

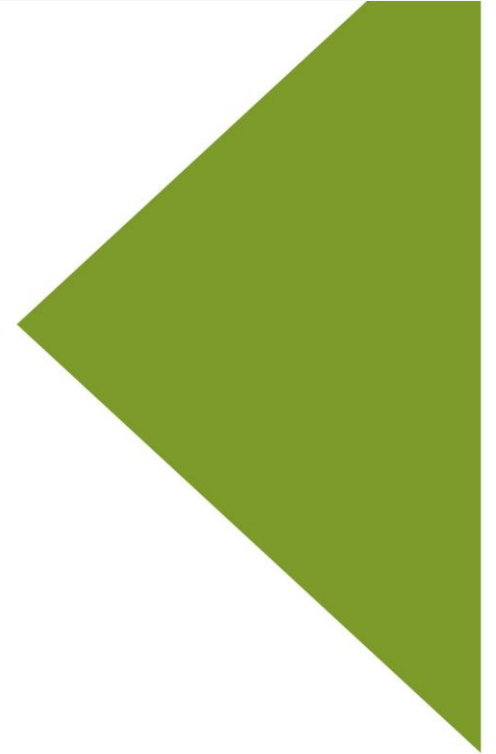


KINGSMEAD  
SQUARE

# The Next HR Challenge

**Building Firm Capability to Deliver Strategy  
and Drive Internal Value**

**Charlie Keeling  
Kingsmead Square**



# CHARLIE KEELING

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Qualified as an Accountant in Industry

Moved to Management Consultancy

Became a Change Management Consulting in PW in 1989 – average revenue £10m p.a.

Moved into HR Leadership for Europe in 1993

Global Head of HR for PwC Consulting 1997 – 2000

Variety of other HR Leadership roles in Consulting/Technology firms

Moved into Legal Sector in 2008

- Field Fisher 2008 – 2012
- Clyde & Co 2012 – 2015

Now focused on Interim Management and Consulting Portfolio

**Your Staff**

**You**

**Your Competition**

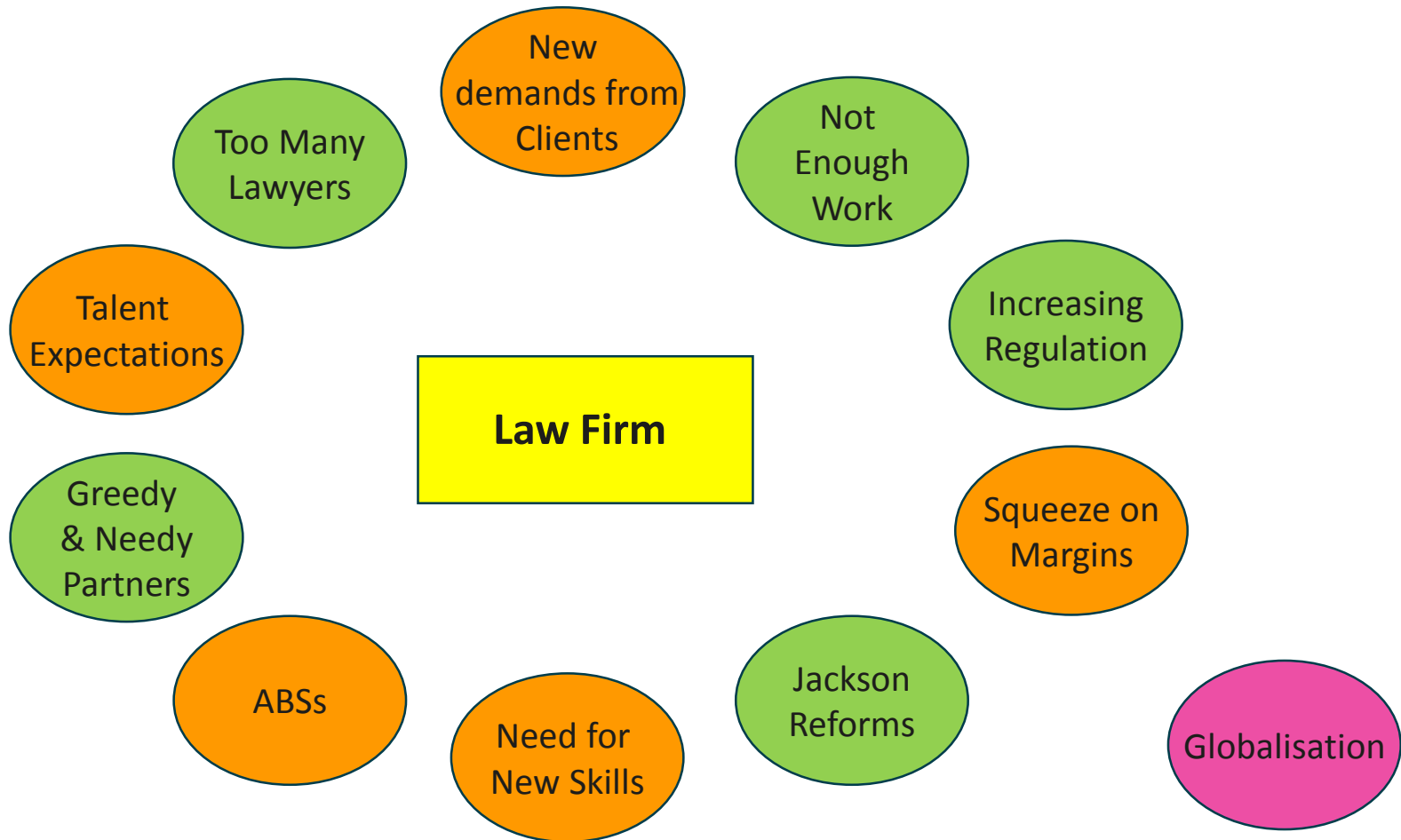


**Your Problem**

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# Pressures on Law Firms today

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# Topics to cover today

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- Aligning talent with current & future business models
- Supporting new or changed business priorities
- HR as the Change Agents of the business
- HR Creating Value for the business

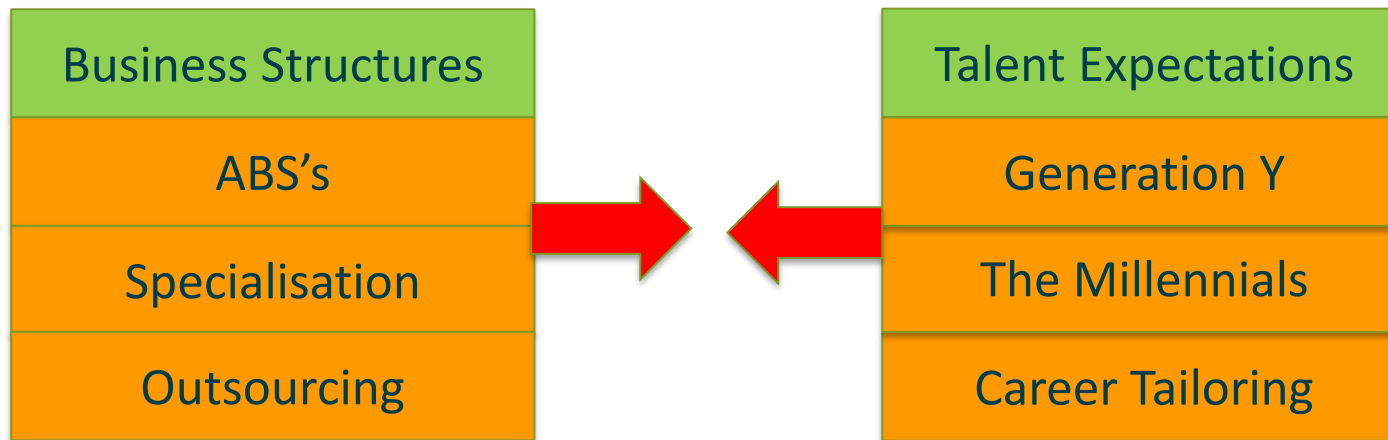


# Aligning talent with current & future business models

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**Two forces impacting on traditional service delivery and resourcing approaches:**



# Aligning Business Structure and Talent Expectations

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## Business Structures

- Commodity v Rocket Science
- Clients outsourcing volume processes
- Unqualified, lower-level resources
- Staffing structures & rewards
- Process over Content
- Technology enablers
- Rewards for the Leaders

## Talent Expectations

- Different life drivers
- Love change & variety
- Hate one size fits all
- Money is not the key motivator
- Many roles in their career, low Employer Loyalty
- Need positive strokes and engagement....
- ...but lasting relationships



# New Resource Models – Fee Earners

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# The Volume Insurance Claims Processor

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New entrant to the market four years ago:

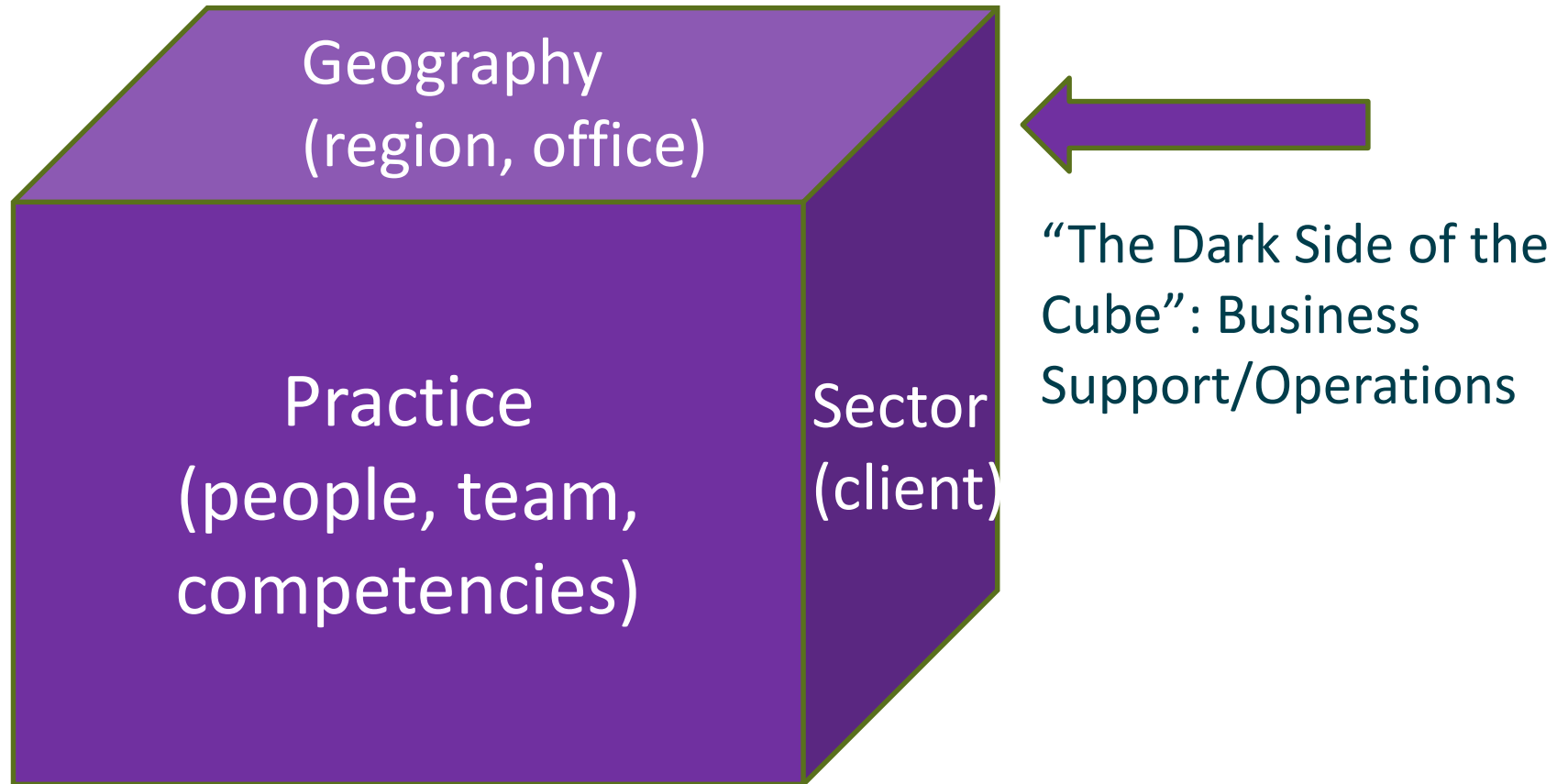
- Turnover £25m
- Staff numbers:
  - 5 Executives, 4 of whom are Legal Partners
  - 25 other qualified Lawyers (10 Senior Associates, 15 Associates)
  - 220 Paralegals and Apprentices (aged from 16 to 20)
- Streamlined Business Processes enabled by Leading Technology
- Structured Career Development Model for Paralegals and Apprentices
- Operating out of a “shed” on a Bolton Industrial Estate
- Profits £7.5m or £1.5m per Executive

**Happy Clients + Happy Staff = Happy Executives!**

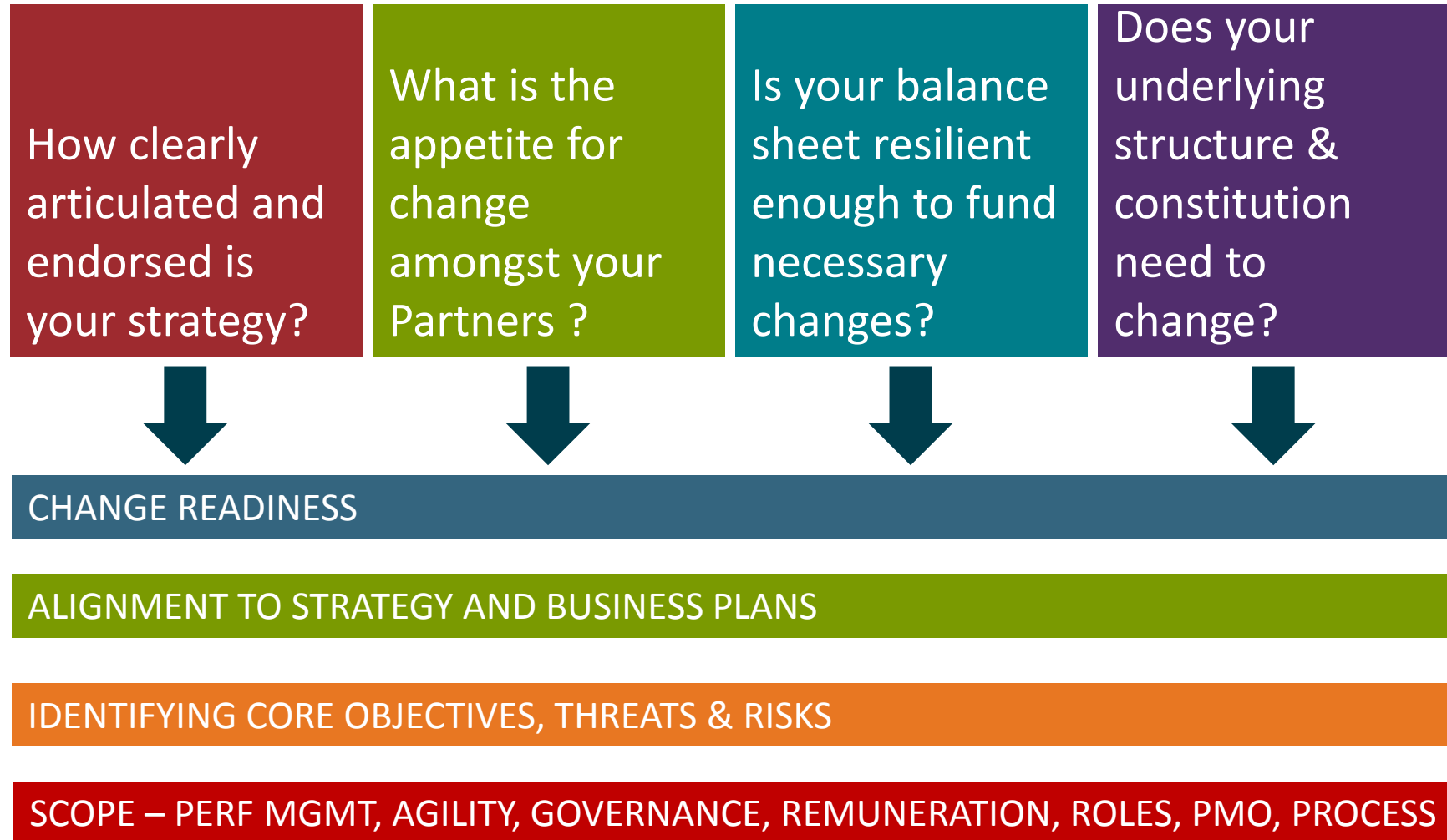
# Supporting new or changed business priorities

# The Professional Services Firm Cube

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# Reviewing the Brief: Our 4 Big Questions



# The KMS<sup>2</sup> Business Management Model

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# The glue: Performance Measurement Systems

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**ObjectiveManager®**



# HR as the Change Agents of the Business



# The Drivers for Change

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We operate in two marketplaces with different needs/drivers:

## Clients

- Same excellent technical advice
- Delivered more cost effectively
- Want to have more control on the delivery process
- Expect the use of LPO
- Different pricing models

## Talent

- Changing Demographics
- Generation X, Y & Millennials
- Less Employer Loyalty
- More contact with Leaders
- Different career choices

**You can't be successful in the Client Marketplace without being successful in the Talent Marketplace**

# HR develops to be the Change Agent

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## Core HR Processes

Attraction & Recruitment

Induction & Orientation

Retention & Development

Reward & Recognise

Engagement

Keeping the lights on and  
providing dial tone

## Change Processes

Stakeholder Management

Process Design & Innovate

Skills Transfer

Benefits Realisation

Communication

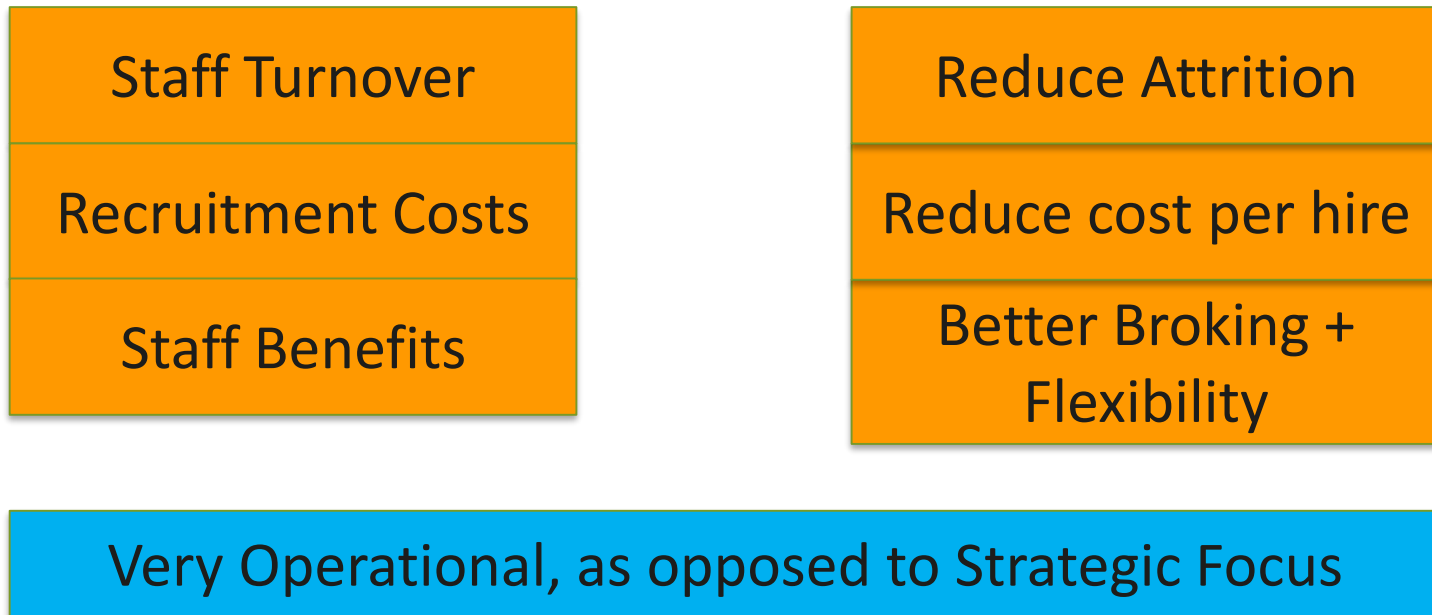
Utilising full functionality  
and enhanced features

# HR Creating Value for the business

# Traditional (though largely unrecognised) HR contributions to Creating Value for the Business – mainly cost reduction oriented

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The three largest HR-oriented business costs and the cost reduction goals:



# The Cost of Staff Turnover

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In Professional Services firms the cost of replacing a member of staff is typically twice what it costs to retain them!

PwC Consulting on merger in 1998:

- 3,000 Consultants and 1,500 Partners globally
- Average cost £70,000 p.a.
- Turnover 25% p.a. (7,500 Consultants)
- Cost of turnover -  $7,500 \times (£70,000 \times 2) = £1\text{bn}$
- Reduce turnover by 25% = £250m = £167k per Partner = 2 Ferraris per Partner

**That gets their attention!!**

# Future Ways for HR to Create Value

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Three different contributions HR can make to the development of the business:

Resource Planning

New Resource Models

Drive Benefits Delivery

Aligning resources to business structure changes

Aligning Career Development to Talent Needs

People-related focus for Process Improvements & Technology Investments

More Strategic, as opposed to Operational Focus

# Summary

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- It's time for HR to step up and build a value-enhancing focus and structure
- Move away from an Operational Focus to a Strategic one
- Increase the visibility of HR's role in the Business
- Justify being offered a seat at the Executive Table
- Can only be achieved if Business Leadership backs the shift
- “Ask not what HR can do for you, but what you can do for HR”