented in Figure 5.13 clearly demonstrates the need for developing new systems and protocols in relation to the themes identified (Costs, speed of response, personal service, legal advice, cross referrals, communication and correspondence). These issues which have been partially met by the action taken in the Dispute Resolution stage.

The table specifying the aggregated themes indicating client expectations in Dispute Resolution service has been presented in the Case Study chapter Section 4.10.12 and the results have been taken into consideration within the department through the presentation made by the researcher at a departmental team meeting.

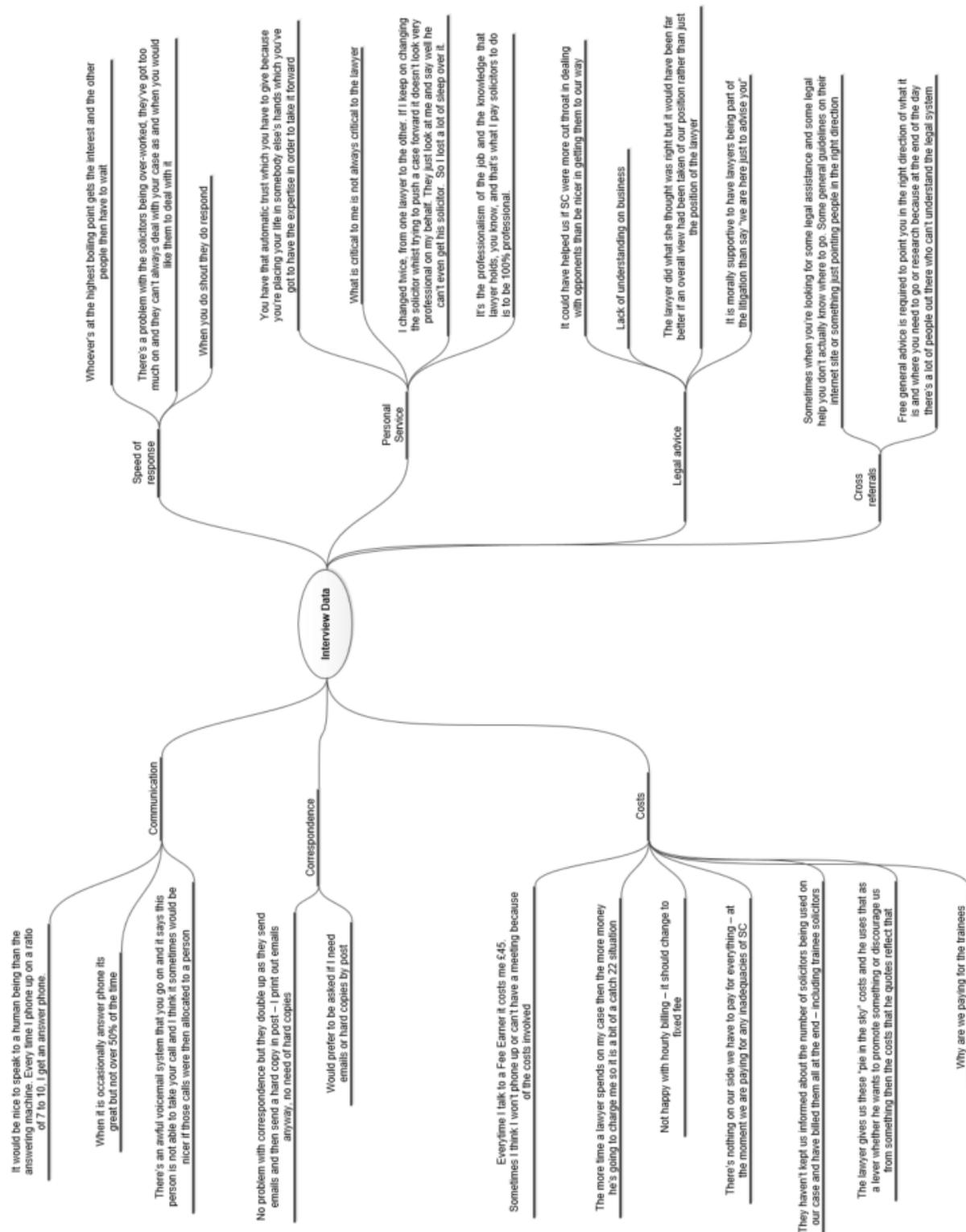


Figure 5.13: Themes around expectations on Dispute Resolution service generated through client interviews

5.6 Reviewing Change - Staff Survey

Midway through the project a survey was undertaken to Recalibrate the Change Kaleidoscope and assess the impact of change in people's attitude towards change as a result of the ARP engagement.

- Sample Size = 180 (*Note the size of the firm increased since the start of the project initially reported to be 155*)
- Total responses = 97
- Response rate = 54% of total sample size
- Purpose of survey: *To monitor cultural change through calibration of 8 context sensitive features mentioned in the Change Kaleidoscope*
- Time since start of the project = 9 months

The results of this survey have been discussed in the Case Study Chapter, in Section 4a.

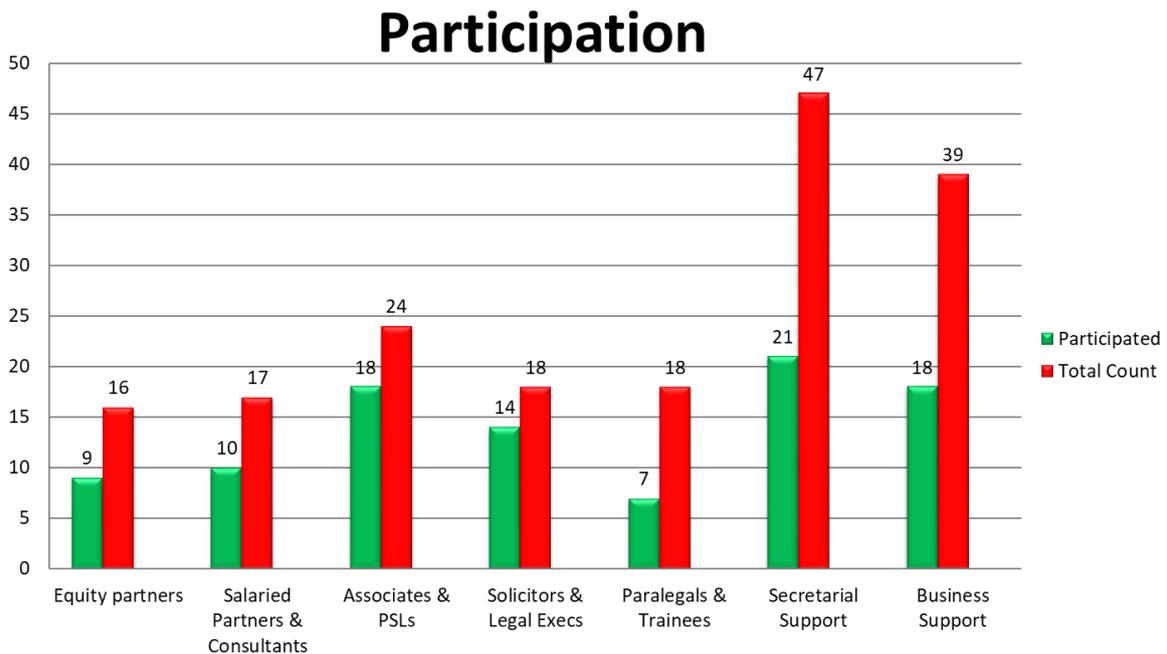


Chart Summary

Participation directly reflects buy-in into the change initiatives taken up by the firm. Average participation was at 55% across all the levels.

- Highest participating groups were Solicitors & Legal Executives – 77% and Associates & PSLs – 75%
- Lowest participating groups were Paralegals & Trainees – 38%, Secretaries – 44%, Business Support – 46%
- Other groups: Equity Partners – 56%, Salaried Partners & Consultants – 58%

Scope: Indicates the breadth and depth of change required.

Question: Given the changes in the legal sector what is the extent of change required at Solicitors Co. to remain successful?

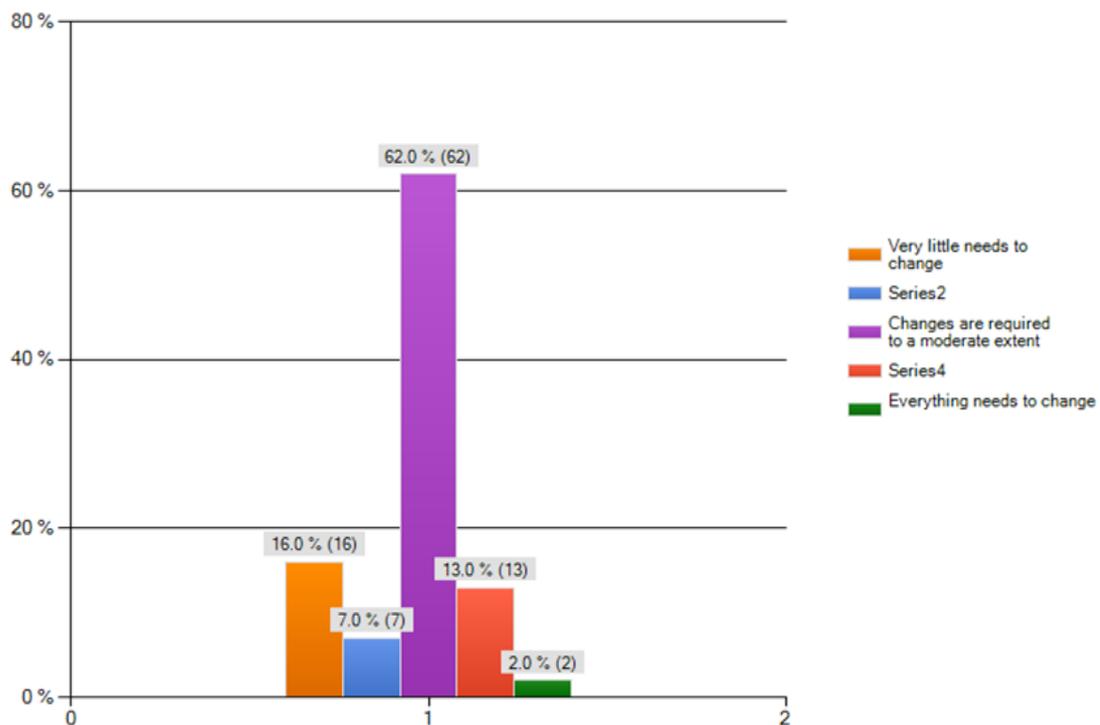


Chart Summary

The trend shows that 62% of the overall participants believe changes are required to a moderate extent. However, a considerable number of participants (16%) indicated that very little needs to change with in Solicitors Co.

Breakdown by participant role:

- **Equity Partners** – 88% of them believe that changes are required to a moderate extent or above.
- **Salaried Partners & Consultants** – 80% believe that changes are required to a moderate extent.

- *Associates & PSLs* – 77% of them believe that changes are required to a moderate extent.
- *Solicitors & Legal Execs* – 64% of them believe that changes are required to a moderate extent while the rest (1/3rd) believe that very little or less than moderate changes are required in the firm.
- *Paralegals & Trainees* – 57% of them believe that changes are required to a moderate extent or above while 42% believe that very little needs to change within Solicitors Co.
- *Secretaries* - while 52% of them believe moderate changes are required, a whopping **48%** believe that very little needs to change within Solicitors Co..
- *Business Support* – 88% of them believe that changes are required to a moderate extent.

Time: Indicates the time required to deliver change.

Question: How quickly should this change take place within Solicitors Co.?

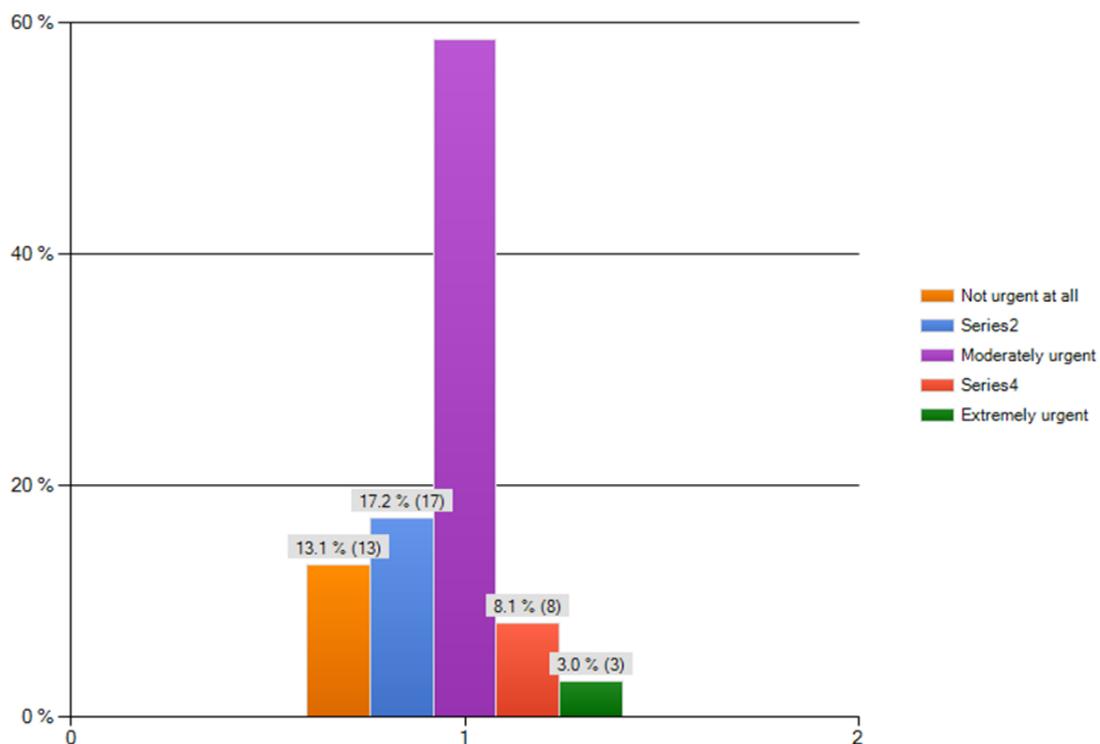


Chart Summary

The trend shows that 58% of the overall participants believe changes are moderately urgent. However, a considerable number of participants (30%) indicated that changes are not at all urgent or less than moderately urgent within Solicitors Co.

Breakdown by participant role:

- *Equity Partners* – 78% believe that change is moderately urgent.
- *Salaried Partners & Consultants* – 80% believe that changes are moderately urgent.
- *Associates & PSLs* – 78% believe that changes are urgent moderately or above.

- ***Solicitors & Legal Execs*** – 57% believe that changes are moderately urgent while rest believe that changes are not urgent at all or less than moderately urgent.
- ***Paralegals & Trainees*** – 57% believe that changes are moderately urgent while rest believe that changes are not urgent at all
- ***Secretaries*** – while 60% of the secretaries believe changes are moderately urgent, 40% believe that changes are not at all or less than moderately urgent.
- ***Business Support*** – 78% believe that changes are moderately urgent.

Capability: Indicates the competence of the organisation in managing change.

Question: Solicitors Co. has the competence to achieve required changes?

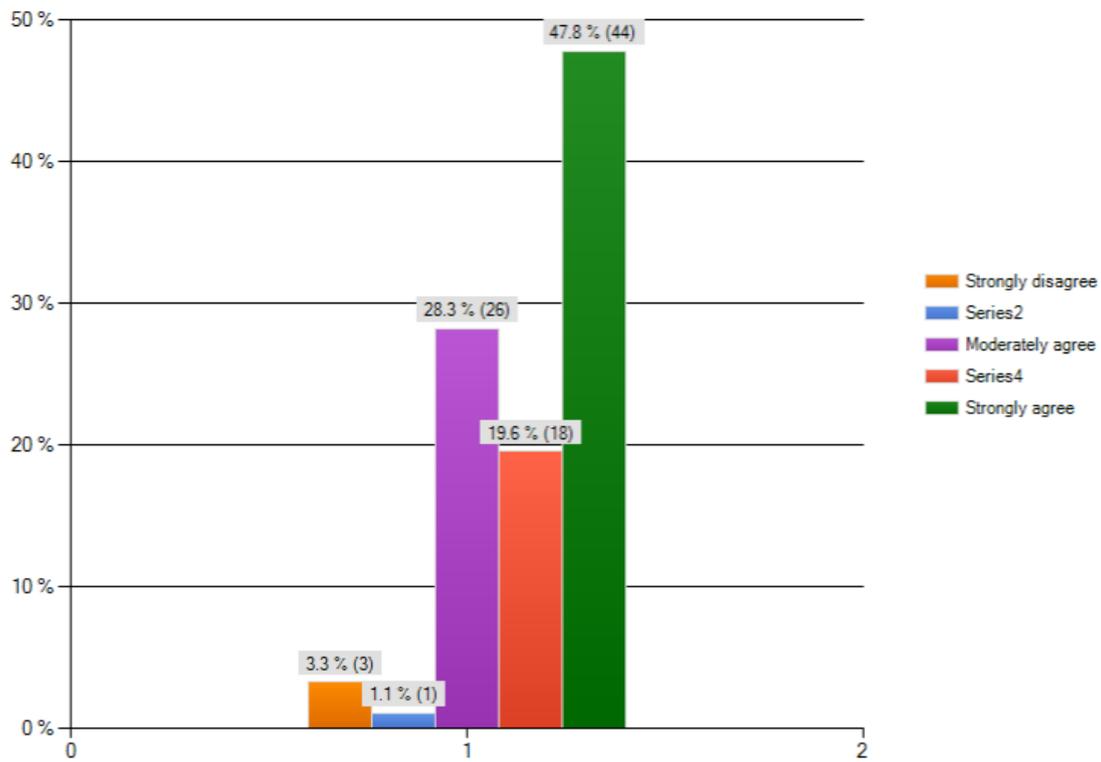


Chart Summary

There is a sound faith across all the levels that Solicitors Co. has capable people to achieve the required changes – 48% strongly believe so while a trivial 3% believe that Solicitors Co. has no capable people to achieve the required changes.

Breakdown by participant role:

- *Equity Partners* – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.
- *Salaried Partners & Consultants* – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.
- *Associates & PSLs* – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.
- *Solicitors & Legal Execs* –93% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.

- **Paralegals & Trainees** – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.
- **Secretaries** – 95% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.
- **Business Support** – 95% of them voted between moderately agree to strongly agree that Solicitors Co. has capable people.

Capacity: Indicates the degree of resources available for implementing change.

Question: Solicitors Co. can invest time and money to carry out these changes.

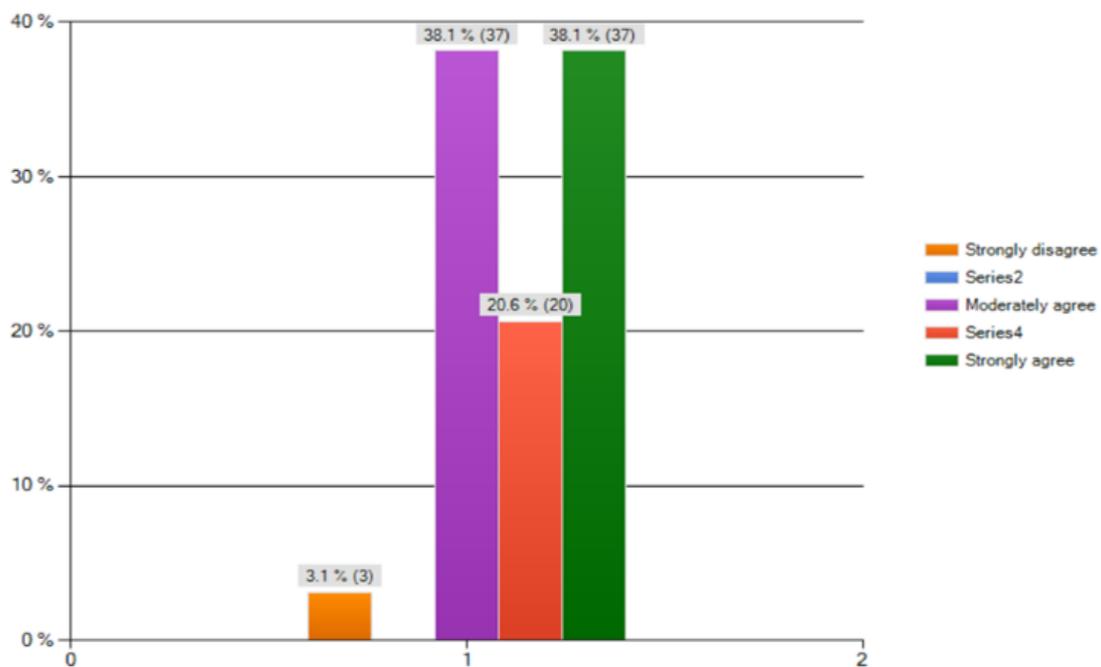


Chart Summary

There is a positive trend that indicates, Solicitors Co. can invest time and money for carrying out required changes – 97% agree moderately or above that Solicitors Co. can invest resources to achieve required changes.

Breakdown by participant role:

- **Equity Partners** – 100% of them voted between moderately agree to strongly agree that Solicitors Co has the capacity to invest time and money.

- **Salaried Partners & Consultants** – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.
- **Associates & PSLs** – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.
- **Solicitors & Legal Execs** –93% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.
- **Paralegals & Trainees** – 100% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.
- **Secretaries** – 96% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.
- **Business Support** – 95% of them voted between moderately agree to strongly agree that Solicitors Co. has the capacity to invest time and money.

Readiness: Indicates the readiness and commitment of people to implement change.

Question: How ready are you for changing the way you or your department does things?

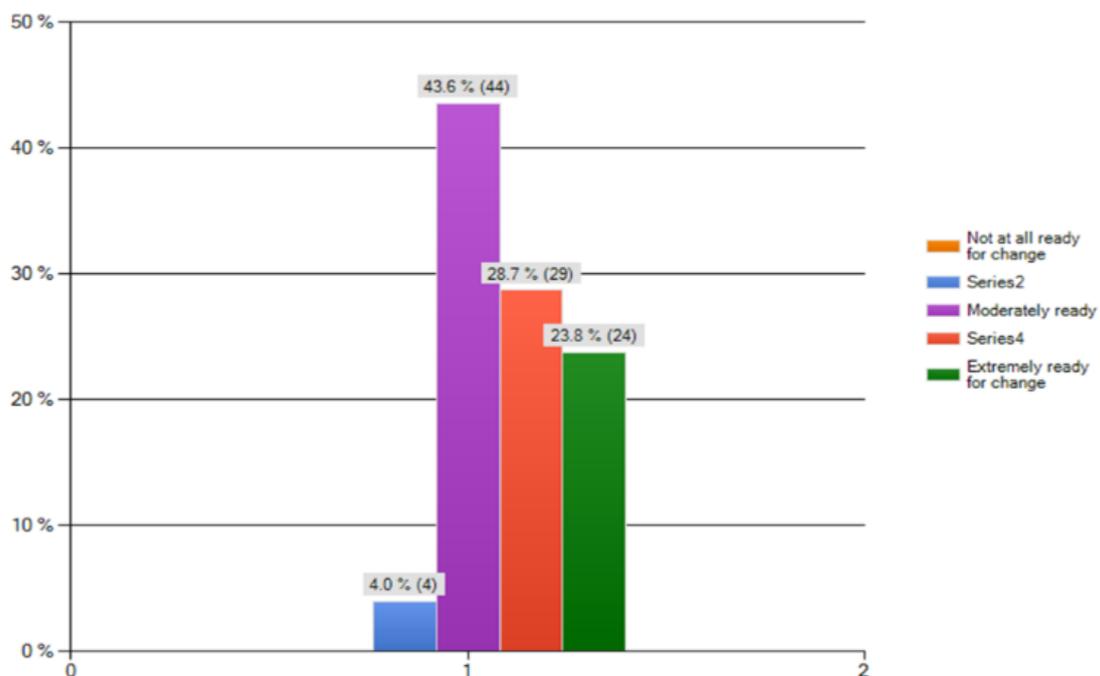


Chart Summary

Though the graph indicates that majority of the participants are moderately ready for change (44%), there is an impressive trend indicating that 29% of them are more than moderately ready and 24% are extremely ready for change. There are no votes in the category “Not at all ready” and very little in less than moderately ready.

Breakdown by participant role:

- *Equity Partners* – 89% of them voted between moderately ready to extremely ready for change.
- *Salaried Partners & Consultants* – 100% of them voted between moderately ready to extremely ready for change.
- *Associates & PSLs* – 100% of them voted between moderately ready to extremely ready for change.
- *Solicitors & Legal Execs* – 93% of them voted between moderately ready to extremely ready for change.
- *Paralegals & Trainees* – 86% of them voted between moderately ready to extremely ready for change.
- *Secretaries* – 96% of them voted between moderately ready to extremely ready for change.
- *Business Support* – 100% of them voted between moderately ready to extremely ready for change.

Power: Indicates the power and autonomy the individual has in implementing change.

Question: What is the level of influence you have in making change happen in your department?

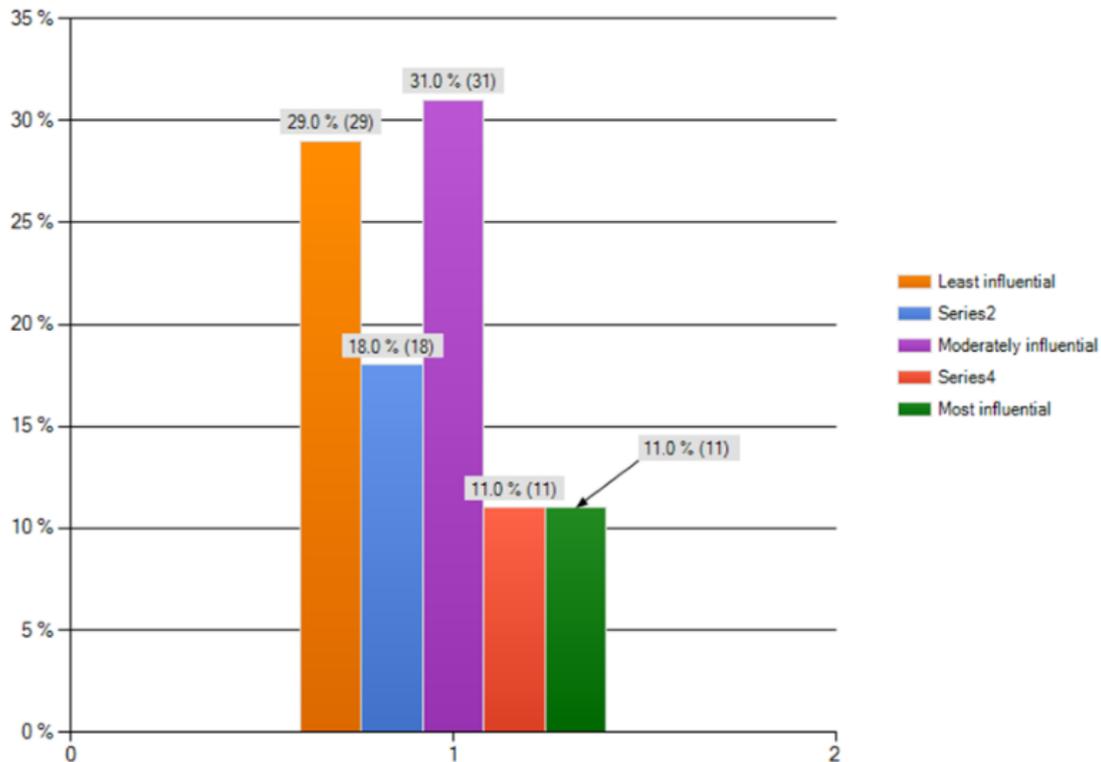


Chart Summary

It is appropriate to analyse Power based on the roles rather than overall responses.

Breakdown by participant role:

- **Equity Partners** – 78% of them believe that they are most influential to make change happen within their departments which is an obvious trend. The rest believe that they are more than moderately influential.
- **Salaried Partners & Consultants** – 80% of them believe that they are moderately influential while the remaining 20% believe that they are more than moderately influential or most influential.
- **Associates & PSLs** – None of them believe they are most influential while 50% of them believe they are influential moderately or above. 30% believe they are less than moderately influential and 20% believe that they are least influential.
- **Solicitors & Legal Execs** – 43% of them believe they are less than moderately influential and 43% believe that they are least influential. Only 14% believe they are moderately influential and none beyond.
- **Paralegals & Trainees** – 100% of them believe that they are less than moderately influential.

- **Secretaries** – 61% of them believe that they are least influential. 29% believe that they are moderately influential. The rest believe that they are less than moderately influential.
- **Business Support** – this group represents the most diverse trend indicating that 44% believe they are more than moderately or most influential. Another 44% believe that they are moderately influential and 12% believe that they are less than moderately influential.

Preservation: The extent to which it is essential to maintain continuity

Respondents Experience: Less than 5 years of service at Solicitors Co.

- The excellent service that we provide to our clients
- Attitude and general personality of the firm.
- competitive rates/fixed fees/good service
- Personal service (not a call centre!)
- staff morale
- focus on longevity of relationships with clients and keeping services spread over several aspects of the client's life.
- To be up with the big boys but do not lose sight of the family values etc that first made it a good firm in the first place.
- The culture
- The Solicitors Co. ethos and identity
- Ethos
- Building and maintaining client relationships so that we are not too process driven.
- the core values underpinning the firm strategy
- Reputation, existing client goodwill, being a nice place to work
- Need to ensure they maintain and develop good relationships with clients - keeping the client as the main focus.
- The culture and ethos of the business
- Recognising competition from the legal supermarkets and national players. Remain confident in our services/product.

- Lovely people and culture
- remaining as a 'family firm' and not having the mentality that you might see in a city firm

Respondents Experience: 5-10 years of service

- Culture/Identity of firm
- Personal service
- people (clients and staff) focussed culture/ the personality of the firm
- Quality of client service and the appearance of local, approachable firm.

Respondents Experience: More than 10 years of service

- the ethos of a happy working environment
- Staff moral needs to be protected
- friendly 'light touch' culture and personal client relationships
- quality of service and relationship with client
- We need to preserve the Solicitors Co. team spirit.
- Do not lose sight of where it all started from - family values
- Solicitors Co. should remain a "family" firm
- Culture
- Maintain culture and values of service to clients being priority and may have to improve online services
- Solicitors Co.' Heritage this is something to be proud of and should be made more of
- reputation in view of Tesco Law etc
- Online preparation and execution of wills and powers of attorney should be resisted in the interests of the elderly and vulnerable
- The culture and ethos of the Firm.
- Personal service, firm culture

- Keep the family friendly/close team atmosphere going so people feel they are valued individually as well as within the team and feel that they belong here
- The personal touch
- Team spirit and ethos that the provision of a superior level of service to clients is paramount
- Our focus on clients' needs
- Direct client access to their adviser; Honesty & integrity - genuine desire to provide value for money; The firm is in it for the long haul and not to make a fast buck.
- Our family friendly culture
- Personal, individually tailored service to clients' needs

Diversity: Degree of diversity among staff that are affected by change

Respondents Experience: Less than 5 years of service at Solicitors Co.

- Scope – 58% changes are required to a moderate extent, 19% more than moderate changes are required or everything needs to change, 23% very little needs to change or less than moderate changes are required
- Time – 69% moderately urgent or above, 31% less than moderately urgent or not at all urgent
- Capability – **40%** strongly agree, 43% agree moderately or above, 7% agree less than moderately or strongly disagree
- Capacity – **35%** strongly agree, 61% agree moderately or above, 4% strongly disagree
- Readiness – 27% extremely ready, 67% moderately ready or above
- Power – 36% least influential, 42% moderately influential or above

Respondents Experience: 5-10 years of service at Solicitors Co.

- Scope – 77% moderate changes are required, 4.5% no changes are required at all, 14% more than moderate changes are required
- Time – 71% moderately urgent, 5% extremely urgent, 10% not at all urgent
- Capability – 38% strongly agree, 57% moderately or above
- Capacity – 19% strongly agree, 76% moderately or above

- Readiness – 18% extremely ready, 77% moderately or above
- Power – 9% Most influential, 46% moderately and above, 45% below moderately or least influential

Respondents Experience: More than 10 years of service

- Scope – 67% changes are required moderately or above, 33% very little or less than moderate changes are required
- Time – 67% moderately urgent or above, 33% less than moderately urgent or not at all urgent
- Capability – 66% extremely capable, 34% moderately or above capable, **none below moderate level**
- Capacity – 57% strongly agree, 33% agree moderately or above, **none below moderate level**
- Readiness – 23% extremely ready for change, 77% moderately ready or above, **none below moderately ready**
- Power – 23% most influential, 45% moderately influential or above, 32% least influential or less than moderately influential

Improvements: One improvement that participants like to be implemented

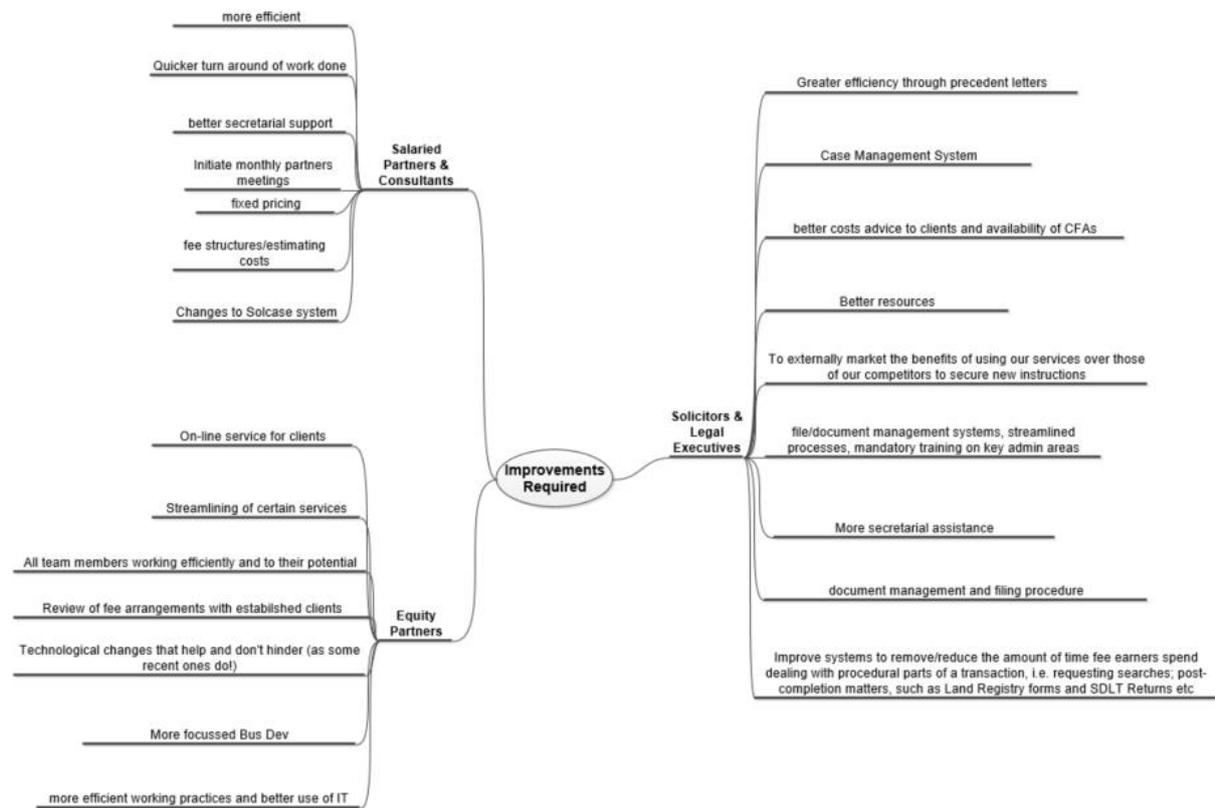


Figure 5. 14: Concept map showing improvement ideas presented by 3 different groups of lawyers

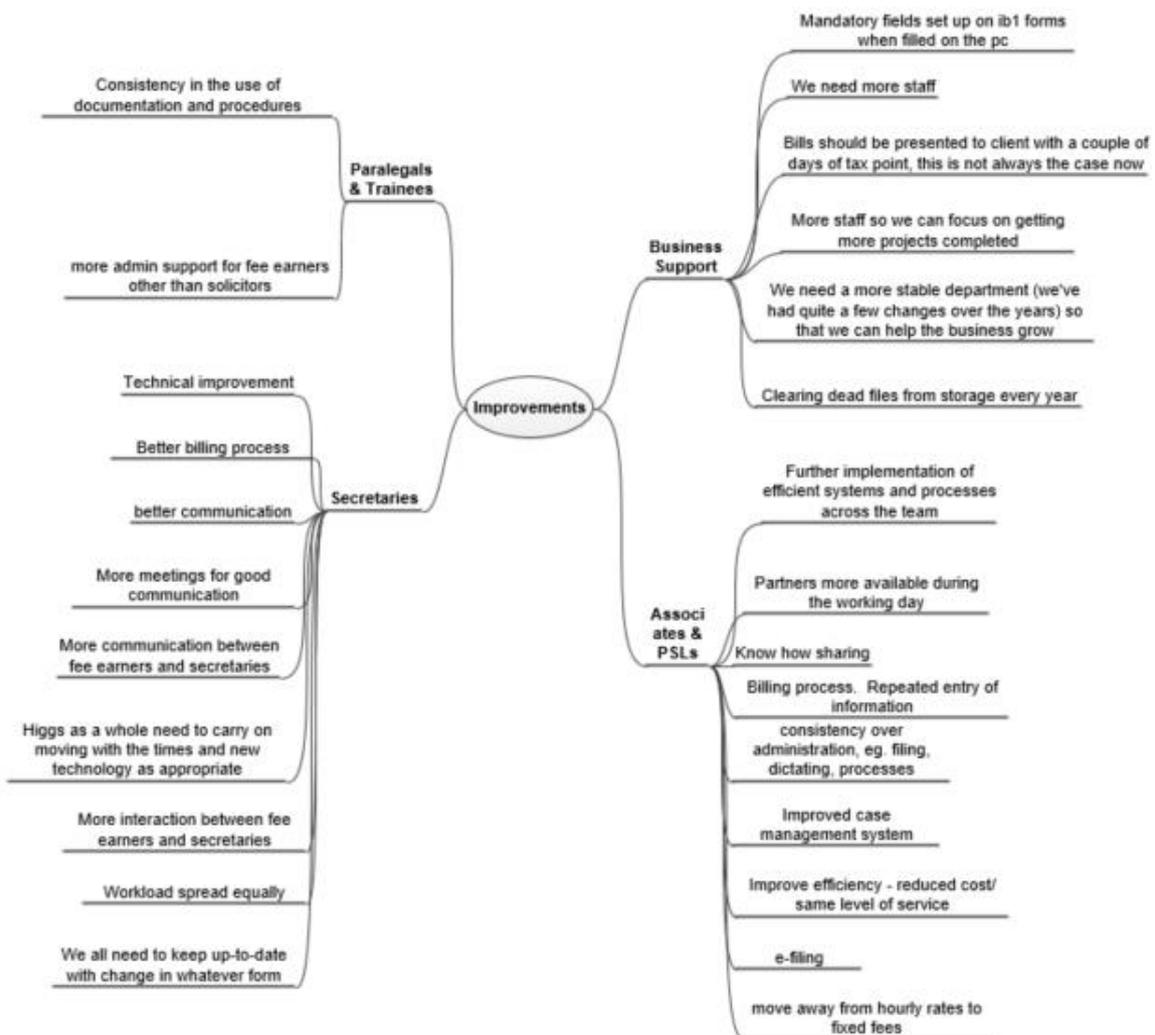


Figure 5.15 Concept map showing improvement ideas presented by 3 different groups of staff members and lawyers

5.7 ARP Stage 4 Data Analysis: Sustaining Change

Towards the end of the Action Research Project (ARP), a data gathering exercise was undertaken in order to identify existing needs for improvement in all the departments of SC so that ARP project output can be consolidated with the other non-participating departments of SC and also to provide future direction for the firm.

A total of 4 focus groups were conducted which were moderated by four change champions identified by the researcher along with the help of Managing Partner and Finance Director. This provided the participants with an unbiased and objective platform where they can freely share their views and provide feedback. The researcher was present in the room taking notes throughout all the focus groups.

Sampling

A total of 39 participants have been sourced from all the departments at SC including those that participated in ARP so that ideas already in use within participating departments could be used as a basis for discussion to debate any similar issues in other non-participating departments. Participants are sourced from different levels (Lawyer, Associate, Partner, Secretary, Support Staff) within the 9 departments - Personal Injury, Dispute Resolution, Commercial Property, Corporate, Private Client Employment, Residential Property, Motoring & Private Criminal, and Family.

Data

The focus group generated 7 hours of recording and 45000 words of rich data. The analysis was carried out using the same principles used in the previous stages grouped into first order themes, second order concepts and aggregate dimensions.

Results

The results of this phase of data analysis have been discussed in Chapter 6 and used to consolidate all the ARP output to provide a basis for sustaining change and future direction for SC to maximise the benefit from ARP project.

Three key dimensions emerged from the data analysis which are presented using the concept maps below in figures 5.17, 5.18, and 5.19:

- Improvements in the client engagement process
- Improvements in time recording and file management
- Improvements in billing

5.7.1 Improvements in the client engagement process

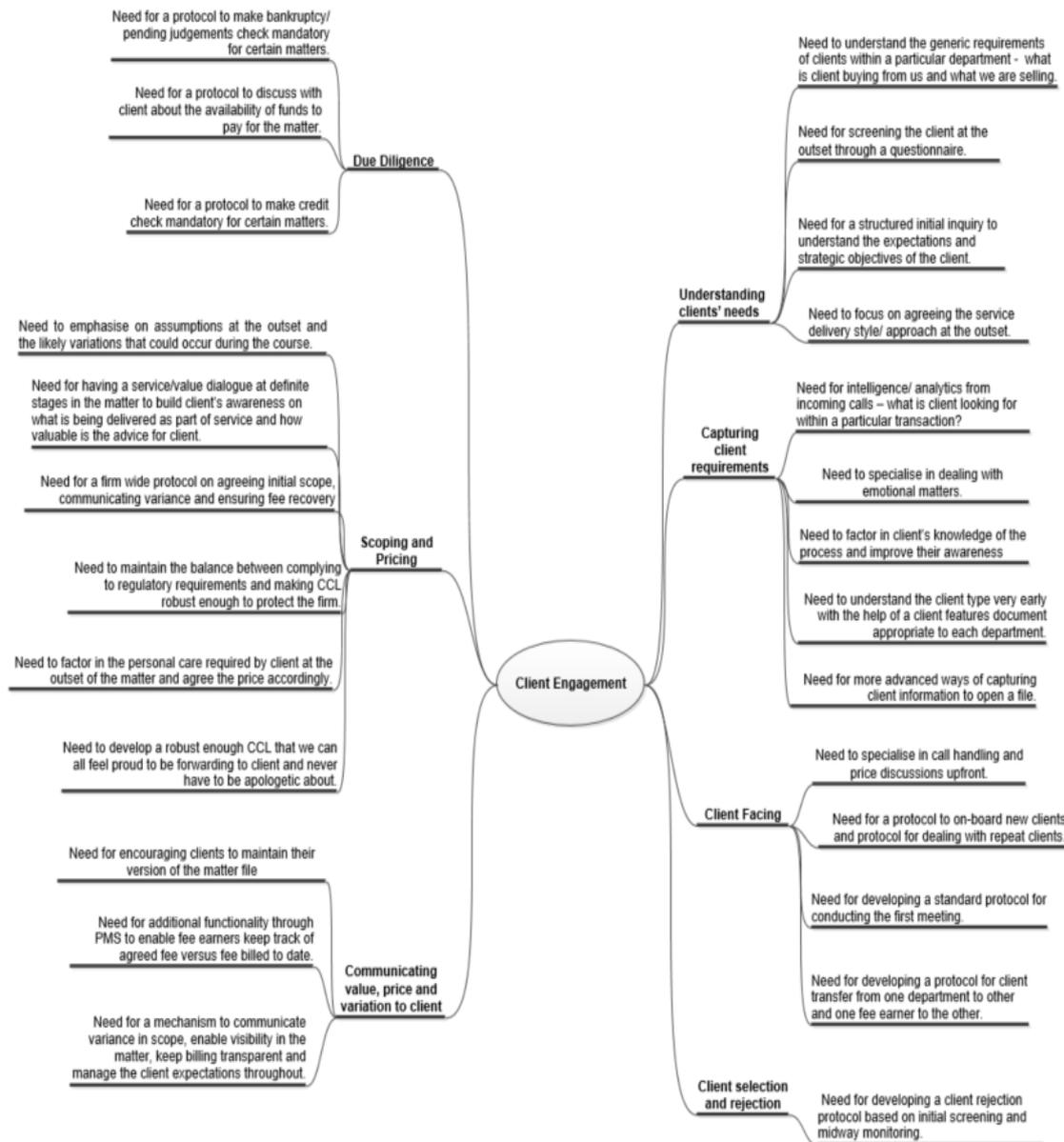


Figure 5.16: Concept map indicating improvements required in the Client Engagement dimension

5.7.2 Improvements in time recording and file management

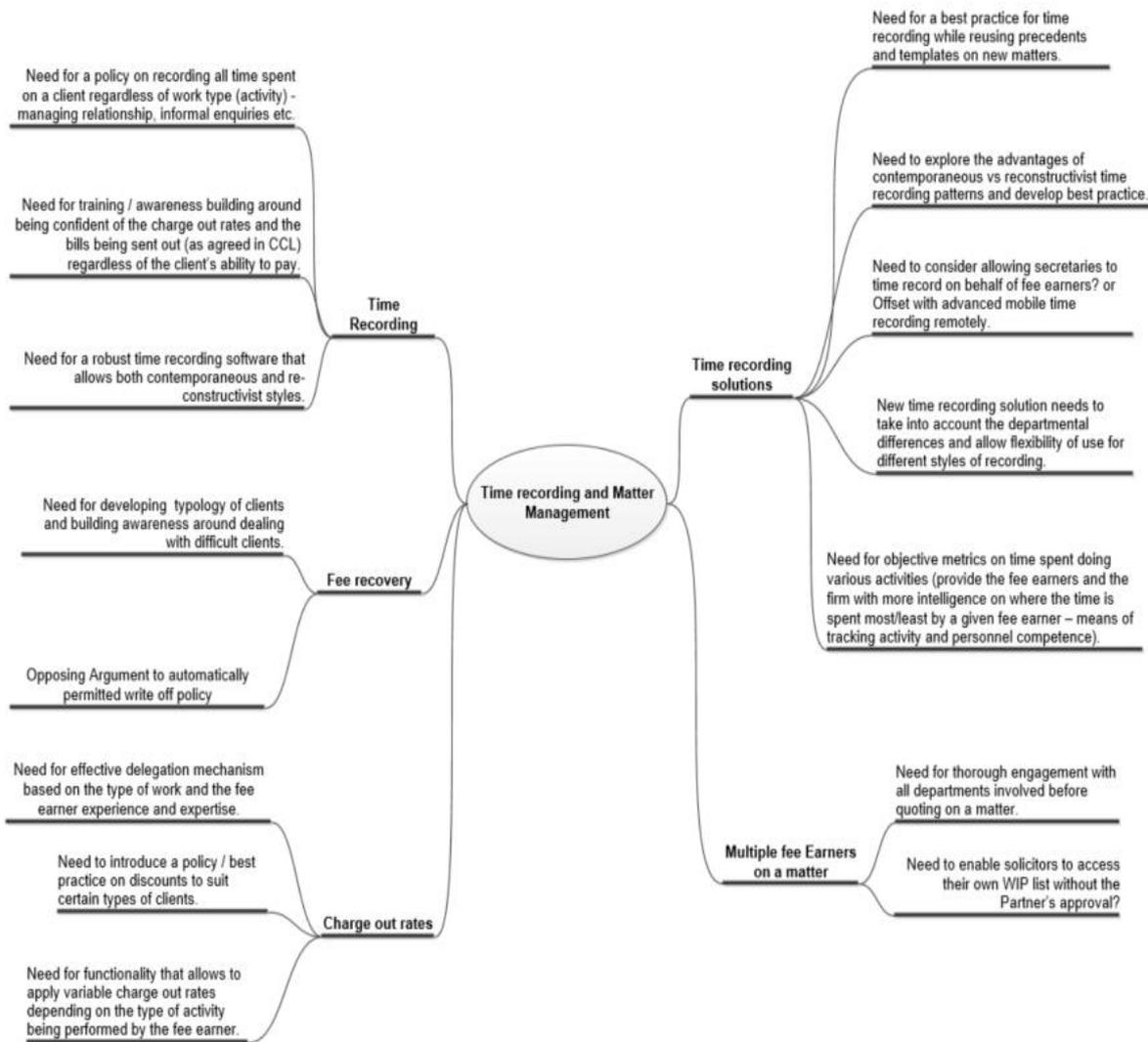


Figure 5.17: Concept map indicating improvements required in the Time recording and matter management dimension

5.7.3 Improvements in billing

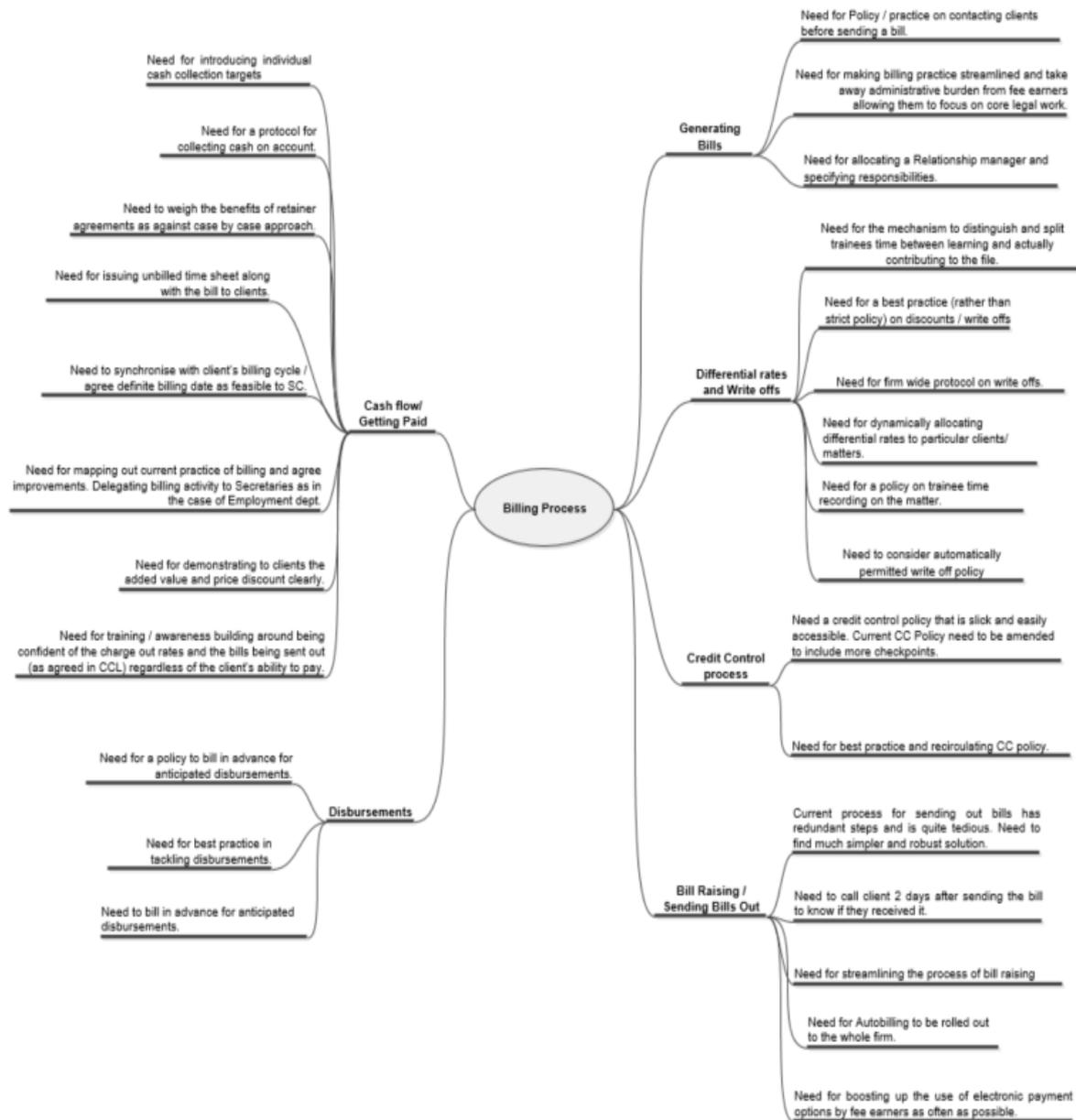


Figure 5.18: Concept map indicating improvements required in the Billing process dimension

Table 5.6: Focus group data coded into concepts, themes and aggregate dimensions

Aggregate Dimension	2nd Order Themes	1st Order Concepts
Improvements in the client engagement process	Understanding clients' needs	Need for a structured initial inquiry to understand the expectations and strategic objectives of the client.
		Need for screening the client at the outset through a questionnaire.
		Need to understand the generic requirements of clients within a particular department.
		Need to focus on agreeing the service delivery style/ approach at the outset.
	Capturing client requirements	Need for intelligence/ analytics from incoming calls – what is client looking for within a particular transaction?
		Need to specialise in dealing with emotional matters.
		Need to factor in client's knowledge of the process and improve their awareness
		Need to understand the client type very early with the help of a client features document appropriate to each department.
		Need for more advanced ways of capturing client information to open a file.
	Client Facing	Need to specialise in call handling and price discussions upfront.
		Need for a protocol to on-board new clients and protocol for dealing with repeat clients.
		Need for developing a standard protocol for conducting the first meeting.
		Need for developing a protocol for client transfer from one department to other and one fee earner to the other.
	Client selection and rejection	Need for developing a client rejection protocol based on initial screening and midway monitoring.
	Communicating value, price and variation to client	Need for additional functionality through PMS to enable fee earners keep track of agreed fee versus fee billed to date.
		Need for a mechanism to communicate variance in scope, enable visibility in the matter, keep billing transparent and manage the client expectations throughout.
		Need for encouraging clients to maintain their version of the matter file
	Scoping and Pricing	Need to emphasise on assumptions at the outset and the likely variations that could occur during the course.
		Need for having a service/value dialogue at definite stages in the matter to build client's awareness on what is being delivered as part of service and how valuable is the advice for client.
		Need for a firm wide protocol on agreeing initial scope, communicating variance and ensuring fee recovery
		Need to maintain the balance between complying to regulatory requirements and making CCL robust enough to protect the firm.
		Need to factor in the personal care required by client at the outset of the matter and agree the price accordingly.
		Need to develop a robust enough CCL that we can all feel proud to be forwarding to client and never have to be apologetic about.
		Need to factor in the personal care required by client at the outset of the matter and agree the price accordingly.
	Due Diligence	Need for a protocol to make credit check mandatory for certain matters.
		Need for a protocol to discuss with client about the availability of funds to pay for the matter.

		Need for a protocol to make bankruptcy/pending judgements check mandatory for certain matters.
Improvements in the time recording and file management process	Time recording solutions	Need for a best practice for time recording while reusing precedents and templates on new matters.
		Need to explore the advantages of contemporaneous vs reconstructivist time recording patterns and develop best practice.
		Need to consider allowing secretaries to time record on behalf of fee earners? or Offset with advanced mobile time recording remotely.
		New time recording solution needs to take into account the departmental differences and allow flexibility of use for different styles of recording.
		Need for objective metrics on time spent doing various activities (provide the fee earners and the firm with more intelligence on where the time is spent most/least by a given fee earner – means of tracking activity and personnel competence).
	Multiple fee Earners on a matter	Need for thorough engagement with all departments involved before quoting on a matter.
		Need to enable solicitors to access their own WIP list without the Partner's approval
	Charge out rates	Need for functionality that allows to apply variable charge out rates depending on the type of activity being performed by the fee earner.
		Need to introduce a policy / best practice on discounts to suit certain types of clients.
		Need for effective delegation mechanism based on the type of work and the fee earner experience and expertise.
	Fee recovery	Need for developing typology of clients and building awareness around dealing with difficult clients.
		Opposing Argument to automatically permitted write off policy
	Time Recording	Need for a robust time recording software that allows both contemporaneous and re-constructivist styles.
		Need for training / awareness building around being confident of the charge out rates and the bills being sent out (as agreed in CCL) regardless of the client's ability to pay.
Need for a policy on recording all time spent on a client regardless of work type (activity) - managing relationship, informal enquiries etc.		
Improvements in billing process	Generating Bills	Need for Policy / practice on contacting clients before sending a bill.
		Need for making billing practice streamlined and take away administrative burden from fee earners allowing them to focus on core legal work.
		Need for allocating a Relationship manager and specifying responsibilities.
	Differential rates and Write offs	Need for the mechanism to distinguish and split trainees time between learning and actually contributing to the file.
		Need for a best practice (rather than strict policy) on discounts / write offs
		Need for firm wide protocol on write offs.
		Need for dynamically allocating differential rates to particular clients/matters.

		Need for a policy on trainee time recording on the matter.
		Need to consider automatically permitted write off policy
	Credit Control process	Need a credit control policy that is slick and easily accessible. Current CC Policy need to be amended to include more checkpoints.
		Need for best practice and recirculating CC policy.
	Bill Raising / Sending Bills Out	Current process for sending out bills has redundant steps and is quite tedious. Need to find much simpler and robust solution.
		Need to call client 2 days after sending the bill to know if they received it.
		Need for streamlining the process of bill raising
		Need for Autobilling to be rolled out to the whole firm.
		Need for boosting up the use of electronic payment options by fee earners as often as possible.
	Disbursements	Need to bill in advance for anticipated disbursements.
		Need for best practice in tackling disbursements.
		Need for a policy to bill in advance for anticipated disbursements.
	Cash flow/ Getting Paid	Need for training / awareness building around being confident of the charge out rates and the bills being sent out (as agreed in CCL) regardless of the client's ability to pay.
		Need for demonstrating to clients the added value and price discount clearly.
		Need for mapping out current practice of billing and agree improvements. Delegating billing activity to Secretaries as in the case of Employment dept.
		Need to synchronise with client's billing cycle / agree definite billing date as feasible to SC.
		Need for issuing unbilled time sheet along with the bill to clients.
		Need to weigh the benefits of retainer agreements as against case by case approach.
		Need for a protocol for collecting cash on account.
		Need for introducing individual cash collection targets

5.8 Updating the factors driving change in legal service operations

The endogenous factors developed from induction-based data analysis during the initial stages of action research (5.2) have been updated towards the end of the ARP based on the focus group analysis presented in section 5.7 above. The overall list of endogenous factors now comprises of 8 themes divided into the two areas of hard and soft factors as follows:

Updated Endogenous factors driving change in legal services

Hard Factors

- Need for improved process efficiency
- Need for better pricing and service delivery
- Need for better client engagement

- Need for better billing processes
- Need for better time recording processes

Soft Factors

- Need for better people and performance management systems
- Need for inclusivity across roles
- Need for improved managerial capability

5.9 Conclusion

This chapter has presented how the data gathered in various stages of the Action Research Project has been organised, analysed and presented to inform action at every step in ARP. The results from the Stage 4 data analysis will be discussed extensively in the following chapter (Chapter 6) which will present a detailed account of how the research output has been consolidated to inform firm's future orientation towards change and innovation.

Chapter 6

Sustaining Change: Consolidation and Future Direction

This chapter presents the results obtained from case study mainly the new operational procedures and tools developed by the researcher in conjunction with action teams. The tools and frameworks will be consolidated with the findings from case study by providing links to relevant data. The consolidation of all output led to the identification of two important generalisations that can be applied to the wider legal service industry, the Matter typology and the Generic stages of a legal service. These generalisations have direct managerial implications in the field of legal services. By drawing together common features of different service lines within SC, a unified matter management framework is presented along with a plan for implementing it in future to maximise the benefit from action research project. A set of exemplar tools developed as part of the case study have been discussed in detail.

6.1 Consolidating results with ARP output

The Action Research Project (ARP) resulted in a substantial body of work as outlined in the Case Study chapter comprising of several:

- Working models that were tailored to the requirements of individual participating departments
- Prototypes that could be potentially developed in-house within the participating departments
- Standard operating procedures and protocols
- Best practice guides and process flows that support effective delivery of legal service

These present the firm with an opportunity to further deliver changes to practice towards improving the firm's overall performance *operational capability*.

6.1.1 Organising all output and creating Implementation plan

ARP generated more than 120 items in total which could be organised into three categories as follows which are held in a central repository within the firm:

- Tasks: Quickly implementable suggestions (<4 weeks)
- Projects: Organised into the big idea of an overarching firm-wide framework
- ARP Tool Bank: Existing working models, prototypes and best practice guides developed through ARP which have the potential to be organised into the big idea of an overarching firm-wide framework

The overall schema for organising output is shown in Figure 6.1. Besides the ARP action teams' output, the last stage focus groups analysis has generated equally strong ideas to improve current practice and various other needs of the departments. It is important to note that these focus group participants have been sourced from the departments including those that did not engage with the ARP such as the departments of Employment, Family, Motoring & Private Criminal, and Residential Property. So, most of the participants did not have the exposure to ARP knowledge base and output such as the working models and operational procedures.

It is imperative to match the issues raised by the participants with that of existing solutions (developed during ARP) that have already addressed similar issues (but in different departments) and generate a mutually exclusive list of issues which are outstanding and therefore could be implemented through a future programme aimed at maximising the output of ARP.

Based on discussions with the members of Strategy Board, a rigorous exercise has been carried out to collate ARP output and focus group ideas together. This combined output led to identification of 117 items (tasks, projects, ARP tool bank items) which need to be delivered to the whole firm for fully leveraging from the ARP initiative and *sustaining the change*.

A select number of themes and models have been discussed in this section as contributions to practice and managerial implications for the wider legal service industry. These tools have been implemented in the firm generating tangible impact on operations. Although several working prototypes are already in use with some departments, it is imperative that these piecemeal and ad hoc solutions need to be implemented firm wide.

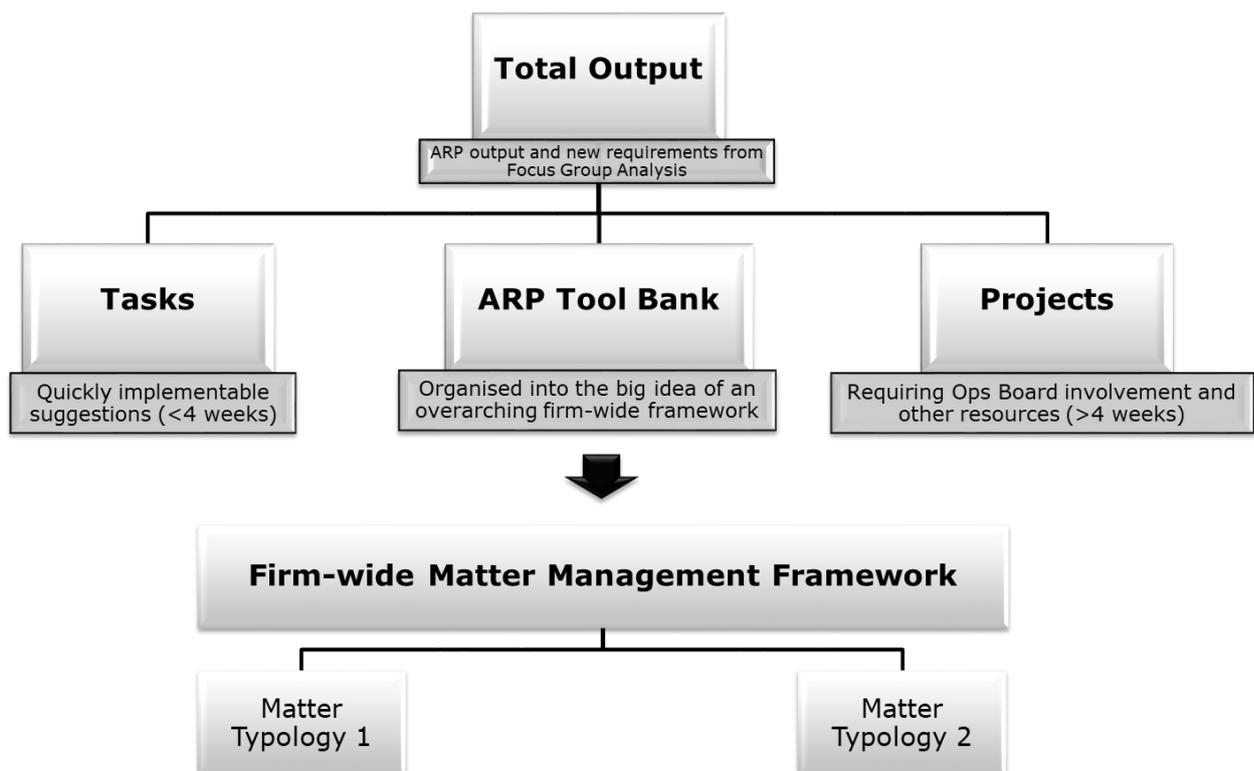


Figure 6.1: ARP and focus group data organised into tasks, projects and ARP tool bank

6.2 Articulating the process of delivering a legal service

6.2.1 Classification of key matter stages

The process maps and PrOH models elicited the end-to-end service processes and led to the understanding that a typical legal matter can be broken down into “bite size” chunks. This notion was consistently put forth by participants in both ARP and focus groups. For example, a lawyer said: “I think keep it in bite size chunks, don’t try and do too much all at once and just get people’s buy-in, and to make sure it actually happens you have to do it in little bits not huge great things”

Another lawyer (Associate) said: “I think the important thing about change for our department and all of the departments leading to what you said about being a bit of a hard task, it’s got to be “bite size” there’s got to be little things that we do and we can quickly achieve them and then to sort of have building blocks to build on more.”

Not only for the reasons of making the whole complex process of delivering a legal service manageable to review, but also from a research point of view, it is necessary to examine the service processes in various departments to find commonality, it was essential to categorise a set of generic stages in a typical legal matter.

Upon analysis, a typical legal service process can be categorised into 4 stages – Pre engagement, engagement, delivery and post completion. This nomenclature closely resembles the language commonly used in all the departments within SC to describe the various activities carried out throughout the matter. A list of these activities categorised into chargeable and non-chargeable has been presented in Table 6.1 below:

Table 6.1: Generic Matter Stages indicating chargeable and non-chargeable activity

Stages	Chargeable Activity	Non-Chargeable Activity
Pre-Engagement	<ul style="list-style-type: none"> • Reviewing documents e.g. Heads of Terms • Value added advice/discussions 	<ul style="list-style-type: none"> • Enquiry Handling • Research / Pitch documentation • Follow up • Client on-boarding
Engagement	<ul style="list-style-type: none"> • Agreeing assumptions • Scoping meetings • Pre-quotation fee & risk analysis 	<ul style="list-style-type: none"> • Client details capture • Billing arrangements – deferred, periodic, stage, on completion. • Checks / conflict search • File opening

Delivery	<ul style="list-style-type: none"> • Work division, allocation and supervision • File work • Meetings • Interim file review 	<ul style="list-style-type: none"> • Interim billing as agreed and cash collection • Scope changes - managing expectations
Post Completion	<ul style="list-style-type: none"> • File Review • New opportunity scoping 	<ul style="list-style-type: none"> • Final bill • Outstanding balance request • File closure and archiving • Close-out letter • Review Meeting – identifying opportunities

The above categorisation of four stages also depicts a lawyer’s journey which begins even before receiving instructions and going through the stages of engagement, core legal service delivery and then post-completion activities, as shown in Figure 6.2.

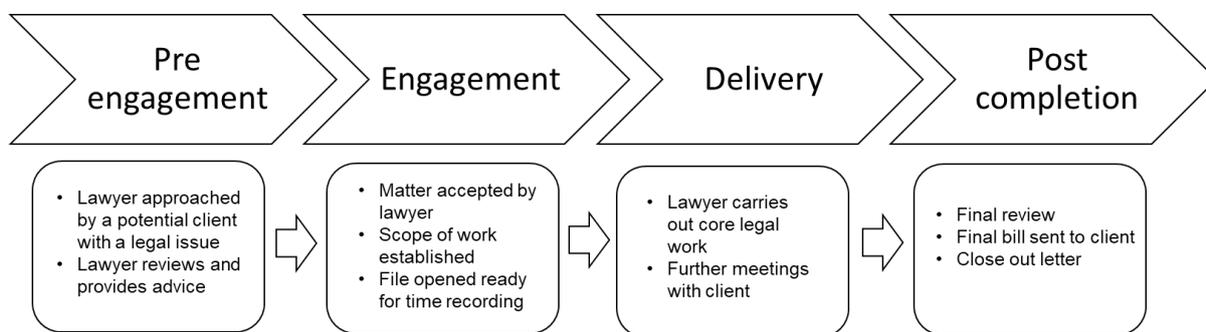


Figure 6.2: Lawyer's journey through the four generic stages of the matter

Having established the generic stages, the next logical step would be to analyse the different matter types within SC to visualize and operationalise how each of these matter types could be better managed in relation to the others. Such knowledge would foster better managerial practice across the firm. Therefore, it is imperative to then understand and establish a matter typology that encompasses the whole range of departments represented in the volume-variety matrix.

6.2.2 Matter typology

The research conducted in five service lines led to the recognition that chargeable and non-chargeable activities (across the Volume-variety matrix) vary from department to department based on the volume of matters and variety of paths matters may follow.

It was initially conceived that the various service lines within SC can be categorised based on the volume-variety criteria leading to high volume-low variety and low-volume high variety service typology. Extending this, the ARP has identified that all matters within SC can also be generally categorised based on the matter value as shown in Figure 6.3. This has been accomplished by analysing historic matters across the 5 service lines which revealed three price bands – under £1000, over £7500 and everything in between. By organizing the matters into these three price bands it is possible to provide more focused reporting, better pricing solutions, and client value propositions.

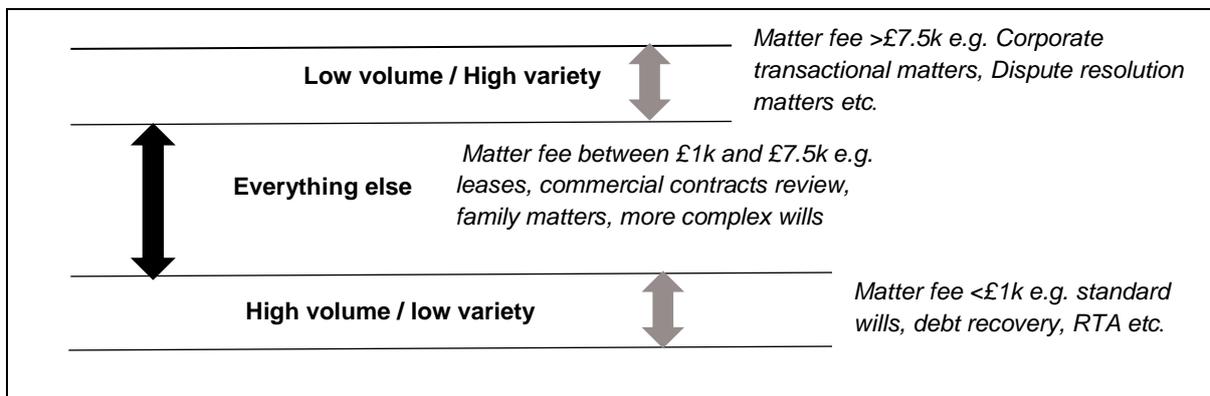


Figure 6.3 : Categorising all matters using price bands

Recognition that the firm has these three constituent bands is fundamental to cover the whole of SC operations in future change projects. The following table highlights the features of these three matter types including the narratives around profitability and potential pricing solution.

Table 6.2: Matter typology including the features and narratives on profitability and potential pricing solution

Matter Type	Features	Profitability	Pricing Solution
High volume / low variety	Outcomes are within a tolerable predictability. Scope may still expand beyond expected or there may arise opportunities to demonstrate value or add new features which might impact on fees. Clients often have little or no expertise.	The key to profitability here is operational efficiency in delivering the legal service. This may often involve the client themselves being organized to contribute, for example by supplying timely information.	Menu pricing solutions may work well in these cases as opposed to hourly rate.

<p>Low volume / high variety</p>	<p>Outcomes are varying and introduce increased levels of complexity.</p> <p>There may be multiple lawyers involved in a transaction from different legal disciplines.</p> <p>Client instructions and requirements coming from multiple individuals, multiple parties and stakeholders affecting individual outcomes at multiple stages.</p> <p>Some of these transactions may follow a broad path or may be meandering through unexpected routes.</p>	<p>Profitability, in the vast majority of cases, will be determined by the ability of the lawyer to accurately work out the probable scope for each component part of a matter and predict changing paths or potential issues based on their experience.</p>	<p>Requests for price certainty are common although scope has not been fully established.</p> <p>Formulated and tailored pricing information is normally required or subsequent presentation of detailed cost information.</p>
<p>Everything else</p>	<p>Legal services also may begin as high volume / low variety and then expand to another band.</p> <p>Initial requirements may be clear and there is some fee predictability to start with, but things can move or change.</p> <p>External factors begin to play a greater role. Timescales may become uncontrollable.</p>	<p>Profitability becomes more of a function of both cost of delivery and price management, especially when new activities, outside of the initial scope, are introduced.</p> <p>Partial legal knowledge or experience on the part of the client may diminish profitability.</p>	<p>Flexible pricing is required. Perhaps beginning with a scope and an agreed fee in mind. Ability to provide experiential pricing and predictable pricing is important.</p>

The narratives on Matter Features and Profitability have been developed from the case study data which was presented in Chapter 4 such as key issues and Systemic Success Factors in each department of the CAR cycle.

6.3.3 Combining Matter Typology and Matter Stages

Having articulated the generic matter stages and the typology of matters, it would offer more practical value for the lawyers to juxtapose the matter types along the four generic stages of matter delivery. Such knowledge will provide the lawyers with an insight into how the matters could be delivered to maximise operational efficiency and thereby increase matter profitability. The matrix presented in Figure 6.4 below, provides a snapshot of how different type of matters could be organised into the matter delivery stages. Additionally, the activities performed by the lawyer throughout the matter can be grouped into two types – client facing and operational.

Matter Stages \ Matter Typology	High volume-Low Variety Matters		Low Volume-High variety Matters		Everything else	
	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity
Pre-Engagement						
Engagement						
Delivery						
Post Completion						

Figure 6.4: Matter-stage and Typology Matrix

This matrix could be potentially used to propose an all-encompassing framework for delivering matters across all the departments that guides general practice of lawyers. In addition, this matrix can be used to organise all the ARP Toolkit items, future tasks and projects yet to be delivered, into a practice guide that helps lawyers in managing the matters more uniformly across the departments.

Consolidating the ARP output into Generic Matter Stages by Matter Type

The tools and frameworks developed during the ARP cut across all the stages of service delivery life cycle right from pre-engagement through to post-completion. The figure below presents a detailed set of activities in each stage categorized into three matter types and two activity types.

	High Volume/Low Variety Matters		Low Volume/High Variety Matters		Everything Else	
	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity
Pre Engagement	<ul style="list-style-type: none"> Initial Meeting (Electronic) (Framework ready) Provide indicative price (P1) Discuss need for detailed scoping 	<ul style="list-style-type: none"> Match with matter typology (Fixed fee, rigid scope) (based on typical baseline profitability index) Formulate Initial Price (P1) – informed by Matter Typical Fee (M1) 	<ul style="list-style-type: none"> Initial Meeting (Extensive) (Framework Ready) Provide indicative price (P1) Discuss need for detailed scoping 	<ul style="list-style-type: none"> Match with matter typology (Fixed fee, rigid scope) (based on typical baseline profitability index) Formulate Initial Price (P1) – informed by Matter Typical Fee (M1) 	<ul style="list-style-type: none"> Initial Meeting (Framework Ready) Provide indicative price (P1) Discuss need for detailed scoping 	<ul style="list-style-type: none"> Match with matter typology (Fixed fee, possible scope variation) (TBD – based on typical baseline profitability index) Formulate Initial Price (P1) – informed by Matter Typical Fee (M1)
Engagement	<ul style="list-style-type: none"> Assumptions/scope agreed. What's not included. Service standards agreed. Standard / Definitive scope communicated to client. Standard initial agreements/assumptions. Billing path to be agreed (Framework ready). Standard FAQs. (Framework ready – PJ, PC examples) Standard process flow/matter life cycle communicated to client. (Framework ready – Corporate example) 	<ul style="list-style-type: none"> Structured data capture (Framework ready). Standard work breakdown – who does what Standard / Definitive scope price (P2) formulated based on matter specific factors. Standard client care pack (Example pack ready). Standard workflow configured. (Framework ready – Debt collection, Private Client example) 	<ul style="list-style-type: none"> Assumptions/scope agreed. What's not included. Service quality agreed. Menu pricing / definitive scope price (P2) – agreed and communicated to client. (TBD – Menu pricing, mobile application) Billing path to be agreed (Framework ready – Dispute Resolution example). 	<ul style="list-style-type: none"> Structured data capture (Framework ready). Soft pricing based on questionnaire (Model ready). Matter specific work breakdown – who does what. (TBD – based on profitability range to be achieved). Standard / Definitive scope price (P2) formulated based on matter specific factors (incl. questionnaire). Matter project plan – checkpoints, reviews etc defined. Client on-boarding process. (Framework ready). Streamlined work flow where possible. 	<ul style="list-style-type: none"> Assumptions/scope agreed What's not included. Service standards/quality agreed Menu pricing / definitive scope price (P2) – agreed and communicated to client. (TBD – Menu pricing, mobile application) Billing path to be agreed (Framework ready) 	<ul style="list-style-type: none"> Structured data capture (Framework ready) Soft pricing based on questionnaire (Model ready) Matter specific work breakdown – who does what. (TBD – based on profitability range to be achieved) Standard / Definitive scope price (P2) formulated based on matter specific factors (incl. questionnaire) Matter project plan – checkpoints, reviews etc defined. Client on-boarding process. (Framework ready) Streamlined work flow where possible.
Delivery	<ul style="list-style-type: none"> Update and communicate at set stages in the matter. Communicate variance to scope and agree revised fee estimate (P3 - BMI Letter). 	<ul style="list-style-type: none"> Efficiency/profitability focused strategy. Keep track of billed fee and WIP. (BMI ready) Record all out of scope time Record all non-chargeable time Determine price (P3) based on variations to scope. 	<ul style="list-style-type: none"> Manage client expectations throughout. Initial agreements/assumptions re-negotiable. Communicate variance to scope and agree revised fee estimate (P3 - BMI Letter). 	<ul style="list-style-type: none"> Relationship and cross selling focused strategy. Keep track of billed fee and WIP. (BMI ready). Record all out of scope time Record all non-chargeable time Determine price (P3) based on variations to scope. 	<ul style="list-style-type: none"> Manage service quality/client expectations throughout. Initial agreements/assumptions re-negotiable. Communicate variance to scope and agree revised fee estimate (P3 – BMI letter). 	<ul style="list-style-type: none"> Efficiency/relationship/cross selling focused strategy. Streamlined work flow where possible. Keep track of billed fee and WIP. (BMI ready) Record all out of scope time Record all non-chargeable time Determine price (P3) based on variations to scope.
Post Completion	<ul style="list-style-type: none"> Communicate final price (P4) and send out final bill. Discuss opportunities for cross selling. Close out review 	<ul style="list-style-type: none"> Determine final price after all scope variations (P4). Final review and identify opportunities to suggest 	<ul style="list-style-type: none"> Communicate final price (P4) and send out final bill. Discuss opportunities for cross selling. Close out review 	<ul style="list-style-type: none"> Determine final price after all scope variations (P4). Final review and identify opportunities to suggest other 	<ul style="list-style-type: none"> Communicate final price (P4) and send out final bill. Discuss opportunities for cross selling. Close out review 	<ul style="list-style-type: none"> Determine final price after all scope variations (P4). Final review and identify opportunities to suggest other

Figure 6.5: Consolidated ARP output into Generic Matter stages and matter types

This leads to the next question of how the Matter Stage-Typology matrix affects the lawyer and client in practice. What does this mean to lawyers in terms of service delivery and how are they going to operationalise it? What does it mean for clients from the point of price and expected service?

6.4 Unified Matter Management Framework

Based on the combined matter stages and typology framework presented above, it is essential to turn this into practical knowledge that can be implemented in all departments within SC. Such a framework should be built on the foundations of what it means for both the lawyer and the client.

Firstly, it is evident from the Case Study data that transparency of fee (price) is one of the most important factors for clients in a matter.

For example, a client said:

“...Everytime I talk to a Fee Earner it costs me £45. Sometimes I think I won’t phone up or can’t have a meeting because of the costs involved”

Another client said:

“...The lawyer gives us these “pie in the sky” costs and he uses that as a lever whether he wants to promote something or discourage us from something then the costs that he quotes reflect that”

Even lawyers are concerned about the way pricing is done and managed through the matter.

For example, a lawyer said:

“...In the last 12 months 50% of our Complaints have been related to costs and it is not necessarily because we haven’t told the client the right information, its because they don’t understand the information that they have been given so we’ve done a generic dispute where everything but the kitchen sink, its going to cost you a £120k, we’ve billed then £90k but what you’re billing us £90k for, I don’t get this. We’ve done nothing wrong as such but they’ve just got no concept of how that figure has been arrived at”

Another lawyer said:

“...I think we regularly undervalue and overvalue the service that we are providing, actually pitching it really spot on is quite hard. Sometimes we think we’re doing this really fantastic thing and actually the client is very interested and certainly we want to pay that amount of money for it.... but equally there are times when I think we give away the crown jewels for next to nothing and the client will actually pay more than we charge”.

Additionally, there is ample evidence from data including the SERVQUAL exercise presented in Chapter 5, that clients are concerned about the price.

Secondly, it is also evident from focus groups and the other interactions with lawyers that establishing the level of service in a matter is an important factor for both lawyers and clients.

For example, a lawyer said:

“...if it’s a client where they’ve been demanding you’ve met their demands, you’ve gone over and above. They’re usually the people on the phone to you on a Saturday afternoon and you’ve given them that level of services then they’re the ones that want the discount and they’re the ones who drive the hardest and they’re savvy and they’ll say I’ll pay by next Tuesday if I can pay £2k less and they really annoy me”.

Another lawyer said:

“...There are few reasons why I should not be doing some of the files I am doing – the fee are too low to justify me doing the work. It would be better for the recovery rate of the team for more junior fee earners to do the lower value work at their lower charge-out rates”.

A client said:

“...I have had to chase repeatedly for updates even if there is nothing new to say or you are waiting for information from a third party - it would be nice to know what is going on without me calling up”

Based on the importance of the two key factors of Price and Service discussed above, it is important to refine the matter typology further imbibing the two factors, which can be done as follows by combining the initially conceived three types of matters into two types as discussed below and shown in Figure 6.6:

		Negotiated Delivery with variable fee		Commoditised Delivery with Fixed Fee		
Matter Typology Matter Stages	Low volume-High Variety Matters		High Volume-Low variety Matters		Everything else	
	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity	Client Facing Activity	Operational Activity
Pre-Engagement						
Engagement						
Delivery						
Post Completion						

Figure 6.6: Revised matter typology to reflect Price and Service Level

Negotiated Delivery with Variable Fee (NDVF)

Matters are characterised by the following features:

- Value: Relatively high value e.g. >£1000 per matter
- Volume: Low
- Variation in scope: High, the matter scope keeps changing throughout the course depending various factors both within and outside client’s control. Accordingly, the negotiation position of client changes throughout. Also scope could be unclear at the start of the matter.
- Service level: Flexible and negotiated with client
- Knowledge intensity: High, requiring specialist lawyer
- Client Contact: High, multiple meetings throughout the course of the matter
- Pricing: Variable price, altered by changing scope.
- Client’s Knowledge and experience: Varying knowledge of the legal process, client’s, building client’s knowledge and awareness is key
- Client relationship: Potential for long term relationship
- Examples: Dispute resolution, Corporate and Complex commercial property leases.

Process depicting the delivery of Negotiated Delivery with Variable Fee matters highlighting the ARP tools used in every stage is presented in Figure 6.7.

Negotiated delivery with variable fee

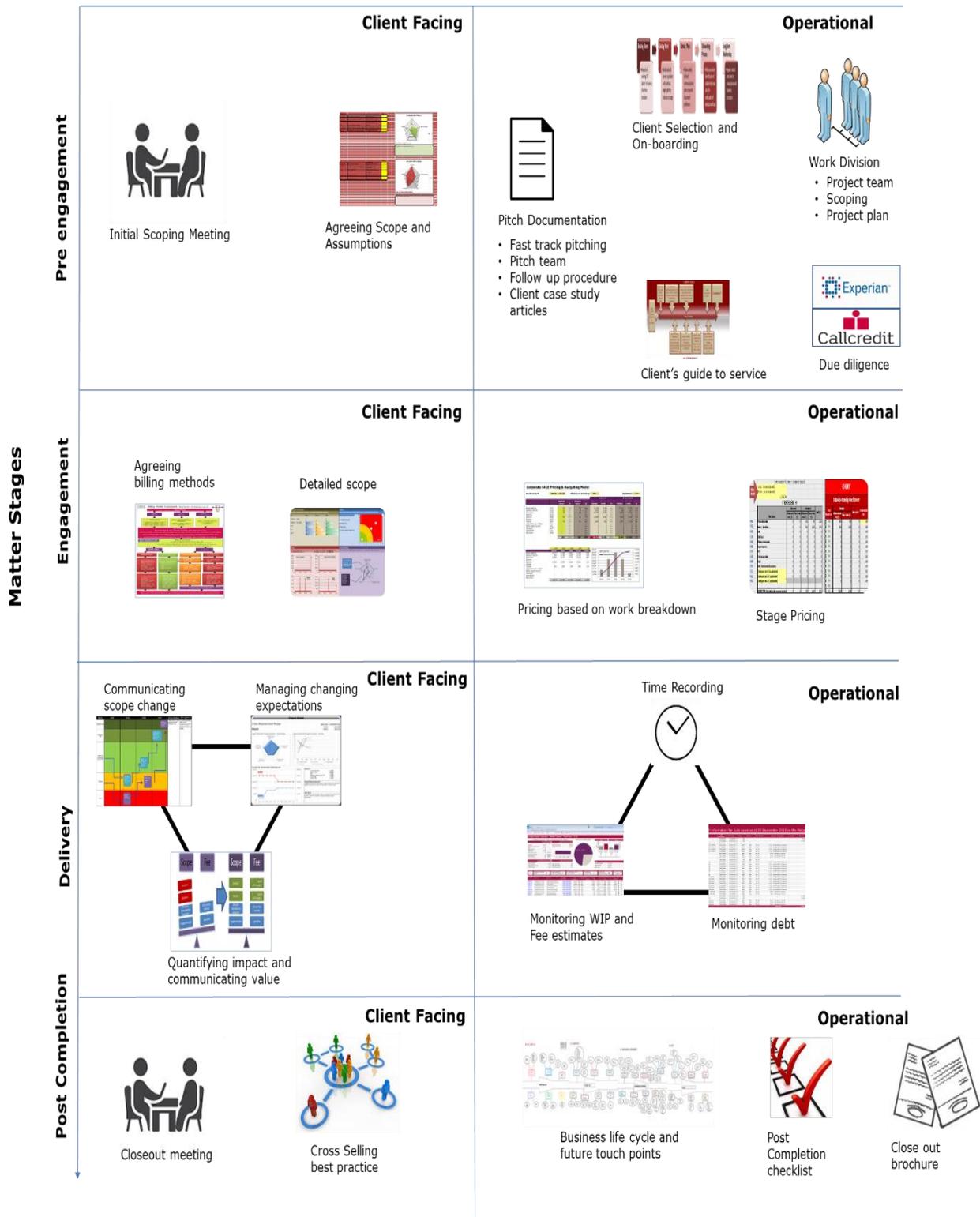


Figure 6.7: ARP tools involved in Negotiated Delivery with Variable Fee along the generic matter stages

Commoditised Delivery with Fixed Fee (CDFS)

Matters are characterised by the following features:

- Value: Relatively low value e.g. <£1000 per matter
- Volume: High.
- Variation in scope: Almost nil.
- Service level: Standardised delivery, set process with fixed service standards.
- Knowledge intensity: Low e.g. Paralegals can deliver the matter end-to-end.
- Client contact: Low
- Pricing: Menu price, no flexibility.
- Client relationship: Transactional, with potential for repeat business in matters such as Residential property.
- Examples: RTA, Standard Wills, Debt Collection, Residential Conveyancing, Family, Employment

Process depicting the delivery of Commoditised Delivery with Fixed Fee matters highlighting the ARP tools used in every stage is presented in Figure 6.8.

Commoditised Delivery with Fixed Fee

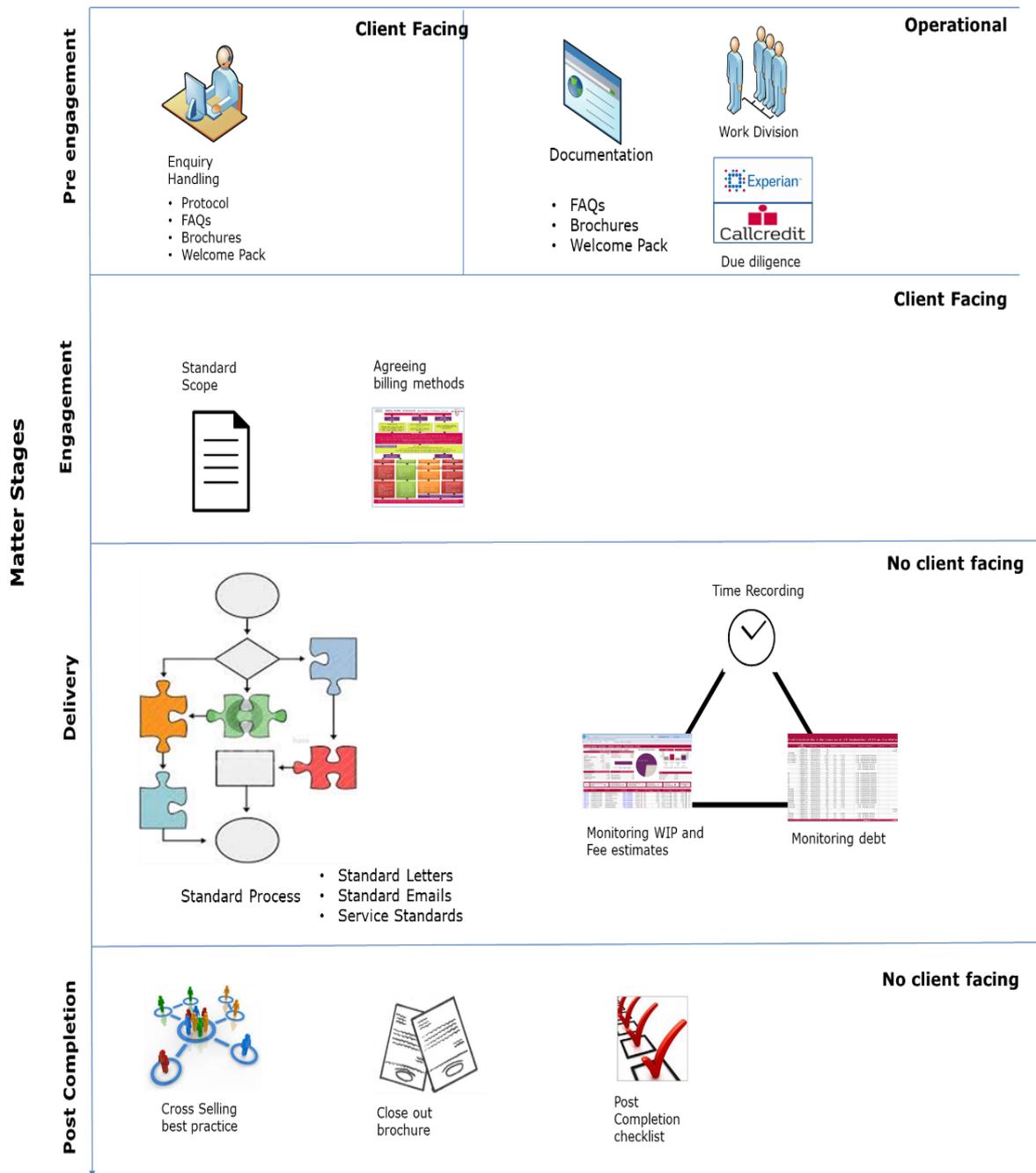


Figure 6.8: ARP tools relevant in Commoditised Delivery with Fixed Fee along the generic matter stages

The whole range of tools developed through ARP can be classified into two types:

- **Operational Tools:** tools which lawyers use in the back-stage operations that support the effective delivery of matters.

- Client facing tools: tools which lawyers use front-stage in consultation with clients during meetings.

These two types of tools have been embedded into the final classification of NDVF and CDFE as shown in Figure 6.7 and Figure 6.8.

6.5 Some exemplars in the ARP Toolkit

6.5.1 Addressing the need for capturing client requirements, and accurate scoping

Based on data gathered from the PrOH modelling workshops and interviews with lawyers and support staff, it has become evident that there needs to be a better structure to the initial client engagement so as to capture the client requirements correctly and also scope the matter accurately. Both these aspects are connected as correctly capturing the requirements leads to better scoping.

A focus group participant has indicated:

“...The Corporate team have gone on a complete rollercoaster, we looked at our transactional client care letters and engagement letters and got stung on deals where we had agreed fixed fee and something happened and the client came back said we’d agreed a fixed fee, gradually we ended up with an engagement letter with a schedule of the summary of transactions, then we had a schedule of assumptions we’ve made, then a schedule of exclusions things we’re not dealing with, then we had a schedule of visual documents we’re anticipating dealing with and it got to the point where our engagement letter was about 20 pages”.

This notion was common across various departments dealing with low-volume, high-variety matters such as dispute resolution and complex leases.

Therefore, a new tool has been developed with the help of an action team in the Dispute resolution department which is described below.

The Matter Assessment Radar

This newly developed Matter Assessment Radar (MAR) assists lawyers to focus on the unknown factors that can have an impact on the scope of the matter and also helps quantify the impact of these unknown factors into a visual model which enables determining appropriate fee, as well as to effectively negotiate with clients. It is an interactive tool to help identify the risk in the matter so that lawyers can modify their approach accordingly based on client’s input.

It is developed from the principles that are quintessential for low volume, high variety matters such as client engagement, consensus and expectations management. It requires lawyers to engage in a simple probing exercise at the initial meeting asking some basic questions under 5 headings (client’s

profile, litigation value, key parties involved, due diligence and funding). All the responses provided by clients will be quantified and presented using a risk model which helps produce accurate quotations and financing options.

Figure 6.10 provides a snapshot of MRA tool which has been implemented in the Dispute Resolution and Corporate departments at SC. This tool is helping to bring more consistency in the way lawyers understand client’s requirements at the beginning of the matter, scope and price the matter effectively, as well as engage with clients and manage scope throughout the matter. Furthermore, it enables the lawyers to achieve service *commodification* by being able to negotiate the price of different components of the legal service separately. For example, a client might choose to have periodic status reports at a reduced cost as opposed ad hoc reporting requirements which prove time-consuming to lawyers and thereby expensive to clients.

In addition, based on the case complexity and scope provided by this tool, the legal work can be effectively distributed within the team to attain optimum *Utilisation* and *Productivity*. (Utilisation = (actual hours billed/Total hours available); Productivity = (Value) x (Utilisation)). According to Bordoloi et al. (2019, pp. 262) use of less-billable or non-billable professionals and paralegals assigned to work in conjunction with a group of lawyers might increase the efficiency and competitiveness of the group.

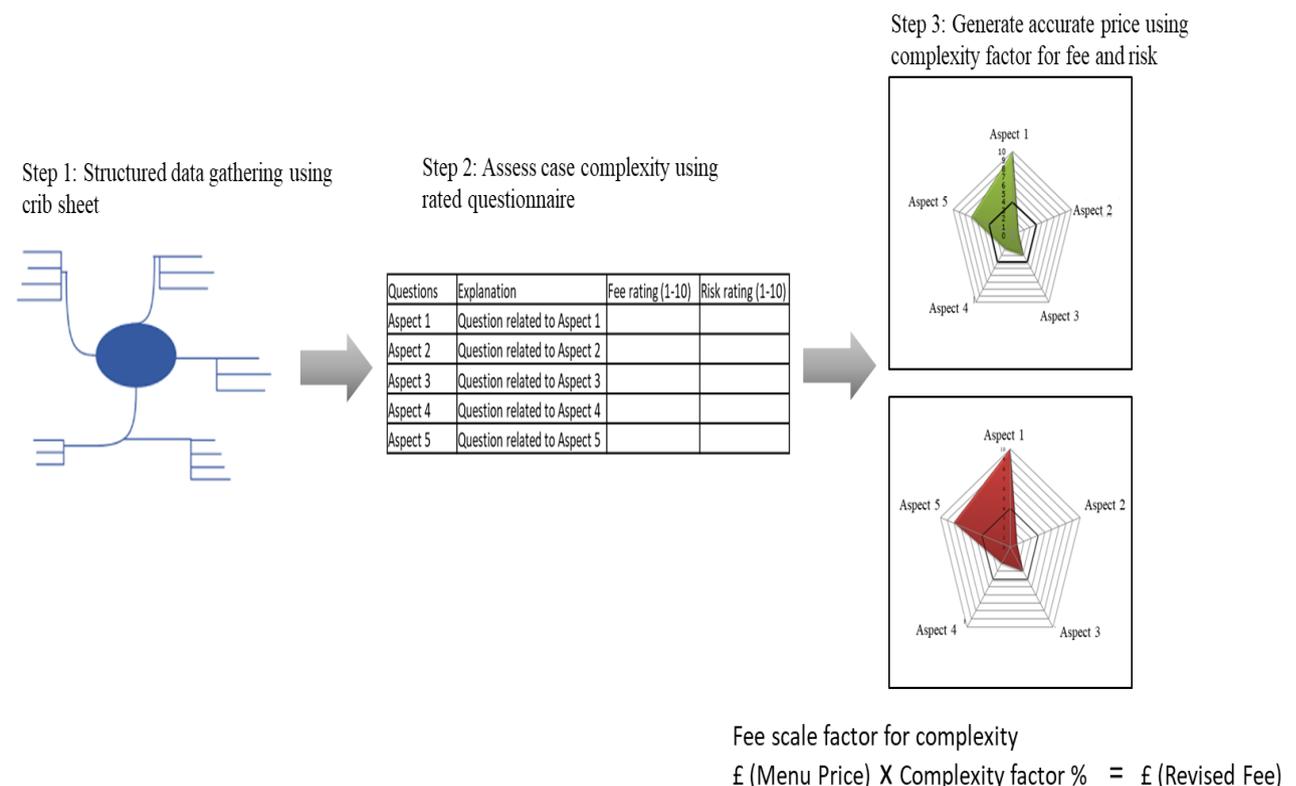


Figure 6. 9: Pre-quotations Fee and Risk Analysis Tool

6.5.2 Addressing the need for budgeting matters and tracking fee

Focus group participants have clearly indicated that *“there needs to be a mechanism to enable fee earners to keep track of agreed fee versus fee billed to date”*.

The ARP Project (ARP) team believed that this is a practical idea with a potential to enhance the fee recovery as well as client service by way of regularly reviewing the fee position and keeping clients up to date. Also underpinning this idea is the Solicitors co. philosophy on pricing as stated in their strategy document, *“Our pricing must always provide certainty, by defining the scope and outcomes at each stage”*.

The Matter Budget Indicator

Based on the above need the ARP team along with the researcher and the inhouse IT team have developed a working prototype using Microsoft Excel which was termed as Matter Budget Indicator (MBI). This prototype has been further advanced into a fully functional tool with the help of in-house IT department and is currently available for all fee earners to utilise and benefit from its wide functionality.

Preamble to update cost estimates

Solicitors are obliged by the Solicitors Regulation Authority (Chapter 1 SRA Code of Conduct 2011) to provide the client with regular fee estimates and regular understanding of the cost of disbursements involved in their file. This is especially significant in respect of matters where time recorded is concentrated within an intensive period, a critical part of a matter, a short space of time, or where fees are not fixed.

The Law Society Practice Note on Client Care dated 26 March 2013 stresses that client’s must be given the best possible information about the cost of their matter, both at the start of the retainer and throughout.

- The information must be clear and in writing or in a form appropriate to the client needs.
- The client must be put in a position where they are able to make informed choices as to whether the outcome of a case is likely to justify the risks involved.
- If the Matter Lawyer provides cost estimates regularly, then there is a significantly reduced chance of there being a problem at the point of bill payment. Matter Lawyers are therefore encouraged to speak to the client regularly about costs.

If lawyers were to provide cost estimates regularly, then there is a significantly reduced chance of client complaints regarding the costs.

Key Features of MBI

- Accessible to every lawyer and is customisable for every role – Relationship Manager, Matter Supervisor and Matter Lawyer.

- Fee estimate for any given matter can be updated through this report which then directly feeds into the practice management system.
- All current matters being dealt by the lawyer will be displayed in the report with the facility of viewing only those matters which exceed the fee estimate by one third, two third or 100%. Matters with missing fee estimates can also be viewed at the click of a button.
- A particular matter can be selected to view in depth details in the header such as - Billing/WIP/Estimate, Debts/Paid Disbursements, Fee recovery, Matter Money Held, Pie chart of fee estimate, WIP and actual bill to date etc.
- Key roles associated with a given matter can be viewed (Relationship Manager, Matter Supervisor, Matter Lawyer)
- Shows how many hours a lawyer needs to spend to reach the fee estimate for a given matter.
- Shows if a lawyer has raised a bill on his/her files this month.
- Allows lawyer to print an automated letter to client every time a fee estimate is amended.
- Client's names, which appear on the firm's "Debt Watch List", are highlighted in red colour.
- Ability to sort and view all matters in the order they appear on lawyers monthly live Matters list.

The following flowchart presented in Figure 6.11 will present the user journey of how lawyers in SC use the MBI highlighting its key functionality.

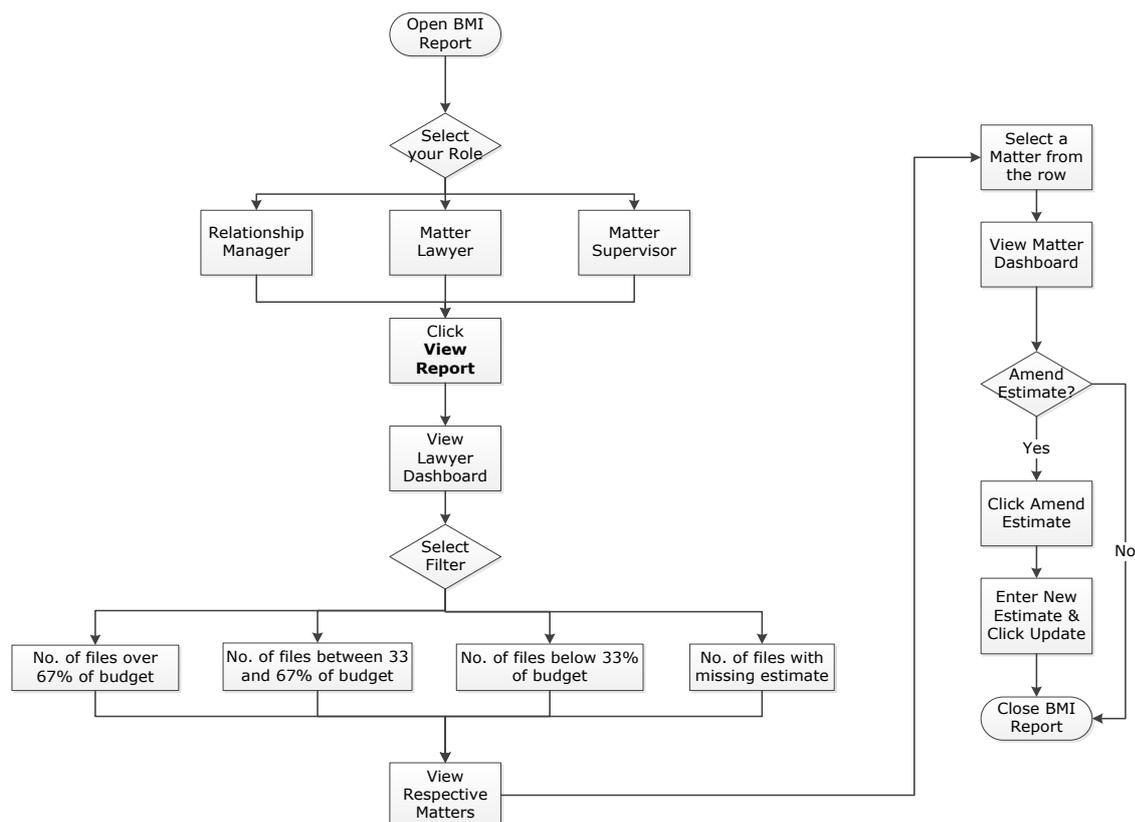


Figure 6.10: Flow chart explaining the user journey of MBI

6.5.3 Reorganising Roles

Role clarity and process ownership are found to be very fundamental in performing the designated functions of both lawyers and support staff, this has been highlighted in several instances during focus groups and interviews with personnel at Solicitors Co. In addition, role clarity plays an important part in effective work division and management of matters from inception through to performing post completion activities. In order to bring a uniform and consistent approach to matter delivery, a chart has been developed to clarify the roles and designate process owners. This can be understood as a reorganisation of the current roles along with creation of two additional tiers in the hierarchy of roles. For example issues with process ownership have been highlighted in previous research by Kohlbacher and Gruenwald (2011).

A detailed set of guidance has been drafted in relation to roles and responsibilities which is highlighted in the Figure 6.12. The detailed guidance and best practice has been prepared and presented to all HoDs and Partners who would then disseminate it within their respective teams.

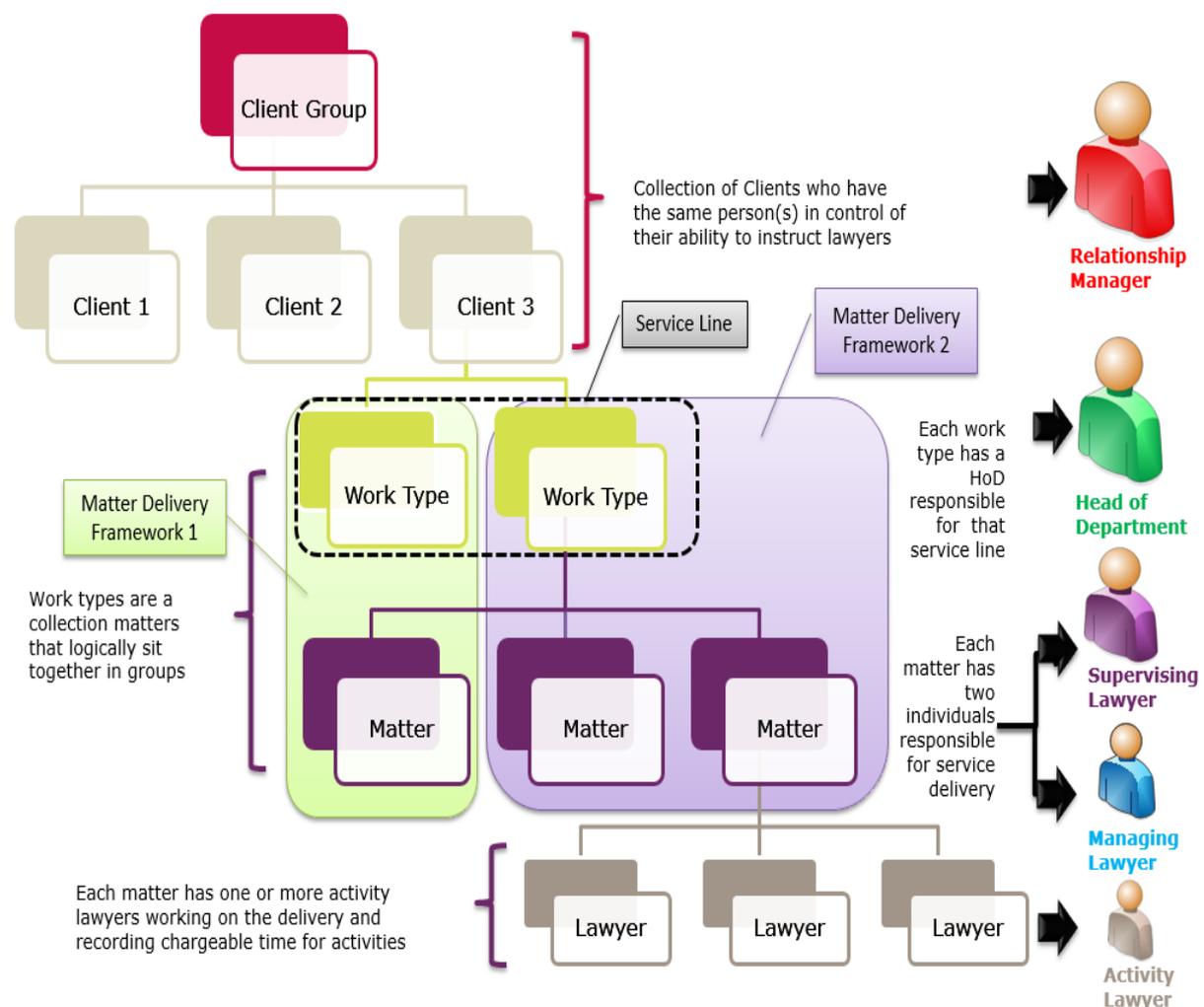


Figure 6.11: Hierarchy of Client and Matter delivery roles

The following table presents an outline of the roles and responsibilities based on the revised hierarchy comprising of 5 levels as shown in Figure 6.12.

Table 6.3: Description of reorganised roles and their client and matter responsibilities

Role	Client Responsibilities	Matter Responsibilities	Link
Relationship Manager (RM)	E.g. Introducer and first point of contact to the client. Facilitate ongoing dialogue between client and the firm. [Several other responsibilities]	E.g. Periodically review the matters using MBI, also review the matter file and make sure service is delivered appropriately. [Several other responsibilities]	Appears on matter label, MBI, CRM System
Head of Department (HoD)	E.g. First point of contact on non-matter specific legal issues. [Several other responsibilities]	E.g. Responsible for regular occurrence of file reviews and authorisation of write offs, reductions etc. [Several other responsibilities]	Appears on Client Contract as the Supervisor with overall responsibility for client.
Supervising Lawyer (SL)	E.g. Agrees the initial scope of the matter and any assumptions, communicate the same to ML. [Several other responsibilities]	E.g. Prepare a work break down structure at the start of the matter and allocate ML and ALs. [Several other responsibilities]	Appears on MBI
Managing Lawyer (ML)	E.g. Act as the main point of contact for dealing with day to day client queries and correspondence. [Several other responsibilities]	E.g. Make sure right level of support is provided for the AL in delivering the service. [Several other responsibilities]	Appears on MBI
Activity Lawyer (AL)	E.g. Use any client touch points to demonstrate the value of SC's service proposition. [Several other responsibilities]	E.g. Carry out day to day work on the file and record time. [Several other responsibilities]	Appears on individual reports

6.6 Future direction for Solicitors Co.

6.6.1 Approach for delivering change in SC

By initially focusing on the implementation of ARP tools within all departments, the fundamental aspects of scoping and pricing, and service level can be addressed firm wide. In doing so, the engagement with these departments will generate new opportunities for identifying gaps in process efficiency and service delivery, which can then be addressed in the subsequent iterations imparting a culture of continuous improvement. The firm has emerged to imbibe the culture of continuous improvement as seen from the focus group data gathered towards the end of the project.

For example, a lawyer said:

“...We’ve improved the billing process, the admin process and that’s a good thing. But we’ve carried on we haven’t stopped here because of changes particularly in our sphere going on in legal reforms which are coming in April, we’ve continued to improve our systems and how we approach things. We are never going to stop evolving and trying to improve because we have to, you know, as long as we are ahead of the game and not just playing catch up”.

Another lawyer said:

“...There’s so much work that we actually need to do to make sure we’re still competitive in the marketplace. I reckon the only way we stay there is to keep evolving, keep looking forward, keep on doing things better.”

6.6.2 Summary findings and way forward for SC

The firm’s direction now is inextricably linked to the solutions developed through ARP such as the new tools, prototypes and best practices. The work was successful, in the following ways:

- Rich and unique insights gathered from all corners of the firm through extensive engagement with lawyers and support staff
- A methodical and research-intensive approach underpinning the basis of all outcomes delivered and conclusions reached
- Enhanced the brand image of Solicitors Co. across various forums as an exemplar for innovation and change in the legal industry
- Delivery of multiple ad hoc solutions developed for several departments
- Increased firm-wide understanding on the need for continuous improvement and adapting to changing client needs through client interviews.

Following the conclusion of ARP, a number of discrete solutions have evolved including but not limited to implementation of:

- Matter Budget Indicator (MBI) – firmwide implementation

- Fee scoping tool for Dispute resolution, Commercial Property and Corporate departments
- Billing/invoicing framework – firmwide implementation
- Definition of client and matter roles
- Implementation of stage-time recording
- New policies in finance such as credit control and disbursements etc.

Each one of the above changes is an exemplar of applied ARP knowledge and tools in their own right and all have a direct link back to the ARP's knowledge base. These tools are now recognized by Partners and Solicitors across the firm as having established an end to end process for delivery of matters which are effectively scoped, priced and communicated to clients. Several other firmly embedded solutions have a thread back to ARP.

The above-mentioned tools have an inherent and common backdrop which is, to improve the way each lawyer scopes, prices and communicates throughout the matter lifecycle whilst delivering service excellence and monitoring what each client values about the transaction. It is now impending on the firm to consolidate all these tools and some of those which are yet to be fully developed under a renewed banner and all-encompassing single programme.

From the perspective of implications to practice, the ARP data analysis suggests that a new project be launched as a single initiative that combines all the knowledge, tools, approaches and frameworks developed over the last few years through ARP. It is clear that, launching a new initiative and conducting projects under one banner has an intrinsic advantage in the form of engaging people and to channel the firm's effort in the right direction, based on the experience from ARP.

6.7 Conclusion

The action research project enabled the firm's underperforming operations which is holding the business back to be lifted from Stage 1 to Stage 4 of Hayes & Wheelwright's (1984) operations contribution model where operations are not only helping the business maintain parity with competitors but are externally supportive and providing the firm with a competitive advantage at the industry level. This strong Stage 4 operations function is directly influencing the firm's strategy to fulfil its potential for higher revenue and profitability through increased capacity, faster throughput and improved quality of client relationship whilst also projecting the firm as a role model for innovation and adoption of best practices, which is evident from the industry awards the firm has been nominated for and also won by the time ARP was concluded. A list of Legal Industry Awards won by the firm are presented in Appendix 5.

Chapter 7 Reflection on Research and Specifying Learning

This chapter presents the learning generated in the process of conducting Action Research. The learning is categorised into three areas characteristic of any action research process – the problem situation (system under observation), the methodology used to enquire into the problem situation, and the intellectual framework (theory) employed. This approach is typical of any action research and is classified as learning or insights generated. Under these three categories, the insights generated from this research are discussed in this chapter. Through the intervention of this action research project, improvements were delivered to the problem situation and lessons were learnt about managing legal service operations ‘A’ in five SC departments, which were applied to the rest of the firm as discussed in Chapter 6. A model for developing future projects and thereby wider organisational change is also discussed by presenting a suitable approach. Lessons were also learned about action research methodology ‘M’ and the theoretical / intellectual framework ‘F’. Each are discussed in the following sections of this chapter.

Specifying learning through reflection

The consolidated model of action research inquiry based on the initial models presented in Methodology and Case Study chapters is presented below in Figure 7.1. This has to be considered as revealed from the process of conducting the inquiry based on the intellectual frameworks used and their theoretical underpinning and suitability justified as discussed in the Methodology and Case Study chapters of this thesis.

This framework in Figure 7.1 indicates that the learning from this study has been categorised under three headings:

- Insights on problem situation A
- Insights on the methodology M
- Insights on the intellectual framework (underpinning theories) F

Meeting Objective J3: Develop a framework for intervention into law firm operations that is capable of delivering change in OM practice within law firms.

Action Research Framework

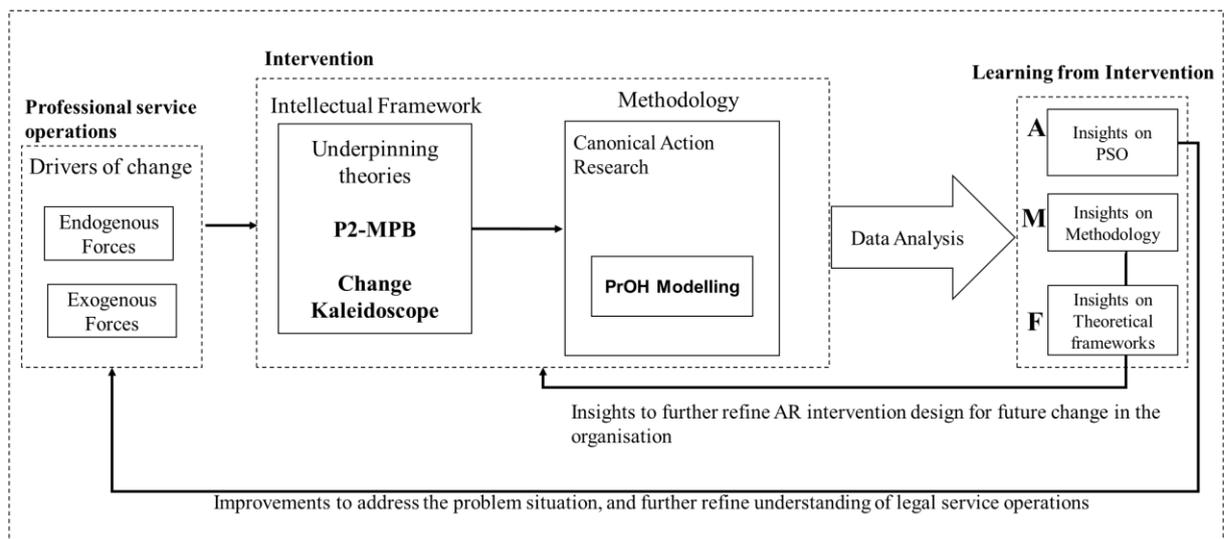


Figure 7.1: Conceptual model depicting the structure of Action Research

7.1 Insights on the Area of Application (A)

This research set out to understand the drivers of change in the legal industry and articulated them through the endogenous and exogenous forces acting at the firm-level in the UK's legal services industry. By articulating the five endogenous forces acting at the firm-level, this research fulfilled the objective J1: 'Identify the drivers of change currently shaping the operational practices within law firms. This presented the researcher with a lens to understand and explore the nature of operational practices within legal services. 'Legal service operations' is conceived as the 'system under observation' or 'problem situation' or 'area of application', the 'A' in the framework presented in Figure 7.1 that needed intervention to be improved through this research. Therefore, the learning generated through this Action Research will be based on how this research addressed the five themes about improvement in 'Legal service operations' presented below:

- Theme 1: The need for improving operational efficiency
- Theme 2: The need for innovative practices in pricing and service delivery
- Theme 3: The need for innovative people management and performance measurement systems
- Theme 4: The need for a cultural shift towards greater inclusivity across roles and departments
- Theme 5: The need for developing skills and capabilities in engaging wider groups

The five themes present with a framework for codifying learning as shown in Figure 7.2 below.

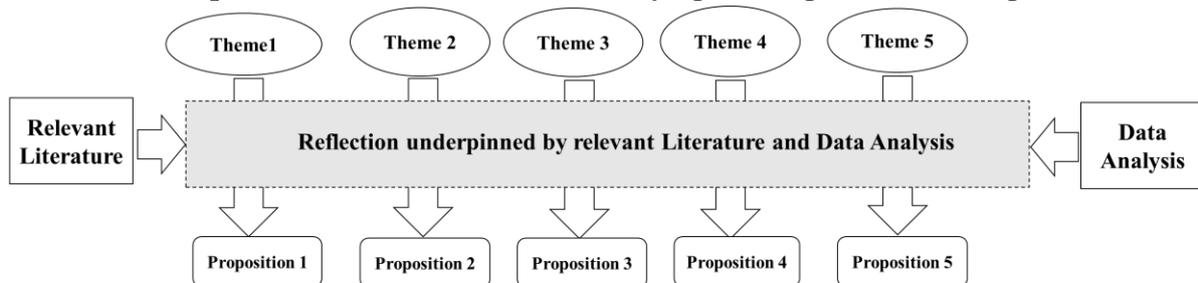


Figure 7.2: Model of generating propositions through insights from practice 'A'

7.1.1 Theme 1: Addressing the need for improving operational efficiency

Customer contact (involvement) in the service delivery process is a source of complexity which can negatively impact on efficiency. High contact processes are inherently inefficient and influence the outcome of that service, a feature that often distinguishes services from manufacturing (Chase, 1978; Chase and Tansik, 1983; Shostack, 1984). In departments involving high customer contact, various improvements have been made to the current process with the aim of eliminating bottlenecks, improving utilization, productivity and also enriching the client's experience of receiving the service. Examples of these changes include redesigning the process flows within high volume, low variety service lines to reduce customer contact, effective work division between lawyers and support staff, standardising routine processes etc.

From the perception of lawyers two critical perspectives have surfaced about improving operational efficiency, firstly, that this project only delivered surface-level changes and that there is huge potential for making further improvements,

“...It’s touching on the surface I think with a lot of areas, it’s brought a lot of things to light. I think for us we’ve got a long way to go in terms of how we’re actually going to run our matters going forward and it’s something that we’re constantly assessing” – Solicitor.

Secondly, this endeavour to improve efficiency in SC needed to be a continuing effort

“...we’ve improved the billing process, the admin process and that’s a good thing. But we’ve carried on, we haven’t stopped here because of changes, particularly in our sphere, going on in legal reforms (Dispute Resolution), we’ve continued to improve our systems and how we approached things. We are never going to stop evolving and trying to improve because we have to, you know, as long as we are ahead of the game and not just playing catch up” – Solicitor.

It is important to understand that lawyers carry the responsibility of both producing and managing which is a distinct feature compared to other industries. Although creative in delivering customised services to clients, the ‘producer-manager’ dilemma (Lorsch & Mathias, 1987) limits their potential to take up initiatives outside their ‘production goals’ such as to improve or innovate in management related challenges. By working closely with lawyers, this action research project has developed a number of innovative tools and frameworks that are changing the way lawyers at SC think about price and service.

The learning generated from addressing this theme can be summarised as: *achieving operational efficiency is a continuous endeavour for professionals which could be capitalised upon to implement large-scale changes across the firm.*

7.1.2 Theme 2: Addressing the need for innovative practices in pricing and service delivery

There is criticism on the current practices on pricing and billing legal work in general within the legal profession (Susskind, 2013). In addition, hourly billing model is becoming obsolete with more clients demanding accurate and fixed price for the service where accountability for resources and transparency in fees are becoming mainstream expectations. This research examined the various billing practices and patterns in the five different legal service lines within SC to articulate the status quo and aimed to improve it through developing new and innovative models.

For example, a lawyer asked *“...Is it possible for different clients to set up different chargeable rates because some of our time is wasted spending recalculating rates? That would save a huge amount of recalculation time. That would hugely help our team because some people have negotiated entire hourly rates and some we work on lower.”* which indicates there are disparate fee rates ad hoc approaches leading to misalignment of billable hours and actual hours spent on each case.

Another lawyer said “...I’m a firm believer in the first bill, you bill what is on the clock and it sets a precedent and it never used to be the case. My old manager would round it down by 20% and that’s the expectation and then moving forward there is always an expectation that you don’t charge what is on the clock, it just sets the wrong precedent” which indicates that there are two facets to the pricing puzzle in law firms, one is accurate pricing and the other, accurate billing for the work carried out (time spent) by the lawyer, both of these have been subject to scrutiny through this research and worked upon to improve the situation.

The implementation of new tools such as Matter Assessment Radar, PriceFlex, Scope Change Indicator etc., presented in the Case Study chapter have brought about uniform structure to scoping, pricing and billing client matters within the department and later implemented across the firm. In the process of implementing these changes, lawyer participation has been of paramount importance as the action researcher did not have the knowledge of pricing approaches and whether any changes to current practice could potentially upset the clients. The input for developing such tools and models has wholly been provided by lawyers which meant selecting the right interventions that appealed for lawyers in order to actively participate and contribute.

The learning generated from addressing this theme can be summarised as: *implementing changes to core processes and practices such as pricing requires active contribution of professionals, as professionals can be a source of ideas that change their own practice.*

7.1.3 Theme 3: Addressing the need for innovative people management and performance measurement systems

One of the major barriers for change in identified through engaging with lawyers was time. Time is a critical resource for lawyers as they operate on hourly billing (each hour divided into ten six-minute units) and are accounted for every minute spent. In this environment, it is difficult to involve lawyers in organisation-wide initiatives towards implementing change. For instance, a lawyer stated that “...to be brutally honest I just didn’t have the time to do the [improvement] job and give it the consideration that I would have liked to have done on top of all my other commitments, work etc”.

SC lawyers partly overcame this hurdle by eliminating long formal meetings and instead arranged brief ‘standing meetings’ get-togethers. In a ‘standing meeting’ teams shared ideas and proposed solutions for improving specific problem areas (Weisbord & Janoff, 2005; Pot, 2011). Tasks were delegated and agreed timelines enabled quick, one to two weeks, implementation of the solution.

Building on the initial success of this method, a firm grounding has been established for accessing ideas from staff which has been applied across the firm in subsequent action research cycles to resolve similar problems faced by other departments. One Partner stated “...I was really surprised at how effective it seems to be. We only had about an hour feedback session, and I was really surprised at what was

produced” which indicates that participation of professionals in change initiatives can be influenced by effective structured engagement to minimise non value-added time on any improvement task. Subsequently, a new category called ‘investment time’ was created for lawyers to tag their time while working on organisational change projects, which directly feeds into their performance reviews. Although this is non-chargeable time, using this as a metric for performance appraisal provides the necessary motivation for lawyers to participate. Some of the activities included in this new time recording category include the following:

- Innovation – Activities that contribute towards improving the performance of your department or the firm by doing things better than before and better than other firms.
- Technical Excellence – Activities that contribute towards “delivering technically superior service” to client. E.g. Doing research in a complex/novel area of law to add more value to advice etc.
- Service Excellence – Activities performed on top of delivering core legal service, that contribute towards exceeding the expectations of clients. E.g. Any post completion activities and advice.
- Management – Activities that involve monitoring the performance of your department or the firm including supervising people and matters. E.g File reviews, client reviews, performance review of team members etc.
- Community – Activities that are performed as part of the firm’s Corporate Social Responsibility (CSR) initiative. E.g. Participation in a community service/ charity project backed by the CSR Team.

The learning generated from addressing this theme can be summarised as: *non-chargeable time is a barrier to professionals’ engagement in change initiatives and therefore time spent on such activities should be incentivised to gain increased participation.*

7.1.4 Theme 4: Addressing the need for a cultural shift towards greater inclusivity across roles and departments

Engaging people to take part in firm wide initiatives is a challenge in law firms. The classic divide between fee-earning staff and the non-fee earning staff is often somewhat cynically expressed as the “*fee earners versus fee burners*” (Forstenlechner *et al.*, 2009), it is perennial hurdle to bring people together to deliver change.

Cross-functional teams also play a potentially important part in the innovation process by enabling cross-discipline knowledge sharing, the development of trust and overcoming spatial and organizational barriers is crucial (Love & Roper, 2009). To access the collective knowledge of staff and their ideas ‘Action Teams’ were formed by recruiting members from cross-functional legal and business support departments. Each team was empowered to work autonomously with support from their Head of

Department to solve long-standing problems. For instance, one Associate stated that “...*the big advantage was bringing together people who aren't necessarily working together so you may have some from IT and some from the support team and everyone brings their ideas*”.

Working as part of these cross-functional action teams had a diminishing effect on the power distance between partners and support staff, contributing to distribution of power.

The focus groups involving participants from different core legal departments led to the sharing of ‘pockets of good practice’ and also led to cross fertilisation of ideas from one team to another. For example, ‘Delegating billing activities to Secretaries’ could free up lawyers’ time which can be focused value-added activities, this is already being followed in the Employment department, which was revealed by a lawyer in the focus groups. This idea has quickly received traction from other participants who were ready to implement this within their respective departments.

The learning generated from addressing this theme can be summarised as: *Forming cross-functional teams fosters innovation and accentuates the delivery of change in a professional service firm.*

7.1.5 Theme 5: Addressing the need for developing skills and capabilities in engaging wider groups

The PrOH Modelling methodology helped improve awareness and appreciation towards process improvement. It enabled SC employees to reflect on current processes and think creatively to improve them. Mainly due to the structured engagement process involving one-to-one interviews, storyboarding sessions and standing meetings. Reflection enables ‘double loop learning’ to question the underlying assumptions within a problem situation rather than mending the actions (Argyis & Schon, 1978). This can be observed from the words of a Partner who stated that “...*things like open discussions make people start thinking about what can we do better? Thinking around themselves, which is important*”.

PrOH modelling was used as a facilitative and negotiative device (Eden, 1995) to stimulate more in-depth and broader, critical and reflective thinking through the structuring, connection, synthesis, negotiation, evaluation and building of collective knowledge (Shaw *et al.*, 2004). Narrating the whole process in a simple story-boarding fashion enabled the research team to engage staff to reflect on current process and identify potential improvements for delivering higher valued services.

A Law firm is an environment unsuitable for command and control mode of execution. What is required are more subtle persuasion and guiding techniques (Malhotra & Hinings, 2015). However, these are time consuming. With the strict limits of the project methodology a significant impact was being made on each department within the comparatively short period of 10-12 weeks.

The learning generated in the process of addressing this theme can be summarised as: *systemic approaches to change management such as ProOH modelling methodology foster a culture of reflective practice and continuous improvement among professionals.*

The lessons from the five different themes are summarised as propositions in Figure 7.3.

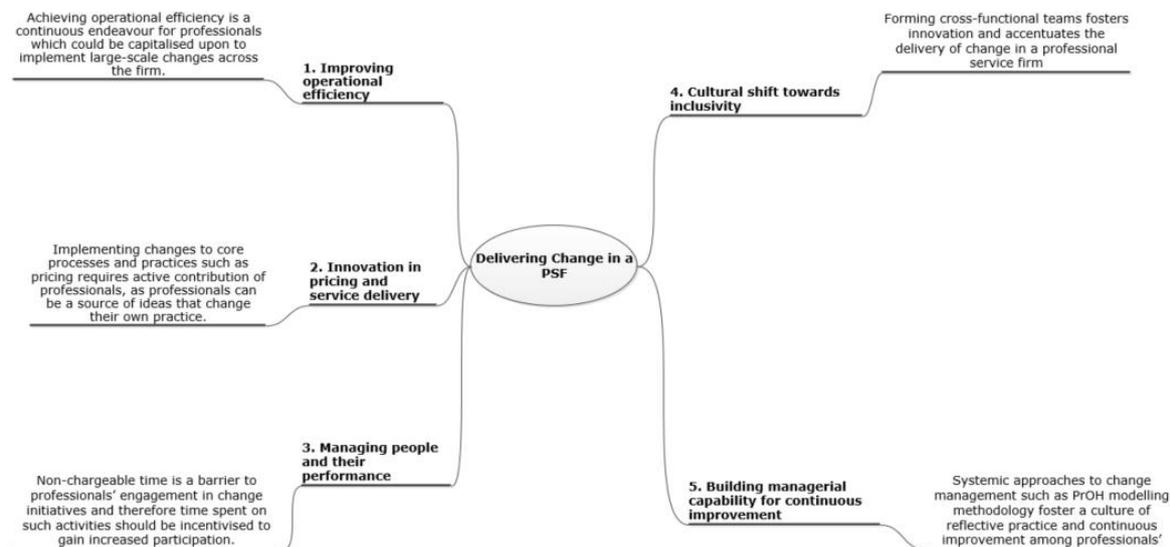


Figure 7.3: Summary of propositions from thematic reflection on Area of Application (PSO) 'A'

Summary

The case study within SC demonstrated that systems thinking as an intervention has been successfully used within a professional services environment to drive firm-wide operational and cultural change towards creating efficient and effective services, valued by clients. With this evidence the research has presented a set of propositions to 'manage change' in legal service operations (representative of wider professional service operations).

Whether this approach can be institutionalised to drive change at the industry level is a question this research could not answer, but literature indicates that 'prestige' matters significantly in this field when it comes to initiating institutional change, 'it is the highly prestigious that initiate change' (Sherer & Lee, 2002). While highly prestigious firms can use their prestige to legitimise their actions, less prestigious firms are often only able to compete with highly prestigious ones by changing the rules of the game (Sherer & Lee, 2002). A classic example of

such change in law firms is the erosion of Cravath model (up-or-out) that occurred in the 1980s. A system that was unquestionable for over a century faded quickly after the initial innovation of Davis Polk an American law firm which introduced the Senior Attorney track. This innovation and the subsequent institutional change triggered by it, was a result of human resource scarcity that in turn occurred due to a compounded effect of the exogenous and endogenous forces acting on law firms during that time.

Analogy can be drawn to present times given the unprecedented challenges faced by the legal services industry calling for fundamental shifts in the image of the profession. The modern lawyer must be more than just an “officer of the court”, a business leader, manager and entrepreneur.

While attempts to transform the culture and operations within individual organisations are still in nascence within the legal services sector, one can only speculate that such endeavours will become a norm in the future. Through this in-depth case study the researcher worked at the level of the firm, but based on the commonalities – professional identity, service model and pricing model shared by lawyers and law firms – it is logical to conclude that most of this research’s findings and methods can be extended to the wider legal services industry.

7.2 Insights on Methodology used for the intervention (M)

This section is divided into two parts, firstly the researcher presents his reflection on the PrOH Modelling Methodology which was instrumental in delivering improvement to legal service operations, and then the researcher reflects on the process of conducting action research.

7.2.1 Reflection on Process Oriented Holonic Modelling

Process Oriented Holonic (PrOH) Modelling is the central methodology underpinning the SSM paradigm used to conduct this intervention-based research around which Action Research is wrapped. So, it is imperative to discuss the learning generated from using this instrument of enquiry towards enabling change in legal service operations. This section presents the learning under the following headings:

- Novelty of application
- Improvising the Methodology

Novelty of application

Earlier applications of PrOH modelling include action research studies conducted in the areas of new product design, information systems design, concurrent engineering, export processes, systems engineering, and project management covering the breadth of manufacturing and service operations, and most recently in improving the efficacy of University operations (Clegg, 2019). The present study is the first time this methodology is being applied to understand and facilitate change in professional service operations, which generated new understanding about the methodology itself which is presented here. It is typical of SSM and broader the action research approach to reflect upon and improvise the methodology deployed in *action taking* (Checkland, 1981).

Holarchy building – Serial vs Parallel abstraction-and-enrichment

In the previous research instances stated above, mainly in modelling manufacturing related business processes, PrOH modelling was used to build a ‘holarchy’ resulting from different PrOH models pitched at the same level through the functionality and rules of the two-way ‘enrichment-and-abstraction’. These are called ‘*serially connected*’ models which generally represented the various stages of the end-to-end life cycle of a product.

Whereas, through this case study, PrOH models at the same pitch drafted for different departments were connected to develop a holarchy through the process of what is being newly termed as a ‘*Parallel abstraction-and-enrichment*’, a new phenomenon giving rise to the novelty of application which is explained further in this section.

The process used in this case study to connect different models in the process of building a holarchy is still no different from abstraction-and-enrichment which shares the same rules but is considered a deviation from previous routine, so deserves a different name. Adjusting the naming convention within the PrOH modelling guidelines creates space for specialist application and field-focus. Therefore, the researcher would like to propose the following terms to accommodate the current phenomenon observed from dealing with PSOM:

- Parallel Abstraction-and-enrichment
- Serial Abstraction-and-enrichment

Serial holarchy is akin to the visualising parts of the same tree such as the leaves, twigs, branches and trunk, whereas a Parallel holarchy is akin to ‘seeing wood for trees’ although the trees share a fundamental commonality such as photosynthesis to survive, they are of different species with different outcomes (similar to the 5 departments within SC fundamentally delivering legal service but the internal processes of delivery are different and outcomes are different).

This case study has delivered 6 PrOH models – 1 at the firm-level (strategic -higher pitch) and 5 department-level (tactical – lower pitch). The 5 department-level PrOH models are connected in parallel through abstraction-and-enrichment to arrive at the higher pitch PrOH model (*holarchy*) which is presented in Figure 7.4 using the same rules of abstraction-and-enrichment laid out by Clegg (2007).

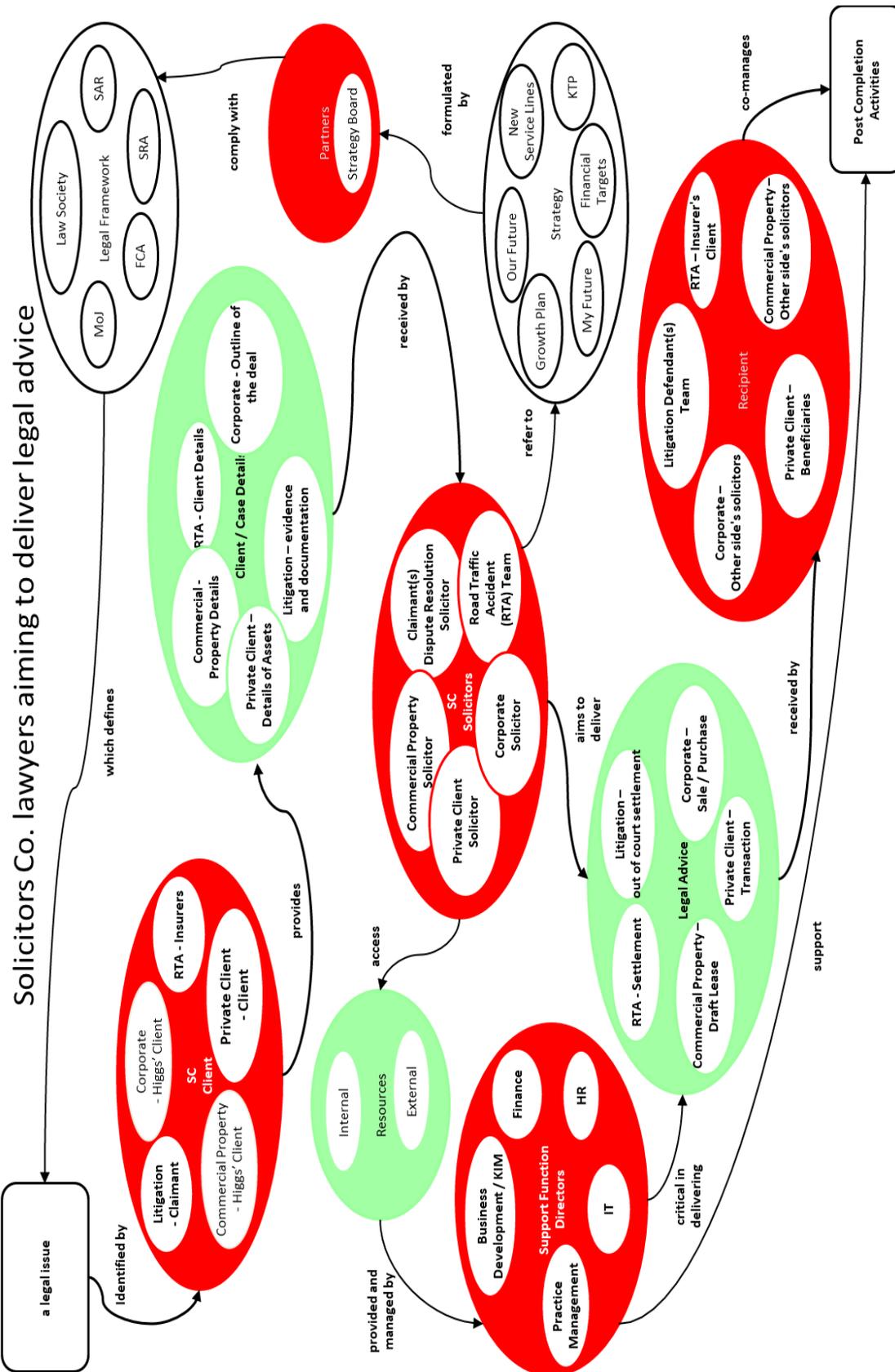


Figure 7.4: The consolidated firm level ProOH model of Solicitors Co. (Parallel Holarchy) built using abstraction of the five departmental ProOH models.

Distinction between Serial and Parallel Holarchies

Serial abstraction-and-enrichment is mainly used for the various stages of the end-to-end operations in product manufacturing for example, order intake, set-up and planning, manufacturing, and order completion.

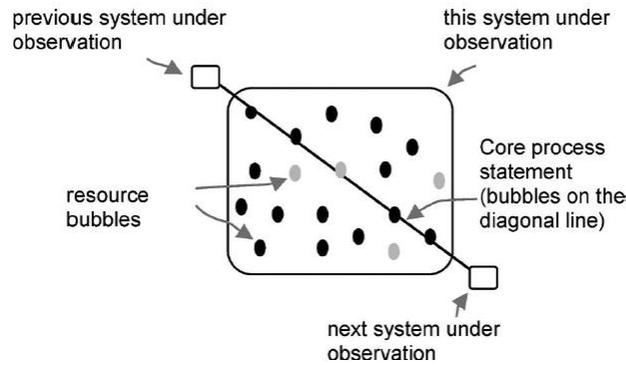


Figure 7.5: Icon representing a single PrOH model

Source: Clegg (2007)

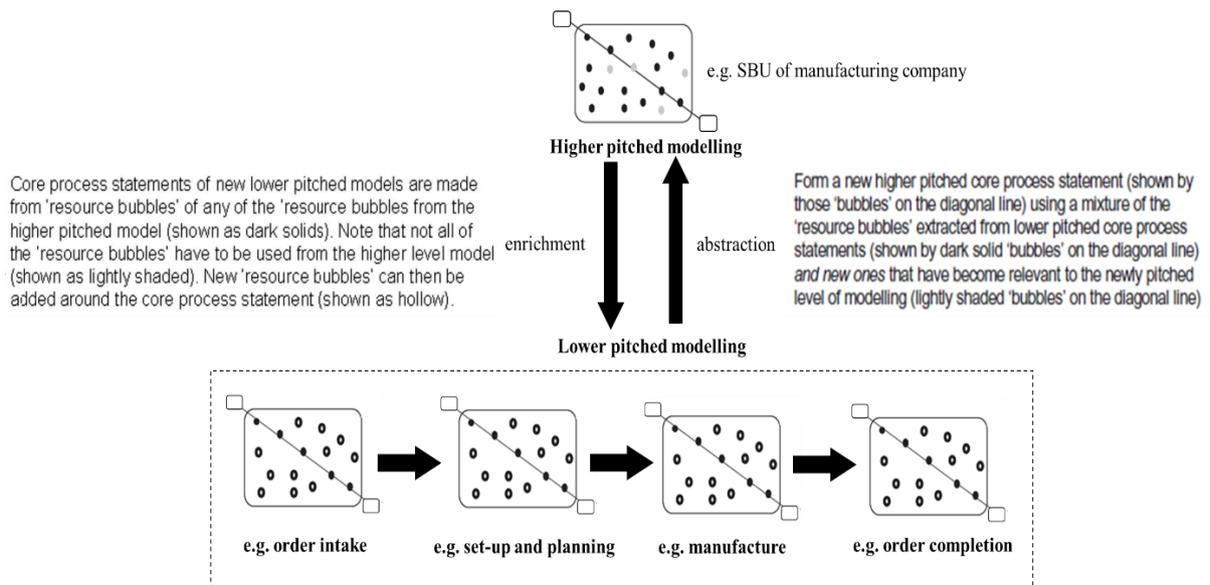


Figure 7.6: Serial abstraction-and-enrichment to build a modelling holarchy

Source: Clegg (2007)

The proposed Parallel abstraction-and-enrichment which is shown in Figure 7.7 is mainly used in generating higher level models from disparate service lines, to be viewed at the firm-level informing operations strategy and enabling holistic thinking which could be used to facilitate change.

Although the service lines were disparate, there is a fundamental commonality between them in the form of overlap in the:

- Systemic Success factors as presented for different departments (Cases 1 to 5)
- Key performance indicators as presented for different departments (Cases 1 to 5)
- Objectives of the service as presented in the root definitions developed using CATWOE (Cases 1 to 5)

Particularly the overlap among departments that were categorised into two typologies finally deduced in Chapter 6 – NDVF and CDFD in the way they could be organised along the standardisation diagonal.

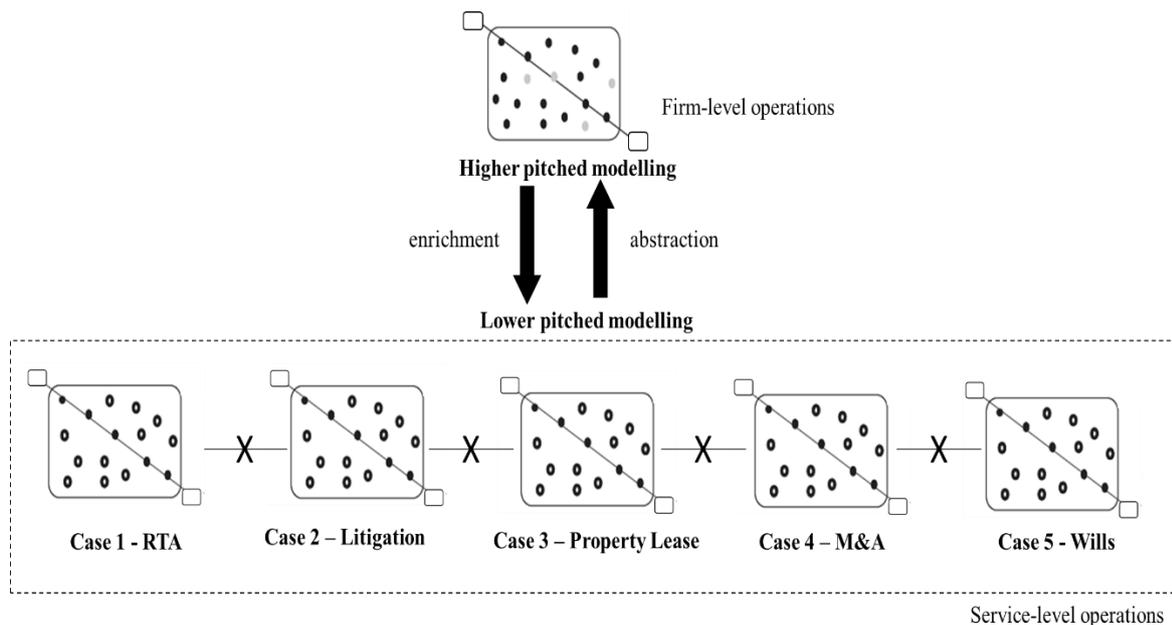


Figure 7.7: Parallel abstraction-and-enrichment to build a modelling Hierarchy

Source: Adapted from Clegg (2007)

As seen from the above two figures representing Serial and Parallel abstraction-and-enrichment, the rules of abstraction-and-enrichment remain the same whereas the target of application is different. In the case of Serial, it is linear connection of models belonging to the same value chain, whereas in Parallel, it is the lateral connection of disparate departments.

A question might arise as to whether lower pitch models of service processes within each case (department) were possible to be drafted. Although it might be possible to further lower the pitch of the models within each service line, it was considered not suitable for the following reasons:

- The Process maps were drawn for different service lines within each department but PrOH models were only drafted for the dominant service line that fit into the Volume-Variety criteria.
- For example, matters in Corporate department were classified into M&As and, ‘Business Structures and Commercial Contracts’ which are two different service processes in themselves representing two extremes of the volume variety matrix and both services are not interconnected. Similarly, within Dispute Resolution (DR) department, there are other service lines such as insolvency, debt collection and injunction etc., but the commercial contract dispute is selected to represent the dominant DR service line.
- As a result there arose no need to pitch the ProH models at lower levels or draft the intra-departmental cross-functional service line models, as the main features of the service line involving the *core elements*, *relationship between the elements* and the *feedback loops*, could be fit into one PrOH model which was sufficient to elicit the *systemic success factors* and *debate desirable and feasible changes* through Storyboarding.

Serial and Parallel abstraction-and-enrichment serve a different purpose and the contrast between their application is presented in Table 7.1.

Table 7.1: Comparison between Serial and Parallel abstraction-and-enrichment

	Serial abstraction-and-enrichment	Parallel abstraction-and-enrichment
Natural Science Analogy	Abstracting and enriching the constituent parts of the same tree. Germination → Fruition	Abstracting and enriching the forest considering its different plant ecosystems. Plant ecosystems → Forest ecology
Organisational Analogy	Abstracting and enriching the constituent and sequential steps in the same product/service value chain. Also including concurrent engineering operations but of the same product. Order intake → Order completion	Abstracting and enriching the non-consequential, disconnected and cross-functional service lines in the same organisation. Cross-functional operations → Firm operations
Suitability and Application	In Manufacturing operations for lead time reduction, quality improvement, product innovation, servitisation etc. In Service operations akin to Mass Service, Service Factory and Service Shop E.g. Software development life cycle involving the stages of requirements gathering → analysis → development → testing → deployment	In Service operations (particularly PSO) for delivering organisational change, business model innovation, reviewing firm strategy.

Abstraction to form Parallel connected Holarchy is a functional capability already built into PrOH modelling, so there is nothing new this case study is adding to the core methodology of PrOH, but it is explicating the use of such functionality by offering a new ground for application. Such novelty in

application can make a strong case for PrOH model to be used as a mainstream modelling methodology particularly for complex service operations such as Legal Services and wider professional services, mainly in their endeavour to operational change at the organisation level. This is one of the key contributions this research is inducting into the ‘know how’ of Professional Service Operations Management, which as argued in the previous chapters is quintessential for the development of this nascent field, particularly in the empirical and applied research domain for developing and testing theory.

Interestingly, this phenomenon is symptomatic of observations by previous researchers in the field of professional service firms (PSF) who noted that “PSFs are organisationally fragmented” (Alvesson and Karreman, 2004), “a fashionable store – a flash brand on the outside with a lot of franchises on the inside” (Morris & Malhotra, 2002 p.16), “managers view management of PSFs like herding wild cats” and “making ten or twenty racing horses pull a cart together” (Lowendahl, 1997 p. 63).

Based on the experience of working in a PSF for 7 years, the researcher would extend the above analogies further by comparing the management of individual departments to that of Princely States in pre-independent India. The princely states are in subsidiary alliance with the British Raj but retain their autonomy and privileges. They were semi-sovereign principalities who had their say in internal matters but paid a hefty yearly levy to the East India Company. Similarly, the Heads of Departments (all equity partners) have immense autonomy in the way they conduct their department but, in the end, share the profit equally among all departments regardless of the differences in fee income. This ARP allowed the firm to exert more control on individual departments by trying to push consistent operational practices across the firm.

These analogies provide a rich lens to make sense of the socio-political structures and the consequent operational challenges within a law firm, which render it a challenging case for modelling them using conventional methods. The scholarly challenge of this PhD thesis lies in making sense of Professional Service Operations through PrOH modelling methodology as a lens to review the complex operations management practices as well as a vehicle to implement change.

Improvising the Methodology

Based on the experience of conducting action research, the researcher has learnt new ways of overcoming the challenge of developing his own process knowledge and thereby improve the quality of the action research inquiry as explained below:

Replacing the Rich Picture with Process Ontology

For the benefit of the people involved as well as to decipher and explicate the implicit knowledge held within the organisation, the researcher developed a process ontology for each of the legal departments,

depicting the actors involved and the interactions between them. This can be likened to the *rich picture* but explaining the process flow in a more lucid and visually appealing format whilst objectively presenting the number of stakeholders in the process and their exchanges. This was essential to initially develop an understanding about the non-existent process maps and codify them so that the researcher could use it as a prop for data gathering to obtain more details about each of the constituent entities in the ontology – both people and their actions. These process ontology maps also served the purpose of capturing the interest of the lawyers and support staff to engage with the process mapping exercise by providing required information and feed into the hitherto uncodified knowledge in the firm.

Rich pictures are an essential part of the Soft Systems Methodology which allow the researcher to capture a view of the system by defining the key stakeholders, their interactions and their worldviews. In this case, Process Ontology could be treated as an improvisation which served the dual purpose of offering a method to analyse the *unstructured problem situation* (from a systems perspective) for the researcher, and then as a way of facilitating broader understanding for the department and the firm as a whole as to how the process currently flows involving people within and outside the organization in delivering a legal service.

These are not rich pictures in the strict sense of Checkland's step 2 of SSM, however the principles of rich picture have been used such as elicitation of key stakeholders and the relationship between stakeholders to initially make sense of a complex process involving various stakeholders within and outside the organisation.

Improving the rigour of consultation to facilitate better Action Research inquiry

A pattern emerged towards the end of the ARP project where the researcher consulted with lawyers and support staff in a series of cyclical iterations. This was facilitated by the various tools of inquiry developed and used in the Action research process as shown below:

1. Process Ontology Consultation: Process Ontology map as a tool of inquiry

Initially Process ontology was consistently used as the method for eliciting the actors and their actions in the service process, mainly during the initial phase of the action research cycle solely because there is no template or map that explained the processes in each departments. A process ontology such as the one shown in Figures 4.4 and 4.11 in the Case Study chapter acted as a template and tool of inquiry to consult with the lawyers in order to gather data and develop understanding of the legal processes. Process ontology can be understood as a description of the component parts (actors) in a process and their interactions (actions).

2. Process Mapping Consultation: Linear Process Map as a tool of inquiry

Based on the data gathered from the first iteration, it was easier to develop a linear flow of the process depicting various steps and the production of documents, as well as other activities such as interacting

with clients and the external stakeholders. Process maps were then used as props to consult with lawyers and refine the researchers understanding further about the legal processes.

3. Holonic Modelling Consultation: PrOH Model as a tool of inquiry

Once the process maps are built the researcher had a sound grip on the operations of that particular department which then allowed to visualise a systemic view of the service delivery process used to develop the PrOH model. PrOH models were used as tools of inquiry to engage groups of lawyers in a consultative exercise eliciting process and strategy related issues.

4. Solutions Consultation: Solutions developed, as tools of inquiry

The PrOH model storyboarding led to elicitation of key issues which were subsequently addressed by developing new solutions built in conjunction with lawyers such as the ones shown in Section 4.14 of Case Study chapter. This provided with a further opportunity to consult with the lawyers to refine the current models and improve their efficacy.

Problem structuring in a complex service delivery system

It is an established notion that legal service delivery is a complex system (Lewis & Brown, 2012; Benedettini & Neely, 2012) characterised by multiple stakeholders with different world views, and interactions between them can result in varied outcomes depending on the contexts. Also professional service industry at large has been established as complex institution (Faulconbridge & Muzio, 2015; Greenwood et al., 2010, 2011; Smets and Jarzabkowski, 2013; Smets et al., 2012).

In complex social settings defining a problem is pluralistic and problematic, with different stakeholder perceptions and preferences often competing (Pidd, 1996). Problem Structuring Methods (PSMs) are used to build shared understanding within a group of decision makers. Such an understanding can be utilised to negotiate an agreed action plan that they are prepared to help implement (Shaw et al., 2004: PSM for large group interventions). In the context of Solicitors Co., PrOH modelling played the role of an *explicitly systemic PSM* (Jackson, 2000; Midgley, 2000, 2003). It has not only enhanced mutual understanding between stakeholders, but also supported participants in under-taking 'bigger picture' analyses, which cast new light on the issue and potential solutions. Notably, systemic PSMs are used to broaden the perspectives of participants in order to facilitate the emergence of new framings, strategies and actions (Midgeley et al., 2013).

PrOH modelling has been used as a facilitative and negotiative device (Eden, 1995) to stimulate more in-depth and broader, critical and reflective thinking through the structuring, connection, synthesis, negotiation, evaluation and building of collective knowledge (Shaw et al., 2004).

7.2.2 Reflection on the process of Action Research

A challenge that researchers invariably face while conducting action research is the extraction of learning from action, also called reflection and the process of doing this – retrospectively defined as reflection-on-action as opposed to Schon’s reflection-in-action that is carried out simultaneously.

Reflection-in-action can be a difficult one to conceptualise and action researchers have indicated that this contemporaneous process although distinct from, could yet be often confused with Reflection-on-action (Bulman, 2004; Eraut, 1994; Schon, 1983), and that the former remains a concept needing further investigation.

On a similar note Yanow and Tsoukas (2009) ask, “*How can reflection-in-action theorizing overcome its cognitivist bias?*” and “*What would it look like when doing so?*” These questions are central to action research challenges.

We contend that action researchers invariably perceive the situation from their own standpoint and ill-define the problem and are consequently prone to the challenges of cognitivist bias, that result in sub-standard research outcomes. We propose the term ‘Situated-Reflective Agent’ as an ideal role of the action researcher who is conducting the research in order to overcome the cognitivist bias as well as better perform reflection-in-action.

The term ‘situated’ refers to an agent which is embedded in an environment. It can be argued that the human agent embedded in a ‘problem situation’ should be of the nature of both situated and reflective, hence the term ‘Situated-Reflective Agent’.

This approach of developing situated-reflection or immersed-observation can sound archaic and idealistic, however, it can be argued that immersed-observer identity is the fundamental basis for the mental faculty of reflection. In other words, ‘true reflection’ cannot occur without firstly being *immersed* in the experience and simultaneously reflecting on the experience. Hence this process is an enabler of ‘true reflection’ which is quintessential if an action researcher were to come out of a problem situation with a sound grasp of the nitty-gritty rather than a biased view of the situation.

In the whole process, the researcher is never isolated from the situation as participation/ immersion and reflection co-exist inseparably. This process of self-reflection and eventual transformation of outlook is being proposed as ‘Situated Reflective Agency’. This is akin to the concept of Edmund Husserl’s (1982) *Transcendental Ego* and the Heidegger’s ‘*being*’ which is being-*in-the-world*, absorbed in the setting into which it finds itself thrown (Heidegger, 1962). This idea is echoed very closely by the non-dualistic philosophical tradition known as Advaita which posits that the ‘pure self’ or ‘Sākṣī’ or ‘Atman’ or the ‘witness consciousness’ is the ultimate principle of revelation on which is imposed all plurality, all epistemic distinctions of knower, known and knowledge. Everything is its object, but it is itself the object of nothing (Chatterjee and Dravid, 1979, p.80). This idea of witness-self is identical to that of

Husserl, “*Though this witnessing consciousness arises with the experience of objects, it is not due to the experience, but is presupposed by it*” as well as the idea of Epoche, which signifies a transcendental attitude as opposed to natural attitude.

The researcher proposes that the essence of ‘Situated Reflective Agency’ (SRA) approach is to position the researcher in the place of the seer who is ‘detached’ from the seeing with *impurity* (biases, worldviews, projections of his/her own). This is also akin to the *pure inquiry* of Schein (1999), and so unfortunately the age-old action research question remains: how will the researcher get rid of these impurities and see the situation ‘as is’ and not how the researcher perceives it ‘to be’?

Rooted in the idealistic philosophy of Husserl (1982) and Heidegger (1962), a new model of Situated Reflective Agency is presented in Figure 6 which explains how the identity of the action researcher evolves from an initial outsider, detached from the problem situation, to that of ‘going native’ with the participating organisation and finally emerging as an immersed-observer or Situated-Reflective Agent. Invariably, the process of developing into a Situated-Reflective Agent goes through stages A, B and C presented in this new model (Figure 6) and represents key stages of action researchers’ transformation. The whole endeavour of Situated Reflective Agency is about ‘*getting rid of old views*’ and ‘*developing a neutral outlook*’ on the problem situation so that it can be understood ‘*as is*’ and minimise cognitivist biases. The size of the bubble is proportional to the enlarging and diminishing identity of the researcher and the difference in colour is used to distinguish between the downward and upward journeys.

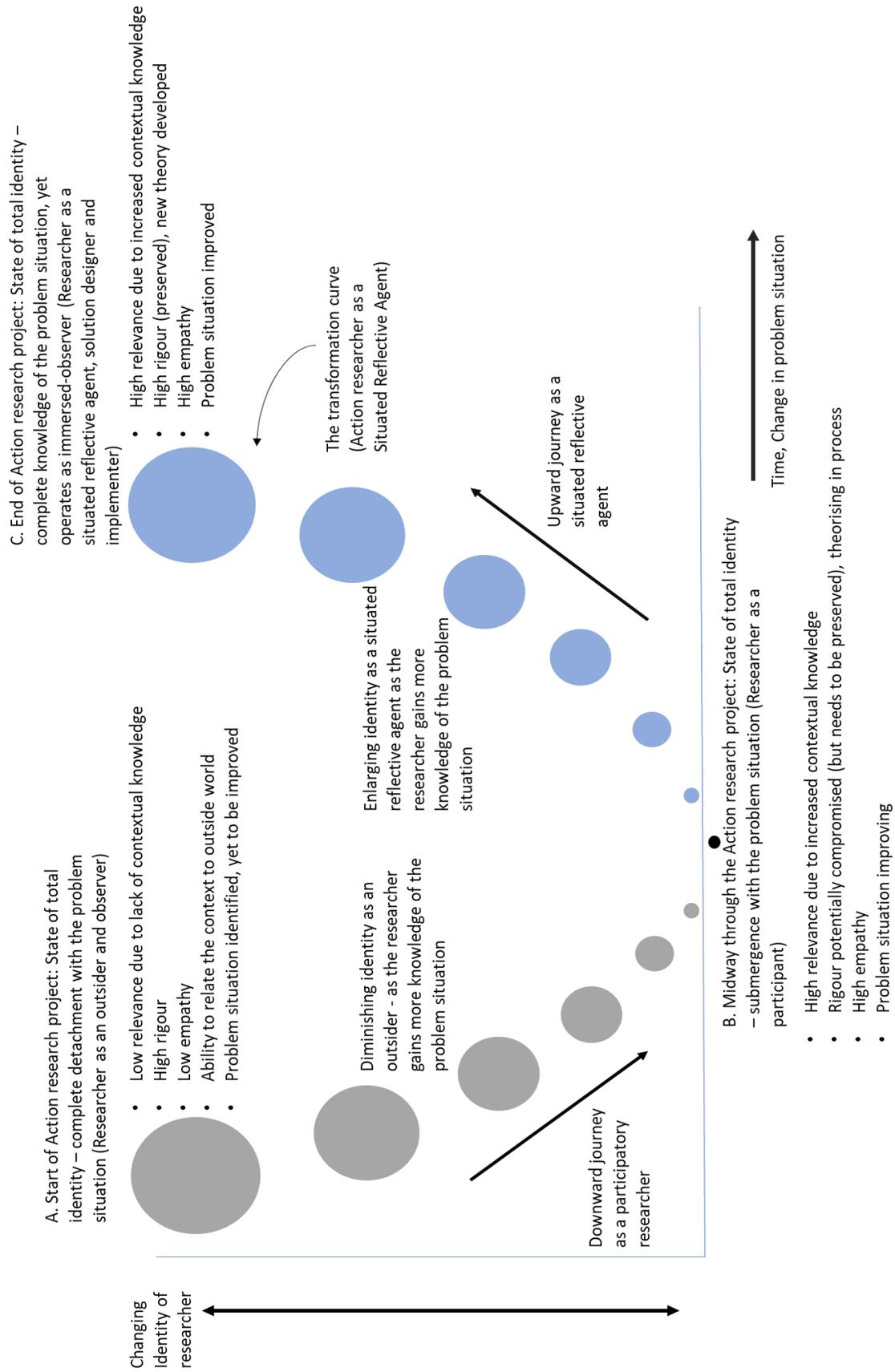


Figure 7.8: Evolving identity of the action researcher into a Situated Reflective Agent

7.3 Insights on theoretical frameworks (F)

Two main theories have been used in this research which have helped establish the context for this study and which directly contributed to the change in the host organisation. In this section the reflection and insights will be presented under the headings of reflection on P2-MPB framework and the Change Kaleidoscope.

As declared in the Literature Review and Methodology chapters of this thesis, two underpinning theoretical frameworks have been employed in this research to design the change at SC as shown below:

- The P2-MPB archetypes
- Change Kaleidoscope has been used to design and monitor organisational change

7.3.1 Archetype change in law firms

This action research process has supported Solicitors Co.'s change from a predominantly P² archetype towards an MPB archetype as defined by Pinnington and Morris' template presented in the Literature Review chapter, sub-headings in this section refer to 'systems' and 'interpretive scheme' characteristics explained by Pinnington and Morris (2003).

Strategic Control

At the conclusion of the action research project, two partners (Heads of Departments for Private Client and Corporate Departments) were inducted into the apex decision-making body in SC (the Strategy Board) because of their *directive* style in making decisions apparent through how they manage their departments. Soon, these two new members of the strategy board adapted to exercise a more consultative and representative style. As a result, another external individual was quickly brought on-board and chosen as a non-executive director to offer additional support to the Strategy Board in decision making. The effect of this was that planning and action undertaken by the Strategy Board, and individual departments reporting to it, became more data-driven and the use of discursive focus groups became the norm; thus it became preferential to make decisions based on data and knowledge, rather than on '*expert opinion*'; making the planning process more '*rational and analytical*'. These changes are indicative of a strategic move away from a P² archetype delivery towards more of a MPB archetype delivery.

Marketing-Financial Control

Marketing was an individual and person-centric concern for partners until the appointment of a new role - the Business Development Director as one of the Support Function Directors – that became responsible for all co-ordinated marketing related work across the firm, this activity had previously been managed by individual Departments and Partners. This move denotes a tendency towards

'centralisation' which is a tenet of an MPB archetype. Another new role came in the form of a Business Development Partner who worked closely with the Marketing and Business Development team. With a new and far more 'targeted' approach; the Corporate Department has now been able to succeed in servicing significantly larger corporate mergers and acquisitions involving international aspects. As a result, the firm won some notable industry awards for innovation. Overall these marketing-financial changes have moved Solicitors Co. more towards an MPB archetype.

Operating Control

There is a pronounced emphasis on 'planning' within SC as Legal and Business Support departments are now required to draft three-year plans – a phenomenon more characteristic of an MPB archetype rather than a P² archetype. A newly formalised project management methodology for executing internal projects has also been developed and recently implemented through a newly created role for Project Manager for Organisational Change. This role has been created to provide project management support and implement changes to practice across the firm (including new IT systems). An Operations Board has been formed comprising of all Support Directors and two Partners to focus on the conception and delivery of internal projects supported by this new role. The Operations Board acts a sounding board for innovative ideas from both support and legal departments and makes decisions on which to pursue based on a cost-benefit analysis.

A bonus scheme, to emphasise and allocate reward and 'compensation' in the growing firm has also been introduced; at the time of writing in its third year and constantly being improved in a response to feedback, this is a characteristic associated with an MBP archetype.

Solicitors Co. have now obtained an Alternative Business Structure (ABS) status allowing non-lawyers to become partners in the firm. Following this change, a non-lawyer was appointed, for the first time, as a Partner. Again, this is another move taking SC further towards an overall MPB archetype (as indicated by Pinnington and Morris, 2003).

The Personal Injury department has been moved to a new building and separated out in terms of the operating control. The department pitched for a new institutional referrer (insurance company) for referring new clients in the RTA service line. External consultants have been hired to solely investigate the standardisation and commodification of the service offering with RTA to manage a significantly increased workload, under the given resource constraints. Online presence through a newly created website dedicated to head injury claims, bringing in a substantial load of matters.

Interpretive Scheme - Lessons from Solicitors Co.

Governance

New entrants in the legal industry, who seek to exploit the Alternative Business Structure (ABS) opportunities, tend to approximate the MPB archetype rather than a traditional P² archetype; they could emulate the changes made by SC as documented in this research. However widespread governance changes will take time to come to fruition as lawyers' behaviours are often 'sedimented' (Pinnington and Morris, (2003 p.95); this is especially prevalent in legal services that have low volumes and high variety and approximate P² archetypes, and are managed or owned by people who have relatively little knowledge of modern service operations practice. In SC there is now a strategically planned blend of services with both P² and MPB archetypes. Diehr and Wilhelm (2017) observed similar partial changes in other PSFs relative to the type of knowledge being shared and the strategic importance of a customer - with less knowledge intensive and less strategically important customers - being better suited to a MPB service style.

The research conducted at SC does not suggest that MPB archetypes should completely replace or prevail over P² archetypes, as some legal services, such as the legal dispute services, will probably never be entirely suited to MPB style operations; while other services such as RTA have already moved to MPB style operations. Neither should these archetype transitions be considered as discrete state changes, nor should they be applied across a whole company without considering the nuanced characteristics of each particular legal service. Instead P²-to-MPB service transitions should be considered as change continua on a service-by-service basis (or in some cases of larger or quickly growing companies on an office-by-office or local-office-and-head-quarters basis). Therefore, a firm's high level governance must accommodate both types of archetypes (P² and MPB) and allow for dynamic transitions in response to a mix of tacit and explicit endogenous and exogenous forces, as discussed in the Solicitors Co. case, on a service-by-service basis.

Effectiveness / Efficiency

The divide between fee-earning staff (e.g. lawyers) and non-fee-earning staff (a.k.a. "fee burners") was seen as a barrier to systemic management improvement, as in other law firms (Forstenlechner *et al.*, 2009) due to different personal characteristics, career structures and performance metrics; and so the use of cross-functional teams made a significant contribution to this research process by enabling cross-discipline knowledge sharing, development of trust, and melding of spatial organizational barriers (Love & Roper, 2009). In this study the cross-functional action-research teams were composed of employees from different relevant legal services and different business support departments - who were empowered to work autonomously with support from their departmental heads. Teams solved long-

standing organisational inefficiencies that were challenged and changed during this action research process.

PrOH model storyboarding helped to improve the overall understanding of complex legal processes by involving stakeholders from inside (e.g. partners and professional support staff) and outside (e.g. clients) the firm. By presenting systemic or “holistic” (Miller and Friesen, 1984) views of processes, both strategically and tactically pitched, improved knowledge sharing and stronger consensus on change was built across legal and business support departments. Narrating the process in simple and artful storyboarding, via PrOH modelling, enabled the research team to engage staff to reflect on current processes and identify potential improvements for delivering high value competitive services. One legal associate stated that, “... *the big advantage was that this project brought people together who weren't necessarily working together ... some from IT, some from admin support, some lawyers ... and everyone brought their ideas*”. The effect of this was to help lawyer and professional support staff to work together more effectively and efficiently.

For instance, probably the biggest constraint to change in SC and other law firms is time pressure, as lawyers predominantly operate on hourly billing. Therefore due to the opportunity costs, it is difficult to involve lawyers in organisation-wide change initiatives. This project overcame this hurdle by replacing many long formal meetings with brief ‘standing meetings’ where action teams shared ideas, proposed and agreed on solutions for improving specific areas (Weisbord and Janoff, 2005; Pot, 2011) based on the PrOH model storyboards. Tasks and timelines were agreed in these groups giving quick routes to solution implementation. Building on this success, a standardised practice has now been established for accessing ideas from staff which is now routinely applied to resolve problems. As stated by a Legal Associate:

“... I just don't think combining the fee earning and doing everything we ought to do that everyone has given it all the attention to the size of some of those projects, which may only be 2 or 3 lines on a piece of paper”.

Primary Tasks

Innovations at SC included ideas about cost cutting, improving process flows, and enhancing peer-to-peer communication flows within teams (Kanter, 1983) that drew upon all employees' professional knowledge at *all* hierarchical organisational levels, rather than being concentrated in the hands of one or two high-level specialists (Shipton *et al.*, 2006). So, although innovation is constantly required, lawyers are often limited by the so-called ‘producer-manager’ dilemma that can limit lawyers' potential to be innovative in respect to the firm's business and management related challenges (Lorsch and Mathias, 1987). Despite this, by working closely with lawyers, this action research project developed a raft of distributed innovative tools and practices that have been implemented by the action teams and

has practically changed the way SC's lawyers perceive and think about business and management related issues (such as pricing, estimating when linking with clients and use of information technology). Making these improvements did not require large sums of capital investment but instead focused on the knowledge bases and creativity of staff to collectively and systemically generate new ideas and gain authentic buy-in to overcome existing inertia to change, partly by more widely distribute authority. For instance one of the partners stated that *"I think this action research project probably made us realise things needed improving... as we found out that other departments had the same problems, and actually, if we put all our knowledge together we could begin to create a workable solution!"*

Marketing and Growth

By using PrOH modelling and abductive rationalization against the P²-MPB template, in a CAR approach, practices relating to operations and knowledge in Solicitors Co. have improved.

This project has enabled participants to research pluralistic systemic issues with conflicting stakeholder perceptions (Pidd, 1996), think creatively and artistically and reflect on known frameworks to improve the situation in which they found themselves (e.g. *in situ roles*). Co-production of ideas and deliverables throughout this action research was essential and achieved through the structured engagement process involving one-to-one interviews, storyboarding sessions and 'standing meetings' for the action teams. Reflection on Pinnington and Morris' (2003) P² - MPB reference template also enabled opportunities for reflective practice and holistic thinking, by rationalising the underlying assumptions in a given problem situation and rethinking productivity metrics by which each should be judged; rather than pre-empting solutions without fully exploring all the options and neglecting to question current practices and frameworks (Argyris & Schon, 1974). To illustrate, one partner expressed that:

"...I don't think the idea of this was to have outcomes that immediately go into practice straightaway and you start changing the whole way that we do things. I think it was to find things that we can improve and things that maybe we can realise were wrong and just to scratch the surface on big issues and then to take that forward continually". – Solicitor.

As a result transitions from one service archetype to another have occurred, mostly from P² towards MPB, and productivity metrics by which each is judged have been amended accordingly.

By the time the ARP project concluded, the head count of the firm has grown from 155 to 217 in a matter of two years indicating fast and organic growth of the firm.

The framework for enabling Archetype Change in Law firms

Archetype theory has been central to this research based on which the above conclusions regarding the phenomenon of change in SC have drawn. P2-MPB framework offered the lens to examine the changes achieved in various departments as a result of the intervention. According to Archetype theory change involves the processes of ‘interpretive de-coupling and re-coupling’ (Greenwood and Hinings 1988: 303) i.e., a series of movements within and between archetypes. Based on this definition, the researcher argues that Archetype Change is not only observable but can also be influenced through intervention such as the one presented in this study, involving soft approaches designed to effect operational change and wider organisational transformation.

Researchers argue that archetype is an inner mechanism of change, “which is in fact activated in the first place by changes in the environment or in the constitution of organizational fields, emphasis therefore is placed on two levels of analysis: the wider organizational field and the organization itself” (Kirkpatrick & Ackroyd, 2003).

Based on this argument, a framework has been developed using the interventions deployed in this research to effect archetype change in the organisation which is presented in Figure 7.9.

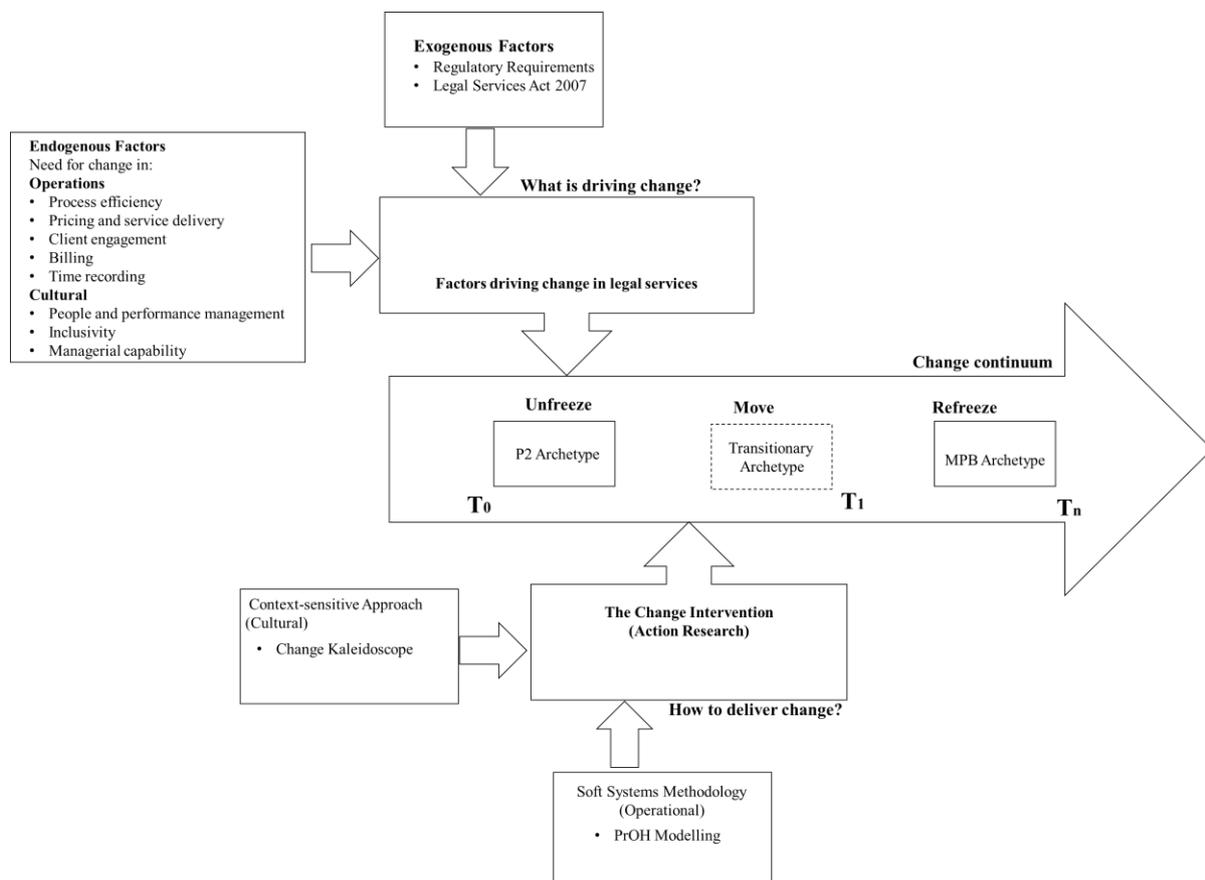


Figure 7.9: Overall framework for delivering archetype change in law firms

Transitional Archetype

It was observed that a blend of both P2 and MPB archetype are persistent at this point in time within the organisation. The time when P2 began to dissolve and the start of MPB is not discrete (step change) but is found to be a continuum, and the ARP accentuated such movement through the continuum of archetype change. There can be a middle ground between P2 and MPB - or an overlapping archetype – which is found in the transition phase between P2 and MPB especially in the case of firms such as Solicitors Co. where there is still a heightened emphasis on partnership and professional values as opposed to a commercial business-like attitude such as the prevalence of standard performance measures. This phenomenon can be observed as a transitory archetype which falls between the archetypes of P2 and MPB.

Summary

Drawing on the contribution to theoretical frameworks used in this action research project, it can be argued that this endeavour within a law firm (Solicitors Co.) is a concerted response to address ‘institutional complexity’ through a *strategic change* initiative (Greenwood et al., 2011). Suppose a deliberate effort were to be made to transform a law firm from one archetype to the other that is P2 to MPB, a possible strategy and course of action could take the form of this research project. In other words, it can be reasoned that this action research project has acted as an effective intervention that enabled the transformation of Lawyers Co. from a dominant P2 archetypal organisation to that of an MPB.

Although it is argued that no single organisation may conform exactly to the general taxonomy, the elements of the organisation are meant to be empirically observable (Pinnington & Morris, 2003, p.86). Based on this view, this research explored the three areas within the P2 and MPB interpretive schema – Strategic Control, Marketing-Financial Control and Operating Control. In this respect, this study can be understood as making a theoretical contribution in the form of a confirmatory study that applied existing theory (P2 and MPB archetype) to a single organisation and confirming its validity.

7.3.2 Insights on application of the Change Kaleidoscope

In this study, the Change Kaleidoscope has been used as the central framework to appraise, design and subsequently monitor change within the context of SC. The initial phase of this Action Research involved calibration of the eight context-sensitive features of the Change Kaleidoscope, to first establish the design choices for planning the change (presented in Table 3) and subsequently, once the changes have been implemented the Change Kaleidoscope allowed for *retrospective analysis* and a *deeper understanding of change outcomes achieved* (Balogun & Hope-Hailey, 2002). Such learning can enable the researchers and professionals involved in this study to better design and implement future change initiatives. But according to the authors, a consideration of the contextual features will not automatically give you the right choices (although it is likely to reveal the wrong ones). Retrospective analysis, in the case of SC has led to a rich elicitation of the gaps in understanding the organisation's cultural context at the beginning of this exploratory study compared to the understanding gained through working with the firm at later stages in the action research process. This understanding is similar to what Argyris & Schon (1974) refer to as the *espoused theories* and *theories in use*.

This section presents the learning from the application of Change Kaleidoscope, one of the theoretical frameworks used in this study, under the broad headings of the *design choices* that played a crucial role in the overall change design and implementation. Particularly the focus will be on how the design choices made at the beginning of the project evolved and correction applied as a result of *submergence or immersion* in the case organisation as outlined at Stage B in Figure 7.8.

Change Start-point and Style

Initially the ideal change start-point within SC was perceived to be *top-down* change as previous experience of major changes in the organization such as the office move and implementation of a CRM system indicated that the change was initiated and implemented through a top-down approach anchored by the firm's senior management. Whereas in the course of the action research project, it has clearly become evident that *bottom-up* change was indispensable and was often the most practically grounded start-point. Such change was initiated by the pressing need for improvement in practice such as the legacy and cumbersome processes (e.g. matter opening, billing) mainly by paralegals and support staff who are dealing with administrative tasks.

"...I can see this project is supported by the partners. So that assists with me moving toward them and for them that they make allowances for you to have the time that you need to, to do what you've got to do" – Associate.

Although Partners and Heads of Departments were central to facilitating the overall implementation of change and seen as the power centers enabling change, it was the professionals and support staff that were instigating it. Another phenomenon observed throughout the five action research cycles was that sharing of *pockets of good practice* being a start-point for change, which was facilitated through focus groups and particularly PrOH modelling storyboarding sessions.

“...Some have had more influence than others maybe within teams, but I think on the whole it’s very much been a team-based drive.” – Solicitor.

Similarly Change Style was initially perceived to be a combination of *Directive* (Partners to decide on the changes needed) and *Collaborative* (involve change-affected groups and individuals in the design and delivery process). This approach was also seen to be adjusted in the course of the action research to reflect a more collaborative approach. It was observed that although Partners articulated the high-level changes needed within respective departments, it was only after consultation with staff which involved at least 5-6 interviews lasting for 60-75 minutes within each department, the actual issues were identified which subsequently led to implementation of changes.

“...I can see this project is supported by the partners. So that assists with me moving toward them and for them that they make allowances for you to have the time that you need to, to do what you’ve got to do”. – Associate.

Change Levers

The initial understanding of change levers suited to the context of SC were *Technical* (new models for pricing, scoping and client engagement, new systems for streamlining routine procedures) and *Interpersonal* (soft systems based approaches to bring together people from different functions to share the vision of improvement), and accordingly the change intervention was structured to reflect these approaches. In the course of implementation, it was observed that a gamut of other levers were developed and dynamically adapted to, as a result of new ideas and demands brought in by professionals through their active participation.

For example, some of the new levers used in the process of effecting change included standing meetings and prototyping of new tools which were not part of the original plan.

“... We had our list of tasks and it was 10 across the whole team across the 3 different meetings. Some of the tasks you could bash it out with members of your team and just get your ideas down and within 15 minutes you’d ticked off one. Another one was months of work, not just hours, a huge chunk of time to draft precedents.” – Solicitor.

Also, communication and knowledge dissemination are other levers that played a significant role in bringing together people to participate in change initiatives. Due to popular demand the action research team consistently communicated the findings from each stage to stakeholders involved, through a series of high-quality workbook style publications that were released firm wide.

It is worth noting how new levers emerged as the intervention progressed in each of the five departments based on the then critical issues faced within that particular department; for example, the new regulation on costs management from the Courts, which coincided with the project's intervention in the Dispute Resolution department mean that they needed immediate help with a new solution to comply with the new regulations. This led to increased interest and participation from the department which ultimately resulted not only in solving the issue at hand but also deliver wider changes to the department.

Change Roles

Initially change roles were appropriated to *Internal Change Champions* (engaged with active and bought-in individuals to influence other members of the department) and *change action teams* (create specific groups of people working together on common goals). These roles were invariably used to anchor changes in each department which met with some pockets of resistance but largely succeeded. In the process it was clear that this model would not be sustainable without *external facilitation* by experts such as those in the action research team. It was observed that there is no single department or role in the organisation that was better placed to effect change at the firm-level - because support departments and core legal departments either lacked the capability and/or the capacity.

“...so a real co-ordinated central approach to make sure that all these objectives and benefits, as I said before, we can all see what they are and why we want to achieve them but that they're actually followed through and put into practice and implemented which without that co-ordinated approach with [the researcher] and the partners, again, I think it's probably a fair assessment to say we'll talk about all these great ideas we have to improve without actually seeing any results. So, I think that's been a massive plus from this project.” – Associate.

Owing to these factors, it was imperative for the firm to create a new *function* of 'change management' that is centrally situated and exclusively responsible for designing and implementing change, that would replace the action research team. This was subsequently turned into a reality as the firm created the new role of 'Organisational Change and Projects Manager' operating under the aegis of a Partner-level change champion solely assigned to deal with firm-wide change projects in the future.

Summary

Besides reflecting on the design choices and their context-sensitivity in the case of SC, following are some observations and key learnings that might help practitioners and future action researchers in this field:

- This study benefited from involving professionals at all stages of the change design and implementation process and thereby adopting the paradigm of seeing professionals (lawyers) as a *source of change* rather than the *target of change*.
- This study used appropriate interventions such as the storyboarding sessions and action teams which increased the participation of professionals, promoting higher levels of engagement and alignment with firm's wider goals as well as stimulating greater change orientation among professionals which turned them into firm-wide *change advocates* rather than merely *champions of change* within their respective teams.
- This study leveraged significantly on the innovation potential of professionals and ensured they actively (rather than passively) participated and contributed towards the design of solutions which as a result were owned, implemented and utilised at an accelerated pace.

At the organisational level, the lessons presented above articulate complex hidden factors, which emerged out of the change process which provided an incentive for participants to spend time (Eden and Huxham, 1996) on future change initiatives in SC. These learnings also offer a best practice for application of Change Kaleidoscope appropriately within a professional service firm such as a law firm, which is a complex and distinct organisational setting for managing operations where professional and organisational factors can act to undermine even the most robust efficiency logic (Goodale *et al.* 2008; Lewis & Brown, 2012).

7.4 Actionable Knowledge: Summary of Tools and Models developed through Action Research

Besides the knowledge extracted from the Action Research Project through reflection and theorising as presented in sections 7.1 – 7.3 above, ample of tools and models have been developed through intervening directly with lawyers and support staff at SC. Such tools have been listed and their functionality has been described in Chapter 4 (Section 4.14). Further, these tools have been consolidated to form a Unified Matter Management framework presented in Section 6.4 which led to two distinct typologies for classifying different services (legal cases/matters) delivered by SC and the legal industry at large presented as the *Commoditised Delivery with Fixed Fee (CDFS)* and *Negotiated Delivery with Variable Fee (NDVF)*. This classification when contextualised and implemented in a law firm can bring about modularity in legal services discussed by Giannakis et al. (2018) as well operationalise the generic service typology presented by Tinnilä and Vepsäläinen (1995). Such classification can be further developed into a model that helps practitioners and managers within legal service firms to visualise their operations better and develop their service propositions to offer better value to clients.

7.4.1 Positioning the Unified Matter Management Framework along the Standardisation

Diagonal

Based on the generic service typology of Tinnilä and Vepsäläinen (1995) and the adaptation of Giannakis et al. (2018), the unified matter management framework comprising of the two typologies CDFS and NDVF can be placed along the standardisation diagonal of the 4 different service types as shown in Figure 7.10 below. This newly developed conceptual model represents the potential for typifying various legal service lines merging process stages with volume-variety matrix and organising them along the standardisation diagonal so as to achieve operational efficiencies. This model offers practitioners and managers within legal service firms a panoramic view of operations and allows them to strategise better in order to drive improvements and develop newer value propositions as in the case of SC. For example, the Unified Matter Management Framework at SC allowed lawyers to achieve service *commodification* by being able to negotiate the price of different components of the legal service separately within the service lines of Corporate Mergers & Acquisitions and Dispute Resolution.

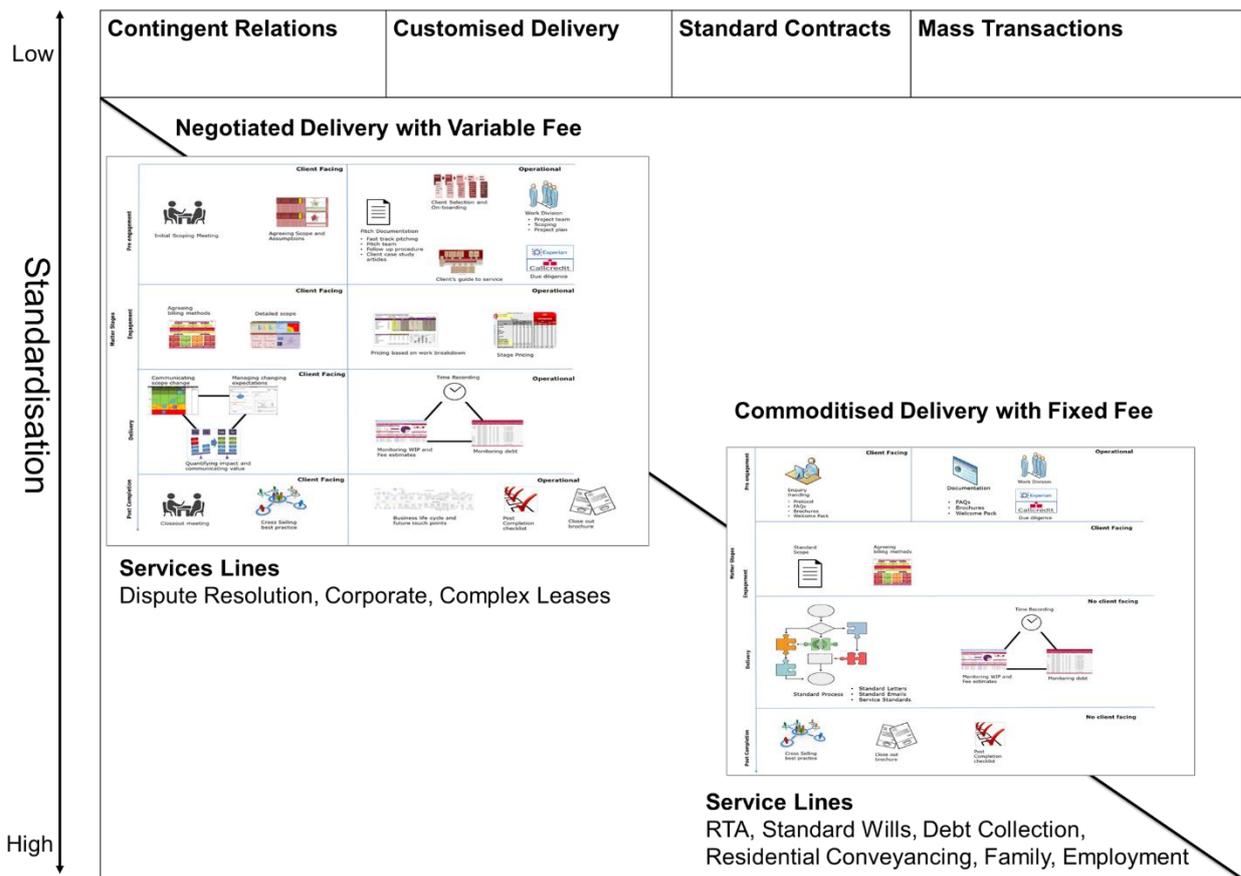


Figure 7.10: Positioning Unified Matter Management Framework along the standardisation diagonal

By positioning the Unified Matter Management Framework along the standardisation diagonal, the firm's management and the centrally located administrative departments could align their resources in developing the right Value Propositions for clients based on which matter typology they fall into. In addition, all the tools, models and frameworks developed as part of the ARP as shown in Figure 7.10 can be deployed to onboard clients, scope and price the matters accurately, manage the expectations throughout the matter and thereby diligently deliver consistent and uniform service to clients. This overarching framework presented above is a *Sui Generis* in the case of SC but can be clearly generalised as argued previously due to the transferable nature of this research. As with the case of other professional service firms there is a fundamental commonality in the legal profession where all lawyers draw on a common body of regulated knowledge and standards (Law Society of England and Wales). Furthermore, law firms are bound by the regulatory framework of professional practice which informs their conduct of law and obligation to client service (SRA, 2018). Hence the generalisability of Unified Matter Management Framework to a larger population of firms in the legal sector is strongly supported due to the common grounds related to Client service, management of processes and managing of professionals as laid out by Lewis & Brown (2012).

7.4.2 A generic model for delivering change and innovation in legal services

The above framework in Figure 7.10 answers the “What” of improving legal service operations whereas it does not offer insights into the “How” which is more important for practitioners and managers in law firms. Therefore, it can be consolidated further and generalised in light of the various academic theories and frameworks used in the process of delivering transformation at SC. In order to explain *how* archetype changes can be delivered and innovation can be harnessed in a legal service environment, a generic model has been developed by merging all the frameworks hitherto presented in this thesis which enabled SC’s transformation. This generic model presented in Figure 7.11 below cuts across all the three layers of the organisation from a bottom-up perspective involving the Operational, Tactical and Strategic Levels. Such classification not only offers a *Holistic* approach to operations management presented throughout this study but also guides *Action* in each strata towards implementing archetype change and delivering innovation.

Before ARP intervention the firm’s operations can be seen as *underperforming* in relation to the firm’s actual potential to compete in the market which in other words could be understood as *internally neutral* operations function which is focused on fixing the worst problems as specified in Stage 1 of Hayes & Wheelwright’s (1984) operations contribution model:

- Stage 1 - Operations are seen as holding the organisation back. (Non-competitive)
- Stage 2 - Operations are good enough to help implement the organisation's strategy but the operation itself does not convey any competitive advantage. (Matching competition)
- Stage 3 - Operations' capabilities offer better prices, differentiated products, faster deliveries or greater flexibility to maximise returns and increase market share. (Best in Sector)
- Stage 4 - Operations convey such a competitive advantage through their performance and capability that the entire organisation strategy can be built around the operation. (Industry Leaders)

At the point of conclusion of ARP there is a strong Stage 4 operations function which is directly influencing the firm’s strategy to fulfil its potential for higher revenue and profitability through increased capacity, faster throughput and improved quality of client relationship.

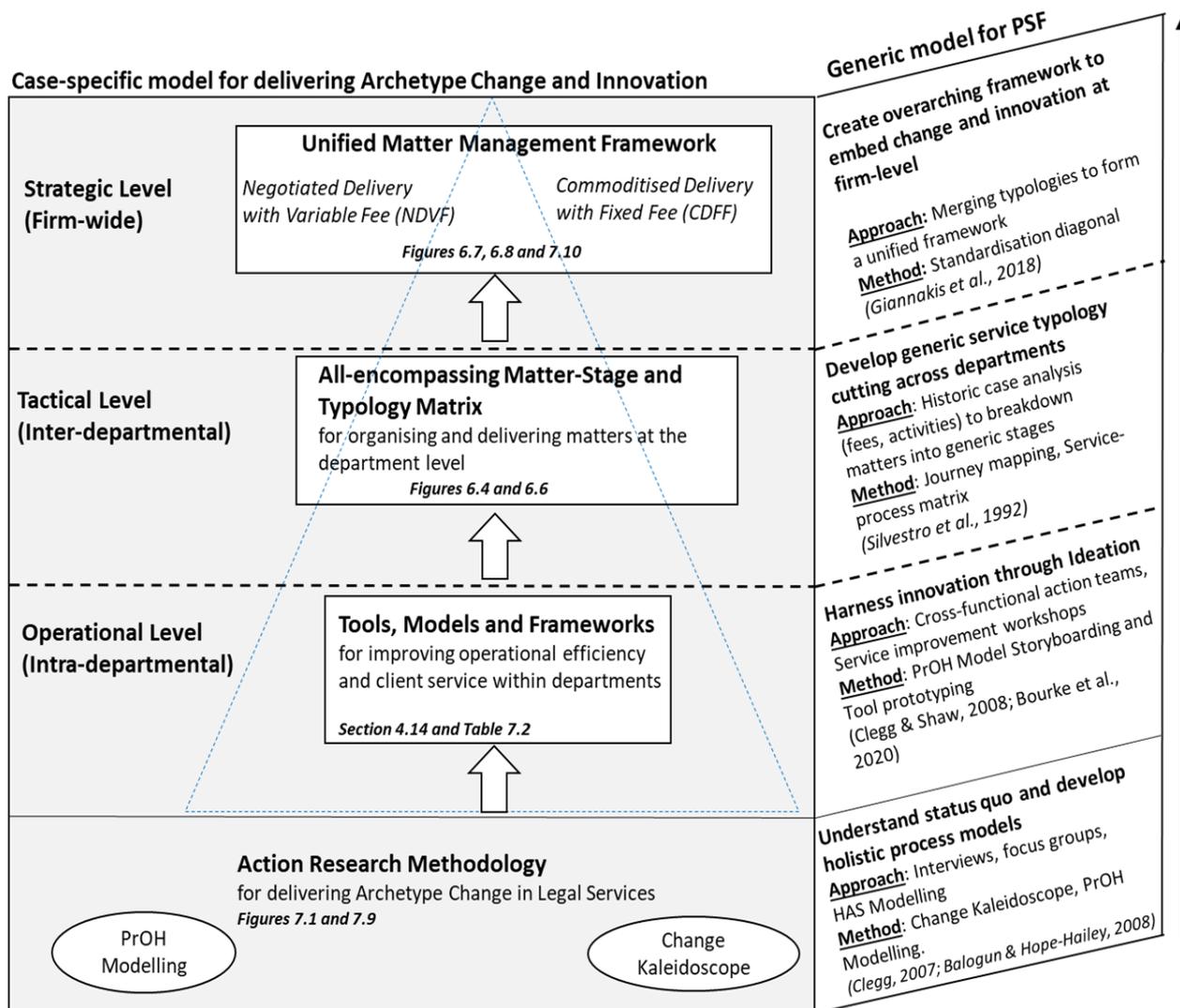


Figure 7.11: A generic model for delivering change and innovation in legal services

As shown in the figure 7.11 what began as an operational improvement intervention culminated in strategic impact touching individual departments, departmental clusters and the firm as a whole through implementation of a Unified Matter Management Framework. In the generic model presented above there are four key stages through which *Action* evolved from Operations into Strategy cutting across all the organisational levels. The four stages as explained below can guide law firm practitioners and managers to create a suitable intervention towards delivering archetype change and innovation in legal services:

Understand status quo and develop holistic process models

Using PrOH modelling helped to improve the overall understanding of complex legal processes involving stakeholders from within and outside the firm. By presenting the high-level view of the processes, greater visibility, improved awareness and consensus was developed among the legal and

business support departments to work together in delivering the service (Clegg, 2007). Narrating the whole process in a simple story-boarding fashion enabled the ARP team to engage staff to reflect on current process and identify potential improvements for delivering high value services. PrOH model storyboarding proved to be a powerful intervention in bringing lawyers and support staff onto a common thinking platform. The ARP project has imparted a new way of engaging people at all levels in the firm towards contributing to the wider organisational goals. This methodology has consequently improved the staff's readiness to change as evident from the survey and focus group results presented in Chapters 4 and 5. Change Kaleidoscope is another important model which can be used to capture the Status Quo of an organisation in terms of its readiness and capability to change (Balogun and Hope-Hailey, 2008). This model allowed to design the change intervention by presenting a set of suitable design choices and subsequently helped audit the impact of change.

Harness innovation through Ideation

To access the collective knowledge of staff and their ideas, cross-functional teams were assembled by recruiting members from relevant legal and business support departments. Each team was empowered to work autonomously with the right level of support from line management for solving long-standing problems as yet not attempted as a team. The motto is “change something within your control”. The innovation dimension here is brought about by cross-functional teams discussed by Love and Roper (2009) and the *Ideation* activities on two fronts Activity-Specific and Activity-spanning as laid out by Bourke, Roper and Love (2020).

Develop generic service typology cutting across departments

In organisations with multiple service lines there are always opportunities for finding common ground in process flows and routines which can be formed into a typology so as to efficiently organise the flow. The Hayes and Wheelwright's (1979a, 1979b) volume and variety criteria along with Silvestro' *et al's'* (1992) adaptations for services can be used to develop a typology of matters which share commonality. Such typology can be superimposed on the common matter stages that define the end-to-end flow of a given legal service as discussed in Section 6.2.1 comprising of four generic stages – Pre-engagement, Engagement, Delivery and Post Completion activities. Doing so will enable the thinning of boundaries between departments which are otherwise organised as *Silos* in a law firm that has been observed by other researchers who described professional service firms as “organisationally fragmented” (Alvesson and Karreman, 2004); and “a fashionable store – a flash brand on the outside with a lot of franchises on the inside” (Morris & Malhotra, 2002 p.16) etc. By being able to breach the rigid departmental boundaries, uniformity and consistency could be achieved in process management that can lead to efficient operations overall. This occurs at the tactical level in the organisation where department heads could be consulted to draw out a common agenda for delivering legal services.

Create overarching framework to embed change and innovation at firm-level

Once common typologies developed at the inter-department level, there is further scope for introducing an overarching matter delivery framework that aligns with these typologies. In the case of SC, it is the Unified Matter Management Framework comprising of CDFE and NDVF typologies. By placing these along the Standardisation diagonal of Giannakis *et al.* (2018) law firms can better organise these clusters of service lines based on the universal four-prong classification of Contingent Relations, Customised Delivery, Standard Contracts and Mass Transactions, which in essence is applicable to most law firms and broader PSF operations.

7.4.1 Operational capabilities required to deliver legal services efficiently

Meeting Objective J4: Articulating the capabilities required to be efficient and deliver higher-valued legal services.

As discussed in the literature review chapter, it is important to develop an operational capabilities outlook in assessing the status quo of operations within SC and the legal services sphere broadly. As suggested by Wu, Melynk & Flynn (2010) the traits of operational capabilities are distinct and inimitable, therefore making them a source of competitive advantage for firms.

Based on the data gathered in ARP and the analysis of requirements in each cycle of CAR, the status quo of SC emerged as seen through the Operational Capabilities lens. The operational capabilities in the context of SC have been presented in Table 7.2 below:

Table 7.2: The operational capabilities of SC linked to the solutions developed through ARP

Operational Capability	Definition in SC context	Solutions delivered through ARP
Operational improvement	Process improvement to remove bottlenecks, reduce costs, increase utilisation	Work Allocation Procedure (Commercial Property), Standard Operations Guide (Dispute Resolution)
Operational innovation	Process innovation, pricing model innovation	PriceFlex (Commercial Property); Matter Assessment Radar (Dispute Resolution)
Operational customization	Process customisation based on typology of clients	NDVF and CDFE frameworks; Flow of Funds Tool (Corporate)
Operational cooperation	Long term relationships with clients, collaboration with external partners and professionals for work referral	Cross selling guide (Commercial property), Fast track pitch template (Corporate); Client Engagement Model (Commercial Property)

		Client Transaction Guide (Corporate)
Operational responsiveness	Meeting complex projects within short timelines, renegotiating scope and price in complex matters	Scope change indicator, Client Selection and On-boarding Process
Operational reconfiguration	Managing change, reorganising roles	Change management methodology outlined in 7.2.1 New hierarchy of client/matter delivery roles

Source: Adapted from (Wu, Melynk & Flynn, 2010)

7.5 Conclusion

This chapter has presented the learning generated from Action research conducted at SC under three headings providing implications for Practice, methodology and Theory. In addition, a generic framework has been developed and presented in this chapter to deliver archetype change and innovation within the wider legal services industry. This chapter forms the basis of contribution to knowledge offered through this research.

Chapter 8

Conclusion

This chapter presents the summary of findings and contribution of this research to knowledge in the domain of operations management as well as organisational change management. The limitations of research are discussed along with the direction for future research.

8.1 Summary

This action research presented the case study organisation with an opportunity to deliver a number of changes to practice towards improving the overall financial and operational performance. Alongside ideas and working prototypes, the firm gained from a collective readiness for change within the organisation as well as the capability to achieve it within a relatively short time frame leveraging the tailored change methodology. This approach can present opportunities for practitioners to effectively implement change within a fast-evolving industry of legal services (Susskind, 2013) and broadly professional services such as management consultancy (Christensen *et al.*, 2013).

Drawing on the theoretical contribution of this action research project, it can be inferred that this endeavour within a law firm (Solicitors Co.) is a concerted response to the institutional complexity in the form of *strategic change* (Greenwood *et al.*, 2011). As a result, this study highlighted some best practices and learnings from the application of Change Kaleidoscope framework in a professional service firm.

From a methodological perspective this research explores the alternative narrative to methodological determinism as posited by Monge (1990) by offering a *process theory* involving dynamics for managing change in professional service operations. Heeding the recent emergence of intervention-based research publications (Oliva, 2019; Chandrasekaran *et al.*, 2020) and the calls for more empirically based theory development using action research, a demand that has existed for decades in the field of OM (Flynn, 1990; Westbrook, 1995; Coughlan & Coughlan, 2002) highlighting the merits of ‘...using a theory as a basis for an intervention is a way of “being empirical” that transcends observing and recording regularities or testing theories through experimental manipulation’ (Oliva, 2019). This study presents a Mode 2 form of knowledge production (Gibbons *et al.*, 1994) which involves research carried out in the context of application.

Van de Ven (2007) argues that researchers largely neglect engagement with stakeholders who can potentially make important contributions to understanding the problem being studied. In this research project, the researcher worked in conjunction with practitioners (lawyers and professional support staff) to better understand and capture the status quo of OM practices within law firms and then design appropriate interventions that helped to take action towards improving the status quo.

Based on Gibbons *et al.* (1994) theory of knowledge production, this research closely followed Mode 2 form of knowledge production as opposed to Mode 1 which is academic, investigator-initiated and discipline-based knowledge production. Mode 2 form of knowledge production involves research conducted in the field, arising from the very work of problem solving and less governed by the paradigms of traditional disciplines of knowledge (Maclean, *et al.*, 2002). Closely following Mode 2 form, this research led to the following benefits:

- i. created positive impact on the way legal services are delivered, and in the process generated necessary understanding to extend the body of knowledge in the domain of professional service operations management.
- ii. by employing SSM (PrOH modelling) as a methodology for delivering organisational change including that of OM practice within PSFs, this research provided a basis for further research in refining the methodology and applying it in wider professional service and knowledge-intensive industries such as Management Consultancy.

Overall, from the standpoint of praxis, this research highlights the merits of applying a soft systems-based approach in a complex organisational setting which led to the elicitation of operational issues, followed by implementation of practical changes.

To summarise, the challenges faced by the host organisation before the start of this action research intervention, included:

- Difficulties in engaging people at all levels towards contributing to the wider organisational initiatives such as implementing new procedures etc.
- Reluctance to approach clients to enquire about their needs and expectations to provide better service.
- Lack of impetus to meet the demand for adopting transparent and flexible pricing solutions.
- Lack of appetite for new and innovative ways of scoping, pricing and budgeting cases.
- Difficulty in reviewing legacy processes and practices to improve operations.

As a result of this intervention, the beneficial outcomes achieved by the host organisation include:

- Marked increase in profitability of the firm in consecutive years following the action research project
- More than half of the firm's professionals trained in new operational processes demonstrating engagement in organisational change initiatives
- Several fully functional tools developed and launched to tackle challenges relating to scoping, pricing and case management.
- Measurable cultural change towards adopting innovative approaches to client service.

8.2 Meeting the research objectives

The research objectives set out in the Introduction chapter of this thesis have been met as presented in Table 8.1 below:

Table 8.1: *Research objectives and the outcomes generated*

Research Objectives	Outcomes meeting the research objectives
J1: Identify the drivers of change currently shaping the operational practices within law firms.	Endogenous and exogenous forces articulated and presented in Chapter 5, and reflected upon in Chapter 7
J2: Explore and articulate the nature of legal processes, inherent inefficiencies and complexities that pose challenges in managing operations (capturing the status quo).	Chapters 5 presented the complexity of legal service operations management underpinned by the key issues and systemic success factors identified in each of the service lines. Chapters 6, 7 consolidated and reflected on the challenges providing strategies to overcome through initiating planned change (7.2.1)
J3: Develop a framework for intervention into law firm operations that is capable of delivering change and innovation in legal services.	Framework developed and presented using a combination of tools such as Change Kaleidoscope, Service Process Matrix, PrOH Modelling Canonical Action Research, (Chapter 4)
J4: Articulate the capabilities required by law firms to improve operational efficacy and deliver innovative services.	Provided definition of capabilities in the context of SC and juxtaposed the current capabilities with the solutions and models developed as part of ARP (7.4).
J5: Apply the framework in a real-life setting and create measurable impact on the OM practice as well as further refine the framework through the learning generated in the process.	Tools developed in the case study using action research intervention and impact of change measured through firm-wide survey presenting palpable difference in the readiness and perceptions of those participated in the ARP as against those who did not (Chapter 4).

8.3 Research Contribution

The contribution of this research as ascertained in the previous chapters is three-fold and presented in Table 8.2 below.

Table 8. 2: Contributions of research

Area	Contribution
Practice (A)	Presented 5 propositions as a means to overcome the challenges in managing professionals and professional service operations aimed at greater efficiency and effectiveness (Section 7.1.)
Methodology (M)	<p>Refined the PrOH modelling methodology by demonstrating a new way of application (Section 7.2.1)</p> <p>Refined the process of Action Research by presenting the Situated-Reflective Agent framework (Section 7.2.2)</p>
Theory (F)	<p>Confirmed existing theory on archetype change and presented a new model of planned archetype change (Section 7.3.1)</p> <p>Critically reflected on the design choices used in the intervention as part of effecting change through the Change Kaleidoscope framework (Section 7.3.2).</p>

8.4 Research limitations

This research is limited to a single in-depth case study of a law firm but demonstrates how application of OM interventions created a positive impact on the firm’s operations. Thus, such action research and the approaches presented here might have similar results in other industries and wider organisations. Other limitations of the research include:

- Size of the organisation which was suitable for the scope of the study and provided a rich context for exploring legal service operations but the repetition of participants in some of the stages meant that the researcher could not control ‘reliability’ of data gathered. However, this is a limitation that action research as a method is prone to, because the aim of AR is to transform people through cycles of intervention.
- Strong agenda of senior management to deliver change in a particular dimension of practice (for example, SC’s management was focused on pushing through consistency and uniformity of practices across the departments) has subliminally restricted the freedom of researcher in choosing what is important from a research perspective to explore versus what is wanted by the firm. In other words, there was a conflict between needs of the firm as opposed to the wants of the sponsors.

8.5 Future direction

This research explored the possibilities of improving legal service operations at the organisation level through a structured intervention conducted within a practical setting. In terms of future research, the following aspects can be considered:

- This research can be taken up at the institutional level by considering the overall supply chain architecture of legal service delivery which involves not only the organisation but the external suppliers and other partners
- To an extent this has been covered in the recent paper by Giannakis et al. (2018) but the study was not embedded in a case organisation over a period of time and hence lacks depth. Combining both approaches, depth and breadth (supply chain level), could lead to interesting findings that have direct implications for the industry and the many supply chain partners involved in delivering legal service.
- There is a rapid emergence of Legal Tech which is trying to address some of the age-old issues in law firms such as the following:
 - Costs capture
 - Time capture
 - Document management
 - Process automation
- The above endeavours in Legal Tech could only be successful if joined with an in-depth understanding of micro-level practices at the firm level, which then help adoption and utilisation of technology in law firms. This requires the researchers to work with technology-based firms to deliver context-sensitive products and services which maximise the effectiveness of legal service operations.
- This research presented the generalisations based on a single in-depth case study which could be potentially tested in other professional services settings such as Management Consultancy, Accountancy, Architecture and Design firms etc.

Change Management

This research presented implications in the field of Change Management which is primarily observed at the level of a single organisation although generalisable to the wider legal and professional services industry. Particularly, the practices studied through this in-depth case study of a single firm offers a rich case for understanding ‘how things are done’ in real life and thereby presents a case for conducting research at the intersection of micro practices and the institution of legal service provision.

Systems Implications

This study has only mapped the legal service system at the level of one single firm and found that there is potential for considering a similar approach presented through the Parallel abstraction-and-enrichment method of building a holarchy that can be extrapolated to the Supply Chain level involving external firms and actors. For example, this research identified through the process ontology of RTA claims process that there are 16 external stakeholders involved in provision of RTA legal service.

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Appendices

Appendix 1: SERVQUAL Questionnaire

SERVQUAL Dimensions	Expectation – Before	Rating	Perception – After	Rating
Tangibles	Excellent law firms will be able to provide status updates whenever needed	1 2 3 4 5	Solicitors Co. provided me the status of my claim whenever needed	1 2 3 4 5
	Excellent law firms will provide clear instructions advising the consequent stages in the process	1 2 3 4 5	Solicitors Co. provided me with clear instructions advising about overall process of claim	1 2 3 4 5
Reliability	Excellent law firms don't need to be chased up by clients for processing the claim quickly	1 2 3 4 5	Solicitors Co. required chasing up for processing my claim quickly	1 2 3 4 5
	When client has a problem, excellent law firms will show a sincere interest in solving it	1 2 3 4 5	People at Solicitors Co. demonstrated sincere interest towards solving my problems	1 2 3 4 5
Responsiveness	People at excellent law firms will tell clients exactly when the services will be performed	1 2 3 4 5	People at Solicitors Co. always informed me throughout the process when a service was performed on my behalf	1 2 3 4 5
	People at excellent law firms will never be too busy to respond to client's requests	1 2 3 4 5	People at Solicitors Co. were never too busy to respond to me	1 2 3 4 5
Assurance	People at excellent law firms will be knowledgeable enough to answer a client's question	1 2 3 4 5	People at Solicitors Co. have answered all my questions knowledgeably throughout the process	1 2 3 4 5
	I was confident that my damages will be recovered fully and health will be recovered quickly	1 2 3 4 5	Solicitors Co. were determined to help me recover the maximum damages possible and helped me recover from injuries quickly	1 2 3 4 5
Empathy	Excellent law firms will give individual attention to their clients	1 2 3 4 5	People at Solicitors Co. provided me services with a personal touch	1 2 3 4 5
	Excellent law firms will understand the specific needs of their clients and provide customised service	1 2 3 4 5	People at Solicitors Co. understood my specific needs and acted accordingly	1 2 3 4 5

Appendix 2: Staff Survey Questionnaire

1. What is your role in the firm?

- Equity Partner
- Salaried Partner/Consultant
- Associate/Professional Support Lawyer
- Solicitor/Legal Executive
- Paralegal/Trainee
- Secretarial Support
- Business Support/Administration
- Other (please specify)

2. How long have you been working at Solicitors Co?

- Less than 5 years
- Between 5 and 10 years
- More than 10 years

3. Have you been directly involved in any of the activities of the action research project e.g. participating in an action team, focus group or interview?

OR

Directly affected by the outcomes of the action research project?

- Yes
- No

4. Given the changes in the legal sector how much does Solicitors Co. need to change in order to sustain its success?

- Very little needs to change within Solicitors Co.
- Changes are required to a moderate extent
- Everything needs to change within Solicitors Co.

Describe what needs to be preserved or protected from being changed.

5. How quickly should this change take place within Solicitors Co.?

- Not urgent at all
- Moderately urgent
- Extremely urgent

6. Solicitors Co. has the people capable of achieving the required changes?

Strongly disagree Moderately agree Strongly agree

7. Solicitors Co. can invest time and money for carrying out these changes?

Strongly disagree Moderately agree Strongly agree

8. Do you believe that your department needs any improvements to the way things are done?

No
 Yes

Please describe one improvement you would like to see implemented.

9. How ready are you for changing the way you or your department does things?

Not at all ready for change Moderately ready Extremely ready for change

10. What is the level of influence you have in making change happen in your department?

Least influential Moderately influential Most influential

Appendix 3: Informed consent approach used for data collection

Please consider this information carefully before deciding whether to participate in this focus group.

Introduction

As consultant supported by University and Solicitors Co. (SC), my role is to manage this externally funded project aimed at helping the company to continue to be among the first choice for legal services provision.

The Action research Project (ARP Project) uses a focus group approach to collect data and I would like to invite you to participate. Your participation in this focus group is entirely voluntary and we would value your insights.

Purpose of the Focus Group

The focus group programme is directed at understanding your perceptions around the readiness for change within SC to evolve as a role model in providing legal services. Your participation would help generate crucial inputs for understanding the status quo of SC operations as a firm aspiring for greater heights in service delivery and process efficiency.

Participant Selection

I would like you to participate and share insights because you are regarded as a key stakeholder and an important driver of change inside the firm.

What happens in the focus group?

If you agree to participate, you will be invited to attend a discussion with a group of 8-10 other colleagues at SC from different departments. The names of the participants will be communicated at the time of invitation. The discussion will be moderated by myself, supported by an experienced academic from University. During the session, several topics around current mood of the firm and expectations around change in various functional aspects will be discussed. All you are required to do is share some thoughts around those topics. The discussion will be recorded using an audio device so that it can be transcribed for analysis and will be conducted in a closed room at SC offices.

I hope you will find the process relaxing as the topics have been designed to let you share as many thoughts and examples as possible.

Time required

The discussion will last for approximately 2 hours.

Confidentiality

We shall not ask you to refer to anyone by name. If you find it easier you might refer to them as Person A or B etc. The focus group data and recording will be treated confidentially, and the transcript will not be shared outside the ARP project team. You will not be asked to state your name at any time during the recording to protect your identity. The recording will be destroyed once it has been transcribed by myself. The paper copy of the transcript will be shredded and the electronic transcript will be password protected and held on my personal computer until 3 years after the completion of ARP and then deleted permanently. The findings will be added to data from other sources and used in a general anonymised and summarised report to the ARP project team and the firm (SC).

Participation and withdrawal

Your participation is completely voluntary, and you may withdraw at any time unconditionally. You can simply withdraw by informing me that you no longer wish to participate (you do not need to offer any further explanation). If you feel any discomfort in discussing a particular topic, you may skip it by indicating us during the focus group. We shall invite you to sign this document so that there is a record of your consent to the focus group and the recording.

Contact

If you have any questions or concerns regarding this focus group, please do not hesitate to contact any one of the following ARP Team members:

Krishna Chaitanya Balthu

Email: Ph:

Finance Director (ARP - Company Sponsor)

Email: Ph:

Agreement

The nature and purpose of this focus group have been sufficiently explained and I agree to participate in this study. I understand that I am free to withdraw at any time without having to explain the reasons of my withdrawal.

Signature: _____ Date: _____

Name (print): _____

Appendix 4: Data Gathered in the research

Data Type	Source	Words
Face-to-face Interview	Compliance Professional	7533
Initial Focus Groups (21 participants)	Associates X 1	13296
	Solicitor/Paralegal X 1	14348
	Partner X 1	11370
	Secretary X 1	16086
	Cross Sectional X 1	18925
Staff Interviews (Lawyers and Secretaries) (Recorded but not transcribed, used only to refer to notes)	Across the firm x 30	N/A
Staff Interviews (Support Directors) (Not recorded but notes taken) 5 participants	Finance x 1 HR x 1 IT x 1 Business Development x 1 Practice Management x 1	N/A
Storyboarding Workshops 30 participants (Notes taken)	Cross sectional x 5	N/A
Telephone Survey	External - Clients X 100	N/A
Online Questionnaire	Internal - Staff X 97	N/A
Telephone Interviews	Clients X 5	12000
Final Focus Groups (39 Participants)	Cross Sectional X 4	45000
Total	293 Participants (105 external, 188 Internal)	138, 558

Appendix 5: List of Awards and Industry-wide impact created by Solicitors Co. as a result of ARP

- Winner. **InnovAction** Award from College of Law Practice Management, Suffolk University Law School, Boston, USA.
- Finalist in ‘Organisation Development’ Category at EFMD Excellence in Practice Awards.
- 3rd place. Next to Eversheds and Linklaters at the national level ‘The Lawyer Management Awards’ in the category of “Excellence and/or Innovation in Law Firm Financial Management”.
- Invited presentation (Researcher and Company Sponsor): Innovation in Law firms! International Legal Technology Association (ILTA) Annual conference Washington, DC, USA.
- Invited presentation (Researcher and Company Sponsor): Transformers: Lawyers as agents of change? In disguise! ILTACON, Caesars Palace, Las Vegas.
- The firm has been featured in national and local press on several occasions as an exemplar of early innovation in the field of legal service operations.
- The firm also received follow up funding for a University-Industry collaboration that was built on the success of ARP project and planned to extend its application in the domain of future workforce planning.