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Creating a Culture of Innovation

Innovation is a trending term in many industries today, and the legal market is no exception. As the world continues to get more connected and technology continues to promote new, simpler and more efficient ways of doing things, law firms are recognizing that staying competitive requires the delivery of their services in new and creative ways.

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Today, progressive firms and even many that have not traditionally been leaders in technology adoption are seeing the need to prioritize innovation as a way of staying competitive. While some are creating entire departments led by C-level executives focused on their innovation strategies, others are outsourcing those initiatives or implementing new solutions on a more ad hoc basis. Regardless of the path they choose, firms that are successful at change management and innovation tend to have an important thing in common — a culture that supports and promotes those efforts.

WHY CULTURE MATTERS

Innovation doesn't necessarily function like a traditional practice area or operational department within a law firm. As with most initiatives, innovation efforts require a process, a budget and clear accountability, but culture also plays an important part in a successful innovation strategy. If the organization doesn't actively promote and support change and the desire to make improvements, its efforts to be innovative will often fall short.

This is certainly true for law firms — the legal industry continues to fight its reputation for being behind the curve in modernizing. For many, the trappings of this history as late adopters become a self-fulfilling prophecy. Firms aren't expected to be change agents or early adopters, making it easy for them to simply keep things as they are.

Being innovative isn't just about using modern technologies like artificial intelligence (AI), data analytics or automation. It's also about having the ability to envision things differently and the agility to make smarter decisions that improve practice and business operations.



Innovation requires curiosity, creativity, patience and optimism. Establishing a focus on the initiative requires a firmwide positive attitude and a culture that fosters the acceptance and use of those new tools and processes. This starts at the top, with firm leadership.

IT STARTS WITH LEADERSHIP

A law firm isn't just an office building or a set of practice areas, but the people who work there. And these people, their attitudes and their personality traits are largely what contribute to the firm's overall culture. Generally, leaders establish this type of culture by embracing and demonstrating the attributes with which the firm wants to be identified.

A culture of innovation must start at the top and be emphasized throughout the firm. This includes leading by example, which means executives and partners must embrace modern tools and technologies that improve efficiency or client service. As early adopters, they will model the behaviors their staff will follow; if they show resistance or negativity about change, their departments will likely do the same.

Strong leaders can bring people together, even those with competing interests. They help promote open communication and collaboration, encouraging different groups to work together. This is especially important when a firm introduces new and innovative tools and technologies, because in addition to developing solutions, they must also implement them. Successful integration of new systems or processes is dependent on users embracing the change, and that is more likely to happen among people who feel included in the process.

The right culture fosters an environment in which firm leaders are willing to listen and staff are willing to share their concerns and ideas for improvements. Firm leaders should encourage staff's involvement in the design and

implementation of new solutions to provide everyone with a sense of ownership in a project and its ultimate success. Supporting efforts around training ensures employees are adequately prepared to use new tools increases acceptance. By promoting a culture of innovation, ideas are generated from within the organization, and people are less reluctant to change overall.

Qualified leaders can develop a firmwide strategy that promotes a holistic approach to innovation, so new solutions are successfully created and integrated into workflow. It is not enough to generate ideas or even develop new tools or processes, because until those solutions are fully implemented and functioning, the firm will not realize any meaningful return on investment (ROI).

Creating an innovation program is a good idea for most firms, regardless of size or current structure. In an increasingly competitive legal market, firms must find new ways to improve their internal processes and business operations, as well as discover new solutions that improve client service delivery. Firms with the right leadership and an overall culture of innovation that includes a positive attitude and effective change management are more likely to find success than those without. ■

ABOUT THE AUTHOR

Arup Das is Chief Executive Officer (CEO) of Alphaserve Technologies. He is an expert in institutional-level technology governance and operational risk management standards that are prevalent in hedge funds, private equity funds, venture capital funds and global law firms. Das regularly writes and speaks for legal and other audiences on topics related to digital transformation. In 2018, he received the International Legal Technology Association's Thought Leader of the Year award for his expertise and commitment to sharing his knowledge and insights about critical technologies and trends impacting the legal market, including artificial intelligence, data science and analytics, blockchain, development operations, automation and innovation.



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