



## Ashurst Australia focuses on domestic and international growth

*New insights from analytics help to boost performance and turn strategic objectives into business reality*

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### Overview

#### The need

In preparation for a merger with a UK law firm, Ashurst Australia wanted to grow its business both domestically and internationally. The firm needed to restructure its business units and take a new approach to performance management.

#### The solution

Ashurst Australia overhauled its practice department structure, rationalised its KPIs and developed quarterly strategic performance reports. Working closely with IBM, the firm produced a reporting package that partners and senior managers can access instantly on their mobile devices.

#### The benefit

A more "granular" analysis of the performance of each business unit enables identification of opportunities for progressive improvement and better management of resources. An early win was faster collection of debts, creating a 20 percent improvement in working capital.

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In 2011, Blake Dawson, a leading Australian law firm with offices throughout Australia and the Asia-Pacific region, announced its intention to join forces with Ashurst LLP, a UK-based firm with operations in Europe, North America, Asia and the Middle East. In March 2012 Blake Dawson adopted the Ashurst name. The two firms now offer a compelling proposition as a top-tier legal service provider for private and public sector clients worldwide.

To better align the firm's structure with its strategy and to prepare for international growth, Ashurst Australia realised that its existing organisational model needed to be restructured. Its practices varied in size, with between two and 20 partners in each. With such large disparities in the size of each practice, it was difficult to compare performance, understand which areas of the business were most effective and profitable, and identify opportunities for improvement.

The firm decided to create a new structure based on "clusters". Each cluster is a business unit that contains six to eight partners and up to thirty lawyers. The composition of the clusters is very carefully planned based on areas of specialisation, and is intended to encourage teamwork and collaboration and to lift group performance. Each cluster is assigned one partner as its manager, and this partner is responsible for working with senior managers to define and implement strategies to maximise the cluster's performance.

Greg Howes, Director of Strategy and Projects at Ashurst Australia, comments: "With the new business structure, we needed a new set of metrics to help us define and measure performance. Previously, we had been monitoring a large set of key performance indicators [KPIs] across all aspects of the business, but this made it difficult for the partners to understand what they really needed to focus on and which drivers they could influence. Our new approach was to define a much smaller, more targeted set of KPIs that would make our priorities absolutely clear – and to find a way to deliver them that would get everyone's attention!"

#### Hands-on analytics

With more than 12 years' experience of using IBM Business Analytics technologies to support performance management, Ashurst Australia was confident that IBM could provide the right solution.



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## Solution components

### Software

- IBM® Cognos® Express Reporter
- IBM Cognos Express Xcelerator

### Services

- IBM Technical Sales
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*“The reception of the report has been extremely encouraging, and we’ve already seen a change in culture. Hard copy reports are becoming obsolete as demand for the digital version grows exponentially.”*

— Greg Howes, Director of Strategy and Projects, Ashurst Australia

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“We have built up a huge amount of expertise with IBM Cognos TM1, and we’ve developed a great relationship with the IBM team in recent years,” says Greg Howes. “When our IBM account manager announced that the latest version of Cognos Express would support mobile platforms, we knew that this would provide a great opportunity to put information in the hands of the people who were accountable for delivering improvement.

“We were due to have a meeting with our senior partners and management team to discuss our new KPIs and strategic reporting. We decided to surprise them. Working behind the scenes with a member of the IBM technical sales team, we developed some new data cubes and reports that used the new Ashurst look-and-feel and could be delivered on mobile devices. When the meeting took place, instead of just describing what the new reports would look like, we were actually able to show them to the partners on their own tablets. They were absolutely stunned!”

The reports draw data from back-end practice management, payroll and CRM systems, and use Cognos Active Reports to enable users to access information and drill down to lower levels of detail without needing to be connected to the central system. This is ideal for busy partners and managers who need to travel frequently and often don’t have access to the firm’s network.

“We created the first strategy report in September 2012, just three months after the proof of concept that we showed the partners,” says Greg Howes. “We could have done it even sooner, but we needed three months to build up enough data within the new cluster structure to report on. Since then we have produced the report on a quarterly basis, on schedule and with minimal manual effort.

“The reception of the report has been extremely encouraging, and we’ve already seen a change in culture. One senior partner, who had typically only used hard copy reports, was absolutely delighted by the ease of use of the digital version of the report – I’ve never seen someone’s opinion change so completely over the course of half an hour! He used to require a hard copy of all our reports; now he champions the use of electronic reports. In fact, hard copy reports are becoming obsolete as demand for the digital version grows exponentially.”

### **Clear information**

The crisp design and highly focused KPIs in the new report make it easier for cluster leaders and partners to concentrate on the most important strategic areas and identify opportunities for improvement. Each quarter, they review their performance and assess whether plans for improvement have had positive impact.

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— Larry Diamond, Chief Operating Officer,  
Ashurst Australia

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“We had the data previously, but the signal to noise ratio was too low: people couldn’t pick out the important pieces of information easily enough or understand their role within the wider business,” says Greg Howes. “Now the message gets through loud and clear. One partner said the reports were ‘a revelation’ for the cluster.”

The new report highlights the performance of each cluster, with the ability to drill through to compare against the performance of other clusters. Operational KPIs include chargeable hours per day and profit margins, with detail down to the level of individual lawyers. The partners get immediate insight into the connection between the KPIs, their team’s performance, and the impact on the bottom line.

“The increased visibility is a positive thing because everyone can see how their peers are doing and how their team is performing compared to the rest of the firm. And because lawyers are high-achieving, ambitious people, it also encourages some friendly competition. They all want to be among the front-runners.”

At the same time, the firm encourages the partners to share more broadly the factors that are making their clusters successful, and recommends that other clusters should emulate those elements and behaviours.

### **Improved cash flow**

One particularly important KPI is working capital – measured in the number of days it takes for each cluster to convert work done into billed fees and collect from its clients.

“We saw working capital as a good measure to focus on because it’s important for the firm’s cash flow, and is a relatively easy thing to improve – it just requires each team to bill on a regular basis and to take an active role in following up payment,” says Greg Howes. “Under our previous reporting system, it took an average of 82 days to collect fees; now, by highlighting working capital as a KPI, we’ve cut it down to 65 days – an improvement of nearly 20 percent inside six months.”

As a next step, the Ashurst Australia analytics team is exploring the use of the solution beyond the Australian practice, with a view to its adoption for global reporting once the two firms are fully integrated. Also in the pipeline are a series of metrics and reports that aim to drive the growth of individual clients – in both the Australian market and globally.

“Cognos Express is a web-based platform, so it can be accessed from anywhere – and thanks to some help from our friends at IBM, we have been able to support multiple currencies right from the start,” says Greg Howes. “We really think it could be just as revolutionary for other parts of the global organisation as it has been for us in Australia.”

Larry Diamond, Ashurst Australia's Chief Operating Officer, agrees about the solution's impact on the business: "We have had this data for several years, but it's only now that we are really using it. The ability to easily access strategic data on mobile devices, whenever and wherever we need it, is a real game-changer for the role of analytics within Ashurst Australia."

## About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualise trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organisations can align tactical and strategic decision-making to achieve business goals.

### For more information

For further information please visit [ibm.com/business-analytics](http://ibm.com/business-analytics)



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IBM Australia Ltd  
Level 13  
IBM Centre  
601 Pacific Highway  
St Leonards NSW 2065

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