



# Professional Practice Solutions

## Legal CIO Dinner post event summary

### September 2016

KPMG's Professional Practice Solutions team were again proud to host law firms for another successful dinner on Wednesday 21 September in our client suite at Number Twenty Grosvenor Street, London. The event was hosted by Paul Spicer, Head of KPMG's Professional Practice Solutions and KPMG's James Wilson, Neill Whittaker and Andrew Malyan shared insights and facilitated debate around the role of the CIO and IT in business transformation.

James, Neill and Andrew have shared some of the insights from the evening below.

### The fourth industrial revolution and the rise of the 'Creative CIO'

We are at the cusp of the Fourth Industrial Revolution; societies have progressed from steam power to the division of labour to the IT and electronic age and most are now firmly in the era of datafication, hyper-connectivity and digital labour. The future offers CIOs the opportunity to be at the forefront of digital change, both driving it and responding to it with new technologies, delivery models and governance approaches.

As a result, we are seeing the emergence of a new phenomenon – the 'Creative CIO', characterised by being a transformational business leader, technology strategist and business model innovator. The CIO's focus has moved well beyond 'keeping the lights on' to creating business value; harnessing the social and technical disruption all around, using resources dynamically, implementing innovative IT and business products and creating an environment that can better attract and retain talent.

### How should CIOs respond?

#### Streamline and rationalise legacy systems

- Almost every established organisation has a significant investment in infrastructure and a portfolio of complex, inflexible legacy applications. A good first step to addressing this is to evaluate the existing application portfolio to identify any redundancies or low usage systems and opportunities to make future integrations faster and less risky. Follow this with an assessment of the cloud migration options available including a potential timetable.

#### Adopt agile processes with the business

- Slow development processes and methodologies are the antithesis of what it takes to compete in the digital business world. The first step is to work with the business leadership to review the existing portfolio of programmes and projects and re-prioritise anything that is not critical and does not contribute to digital transformation. At the same time, work with partners to develop and acquire agile skills and select and task a team to pilot continuous delivery with a potential high value project.

#### Build digital skills and behaviours

- Digital business transformation requires many new skills, ranging from customer-centric skills to data and analytics. People within IT need to understand business processes, value chains, and customer journeys and be able to link this to technology-enabled solutions; address this challenge through 'reskilling' and developing your existing people, creating partnerships with digital consultants or even acquiring small software companies specifically for their skills and culture.

#### Convey urgency and pace

- Digital business is about speed. Product lifecycles are compressed and markets can be disrupted overnight. CIOs must change the metrics and incentives to encourage experimentation and convey a sense of urgency.

#### Align the Board and C-suite around a digital vision

- Regulatory requirements, especially around privacy and data, with respect to digital continue to evolve, making it difficult to comply and sometimes slowing or halting innovation. CIOs need to work closely with the Board and fellow C-suite executives to help them understand these issues while articulating a clear digital vision and strategy. The creative CIO needs to lead the way in engaging their executive peers in technology issues and improving their knowledge of key technology trends.

The full CIO Survey is available [here](#).

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## Recommendations for 'Creative CIOs' to drive successful IT transformations

We share here some of our lessons of successfully delivering IT based transformations, along with recommendations for what they mean for the Creative CIO. These lessons are based on KPMG Boxwood's experience of supporting multiple organisations in the transformations of their underlying business models.

### Lead the firm's business model design – combine external and internal focus to clarify what the firm should be doing to create value

One key piece of advice we would give is to turn technology and business issues around; talk about great technology, no one will listen, but talk about how you are going to fix business issues through the use of technology, people will listen.

Client demands for greater value and with lower costs, combined with internal demands for more collaborative and remote working, are challenging existing ways of working. Creative CIOs should lead the firm's business model design and drive greater clarity on the value propositions offered to clients and colleagues, and provide direction on how to optimise the effectiveness and efficiency of resources. This will require breaking out of the traditional IT remit and into one focused on the business and transformation – leading business model workshops with partners to explore target segments, the nature of services provided, activities and enabling technologies, and the revenue/cost implications of the new model.

### Use a structured decision cycle combined with an iterative design approach to get the rational, political and emotional buy-in of partners

- CIOs and their teams have to present a case for change that influences the partners to take action in a culture that has often been risk-averse. We find that by explicitly taking the major decisions early, and getting the senior team aligned, urgency and pace can be maintained throughout execution. This approach requires less effort than if you address the resistance later in the transformation.
- We recommend a structured decision cycle that takes the Partners on a rational and emotional journey to drive alignment and ownership of the need to change, the solution and the implementation plan. Development of clear and agreed design criteria helps to ensure that the leadership team owns the solution.

### Establish a change portfolio that reflects business priorities for investment and which is underpinned by a financial model to deliver tangible benefits

- Digital transformation is a term that's over used and under defined. Knowing where to start is a key challenge. The transformation needs to follow the money, and so show clear alignment to the value proposition and productivity objectives. The change portfolio should be balanced – reflecting both core foundational capability, along with innovative technology, and additionally reflecting short term and longer term returns on investment.

## Establish a transformation structure with clear responsibilities for programme and change management to successfully deploy and embed the change

- We find often that insufficient focus has been placed on programme and change management. The IT solution although essential, is by itself insufficient. The transformation structure should include a Programme Management role: vision, case for change, business case, roadmap, and governance; along with a Change Management role: leadership team alignment, engagement, and embedding the new ways of working. These roles should be populated with people from both IT and business. Commencing the change at the beginning of the programme – co-creation with colleagues and clients ensures a solution that is not only correct, but is also owned by the business.

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## Our events in the legal sector

This dinner is in a series aimed at CIOs to bring you real thought-provoking insight into realtime topical issues and challenges that you're likely to be grappling with. If you're receiving this email you're already on our invite list for this event. We will also be running events specifically aimed at CEOs, CFOs; CIOs; HRDs and NEDs so if you'd like your colleagues to be invited, do [get in touch](#).

If there are any subjects you'd like to see covered at a future event, please [let us know](#).

## KPMG in the legal sector

We have brought together some of the best professionals from across our firm with relevant insight and experience in the legal sector. We co-ordinate and deliver a collaborative approach to your business whatever challenges you encounter – looking to the future and the bigger picture with you. Our [service offering document](#) gives an overview of our specialists. Please [get in touch](#) if you would like to speak to our specialists.

[kpmg.com/uk](https://kpmg.com/uk)



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