

# PETER SCOTT CONSULTING

## Briefing Note July 2016

### Future Uncertain?

Has there ever been a more uncertain time for businesses in the UK?

Usually when law firms in the recent past have considered their strategic development, there has been an assumption (unless they were legal aid or personal injury firms) that their future world would not be significantly different. Strategic planning has therefore most often been a gradual evolutionary process which has taken account of known or fairly predictable factors.

Since 23 June 2016 the ability to manage strategic development in this way has now radically changed. No longer can law firms assume that their futures will not differ greatly from what they knew pre- *Brexit*, given that no one knows what *Brexit* will mean. If the Government does not have a plan for the situation in which the UK now finds itself, then how can an individual business effectively plan for its future?

In this uncertain situation which could last for some years, there is an assumption by many law firms that the future economic, political and regulatory environment in which they have until now operated will, because of *Brexit*, differ in significant ways from what they know today.

To safeguard their futures, law firms now need to consider what they will need to do to be ready for all scenarios which could arise from *Brexit*, which can then help with the formulation of strategies to cope with different pictures of the future. This is where *scenario planning* (see <https://www.iisc.ac.uk/guides/scenario-planning>), used as a strategic planning tool, can help to develop flexible longer – term plans by building and using scenarios which can help to explore what the future might look like and the likely changes which will be brought about.

Here are a few thoughts which may help you to begin this process.

1. Spend some time trying to identify the areas of potential impact of *Brexit* on your firm. One way to do this is to use *brainstorming* which is a technique which can be used as part of the main process of developing and generating scenario ideas, but can also be used at the outset to identify some core impact areas, and issues and problems which will need to be addressed. The term brainstorming was popularised

by Alex Faickney Osborn in his book *Applied imagination: Principles and procedures of creative problem solving* (Charles Scribner's Sons 1963) and the term is now commonly used for group sessions to create new ideas. Organise your people in groups to make suggestions with no limits on their imagination or creativity, as to the issues that may need to be addressed by a scenario planning exercise. These suggestions can then be collated and prioritised.

2. For many law firms the likely areas for developing possible strategic planning scenarios around *Brexit* which will need to be identified at the outset are likely to be focused around issues such as:
  - Possible risks to the business, including economic, political, financial, regulatory, fiscal and people risks, and will need to involve the building of risk management scenarios to enable the development and timely implementation of any necessary contingency and risk mitigation plans;
  - The services to be provided by the firm in the future, whether they be new services to be offered to meet new client needs or existing services which may become redundant, and requiring developing possible scenarios which can cater for the impact of these on a firm, including the people issues likely to be thrown up;
  - Business opportunities which may arise and for which, if full advantage is to be taken of them, appropriate scenarios will need to be developed;
  - Innovation and changes to ways of working which may now need to be brought to bear on the business to drive forward efficiencies, to help mitigate the impact of certain risks and to assist in taking advantage of potential opportunities, with a view to maintaining / gaining competitive advantage.
  
3. To enable law firms to then begin to formulate ideas for the development of possible scenarios it is important for them to have an understanding of what is happening in the environments in which they currently exist. Gathering, monitoring and analysing relevant information and trends using techniques such as the following may be helpful:

- Arrange to meet all your important clients and referrers of work across a spectrum of sectors and areas of work with a view to finding out from them how they believe Brexit is likely to impact on their businesses, the forward planning they are now considering and how the likely impact of these on their businesses may affect how and the extent to which they will use their law firms in the future. Carrying out this kind of exercise will help you to identify and measure the factors likely to impact on your business that you will need to consider if you are to develop possible scenarios. (It is also good CRM to go to see your clients and to listen to them as to how they see the changing world)
- Information once gathered will need to be analysed using tools such as **PESTLE analysis** - see <http://pestleanalysis.com/what-is-pestle-analysis/> which denotes **P** for Political, **E** for Economic, **S** for Social, **T** for Technological, **L** for Legal and **E** for Environmental. It can give a bird's eye view of the whole environment from the many different angles that a law firm will want to check and keep a track of while considering the future for its services in a post – *Brexit* environment.
- Use brainstorming in facilitated internal workshops involving an appropriate spectrum of your people (and possibly others including for example your clients, your accountants, your bankers and other professionals and advisers) to help you with your analysis and to generate ideas and develop scenarios around each of the areas of your business you have identified as likely to be impacted by *Brexit*.

Predicting the future is never easy and at times like this is even more difficult! However, by beginning now a process to develop a range of possible scenarios relating to those aspects of your business likely to be impacted by *Brexit* should help you, as the political and economic situation unfolds, to be able to better formulate and implement strategies which will stand your business in good stead for the future, whatever a post – *Brexit* future brings.