

# People power pulls through



Investing in recruiting and retaining the brightest and right kind of talent, while also keeping them engaged, is the best way to win market share from rivals during a downturn, Sean Hargrave discovers.

The daily headlines of economic doom might be enough for any SME to lose hope. Instead of innovating, the temptation could well be to batten down the proverbial hatches and wait for economic uncertainty to pass.

Tempting though it may be, such a negative response could damage a company's growth potential and even draw a question mark over its long term survival. Economic downturns affect companies of all sizes because markets contract for all. However, are SMEs better adapted to ride out the tough times?

Certainly legal firm RPC believes that the downturn can provide massive opportunity for SMEs which are structured and managed in the right way to grow market share. The same applies to businesses, like itself, which Managing Partner, Jonathan Watmough, describes as too large to be considered an SME yet are still smaller than established industry giants with a global reach they cannot rival.

"Most industries, like legal, will have the big four or five firms which SMEs cannot compete with head-on for scale and reach," he says.

"However, in a downturn, it pays to be fleet of foot so you can move on and find new opportunities and innovative ways of working that meet shifting client demand. You have to be nimble and a lot more flexible; and you have to work more efficiently.

**"Where there is increased pressure from clients who find themselves holding sway, you have to get more efficient and be more flexible. You need to find smarter ways of working that allow you to do more for less."**

**Jonathan Watmough**

"The truth is, the bigger beasts simply can't move that quick. They're normally so used to doing things how they've always done them, they find it hard to adapt. If they do realise they need to change, they don't know how to because they're run in such a 'top-down' way, it's difficult to get new ideas feeding up."

Hence, the way to survive an economic downturn is to use it to your advantage and take on the giants to win market share. As Watmough says, "you can't beat a behemoth in a fist fight, but if you're agile enough you can duck round the side and give it a good dig in the ribs".

## Client power

This is very pertinent because, like many sectors, the legal profession has been going through major changes in the past decade and these have been accelerated by the economic downturn. Just a few years ago, demand for legal advice was at an unprecedented high meaning firms did incredibly well. With those days over, the balance of power has changed within the legal profession, just as it has in many industries.

"In the boom times there was so much economic activity that there was a mass of commercial legal work," reflects Watmough.

"It meant that bigger companies didn't have to think too hard about how they won the work or how they handled people. But that was very short-sighted. The boom times are well and truly over now and clients know it. They are, quite rightly, fully aware that they are now in the ascendency."



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"The days of straightforward pitches and providing a time sheet at the end of the month for billable hours are over. In a consolidating market, law firms need to find ways of differentiating themselves. Clients are looking for more than just law; they want commercial advice as well as legal advice."

As with any industry in the current climate, the result is that clients want more for less outlay and that puts a massive onus on professional services firms, such as lawyers, to provide high levels of service but without the high bills. For Watmough this means driving efficiencies through improved ways of working and technology.

"The attitude you still get with a lot of legal firms, particularly the huge ones, is one of 'this is how we do it, this is how we work', they're just not flexible," he says.

"Like any industry where there is increased pressure from clients who find themselves holding sway, you have to get more efficient and be more flexible. You need to find smarter ways of working that allow you to do more for less. If you're just sitting back and acting as you always were you're going to lose custom.

"We've always embraced IT and we now see it as a huge advantage in streamlining our operations and working far more efficiently."

## People power

Where Watmough believes professional services firms can truly stand out from one another is people. These firms deliver service through their people; it follows that they should focus on developing those people who provide that service and developing them in a way that makes sense for their clients.

**"Curiosity is the main thing we look for in recruits."** Jonathan Watmough

The key, then, is in attracting the best and right kind of talent and engaging them from the outset. Watmough believes this is another area where large legal firms are stuck in the past. He encourages professional service firms to think beyond the normal staid route to recruitment and instead try to attract talent who can think a little differently.

"Curiosity is the main thing we look for in recruits," he says. "Our advertising at graduate level centres on a manifesto that's designed to stand out from the crowd ([www.rpc.co.uk/manifesto](http://www.rpc.co.uk/manifesto)). It's there to

appeal to people who, like us, think you shouldn't have to check in your personality at the front door with your coat. It's deliberately selective. People who are put off by what is a very bold overall statement and want to be in a traditional safe environment will not apply; and that's good. People who want to express themselves and be seen as an individual will, and that's exactly who we're after."

"The traditional route is to get in graduates to do all the grunt work but not much in the way of face to face engagement with clients and so they don't develop very quickly. We're the opposite. We get young, curious minds in which we stretch and we encourage to come up with new suggestions. We also get them in front of clients from day one learning about business so they can provide commercial as well as legal advice."

"That's the huge difference I'd recommend to any professional services business. Many law firms push people to specialise too early. We recognise that you need to be technically very good at law, but also able to draw on a deep understanding of the commercial context in which you're advising. It's a key differentiator."

## Flow of ideas

By empowering young, bright talent to speak up and be heard, RPC engenders a sense of belonging in its staff. If people are encouraged to come up with ideas, which are duly listened to, then it follows they will feel valued and work hard for clients, Watmough believes.

"We always try to say yes where we can and most definitely have a policy of there being no such thing as a bad idea," he says. "It's about decentralising responsibility to an engaged network of people."

"We have a real culture of involving people from across the firm in all projects. For example, we have a steering group for IT which includes both the IT department and the lawyers; in other words, the people who actually use all the kit. It means we have their input to ensure the technology works for them. Another great idea from one of our junior lawyers was an RPC online shopping portal through which our people can shop and, at the same time, raise money for Mencap, our charity partner. That's a wonderful, worthwhile advance that only came about because we have embedded a culture that encourages people to speak up and use their personalities, knowledge and skills to enrich the firm."

Crucial to encouraging young talent is having clear career guidance and an unfettered route to the top for the best. It sounds obvious, but many businesses, particularly in law, have obscure obstacles which prevent people from progressing, leaving them to feel undervalued and so providing an inferior service.

"A key aspect which makes RPC different from other professional services companies is our genuine partnership ethos," he says.

"The problem with so many partnerships in professional services is they use the term 'partner' far too loosely. At RPC all the equity is owned by the partners and all partners share the equity. It means you don't progress to the level of partner only to find there are several more layers to rise through to get a stake in the business."

"A true partnership needs – and thrives on – engagement. A truly engaged workforce where everyone is focussed on working towards a common goal is inextricable from delivering excellent service for clients."

One way of fostering a good community spirit in an office of professionals all deeply involved in their own, and overlapping, work has proven to be the firm's award-winning intranet, Edge. It is a tip Watmough is happy to pass on. By giving an intranet a make-over, so it becomes more of a social media hub, colleagues are able to swap ideas and pass on experience which helps tap into the knowledge any company has but rarely has a forum over which it can be shared.

"Edge reflects our open, innovative and accessible culture," says Watmough. "It also helps flatten the hierarchy, helping people to share ideas and collaborate as one big partnership."

## Moving advice

Many businesses are either going through, or considering, transformation programmes to enable them to raise their game and compete more actively for increasingly discerning clients in tough markets.

The advice from Jonathan Watmough, Managing Partner at RPC is perhaps a little unusual but he can testify it has worked in their case. To really transform a business, you have to move premises, and those premises must embody what you are hoping to achieve.

"We have been around since 1898 but we actually feel like a six year old firm. We were reborn in 2006 when we decided to not be a typical law firm and embrace new ways of working," he says.

"We were in two separate and outdated buildings and we knew there was no way we could up our game if we didn't improve our environment. We've certainly done that with beautiful offices in St Katharine Docks designed by Richard Rogers; they're a world apart from the rabbit hutch environment we used to be in."

"With new surroundings, we think and work differently. Unlike most law firms, we're completely open plan which helps us to collaborate, and learn from each other. We've also given over the best space to our staff Café, as a shared meeting space where we encourage conversation and help people build bonds with colleagues."

"It's a transformation that wouldn't have been possible had we not taken the bold step to move to an inspiring new building."

