

PETER SCOTT CONSULTING

Briefing Note September 2016

Staying ahead of the 'Brexit curve'

The overall prospects for the UK economy, our trading relationships with the rest of the world, and the outlook for law firms are more uncertain than they have been for (at least) a generation.

The eventual outcomes that emerge from the UK referendum vote to leave the EU will be hugely significant for law firms – but they won't be clear for some time or even for many years. What can the leaders of professional firms do in this situation? Some will take one of the following options:

- To try and ignore it, or pretend that it won't impact the firm because *"We have an exclusively UK practice!"*
- Consider the complexities involved but drift into paralysis as "there are so many unknowns."
- Focus on reacting to the outcomes that they hope will happen, or feel are most likely – even though there is a small probability of any particular outcome at the moment.

Some may think the first option is suitable because *"We have an exclusively UK practice!"* However, Brexit in whatever form it takes will impact on their clients' businesses in as yet unknown ways with potentially serious consequences for professional advisers. UK commercial property and advisers are already seeing some of those consequences. Realistically, nearly every company or employee in the UK works for customers that are part of a supply chain for EU based businesses.

For example, can you be sure you are immune from outcomes such as the loss of a major client deciding to re - base its legal spend elsewhere in Europe, or departures of key partners to firms operating in other jurisdictions?

Well managed firms with leaders who challenge all assumptions are likely to choose a different option. They will recognise, plan and execute effective strategies that take into account the opportunities as well as threats. They will recognise opportunities and innovate to build competitive advantage.

The role of scenario planning

Scenario planning helps a business to effectively plan and to execute strategies even in times of high uncertainty, and indeed was developed to do just that. These are some of the key steps.



Some key aspects

For many law firms the likely areas for developing possible strategic planning scenarios around *Brexit* will focus on:

- New business **opportunities** which will arise;
- New **services** to be provided in the future to meet changing client needs or existing services which may become redundant;
- **Innovation** and new working practices which will need to be brought to bear on the business to take advantage of opportunities or to mitigate risks; and
- **Risks** to the business, including economic, political, regulatory, fiscal and people risks and will require firms to build risk management scenarios for the development and implementation of contingency plans.

The outcomes for you

- A clear understanding of the key risks and opportunities that may emerge (and a means to react to them). This means you will be better prepared to invest in the most likely growth areas.
- A basis for strategic plans which provide flexibility, are ready to respond to changing developments, and can be implemented more quickly. This gives competitive advantages over firms who have not done this thinking.

- **An understanding of the primary focus for investment and the capabilities you will need to prioritise**
- **Direction for your practices and functions on key issues they must consider. This will reduce uncertainty and help your firm ‘pull together’ in a more aligned way.**

Working with us

In principle, firms can do these themselves. The advantages of working with us are that we can challenge hidden assumptions, be accountable for the outputs, and bring our own experiences across working for a combined 50 years with the legal profession. We can help your firm navigate through this process, consider the impacts across all your practices and income streams and help you form appropriate strategic responses, options and plans that are right for you. Our role will be to help you maintain the prosperity and upward growth trajectory of your firm.

These are a selection of the things we can help with:

- Accelerate your ability to develop a top level plan and your own scenarios. Or you can use the ones we have already generated, based on areas of greatest relevance to law firms.
- Facilitate discussions within your firm of potential impacts, across the firm, by practice and function – or even for a specific area if designed by you. We will appropriately challenge you so your thinking is robust.
- Collate and guide your understanding of the impacts on your clients – we can augment this through an effective client feedback approach which will also directly drive opportunities and revenue. We can collate, and analyse relevant data to drive additional value to you.
- Provide resources, up-to-date opinions, commentary and fact to help you better understand the potential influence in relevant practices and client sectors.
- Help to identify the key capabilities and skills you will need. We will also enable you to capture the key activities you should prioritise which are common to several scenarios. You can implement these with confidence they will help your firm drive growth.
- Support the business improvements you will need in governance, IT, HR, business development and training
- Facilitate joint sessions with key clients for you to use not only to improve your own strategic planning, but to lock in client relationships, and be seen to add significant, strategic added-value that helps the client’s business.

How we can help

We discuss the process with you to ensure it best fits the aims you want to achieve. A base for the process looks like this:



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