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# Cultivating 'Must Have' Innovation

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The legal industry continues to change at a lightning pace. Being a good lawyer is just the ticket of entry. To stand out in a crowded marketplace, lawyers—partners in particular—must be willing to think outside the box and make innovation a part of their everyday practice. Today's law firm partners need to think about innovation and how it can strengthen attorney-client engagement and collaboration, improve operational efficiencies, streamline the delivery of services to clients, and support and encourage information sharing. In short, innovation is a "must have," not a "nice to have," and certainly not a passing fad.

Partners can make innovation a powerful tool in their business development toolkit. This article shares insights and tips for creating a law firm environment that fosters innovation and bringing that innovation into your client relationships.

## Creating Space to Succeed

The classic design of the law firm office (think stuffed couches and wood panels) is not ideal for innovation or collaboration. But the "startup" style open office layout is not as conducive to the confidential communication or high-focus individual work that often characterizes work as a lawyer. At Reed Smith's New York office—its largest in the United States—the firm has redesigned its spaces to strike a balance between individual and collaborative workspace.

One example is the "Innovation Hub," a dedicated space for the firm's attorneys and clients to meet and generate new ideas. The room is decidedly low-tech, with one wall dedicated as a whiteboard and enough space and comfortable seating for people to stay, relax, and talk. The firm's aim is to give its attorneys and clients access to expertise, connections, and ideas which will help them to anticipate and solve new challenges and to support them in managing their increasingly complex and fast-moving business environment. For example, a client who is challenged with a specific problem could bring their team into the Hub for a focused working session meet with some of our own sector experts and other potential collaborators from our external innovation community to brainstorm new approaches or solutions to their current business challenges.

Taking client feedback and interest in a particular area of its practice, attorneys in our IP, Innovation, and Information Group have already held a two day "hackathon" in the

Innovation Hub. Attorneys worked hand-in-hand with technologists within the firm to build a prototype interactive mobile tool and demonstrate the feasibility of their app idea. What could have taken weeks or months over email and iterative design meetings happened in just two days because the team had the chance for "blue sky thinking" in the Innovation Hub.

## Collaboration Is Key

The idea that innovation is something that emerges from a single person's "eureka" moment is simply not rooted in reality. Innovation really happens when different people have a chance to share their ideas and perspectives, challenge one another's assumptions, and build something that neither could have accomplished alone. Communications tools at law firms need to go beyond email and instant messages—our communications cannot be transactional. In this constantly-changing environment, attorneys need to be in sync with their client's business needs, the emerging legal issues, and the facts on the ground.

Reed Smith's New York office design and technology emphasizes that this kind of hands-on collaboration is an innovation driver. The office design adopts a uniform office size regardless of seniority or title and builds in several collaboration rooms on each floor. These rooms are digital-first, for when the new ideas generated in the Innovation Hub are ready for implementation. The firm is also adding the capability for immersive videoconferencing, where mobile conferencing "pods" can be deployed to make two remote meeting rooms seem like one. Designing our space for collaboration among our attorneys, between our offices, and with clients, is a key driver for innovation—it lets more ideas and perspectives come to the table.

## Focus on Business Outcomes

Innovation is more than just ideation: It is the introduction of new methods and solutions to address our clients' needs. In order to succeed today, attorneys need to provide business solutions—not just legal solutions. Attorneys should aim to work with their clients to successfully evolve their businesses through innovative, sector-driven expertise. Successful attorneys expand and enhance how their teams work creatively with clients, external partners, and each other to drive ongoing improvements in delivering client value.

A great example of this was when Reed Smith was faced with the challenge of combining the knowledge and resources of employees from over 50 business units, residing in dozens of countries to build a library of all laws and key requirements instituted within the various business unit jurisdictions for a multi-billion dollar financial services client. Historically, the client utilized over 150 separate data sources across its global business units to identify and track compliance with the appropriate regulatory agencies. With the ever changing laws in each governing country, this method proved inefficient and became a risk management issue for the client.

Rather than simply update or revise the client's prior approach, Reed Smith leveraged its in-house technology as a central repository for over 300 client users spanning more than 30 countries to access and modify content concurrently. Attorneys, partnering with technologists and clients, developed a custom library of global laws and regulations that govern the functional areas of each client business unit. The technology solution also

enabled users to electronically search and properly filter through all jurisdictions. The client was able to pinpoint specific legal requirements that apply when engaging in business across the globe. By focusing on business efficiency, the firm developed a better method of managing legal risk in partnership with the client.

Another example of Reed Smith's innovation through client partnership involved a global corporation negotiating the sale of various business unit holdings. The client engaged the firm to analyze tens of thousands of its corporate contracts to determine the restrictions and obligations that would require consent from the contracted parties. However, the project had a strict deadline for completion within 30 days.

Initially, these contracts were being reviewed in the client's intranet site. Continuing to use the original technology would have taken anywhere from six months to a year to complete the analysis. With a ticking clock to get the deal closed, the situation required Reed Smith to think outside the traditional technology parameters in order to meet the strict timeline and minimize cost. The firm teamed with its technologists and the client to centralize the review in a modern repository to leverage data analytics and quickly organize similar contract clauses and restrictions. This enabled the firm and the client to efficiently identify parties requiring the same types of consent for mass distribution, rather than sifting through them manually. The team also built custom applications to automate the tracking of consent from required parties. The firm completed the project in just one month, enabling the client to close the deal.

## Conclusion

Innovation is increasingly becoming a driver for success for law firms, and clients are increasingly demanding it. Partners in law firms have an important role to play in building the environments, teams, and processes that make innovation possible. As the legal services field adapts to constant change, it is beholden on partners to act as the keystone between their firm's capabilities and the client's business needs. Innovation can be the mortar that holds that keystone in place. Partners up and down the line should consider how workspace, collaboration, and client partnership all contribute to making that "must have" innovation possible.

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