



EMCC case studies

Change in the knowledge-intensive business services sector: Simmons and Simmons

Company facts

Market dynamics and company strategy

Growth strategy

Knowledge management

Outsourcing

Human resources

Corporate governance and social responsibility

Conclusions

References



EMCC case studies are available in electronic format only

Company facts

Established in 1896 by two brothers, Percy and Edward Simmons, Simmons and Simmons is a leading international law firm with close to 2,000 employees and boasting 20 offices located in major business and financial centres throughout Europe, the Middle East and Asia. The company is headquartered at CityPoint, a landmark building located in central London.

Simmons and Simmons has followed a pattern of substantial growth and expansion since its establishment. Twenty years ago, the company operated just three offices, eight years ago, some 10–12 offices and today 20 offices, with three more opening shortly in Asia, Europe and the Middle East. This growth pattern represents a deliberate and planned strategy to develop a global presence, allowing the company to serve the most demanding and thus profitable international clients.

With its headquarters in the City of London, the company is part of a strong financial centre, and is also influenced by the strength of English Law and the English language within the business community. The company also maintains offices in other financial and commercial centres, including Dubai, Frankfurt, Hong Kong, Rotterdam, Shanghai and Tokyo. The company's international focus is evidenced by its 2003 Queen's Award for Enterprise in recognition of outstanding achievement in international trade.

Table 1: *Simmons and Simmons office locations*

Abu Dhabi	Milan	Brussels	New York
Düsseldorf	Oporto	Dubai	Padua
Frankfurt	Paris	Hong Kong	Qatar
Lisbon	Rome	London	Rotterdam
Madeira	Shanghai	Madrid	Tokyo

Source: *Simmons and Simmons, 2006*

Management structure

With about 200 lawyers at partner level, Simmons and Simmons faces challenges, along with all other international law firms, in making the fast, adaptive decisions required in the competitive marketplace of legal services.

As regards the organisational structure, all large international law firms struggle between democracy and 'commander control'. Simmons and Simmons has attempted to resolve this struggle through the election of 'managing partners'. The directorate team which covers the company's business support services, such as business development, finance, information technology (IT), knowledge management, marketing and human resources (HR) issues, reports to the managing partners, who ensure the efficient and effective operation of business and service functions. The company also elects a senior partner, whose role includes addressing the needs of the partnership. This is a typical organisational structure adopted by many law firms.

International law firm

Managing an international law firm is not without its challenges. Working practices and cultures can vary significantly from one jurisdiction to another; for example, the Anglo-Saxon model of practising law is very different from the continental European model.

In an Anglo-Saxon model, lawyers are familiar with working in large companies. In general, they are trained in a large law firm and work according to a 'firm first' culture. In other jurisdictions, such thinking is unfamiliar, and lawyers may be used to operating as sole practitioners (not least because some are self-employed), responsible for their own clients.

Culturally, these opposite positions are challenging to integrate, and have considerable implications for the way in which law firms are managed.

The Marketing and Business Development Director, Julia Taylor recalls her own experience of these cultural differences: ‘I have stood up in one of our southern European offices in front of partners, and started a presentation with something that is fundamental to me – ‘firm first’ – the notion that clients belong to the law firm and not to the individual, and people have disagreed with me from the beginning.’

Text Box 1: Tapping into the international knowledge network

Simmons and Simmons recognises the extensive knowledge and expertise that is spread throughout its network and is keen to exploit abilities of staff within all offices. While the London office is the company’s headquarters, it does not manage all its development programmes. For example, the Rotterdam office manages an innovative ‘competency framework development’ programme that is currently undertaken by the HR department, because the head of HR in Rotterdam has particular expertise in this area.

Administrative functions

Simmons and Simmons focuses on four core sectors of activity, including life sciences, energy and infrastructure, technology and financial services. However, the company advertises these sectors mainly for presenting its core business competencies in an easily accessible way to external audiences. The internal management of the law firm reflects traditional legal service functions, such as litigation, IP and finance. Externally the company presents itself by its sectoral capacities, but internally it is organised around functional capabilities.

Simmons and Simmons uses the sector focus in order to ‘break up administrative barriers’. Each sector is headed by a partner who is responsible for ensuring that the client company in one specific sector (e.g. energy and infrastructure) uses the law firm across as many service lines and offices as possible, e.g. in both finance and IP. In this way, Simmons and Simmons maximises its potential to serve a particular client, and the main objective of advertising key sectors is thus to encourage cross selling.

Services and activities

Simmons and Simmons provides legal advice across a broad range of services and industry functions (see Table 2). The company currently focuses on expanding and developing its international finance, corporate and litigation work in four main sectors, including energy and infrastructure, financial services, life sciences and technology.

Table 2: *Company services and sectors of representation*

Services	Sectors
Commercial	Financial services
Communications, outsourcing and technology	Energy and infrastructure
Corporate	Life sciences
Dispute resolution	Technology
EU and competition	
Employment and benefits	
Finance	
Intellectual property	
Real estate and environment	
Tax	
Projects	

Source: *Simmons and Simmons, 2006*

Client base

In the last decade, the company's client base has changed substantially. According to Ms Taylor, 'the client base is almost unrecognisable from 10 years ago, and even five years ago was considerably different'.

In 2000, Simmons and Simmons fundamentally changed its strategic approach. At this time, the company was known for its so-called 'support' legal services of intellectual property (IP) and employment law. This structure was seen as a doughnut-type model, with strong peripheral, support functions, but no core business activities centred around corporate and financial issues.

With determined and strategic repositioning, the company has developed a strong client base centred around global investment banks, and continues to focus on further expanding its network of corporate clients. The company has successfully repositioned its brand within the marketplace, and as Ms Taylor notes, 'I would say we probably now have a stronger reputation as a finance firm'.

Simmons and Simmons works with three key client types, namely:

1. Global, cross-service clients: these clients are highly sophisticated and demanding purchasers of legal services, and will typically require cross-functional services worldwide. This type of client will thus require services in a range of international office locations, across a broad spectrum of service types, from employment to structured securities to litigation. These core clients typically reside within the banking and finance sectors.
2. Corporate clients: these clients do not always require full global coverage, and will typically source the 'best' firm within each jurisdiction of operation. They are also highly demanding, sophisticated purchasers of legal services, and require very high quality services and work. Corporate clients include FTSE 100 and larger European companies. Simmons and Simmons aims to continuously grow and expand its corporate client base.
3. Government organisations: The company undertakes work for government organisations, both within the United Kingdom and worldwide. A key government client for the London office is the Ministry of Defence. Substantial work in this sector is also conducted in Hong Kong, as well as in France and Portugal.

Sector experts

In an environment of growing complexity, law firms must be experts, not only in areas of legislation, but also in their client companies' businesses. This level of in-house knowledge enables the law firm to anticipate sector changes and the following implications for the legal services they provide. It is for these reasons that Simmons and Simmons has narrowed its sector focus, sticking, as Peters and Waterman (1984) would say, to the knitting. Companies providing legal services are increasingly orientating their business to fit around their most important client companies' focus and requirements. Some four to five years ago, Simmons and Simmons focused on seven sectors – this has since been rationalised to four key sectors as mentioned above (Table 2).

Simmons and Simmons believes that these sectors represent the fastest growing markets. They also relate to the types of client companies that Simmons and Simmons thrives to represent: highly complex, active and demanding.

According to Ms Taylor, the company has to evaluate how it competes in the market and whether it wants to provide services for all people: 'This would be a huge investment, and very difficult to achieve. It is better to be the leader in a few sectors'.

Moreover, one of the company's associates underlines that 'the firm runs a senior associate course, where the participants receive in-depth training in their chosen sectors. This benefits associates, as they know more about the direction of the firm, which encourages a focus on marketing and industry specialisation'.

Text Box 2: Implications for recruitment

The sector focus followed by the company impacts on its hiring practices. In addition to being or showing the potential to become an excellent lawyer, the company also actively seeks recruits with experience in the relevant sectors of business. This provides an opportunity to further extend company sector knowledge, enabling brand positioning as 'sector experts'.

Market dynamics and company strategy

Market competitiveness requires alternative approach

The international legal market, which is highly demanding while also being very lucrative, is an extremely competitive market, especially with regard to the corporate client companies that the law firm is seeking to represent.

Corporate clients are particularly cautious in their choice of a legal services provider, and will often choose one of the so-called 'Magic Circle' law firms, as this is considered to be a safe choice. The Magic Circle consists of the following five firms: Allen and Overy; Clifford Chance; Freshfields Bruckhaus Deringer; Linklaters; and Slaughter and May. In the marketplace, this term denotes the largest, most profitable and most international UK law firms in London. At the opposite end of the scale, a large amount of 'lower profile' work is typically undertaken by regional law firms outside London. This has resulted in a 'whole swathe of law firms in the middle', competing for a limited amount of business opportunities.

Such a competitive environment requires companies to be innovative in their approach to sourcing new clients. Simmons and Simmons has been particularly successful in sourcing business opportunities on AIM, the London Stock Exchange's Alternative Investment Market for smaller companies.

High value and high quality network

Simmons and Simmons has systematically built an international network of 20 offices worldwide, spanning from London to Qatar to Shanghai. Such a network requires high levels of investment and is costly in terms of the company's commitment to overheads and support services. All support services, such as marketing, HR, finance and business development are administered and managed by the London office, which demands extensive coordination and management.

In order to sustain such a network of offices, Simmons and Simmons requires a strong core of client companies that pay a premium price for high quality legal advice. These clients typically originate in the financial services and corporate sectors and require very high standards of international service delivery across a broad spectrum of functional areas. This enables Simmons and Simmons to maintain its global office network. As the Director of Knowledge Management, Melanie Farquharson, underlines: 'By building this kind of network, we can service clients around the world'.

Systematic growth

Ms Taylor emphasises that 'we have very purposefully built an international network, but what we have not done is acquire other law firms. Bar two jurisdictions, we have built our own firms'.

In contrast to a number of its high-profile competitors, Simmons and Simmons has adopted a policy of ‘grow your own’ law firm in its global expansion. Whereas many competitors have expanded through a merger and acquisition strategy, Simmons and Simmons has built the vast majority of their offices from foundation level, ensuring strong ties to each location, a dense and comprehensive network of contacts and, by virtue of this policy, an embedded Simmons and Simmons organisational culture. Only two of the company’s 20 offices were joint ventures, in Rotterdam in the Netherlands and in Lisbon in Portugal.

This atypical approach offers an insight into Simmons and Simmons’ strong organisational culture and desire for consistent service, approach and delivery. At the expense of rapid growth through acquisition, the company has instead sought a slower expansion strategy that necessitated the development of new networks, hiring of staff and building up new client relationships and contacts.

Text Box 3: Building relationships with client companies

Substantial differences in business negotiation and relationship building exist between various jurisdictions. In London, clients usually require a strong working relationship before spending time with law firm representatives in a social capacity. In Tokyo, however, the situation is different. Clients typically expect a series of social interactions to build trust before engaging in a business relationship. Dealing with such cultural differences demands a profound understanding of local customs and preferences, and highlights the advantages of embedded, ‘home grown’ offices.

This strategic, long-term approach to expanding the company has been justified by its success to date. Simmons and Simmons has avoided the cost-intensive corporate culture and management clash issues which are typical of mergers and acquisitions. Instead, the company has built up a consistently high quality network of offices worldwide through which it has developed a tacit understanding of their geographic locations; yet, this portrays the consistent Simmons and Simmons culture of commitment to service delivery.

Text Box 4: Establishment of the Hong Kong office

The office in Hong Kong has been in operation for over 25 years; Simmons and Simmons set up the office with only one partner in 1979. As a result of this fundamental or ‘grass roots’ approach, the office currently benefits from a well established network which has enabled it to complete the leading deals in the region. The company’s depth of experience, its networks and commitment to understanding local market conditions through measured office growth inspires trust and confidence in clients. Today, Simmons and Simmons is benefiting from increased work in the field of initial public offerings (IPO) as this arises in the region. In 2000, the Hong Kong office won the Asia Lawyer Award for ‘Best City Firm’.

According to the HR Director, Anita Tovell, ‘one of the things that we are really good at is understanding that we need strong local practices. If you look at our international network, we have more local heads than many other firms. The head of Portugal is Portuguese, the head of Japan is Japanese and the head of Rotterdam is Dutch. We are a truly international law firm. We believe that our colleagues around the world have a huge amount to offer’.

Competitive advantage through high service quality

Simmons and Simmons believes that a key source of competitive advantage lies in commitment to a high quality service to clients. In an extremely competitive market environment where information asymmetries abound, a company must position itself according to its visible strengths; for Simmons and Simmons, these lie in its ability to provide high-quality services in all of its office locations. The fact that Simmons and Simmons ranks number one in *Legal Week’s* 2004 Client

Satisfaction Survey provides evidence of this service ethic. As Ms Taylor underlines, ‘you have to be very sharp and very competitive, and you have to be very good at service – this is what distinguishes you from the other law firms’.

Growth strategy

Growing opportunities in the Middle East

The strategy applied by Simmons and Simmons is strongly influenced and dictated by the sectors and markets in which it operates, requiring constant horizon scanning, adaptability and a rapid response. This is also stressed by the Marketing and Business Development Director, Ms Taylor, indicating that: ‘We have to be good at reacting very quickly’.

For example, Simmons and Simmons has operated an office in Abu Dhabi since 1994, focusing mostly on local work. However, recognising the rapid and vast expansion and development in the region, the office is now reorienting itself towards international capabilities and work, demonstrating the implicit need to be able to respond to market changes and exploit business opportunities at the earliest possible stage. To capitalise on the continued development in this region, new offices have been opened in Dubai and Qatar in the last 18 months.

Cautious approach for eastern Europe

Eastern Europe also represents a growing and expanding market, bringing new business opportunities to the legal services sector. However, due to the population size and commercial centres in most of these countries, Simmons and Simmons believes that these markets may be adequately served remotely in the interim period, without incurring the overheads involved in setting up local offices. It is noted that several international law firms that opened offices in eastern Europe to capitalise on potential growth have since retrenched, finding operating costs too expensive.

New developments in the USA

Simmons and Simmons has a small business development office in New York, while some of its US securities law capability is based in London. The question of US capabilities is continuously under review; at the moment, the company’s main priority is the US Business Development initiative looking at existing US client companies which need legal advice and support in Asia, Europe, and the Middle East.

Knowledge management

Knowledge typology

Nonaka and Takeuchi (1995) outline two key forms of knowledge: codified knowledge and tacit knowledge. The former can be captured, stored and easily shared while the latter refers to the information stored in the brain that is difficult to articulate, record and share.

Despite the challenges of codifying tacit information, increasing pressure from clients to deliver ever faster, more complex solutions is driving law firms, as well as other knowledge-intensive business services (KIBS) companies, to seek new ways of standardising or systematising this type of knowledge. Some 20 years ago, law firms had a week to respond to an opportunity for work; today, clients expect responses almost immediately via email. Furthermore, with each demand for new work, client companies expect that law firms will be able to use the knowledge and experience gained through past client interactions to inform current work – this requires an efficient and systematic way of capturing, storing and sharing experience and knowledge.

Scope of technology

Advancements in information and communication technologies (ICT) have facilitated the processes to capture and share knowledge and information, and have thus enabled Simmons and Simmons to take the lead in developing new roles and career paths within the specialist field of knowledge management.

For example, the facility to complete a 'word search' within a collection of documents reduces research time substantially, while modular and automated contract drafting is also beginning to be more widely used. The potential of technology to automate simple, or 'boiler plate', contract drafting with little or no human interaction is expanding, and is aptly demonstrated by the e-transformation of high street conveyancing and employment law.

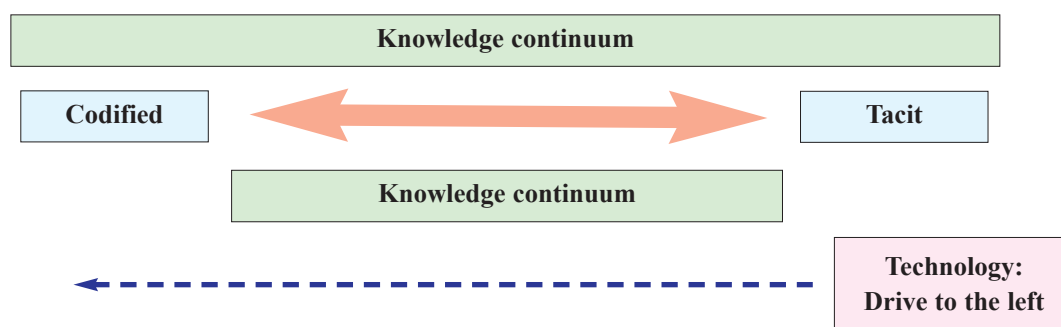
These technologies represent both an opportunity and a challenge for firms. They provide scope for faster, more efficient and effective working practices, freeing up valuable time of highly qualified professionals to do more profitable work. However, ICT challenge established structures in companies with regard to employment, staff management, security of information and the provision of consistently high quality services.

Codified knowledge prevails

Many KIBS companies may feel invulnerable to the ever-expanding world of ICT and automation and remain confident about their work being so specialised that it cannot be automated. This is a normal company reaction to the threat of change. However, Simmons and Simmons is aware of the potential of ICT and is seeking innovative ways to exploit its benefits. Management considers that today's complex tasks may become tomorrow's automated procedures. The company's Knowledge Management Director, Ms Farquharson, suggests that if the company does not embrace and invest in appropriate technology now, its competitors are likely to do so, taking with them valuable client companies and potential work: 'It's like a tide. One likes to think that the work we do is so highly intellectual that it could never be done by a machine, but if you are not careful you are sitting there like King Canute with the water lapping round your ankles, and you realise more could be done'.

Knowledge can also be defined as a continuum that is moving increasingly towards more codified information as technology further evolves and allows its users to capture and store information more easily (see Figure 1).

Figure 1: *Knowledge continuum*



Source: Robert Huggins Associates, 2006

Emphasis is continually moving towards the left in the above figure, as complex tasks can increasingly be codified. Ms Farquharson argues that: 'It all shifts to the left. You have to constantly keep an eye out for the next piece of work or skill that can generate profit now, but will be commoditised in the future'.

This process of increasingly codifying information creates both challenges and new opportunities for the legal services sector. Simmons and Simmons seriously considers their approach to the implications of new technologies and are moving towards a new ‘typology’ of lawyers.

Changing staff profile

Simmons and Simmons suggests that the core workforce of a law firm is moving towards a situation where they may be divided into two broad groups of staff:

- transactional lawyers – the ‘front line’ staff who draft and negotiate contracts and liaise with client companies;
- knowledge managers (or so-called ‘systematisers’) who provide the transactional lawyers with the relevant information, research and resources to carry out their duties effectively.

Such a division of work represents a major departure from the traditional employment model in law firms. By introducing the position of ‘knowledge manager’, this allows transactional lawyers to focus on the high profit-margin client work, while also creating new employment opportunities and career progression within knowledge management.

For instance, the increase in online legal advice confirms the potential of ICT to support and facilitate the codifying of tacit knowledge. Online suppliers of legal services offer large quantities of relatively routine legal advice that can be packaged and sold repeatedly.

Text Box 5: *Online legal services – a growing industry*

The supply of online legal services is a growing industry, which provides clients with codified material that can be customised according to individual requirements. For example, employment law has proved relatively simple to codify. A law firm may therefore decide to offer online employment advice which can be bought for a subscription fee. Knowledge Management Director, Ms Farquharson, observes that: ‘For a very small sum you can access a whole suite of employment law information, which would keep a small business going. It can be sold again and again’.

The growth of online legal advice creates a new competitive market environment in legal services and is a trend that will require close future inspection. For example, the Practical Law Company (PLC) has developed a market in selling codified knowledge. This type of market creates substantial opportunities for small law firms, but is likely to extend to larger law firms as ICT become more sophisticated.

Simmons and Simmons is placing increasing emphasis on the knowledge management role, a move that differs from its competitors. It clearly indicates the company’s horizon scanning abilities and its commitment to new ways of working in a technologically advanced era.

Training gap

Technological developments offer substantial scope for efficiency savings; however, the growing emphasis on standardised solutions represents a challenge for training systems in the legal services sector. Traditionally, lawyers have developed drafting skills through first-hand experience or ‘starting with a blank sheet of paper’. Nonetheless, the codified nature of simple contracts removes the need for drafting skills in the early stages of a trainee’s career, which can result in a lack of complex drafting skills at a later stage in a solicitor’s career. Simmons and Simmons has tackled this challenge by creating training opportunities which develop the early drafting skills that will support transactional lawyers in their future work.

Outsourcing

Simmons and Simmons outsources a number of business activities, including some training courses and the online application process, which is managed by the global recruitment solutions provider cvMail. In areas where the company needs to move forward quickly with particular work programmes, and has an insufficient time frame or lacks the required experience in house to do so, it is open-minded about calling upon external consultants and suppliers to assist with its operations and to help meet deadlines.

Human resources

Recruitment

In general, Simmons and Simmons looks to recruit staff with intellectual ability and certain personal qualities. Potential recruits must be able to build good working relationships with clients and colleagues, and demonstrate high levels of drive and ambition in their work. Furthermore, they must be prepared to live and work in cities, as most of the company's offices are located in an urban environment.

In recent years, the company has seen a shift in the skills and experience it seeks in its recruits. As Simmons and Simmons develops its strength in the financial services sector, it must seek individuals with high levels of understanding of the sector, including sub-sectors, and who are comfortable with drafting finance-based legal contracts. In order to support this recruitment process, the firm is currently running a series of psychometric tests and assessments with its finance lawyers to identify key personality characteristics and aptitudes that create successful finance lawyers. In this context, the company works with the internationally renowned HR consultancy company SHL to develop, administer and analyse these psychometric tests. According to the HR Director at Simmons and Simmons, Ms Tovell, 'we want to find out what makes our finance lawyers tick'.

Company culture and staff retention

In 2001, Simmons and Simmons was the only law firm in the greater London area to be included in *The Times* top 50 UK companies to work for. The company describes itself as 'courteous, decent, with a strong sense of humour, intellectual, and an excellent place to work'.

Text Box 6: *Staff retention*

Simmons and Simmons shows significantly high levels of staff retention. In addition to this, the company gives numerous examples of staff among partners, lawyers and business support workers who have left the law firm and eventually came back to work for it again.

For example, one trainee solicitor joined the law firm, and later decided that he had chosen the wrong career path. The trainee left the firm, retrained in IT, and returned to take up a new job. After some time, this individual took up a new opportunity and joined another law firm. However, before the probation period was complete, he returned to Simmons and Simmons to take up a different position.

Diversity

Among all industries and sectors, the demand increases to recruit staff who reflect the consumer and client base of the company. Government legislation also drives this interest in diversity, as well as client pressure and an increasingly competitive environment relating to the recruitment and retention of staff. Some client companies do request diversity statistics from the law firm they choose to represent them; these statistics may also be requested when the law firm is prospecting for work.

Simmons and Simmons notes that prospective legal trainees and other potential staff members ask more often about the company's diversity and corporate socially responsible policies; these aspects thus play an increasingly important role in the recruitment and retention of staff. It seems that global organisations require international workforces who are able to understand the rich tapestry of cultures and backgrounds which constitute the company's client and customer base. One of Simmons and Simmons' associates highlights that 'diversity in law firms is now so encouraged that there are more women than men across the profession as a whole'.

The law firm takes its responsibilities towards creating a diverse, socially aware workforce very seriously. 'We won the first ever award from the Commission for Racial Equality and the Law Society. It has taken us 10 years to get to this point', says Ms Tovell, the company's HR Director.

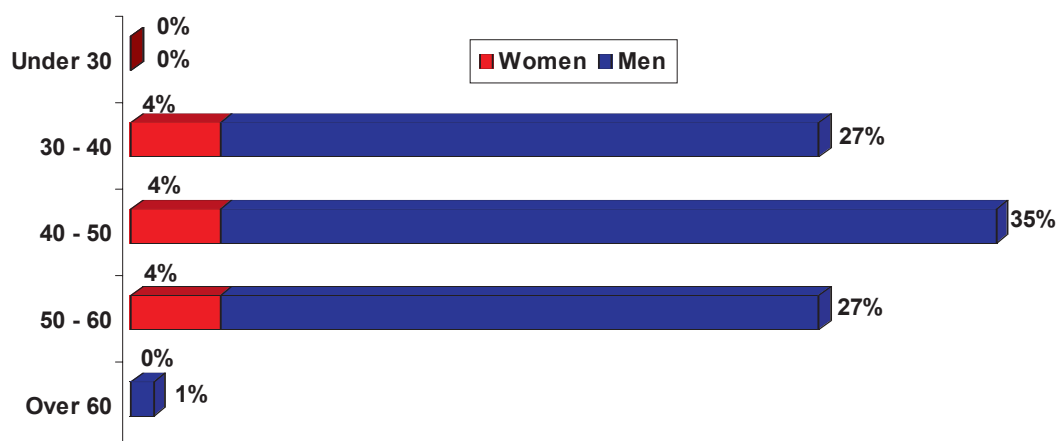
The company's internal policy statement, 'Inclusion and Diversity', underlines that 'a diverse group of talented legal professionals is critically important to the success of every law firm and the legal profession as a whole'.

In 2006, Simmons and Simmons engaged in a diversity survey, which looked at the workforce distribution in terms of sex, race, ethnicity, religion and sexual orientation. The survey also demonstrated the company's ongoing commitment to maintaining diversity among its workforce and client companies; the survey findings have revealed some highly interesting results.

Staff distribution by sex

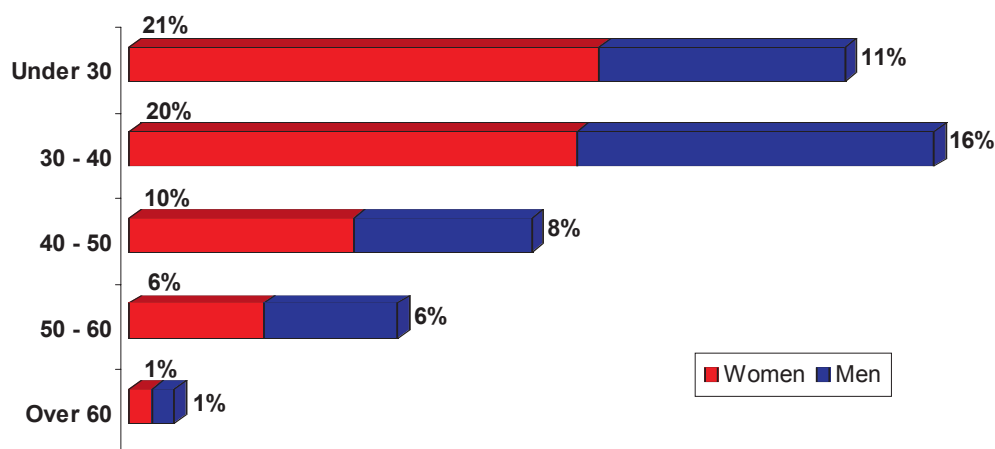
According to the diversity survey results, Simmons and Simmons has low numbers of female partners. This is partly due to the long time-lag in successful graduate recruitment practices filtering through to the partner stage. It is also related to the fact that women more often tend to take time off work in order to raise their children.

Figure 2: Simmons and Simmons age and gender statistics, London partners



Source: Simmons and Simmons, Diversity survey, 2006

Figure 3: *Simmons and Simmons age and gender statistics, London office personnel*



Source: *Simmons and Simmons, Diversity survey, 2006*

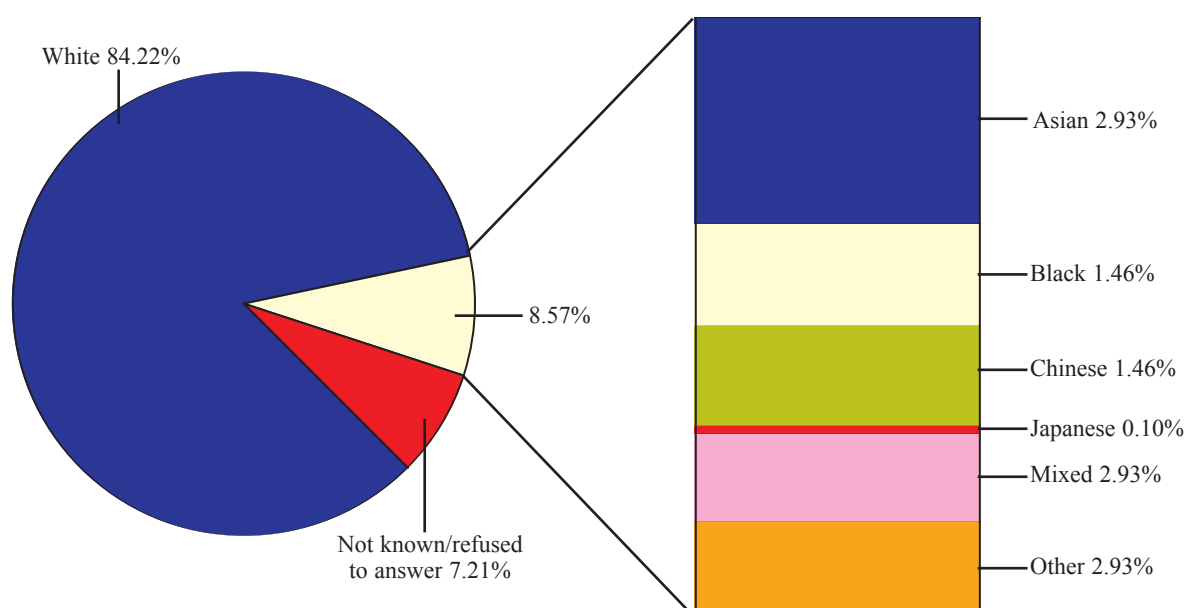
Encouraging women to return to work after a period of maternity leave remains a major challenge for Simmons and Simmons. Finding role models is seen as a key method in tackling the perception that women cannot progress to managerial positions within the organisation while taking care of a family.

Ethnic minorities

Substantial progress has been made in attracting and retaining applications from members of ethnic minority groups to the law firm. Since 1996, Simmons and Simmons meets and also exceeds the target set by the Law Society of England and Wales to have 10% of ethnic minority trainee solicitors in the company.

In 1995, some 13.5% of applicants were considered to be part of an ethnic minority population, while only 3% of trainees were classified as such. Simmons and Simmons was determined to improve this statistic and the following figures represent Simmons and Simmons' London office ethnicity.

Figure 4: *Simmons and Simmons ethnicity statistics, London office personnel*



Source: *Simmons and Simmons, Diversity survey, 2006*

The collection and open dissemination of the company's diversity statistics highlights its strong commitment to an inclusive workplace for all employees. Indeed, Simmons and Simmons is among one of the only law firms to fill out the Stonewall questionnaire – Stonewall is an organisation that seeks to promote gay and lesbian rights at work. Furthermore, the HR Director, Ms Tovell, has personally mentored young women in Tower Hamlets, a deprived and highly diverse London suburb, with the aim of encouraging the female Muslim community to apply to and work within the company.

Simmons and Simmons provides internal training programmes, such as 'working with respect', 'building business relationships: cultural dimensions', and also works alongside several diversity-based organisations, including the following:

- One Step Ahead Club, which facilitates the exchange of information between organisations and industries with regard to promoting diversity;
- Employment Opportunities organisation dedicated to assisting people with disabilities;
- Employers Forum on Age;
- Working Families organisation;
- Stonewall, which supports diversity in relation to sexual orientation issues.

Trainee maintenance grants, pay and bonus levels

Among UK city law firms, Simmons and Simmons pays the highest level of trainee maintenance grant, which currently amounts to £7,500 (about €11,165 as of 26 September 2006).

Pay systems reflect appraisal grade and years of qualification, but Simmons and Simmons is keen to develop more accurate measurement systems. The company is currently engaged in a research project to establish staff competency measurements as there is a feeling that years of experience do not necessarily accurately indicate a person's abilities and capacity for certain types of work. Work is therefore underway to explore the development of competency scales for the staff in the future. To ensure objective assessment and expert international advice, the company is using two external consultants – one British and one Dutch consultant.

The company's bonus scheme is also closely aligned to its focus on rewarding staff competences and not years of experience. In a number of competitor law firms, bonus payments depend on a number of discretionary factors. In the London office, Simmons and Simmons prefers to maintain a simple, clear-cut approach, where bonuses are awarded solely based on payable hours performed. The scheme is designed to reward hard-working employees, and the company views it as a valuable tool to motivate staff.

Training and development

Competency measurement techniques have clear benefits for recruitment processes, and also play an important role in Simmons and Simmons' training and development programmes. Accurate competence assessment proves to be a highly useful tool in formulating personal development plans, as well as assisting in career management.

As one company associate notes, 'Simmons and Simmons are very good in letting associates know where they stand with regard to career development. Partners take a real interest in my career development, and give me guidance as to what is required for promotion to partnership'.

Online training

In an effort to explore new ways of delivering training and development programmes, Simmons and Simmons uses Elexica, an online legal resource, as a platform to deliver Continued Professional Development (CPD) to both lawyers and client companies. As an international law firm, the ability to deliver training courses in various electronic formats is particularly valuable; for example, finance training that is carried out in London can be shared across the company's network by video.

Simmons and Simmons commits a significant amount of company funding to further develop the company's IT systems, recognising the powerful role they will play in the future, especially in terms of delivering client services, offering on-demand training, and enabling flexible working arrangements to employees.

Text Box 7: Online resource Elexica

Elexica is an award-winning, free online legal resource, primarily aimed at client companies and contacts of Simmons and Simmons. Elexica offers registered users an extensive range of legal information including practical guides, checklists, case reports, detailed legal analysis, a weekly EU diary, training modules (with CPD hours), an up-to-date email alert service and an extensive library of categorised web links.

Flexible working arrangements

Simmons and Simmons is currently exploring ways of making homeworking more viable and effective for its staff. In this regard, the company is investing a substantial amount of time, money and effort in 'Project Vanilla', aimed at increasing home access to work files, folders and emails, which makes it easier for lawyers to work from home.

The project is designed to ease the pressure on lawyers, introduce flexibility of working arrangements and allow lawyers to be able to work anywhere and across time zones, which is crucial for an international law firm in today's global economy. An associate of Simmons and Simmons strongly supports such flexible work arrangements as 'it is very useful having the ability to access emails and documents from a home computer. Most of our clients are in a different time zone, and having remote access to files and emails allows me to keep in contact with, and respond to clients in real time'.

Corporate governance and social responsibility

Regulation

As a global law firm, Simmons and Simmons faces a complex regulatory environment that differs between countries. Regulation impacts on the company's operations in several ways, for example:

- law firms are not allowed to advertise in certain jurisdictions;
- in some countries, the law firm cannot mention previous client names in work project documents and presentations – this differs substantially from one country to another;
- all law firms operate within the strict regulatory environment of data protection and money laundering, in addition to all other relevant regulations, such as employment law.

Diversity regulation

The regulatory environment regarding the definition and measurement requirements in the field of diversity vary substantially from one location to another. For example, in Rotterdam, the Simmons and Simmons office must report people of Turkish origin as belonging to an ethnic minority and in Germany, church affiliation must be reported. In France, the company is not allowed to ask staff to complete gender or ethnicity surveys and questionnaires.

Ms Tovell, however, argues that client pressure for consistent diversity information and statistics will lead to greater harmonisation in the future.

Harmonisation of practices

The legal services sector is likely to face increasing European harmonisation of practices in the coming years, and this is already evident in areas such as IP law. The extent and timescales are, however, difficult to predict. In the future, a lawyer's country of qualification may become less important and free movement of lawyers across Europe may become more common.

Employee representation in communication forum

Simmons and Simmons established a Communication Forum in response to the recent EU regulations on information and consultation; it consists of 16 members, each representing an equal number of employees (so-called 'constituencies'). The forum also has a chairperson, deputy chairperson, two partnership members and the HR Director, Ms Tovell, as a standing member, as well as a forum secretary.

Although the company was not obliged to establish such a forum, it viewed its organisation as an additional communication channel between management and employees. After publicising the intention to create a forum and establishing 'constituencies' within the company, Simmons and Simmons invited employees to volunteer to represent their 'constituency' in the forum. To establish the forum, elections were held in constituencies where more than one employee volunteered to participate in the communication forum.

The forum is supposed to act as a 'sounding board' for issues of concern and to enable Simmons and Simmons to consult with employees on the economic and strategic development of the company and its business, but not on day-to-day management issues. It will meet approximately twice a year, usually after the annual and half-yearly financial results become available. Topics for discussion at the forum include the updating and upgrading of IT systems, scenario planning of what would happen in the case of an emergency and a review of the company's financial figures. The minutes of forum meetings are then circulated to the entire company as well as being posted on a dedicated page on the company's intranet. One associate underlines that: 'The firm is unique among leading law firms in having a communication forum. It is a very valuable means of bringing any concerns and issues to the attention of management on a regular basis. It is also very useful that the discussion results of the communication forum are distributed to staff'.

Corporate social responsibility

Serving society is a core belief at Simmons and Simmons, and pro bono work is one element of this commitment. As Ms Tovell indicates, 'we are hugely committed to pro bono work, and have one of the highest rates of hours participated in pro bono work among the legal community'. Corporate social responsibility (CSR) work is spread throughout the law firm's international network; the Portuguese office, for example, works with people recovering from drug addiction.

Conclusions

Simmons and Simmons is a highly successful law firm that has developed its business through planned systematic growth driven by client demand and horizon scanning abilities. The company has successfully realigned its brand, building a new core of highly profitable finance and corporate clients.

The company invests greatly in information and communication technologies (ICT), recognising opportunities to improve efficiency and effectiveness and increase access to flexible working arrangements. Simmons and Simmons is particularly innovative in its interest in knowledge management practices as well as the new career opportunities this may create.

A strong corporate culture and commitment to diversity combined with CSR support the company's reputation of having a good workplace, which has been rewarded by the high levels of staff retention enjoyed by Simmons and Simmons.

References

Birmingham Post, 'Thrive through corporate social responsibility: Law firms quizzed over CRS stance', 10 January 2006, p. 25.

Hodkinson, P., 'City leaders hike grants for student intake', *Legal Student*, 23 March 2006.

Nonaka, I., Takeuchi H., *The knowledge-creating company: How Japanese companies create the dynamics of innovation*, New York: Oxford University Press, 1995.

Legal Week, 'Top London firms hike starting rates to £55,000', Vol. 18, No. 16, May 2006.

Legal Week Global, 'The Middle East: A gateway to the new', 30 March 2006.

Peters, T., and Waterman, R., *In search of excellence: Lessons from America's best run companies*, New York: Warner Books, 1984.

Simmons and Simmons, 'Where will you be?', Graduate recruitment brochure, 2006.

Simmons and Simmons, *Annual Review*, 2004.

Simmons and Simmons, 'Inclusion and diversity: London office', Internal policy document, 3 May 2006.

S2, Internal magazine for Simmons and Simmons, Issue 9, Spring 2006.

The Lawyer, 'Simmons in revolutionary high-tech focus shift', Vol. 20, Issue 16, 24 April 2006.

The Lawyer, 'UK In-house: Barclays demands diversity statistics', 6 March 2006.

<http://www.simmons-simmons.com>

<http://www.practicallaw.com>