



By Ronnie Fox, founder, Fox

THE ESSENTIAL objective of a knowledge-management (KM) system is to ensure that all members of the firm have access to the up-to-date, comprehensive and high-quality information they need to operate in the most effective way.

On the one hand a good KM system can improve risk management; save non-chargeable time; improve quality of work; and increase profitability by reducing duplication of effort. On the other, it is hard to secure management buy-in for investment in the intangible elements that lead to successful delivery.

Most of the law firms I speak to are uneasy about KM, with a distinct concern they are falling behind leading magic-circle and silver-circle firms. I believe there are four key elements that make for a successful KM system:

- 1. A firm-wide approach.** Traditionally KM has been approached in a piecemeal manner by individual departments, specialist work groups and lawyers. I once met a tax lawyer who claimed a monopoly on the provision of tax advice in his firm; he refused to allow other members of the firm to borrow books from the tax library in his room. Departmental divisions exist only for administrative convenience (and occasionally to satisfy the vanity of departmental heads). The way in which a firm is organised into departments is rarely of interest to clients;
- 2. Co-operation from existing library and IT functions.** The library is the traditional repository of legal knowledge in a law firm. The successful introduction of a broad-based KM project involves removing the fences around the familiar book-lined territory of a librarian or a library partner. But sometimes there is also competition for ownership from the IT department. Obviously IT is the ideal medium for delivery of KM, but the best IT departments understand they are a support function and that IT is a tool rather than an end in itself;
- 3. Investment in specialist expertise.** Asking a partner in a firm of solicitors to design a KM system without specialist help is like asking them to perform brain surgery with a Swiss Army penknife;
- 4. Internal financial considerations.** In today's intensely competitive legal environment, there is a tendency to focus largely on chargeable-time statistics, especially among junior lawyers. Time spent organising know-how, drafting precedents, settling client-care procedures and providing internal training is too often ignored when assessing contribution and deciding remuneration. A law firm's appraisal and reward system needs to measure contribution to the firm's intellectual capital and the degree of effort devoted to improving its accessibility. The chances of creating a strong KM system are dramatically improved if the person responsible determines the allocation of a percentage of the firm's salary and benefits budget. The question is whether a law firm's territorial considerations will allow that to happen.

Ronnie Fox founded Fox Williams in 1989, becoming knowledge management partner in 2005. In 2006 he formed Fox, a City law firm specialising in employment, partnership and management consultancy. He can be contacted at rdfox@foxlawyers.com