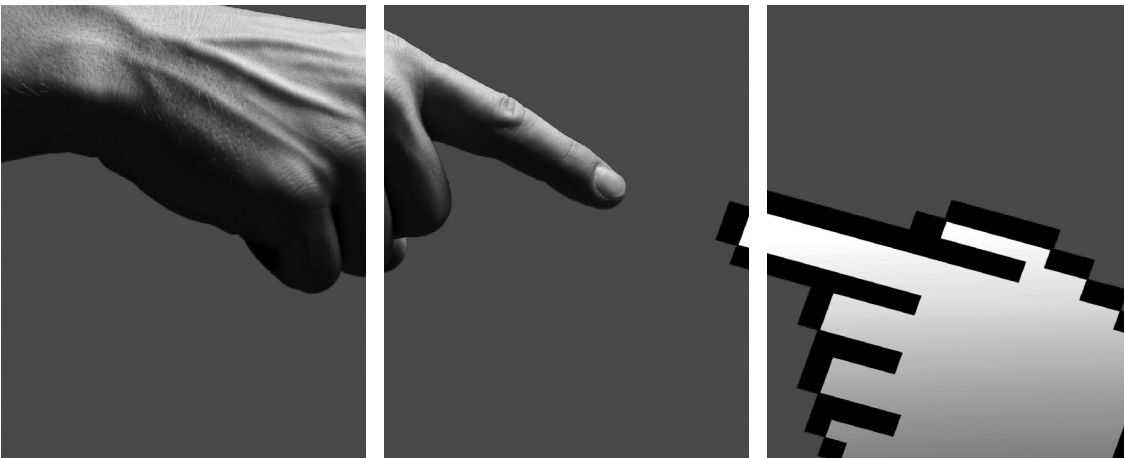


# Social Networking for the Legal Profession

PENNY EDWARDS & LEE BRYANT





# Contents

<b>Executive summary</b> .....	<b>VII</b>
<b>About the authors</b> .....	<b>IX</b>
<b>Acknowledgements</b> .....	<b>XI</b>
<b>Introduction</b> .....	<b>1</b>
Turbulent conditions forcing change.....	1
Rapid rise of social software.....	2
Growing importance of professional social networking.....	3
Shaping new ways of working for those who survive and thrive.....	4
A business role for social networking.....	4
<b>Chapter 1: What is online social networking?</b> .....	<b>7</b>
Online social networking.....	8
Software gets more social.....	11
Enterprise social computing.....	12
Business social networking for law firms.....	13
<b>Chapter 2: Survey of social networking sites</b> .....	<b>17</b>
What are networking sites?.....	17
A closer look at networking sites.....	19
Professional networking sites.....	20
LinkedIn.....	20
XING.....	22
Avvo.....	24
'Social' social networking sites.....	25
Facebook.....	25
Twitter.....	27
Other social networking sites.....	29
Aggregators.....	29
Law community networking sites.....	30
Legal OnRamp.....	33
Martindale-Hubbell Connected.....	35
JD Supra.....	36
Twitter communities for legal professionals.....	38

Blogsphere .....	39
Summary of social networks for professional purposes .....	42
<b>Chapter 3: Networking inside the firm .....</b>	<b>47</b>
Value of connections .....	47
Supplementing not replacing offline interactions .....	48
Social networking platforms for firms .....	48
IBM Lotus Connections .....	50
Jive Social Business Software .....	51
Socialtext .....	52
ThoughtFarmer .....	53
Microsoft Office SharePoint Server 2007 .....	53
Social computing for law firms .....	54
Summary of internal social networking tools .....	59
<b>Chapter 4: Relationships in the market .....</b>	<b>63</b>
Recruitment .....	63
Attracting graduates .....	63
Leveraging public social networking sites .....	64
Alumni networks .....	66
In-house networking for future trainees: the DLA Piper experience .....	67
Marketing .....	69
Online presence as a marketing tool .....	69
Building relationships and reputation .....	71
Do these tools create business? .....	73
Creating value for clients .....	73
Using social tools in a client-facing setting .....	74
Clients driving change .....	75
Summary .....	75
<b>Chapter 5: Networking across the firm .....</b>	<b>77</b>
Expertise location .....	77
Case study: Networking at BT .....	80
Knowledge sharing .....	83
How social tools are being used for knowledge sharing .....	85
Case study: Knowledge sharing at Allen & Overy LLP .....	86
Finding relevant information .....	89
An open, social approach to new matter intake .....	92
Case study: Improving information findability at Latham & Watkins LLP .....	93
Current awareness .....	95
Case study: Creating a social intranet at Freshfields Bruckhaus Deringer LLP .....	98
Internal communications .....	101
Case study: Blogging from the outside in .....	103
Summary .....	105

<b>Chapter 6: Benefits of social networking</b> .....	<b>107</b>
Improvements to individual and team productivity.....	107
Self-service .....	107
Collective intelligence .....	108
Business development .....	108
Building relationships across boundaries.....	109
Implementation of cost-effective solutions .....	109
<b>Chapter 7: Challenges</b> .....	<b>111</b>
Security and privacy .....	111
Time .....	112
Compliance .....	113
Culture .....	114
Demonstrating the business case.....	115
User engagement and sustainability .....	116
Summary.....	117
<b>Chapter 8: Getting started</b> .....	<b>119</b>
Strategy and focus .....	119
Define use cases.....	120
Define success .....	120
Getting started with external social networking sites .....	121
Getting started in the blogosphere .....	122
Case study: Linklaters LLP – using social tools to free up time .....	123
Select pilot groups .....	124
Case study: Clifford Chance – adopting social tools.....	125
Select your tools .....	126
Case study: Hicks Morley – implementing social tools.....	126
User-centric design .....	128
Adoption strategies .....	129
Case study: Mallesons Stephen Jaques .....	129
Governance and risk mitigation .....	131
Summary.....	133
<b>Chapter 9: Where are we going?</b> .....	<b>135</b>
What have we learned?.....	135
Pace of adoption – will it go mainstream? .....	138
Statistics .....	139
Horizon scanning and future developments.....	140
‘21st Century Lawyer’.....	143
Service innovation.....	144
New work processes.....	145
Looking forward.....	146
Summary.....	148

Appendix 1: Suggested reading.....	151
Index .....	159

# Executive summary

THERE HAS been a great deal of interest in social network-based technologies among law firms in recent years, but relatively few firms have been able to adopt these new tools in a meaningful way. With the advent of the global recession, it seems firms are turning to lightweight social technologies not just for their innovative novelty, but for the cost savings, value enhancement and business transformation potential they embody.

*Social Networking for the Legal Profession* offers a timely survey of current practice, looking at ways in which law firms are adopting and exploiting social networking for business, both internally for operations and communication, and externally as part of their marketing and business development efforts. It will also provide an insight into the thinking of some key players in this space and look ahead to assess the longer-term impact of social networking in general on the legal profession.

The report explores the networking practices and social tools that are currently being adopted by individuals and firms, and provide guidance to those looking to get started with an online social networking strategy, including:

- What do we mean by social networking in the legal context?
- A survey of personal, professional and lawyer-to-lawyer social network sites, including the best sites for lawyers and what they have to offer;

- How social tools support social networking within the firm, including blogs, wikis, presence sharing, social bookmarking and tagging, RSS and social newsreading;
- Challenges to establishing and participating in online social networks;
- The role of social networks in improving both personal and network productivity, knowledge sharing, collective intelligence and relationship building;
- Using online social networks for recruitment, value-added legal services, thought leadership and reputation management;
- How to evaluate and select social networking tools, and assimilate them in to your professional and personal life in ways that suit and make sense to you;
- Policy and governance issues around social networking adoption; and
- Future social networking trends and their impact on the legal profession.

Throughout the report, there are case studies and interviews with legal professionals offering practical advice and insight into social networking and the use of social tools in support thereof.



## About the authors

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Headshift is Europe's leading enterprise social computing consultancy, with seven years' experience in designing, implementing and growing next generation social software solutions. Based in London, with offices in New York, Paris, Sydney, Rome and Zurich, Headshift delivers smarter, simpler, more social IT solutions internally within large enterprises, knowledge intensive firms, government and third sector organisations.



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# Introduction

## Turbulent conditions forcing change

The recession looks set to have a profound and long-term effect on the legal profession, especially at the top end of the market. As companies do fewer deals and cut back on their legal spend, business is drying up in certain practice areas and revenues are falling for most firms, as evidenced by regular media reports of law firm lay-offs. Many firms are restructuring and paring-back costs, whilst others are seeking new avenues to exploit. In such times, client retention is of prime importance, and winning new business in the downturn has become an even greater challenge. Hence, lawyers are constantly seeking ways to get closer to their clients and provide greater value, whilst market forces are pushing them to be leaner, more efficient and innovative in their service delivery. There is also an ongoing struggle to capitalise on the skills, experience and talent to improve firms' agility, overall effectiveness and competitiveness, which are more visible now the market is no longer growing as it has in recent years.

Such acute conditions have brought into sharp relief a number of other challenging trends facing the legal profession, namely:

### ■ **Market pull towards commoditisation:**

Commoditisation has been at the heart of Richard Susskind's contention that lawyers must adapt to the concept of legal services as commodities and "embrace better, quicker, less costly, more convenient, and publicly valued

ways of working".<sup>1</sup> This trend towards commoditisation is being driven from a number of quarters including technology advances (for example, online and document assembly technologies), standardisation and packaging of lower risk transactional work, and client demand for smarter, more cost-effective legal services. The result is that price and quality are no longer the only differentiators or drivers of competitive advantage.<sup>2</sup> Instead, advantage is derived from leveraging intangible assets and capabilities, which most obviously surround the capture, sharing and innovative delivery of knowledge.

### ■ **The rise of the knowledge economy and knowledge markets:**

In today's service-based economy, social and professional networks circulate valuable information, ideas, skills and opportunities, quickly and effectively. As a result, *what* and *who* you know determine where and how far you go. As legal professionals continue to be laid-off, so too does thousands of years of knowledge and expertise – largely untapped.

### ■ **Technological advances:**

Information and communication technology continues to evolve and have a pervasive impact on our personal and professional lives. Since its inception, the web has fundamentally changed the way users interact, connect and communicate. Technology's continued and rapid evolution is offering increasing



better, more efficient and connected way than previous generations of IT tools. This enhanced interactive capacity is bringing about significant changes to business, commerce and society in general, strengthening individual relationships and, often, the social capital of the group as a whole.<sup>4</sup>

### **Growing importance of professional social networking**

Professional service organisations are increasingly focusing on networking and collective intelligence technologies as a way to maintain market position – either to match the competition and better meet customer needs or to provide a competitive edge.<sup>5</sup> They are using Web 2.0 to communicate with customers and business partners, as well as to encourage collaboration in the firm and help manage knowledge internally.

For legal professionals, social networking has always been an important feature of the way they do business, and there are many characteristics of lawyerly behaviour that map very closely to the features of online social networking:

- Relationship-based business development;
- Individual brand based on reputation and trust;
- Expertise location and knowledge proliferation through social networks;
- Development of legal content and expertise as a social endeavour;<sup>6</sup> and
- Strong guild-like legal community.

Nevertheless, as traditionally conservative adopters of technology, many lawyers simply have not had the time to consider the implications of these social and technological developments, whilst others dismiss them as passing fads or consider them unlikely to have any (material) impact on the legal world.<sup>7</sup> The popularity of

networking sites like Facebook, Twitter and YouTube has tended to limit perceptions of social networking to the online, out-of-work pastime of the younger (net) generation, leaving many lawyers struggling to see beyond these media-created impressions of online networking. Some question the value of professional networking sites, which have yet to attract a critical mass of participants. Others do not see as relevant activities like micro-blogging, social tagging and bookmarking, or are concerned with perceived risks associated with online social networking stemming from a breach of ethics or data security, and 'inappropriate' behaviour.

Nevertheless, these concerns, which need to be acknowledged and addressed if we are to see widespread adoption, have not deterred some innovative legal professionals who have observed the highly visible success and popularity of sites such as Wikipedia, Delicious, Facebook and LinkedIn, and are getting involved in social networking in an effort to secure competitive advantage through:

- Development and exploitation of social capital within online social networks;
- Development of collective intelligence, both inside the firm and more broadly within a market context; and
- Informal knowledge sharing using online social tools and networks.

Within the firm, over-structured group collaboration tools are increasingly giving way to lightweight wiki-based team and group spaces. Costly internal newsletters are becoming blogs, one-way intranet publishing is being opened up using wikis, RSS is starting to replace e-mail alerts and internal social networks are taking forward the concept of expertise location and 'know-who'.

Within the marketplace, online social networking is helping legal professionals and firms alike to increase their visibility and be part of the conversation wherever it is happening; build reputation and relationships; recruit and retain the best and brightest new legal minds who have grown up as internet natives; and provide value-added personalised legal services and secure referrals.

### **Shaping new ways of working for those who survive and thrive**

The current generation of information technology (IT) systems in the legal sector was strongly influenced by the early enterprise software market of the 1990s, and is not ideally suited to the specifics of running a high-value law firm. This 'industrial' technology is expensive to procure and maintain, places too much emphasis on centralisation and standardisation, and does not reflect the way that lawyers traditionally do business. Whereas lawyers operate on the basis of their social networks both within and beyond the firm, developed through the exchange of tacit knowledge and know-how, their IT systems often treat them as widget-makers operating according to a standardised set of processes.

The recession presents a once in a generation opportunity to rethink how firms can improve their IT provision to assist lawyers in doing more with less, but also to return to the traditional people and network-based *modus operandi* that have served lawyers so well over the years. Social networking and social computing in general are potentially a vital part of this change.

### **A business role for social networking**

Social networks are an integral part of the new IT landscape because they are:

- The source of ideas, knowledge, leads, business opportunities, support, trust and co-operation. Knowledge resides in social networks and it emerges from interactions and connections: individual to individual, individual to group, and group to group.<sup>8</sup>
- A ubiquitous and persistent part of our professional and personal lives. Often we are not even conscious of their existence or the role that they play in feeding us with the information and intelligence we need to work well. They are dynamic and conditioned by the context in which they operate, and dramatically influence the uptake of ideas and trends.<sup>9</sup>
- An increasing source of competitive advantage as the economy has become increasingly orientated around intangibles like ideas, skills and information. They are often the place where business is secured and work gets done.

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4. Anklam, P., *The Social-Network Toolkit*, Ark Group, London, 2005.
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6. The common law is itself a multi-authored emergent web of precedent, exception and opinion built up over centuries.

7. Susskind, *ibid*.
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# Chapter 1: What is online social networking?

SOCIAL NETWORKING is often considered to be a recent discovery – a phenomenon resulting from public participation in websites such as Facebook, LinkedIn, Wikipedia and YouTube. However, networks of both formal and informal relationships have always played a fundamental role in supplying us with the contacts, information and support we need during our professional and personal lives.

In its simplest form, the term ‘social network’ refers to a network of people (as opposed to a telecommunication, computer, road or television network) who choose to form ‘links’ between each other, perhaps based on common factors such as values, friendship, ideas, interests or trade. For some people, ‘social’ networking implies trivia, gossip and non-work related activities. In reality, social networks span the professional and personal spheres and have played a key role in the way business is conducted for much longer than, say, the idea of the corporation or the company has existed. Social networks include everything from project teams to sports teams, communities of practice to working groups, informal old boy networks to women’s bar associations, trade unions to alumni groups, to name but a few.

Social networks are the medium through which information is circulated and mutual support is facilitated – governed by norms and trust levels within the networks. They operate on many levels, and are instrumental in determining how we solve problems, secure and allocate work, retain

and promote people, and improve our performance in general.

Social networks are not only a valuable source of identity and trust, but as William Davies illustrates they are also increasingly significant in economic terms:

“As our economy has become more orientated around intangible goods – ideas, skills, effort, information – so social capital has become more valuable. We need to trust the people whose advice we receive; service organisations need to know more about those they are about to hire. Social and professional networks circulate such valuable information quickly and efficiently. In a more weightless, more service-based economy, social capital is a major source of advantage and disadvantage, often determining whether information is shared or sold.”<sup>1</sup>

Within a business context, Cohen and Prusak maintain that social capital creates business value in several ways:<sup>2</sup>

- Better knowledge sharing due to established trust relationships, common frames of reference and shared goals;
- Lower transaction costs, due to high levels of trust and cooperative spirit (both within the organisation and between the organisation and its customers and partners);
- Low turnover rates, reducing severance costs and hiring and training expenses; and

“Social capital’ refers to the resources available in and through personal and business networks. These networks deliver information, ideas, business opportunities, influence, goodwill and trust to network members. The ‘social’ in social capital should not be confused with non-work related activities. Instead, it means that the resources belong to the group, not to an individual. If you consider human capital as what you know (the sum of your own knowledge, skills, and experience), then access to social capital – what the network knows – depends on who you know – the size, quality, and diversity of your personal and business networks. ‘Capital’ emphasizes that social capital is productive, no one can be successful or survive without it. It enables us to create value, get things done, achieve our goals, fulfill our missions in life, and make our contributions to the world.” Wayne E. Baker in *Achieving Success Through Social Capital*, Jossey-Bass Inc, 2000

- Greater coherence of action due to organisational stability and shared understanding.

The link between networks and competitive advantage is evident from:<sup>3</sup>

- Strong relationships with and between employees, and with other organisations, being a prerequisite for innovation;
- A dense network of relationships providing requisite resources and information for the development of new markets and opportunities; and
- Relationships being the source of a good reputation and enhanced brand value,

both of which create myriad business benefits.

Consider for a moment where you turn for information, knowledge or references. Despite (sometimes huge) investments by firms in databases, intranets and other information management systems, they are often underused because people are more likely to turn to their colleagues or friends for information.<sup>4</sup>

Cross and Parker indicate that “research has consistently shown that whom you know has a significant impact on what you come to know, because relationships are critical for obtaining information, solving problems, and learning how to do your work”<sup>5</sup>.

### Online social networking

The idea of connecting with people online is not new, but in recent years this has become a dominant form of online activity. Whilst e-mail changed the communication habits of millions of people, and the web transformed the way we find and consume information, the rapid growth in online communities and social networks is helping people connect, communicate and engage with other people in new and interesting ways.<sup>6</sup>

Online social networking has its roots in the early days of the internet with Bulletin Board Systems (BBS) and the famous Whole Earth ‘Lectronic Link (The WELL) system, and later with networks like Geocities and Classmates.com. But it was the modern generation of social networking sites such as Friendster, Friends Reunited and then MySpace and Facebook that really achieved the widespread participation we see today.

But ‘online’ social networking is not just about having fun and meeting friends. Sites such as LinkedIn and XING have demonstrated that there is a huge market for business social networking, and these

### Tracing the roots of social networking theory

Social network theory and analysis began decades ago, but the development of the internet made it possible for us to create, participate in and visualise social networks much more easily than before. We have also learned a great deal in recent years about how ideas spread, drawing on ideas from other fields such as epidemiology, and this has focused attention on informal, rather than formal, structures as vehicles for collective action in the workplace.

Malcolm Gladwell's *The Tipping Point*<sup>7</sup> was the first of many social networking texts that crossed into mainstream reading lists. Gladwell illustrated the relationship between social networks and the way major changes in society and culture can happen through a series of seemingly almost inconsequential yet linked events. To explain how ideas spread through populations of people, he recounted the history of sociological research into social networks including the work of Dr Stanley Milgram.<sup>8</sup> Milgram's 1967 small world study resulted in the oft-cited phrase "six degrees of separation" – a highly intriguing concept that tells us that, despite the burgeoning size of the global population, each person is on average a mere six links from each other. Whilst there are inconsistencies in the Milgram study methodology, and therefore its conclusions, the appeal of the notion is undeniable: our world is very small because society is an incredibly dense web of interconnections.

Also noteworthy was Mark Granovetter's 1973 study<sup>9</sup> that examined the influence of weak social linkages ("weak ties"), which pointed out that innovation and business opportunities tend to flow from weak ties more than strong ties in a given network, further reinforcing the idea that our formal corporate structures are not necessarily the main vehicle for action. There are a wealth of other studies that have emerged from this field of enquiry,<sup>10</sup> but one that clearly demonstrated the business value of maintaining diverse personal networks that bridge different groups was Ronald Burt's 1992 work on 'structural holes', which illustrated how bankers whose networks bridged otherwise unconnected social networks earned more than their peers.<sup>11</sup>

days, people in a range of fields can be found doing business or making contacts via even non-business-specific services such as Facebook and Twitter. Later in this report, we shall provide an overview of relevant social networking services for legal professionals and business in general.

Online social networking is just one element of a wider trend towards social computing – the use of simpler, more networked (often web-based) online applications to connect people and make it easier to get things done. Whereas previous generations dreamed of artificial intelligence and people feeding computers information and receiving answers, we now understand

that the roles should be reversed, and we are interested in using computer networks to augment human intelligence and make it easier for us to make decisions of our own.

This insight looks set to change the face of corporate IT over the next few years, moving it away from highly centralised, process-driven computing towards a more flexible, networked world where corporate IT is an enabler, rather than a command and control system, and where people get work done in the best way for them, using their own social networks and information streams.

In knowledge intensive environments such as a law firm or other professional services firm, this has a lot of potential

to improve service delivery and create efficiencies within the business. The legal community is often criticised for lagging behind other professions in terms of technological innovation, but in this case innovation may mean returning to a more lawyerly way of working. Richard Susskind provides a rough sketch of the development of the technology landscape as follows:

“[M]ost lawyers in 1996 did not have mobile phones or e-mail; they had no access to the Web; very few had laptops; and very few had home computers or hand-held machines. E-business was not even on their horizons. There was no concept then amongst most lawyers of knowledge management, and frankly, very little interest in IT generally.”<sup>12</sup>

Today, the profession has comprehensively embraced e-mail, and many have gone further with the adoption of hand-held mobile devices (such as the BlackBerry), which allow them to stay constantly connected with their office and clients

irrespective of their location. It is not uncommon to find that firms have made considerable investments – in websites, intranets and online communication, account, client and knowledge management systems – to promote collaboration and the capture and sharing of knowledge. But those efforts often produce quite disappointing results. Such initiatives are undertaken without understanding the workings of a network, relying on the philosophy that more communication and collaboration is better.<sup>13</sup>

Many of the large, centralised, top-down implementations have focused on enforcing information and management processes rather than supporting the social networks through which information and knowledge are circulated. Often, they are rigidly segmented and regarded as separate specialist applications, with different interfaces, rules for user interaction and ways for identifying, categorising and storing information within the ‘appropriate’ system. Because those systems have not necessarily been designed and built in ways which best support people’s work, many have been left

**TECHNOLOGY**

- Architecture of participation delivering rich user experiences
- Emergent systems that adapt and improve the more people use them

Technology enhances connectedness - forces social change →



**SOCIETY**

- ‘Always on’ networked world
- Using technology to augment human intelligence and facilitate our professional and social interactions

Social connections forming around networked individualism - shapes technology development →

Figure 1: Social and technological forces driving social computing<sup>14</sup>

grappling with a range of challenges related to user adoption and change management. The systems are (perceived as) inflexible, redundant and incapable of meeting daily work and information needs of legal professionals. As a result, the systems are underused, any information stored therein is siloed, and knowledge and information networks remain hidden.

This situation seems to be an historical legacy of the way that law firms, and many other companies, first embraced IT as part of their operations. This way of 'doing' IT has ceded a remarkable level of control over the way lawyers work within a firm to the IT department, and led to a culture of expensive, top-down, one-size-fits-all applications that are insufficiently flexible or adaptable in most contexts. Given the cost of each new lawyer to enter a law firm, in terms of education and salary, it seems absurd that they are required to use such poor internal systems to do their job.

Arguably, this approach to corporate IT has always been inappropriate for lawyers, whose behaviour and working culture is closer to the new world of online social networking and the notion of networked individualism<sup>15</sup> than many perhaps realise.

### Software gets more social

One of the key drivers of change inside firms is the widening gap between people's experience of internal systems and their experience of the external, consumer-facing internet. Whilst internal IT functions have not changed much in the past five years, there has been a rapid and transformational change in the way that consumer internet applications are conceived, built, evolved and used. In the outside world, the state-of-the-art is simpler, cheaper and far more user-centric than can be found in most corporate IT departments today. IT departments are being asked hard questions about why is it so easy to search on Google or collaborate on Wikipedia from home, but so hard, and expensive, to perform similar functions inside the firm.

There are a few pioneering firms and practitioners who have recognised the need to achieve more meaningful interactions between employees, clients and partners, and as a result, have tried to realise greater efficiencies and improved performance through change programmes; but few have yet understood the extent to which these technological and societal changes may have a material impact on the work of legal professionals across the board.

Social tools	Examples
Blogs	Wordpress, Movable Type, Blogger, Typepad
Wikis	Wikipedia, Twiki, Confluence, SocialText
Syndication	RSS, Atom
Personal dashboards	Netvibes, MyYahoo, iGoogle
Bookmarking/tagging	Delicious, Cogenz, ConnectBeam
Microblogging	Twitter, Yammer, LegalBirds, LexTweet
Instant messaging	Sametime, MSN, Skype
Video and podcasts	YouTube, TED, The Economist

Table 1: Examples of social software

Social software can play a useful role in supporting the interaction and communication necessary to support existing ways of working, but its potential uses go much further than this, suggesting the possibility of new, flatter and less costly ways of working in the future. It is fundamentally people-centric, expanding on early programmes like e-mail and web browsers, to include a variety of tools and sites (see Table 1) that enable people to break down the distinction between, and augment, online computer-mediated experiences and offline face-to-face experiences.<sup>16</sup>

These tools broadly fall within a trend labelled Web 2.0 or the era of the read-write web. Tim O'Reilly coined the term Web 2.0, which he defines as:

“[A] platform, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an 'architecture of participation', and going beyond the page metaphor of Web 1.0 to deliver rich user experiences.”<sup>17</sup>

O'Reilly talks about the goal of this new direction being to develop a connected “architecture of participation” rather than standalone, individual applications, and he sees the application of these ideas within business leading to new forms of collective intelligence. But it is not just about the technology. One of the most talked about effects of Web 2.0 applications is the idea of network effects and the new

social affordances these create within highly-connected social networks and online communities. Phenomena such as Wikipedia, Google's search algorithm and the Amazon recommendation system are all examples of the collective value that can be generated by aggregating individual actions and 'signals' at scale.

The value of new tools such as blogs, wikis, social tagging and bookmarking and social networking lies not just in the software itself, but rather the connected networks in which these tools operate. A wiki for one is a useful note-taking tool. A wiki for thousands of people can become a major encyclopaedia, simply by joining together the small-scale actions of each individual user, as Wikipedia has achieved.

### Enterprise social computing

The business application of Web 2.0 ideas is sometimes referred to as 'Enterprise 2.0', derived from the title of an MIT *Sloan Management Review* article by Prof. Andrew McAfee.<sup>18</sup> In the article, McAfee surveyed some of the available case study and survey data about the use of Web 2.0 tools inside large organisations and talked about the potential for “emergent collaboration” to make both the practice and outputs of knowledge work more visible within companies. More recently, this goal has been re-stated more simply as the era of 'social business'. This involves moving from a purely process-driven idea of individual tasks and productivity to a wider notion of 'networked productivity'. Similarly, where previous knowledge and information management initiatives were about creating and managing individual items of 'content', we now think in terms of surfacing and managing information 'flow'.

This new field draws on previous work on organisational learning and social

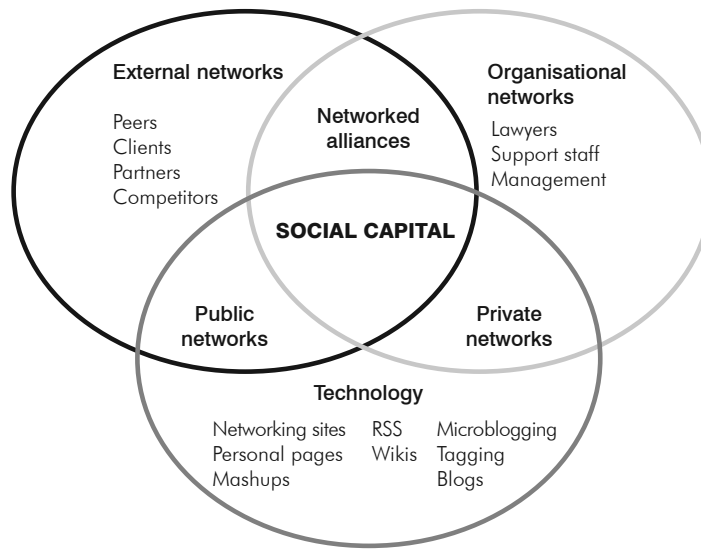


Figure 2: Relationship between social networks and social software

network analysis from the mid-twentieth century onwards.<sup>19</sup> It refers to the creation of organisational culture, structures and capabilities that drive success in an intensely competitive, changeable, connected economy. As such, it impacts upon technology, culture and business process, and there is some debate about whether new ways of working enabled by new technology require a receptive and positive culture to succeed, or whether the technology itself can create new directions in corporate culture by enabling behaviour change independent of top-down formal change initiatives.<sup>20</sup>

One thing social software does particularly well within organisations is to make visible social and information networks, so as to identify expertise and connections, as well as any rigidities or bottlenecks which may hamper the flow of information or know-how through the network. Its focus on weaving rich networks of connection, collaboration and sharing, often orthogonally to formal structures, suggests that social tools may create

healthier, more resilient networks within companies that are less susceptible to catastrophic failure arising from the 'infection' of bad ideas or practices.

### Business social networking for law firms

It is a gross oversimplification, of course, but let us assume for a moment that the basic work of a law firm involves maintaining strong networks of contacts and potential clients, processing large amounts of information to derive insights and valuable

intelligence, and then mobilising a range of expertise and skill to represent clients, whilst managing the client relationship to maintain loyalty and maximise future opportunities. Each of these stages involves social networking, information processing and various forms of collaboration.

The behaviour of lawyers as a profession is a remarkably good match with the behavioural characteristics of successful business online social networkers today. Even as they accumulate experience and connections, the best lawyers still recognise the basic principles on which they built their success: creating strong trusting relationships, establishing reputation, capitalising on word of mouth, getting to know clients outside of business, hiring great people, pursuing opportunities, and so on. At the heart of these activities are networks. It is through networks that lawyers stay in regular contact with colleagues and clients, keep abreast of legal, economic and political developments, and grow their experience and personal competencies (see Figure 2).

This suggests that lawyers should take rather well to social tools and online social networking, and this is supported by the popularity of external online social networking services among younger lawyers in particular. But it is within the firm that the greatest potential for improving the practice of law exists today.

Later in this report we shall examine some of the principal use cases for social networking inside a law firm, but first there are some general factors that suggest the time is right to pursue this in the current climate.

Firstly, the recession has placed huge cost pressure on large firms in particular, and the reduction in deal flow has exposed inefficiencies and unnecessarily high internal co-ordination costs. The first instinct in this situation may be to reduce headcount,<sup>21</sup> but as people leave, thousands of years of knowledge and expertise also leaves with them – largely untapped. That knowledge presently sits in a multitude of places, including e-mail exchanges, memos, meeting notes, hard and shared drives, not to mention in the heads of the departees. The next step is to consider making better use of the amazing human resources law firms possess, and perhaps also to move further towards the flatter, self-service model that we have been promised for some years, placing more emphasis on personal initiative and responsibility to get things done.

Networks are the means by which work really gets done. We rarely think about how we source and supply information into our networks until somebody leaves or is unavailable, or a bottleneck is created because somebody is overburdened with requests for assistance. Research has clearly shown that the effectiveness and competitiveness of large organisations is strongly correlated to how well the personal

networks within the company support collaboration, knowledge sharing, and project execution.<sup>22</sup>

Yet the concept of networked, as opposed to just individual, productivity is a very new one. Conventional IT systems think about individuals performing individual tasks using centralised systems, but they do not consider the networked productivity gains that can be harnessed by socialising both information inputs and outputs within related networks.

It is notoriously difficult to place a monetary value on the health and status of internal networks within a law firm – clearly this varies by time and context – but there can be little doubt that the quality of a firm's networks is a major determinant of value, because this influences how quickly and how well work gets done. IBM talks about "unlocking the DNA of the adaptable workforce"<sup>23</sup>. Or, as William Davies puts it:

"[A]n institutional perspective alone may not capture the most important relationships through which knowledge circulates, collaboration occurs and identities are formed. Informal social networks do not respect institutional boundaries."<sup>24</sup>

In the traditional knowledge management (KM) view, it is assumed that healthy, efficient collaborative work practices result from more and better communication and increasing the online availability of information. But when conceived as comprising the systematic capture, organisation and exploitation of content, KM tended to be pigeonholed as a technology issue, resolvable through the introduction of monolithic knowledge repositories for use across all areas of the firm.<sup>25</sup> However, those systems have been heavily underutilised, and KM in general remains an unfulfilled promise.

The key thing that KM got wrong, and which corporate IT of all kinds has singularly

failed to understand, is the importance of individual incentives and motivation. In the Web 2.0 world, people use tools and systems because they provide immediate and discernible benefits and feedback, not because of some putative collective benefit. The collective benefits are a second-order effect deriving from network effects. Sharing is a by-product of doing, not an end in itself. This is one of the most important lessons of the Web 2.0 world for the enterprise social computing world, and it hints at an important improvement that online social networking can bring to bear on the firm – a significant increase in participation based on the fact that the tools support individual needs more directly.

We will cover the specific use cases that firms are currently addressing with social tools, and those we see on the radar, later in this report. We will look at internal uses (such as communication, co-ordination, collaboration and knowledge sharing), external uses (such as client service, intra-organisational collaboration and working with peers) and public uses (such as marketing, brand building, crowd-sourcing and recruitment).

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