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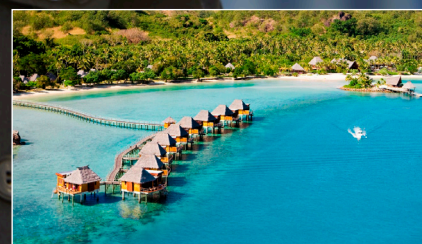
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Innovation in law, the process of disruption

Holman Webb chief executive officer **Greg Malakou** says that innovation gives his law firm a competitive advantage. It's fundamental to the firm's growth strategy. Mr Malakou brings a business perspective to law. Which is not surprising seeing that he is not a lawyer writes Leon Gettler.

Throughout the interview, Malakou peppers his conversation with mountain biking analogies. The South African born native is a self confessed adrenaline junkie and mountain bike riding enthusiast. Having moved to Australia in 1985 he started as a financial controller with multinational advertising agency Ogilvy Mather. After that, he was the finance director at Phillips Fox Lawyers which has since become DLAPiper. After rising to the rank of national finance director, he became more interested in general management and in having overall operational responsibility for the business including developing and implementing strategy. To broaden his management experience, he joined a large accounting firm, Horwath NSW, as their chief operating officer and was central in their merger with Deloitte.

He has been Holman Webb's chief executive officer for the last eight years.

"I came from a professional service background in finance and then moved to general management and then into the C-suite as COO and CEO," Greg says. "I have always had a fascination with law and I obviously studied business law as part of the curriculum for my degree and professional qualifications, but I have never studied it with the

objective of becoming a lawyer."

What his background and experience did do was give him an understanding of why Holman Webb needed to innovate and play its part in modernising the industry and its involvement in change. Not necessarily as primary innovators of change but certainly as early adopters, and enthusiastic agents of change in a number of areas.

Although Holman Webb hasn't been the first off the block in this respect, the firm has been very quick to recognise that change was and is essential.

"You have to jump in and become early movers. We haven't been primary movers but certainly early movers and advocates of change in a number of areas. We've been very early adopters and advocates of a performance based culture. We've linked performance with remuneration at an early stage. We also adopted internal flexibility in the workplace, along with automation of business and management processes and legal processes. We jumped in pretty early and reaped some significant benefits out of that."

One of the things he says Holman Webb has done particularly well is provide transparency of its legal services and pricing to clients, recognising that one of the biggest beefs of clients is that they were often kept in the dark about the whole legal process.

To counter this, a decade ago Holman Webb came up with what they believe was a revolutionary way of giving client's access to their information.

"We developed a proprietary client interface with our own systems which allowed clients to view all their documentation, correspondence, financials and basically all the current legal work on their matters at any particular time.

"A number of our competitors were then forced to match our capability with the result that a lot of firms now offer something similar. We pride ourselves in the fact that we were one of the first firms to facilitate that level of detailed real time access to our clients.

Holman Webb was also very early advocates of offering its clients alternative fee arrangements, doing away with the old billable hours regime and offering clients alternative fee arrangements to provide them with a lot more certainty over their legal spend.

A further innovation they are currently undertaking is the trialling of online court processes.

"The adoption of this technology will result in significant savings to our clients by reducing the time spent in court.

As far back as 1989, we were leading the way with our clients by focusing on early resolution processes to settle cases. We have established a reputation for quickly resolving matters whereas many other firms have never achieved this. I think we recognised early on that if you get a resolution earlier in the process, it may not only result in a significant financial saving for the client but it also enriches and entrenches the client relationship."

Greg says that innovation and service excellence is critical in the legal services market where there is now significant downward pressure on prices and fierce competition for legal work.

He says the market is in a highly disruptive state, with traditional practices quickly becoming obsolete which is initiating a desperate need for firms to differentiate themselves from their competitors.

The question is, in a mature and highly overcrowded market, how do you make a difference? How do you get yourself out there as being the best law firm to use, or being



Greg Malakou

the professional service provider of choice? It's not easy.

"It's a highly competitive market with unprecedented price pressure so innovation and client business development is now critical to survival strategy. You have to do things better, you have to innovate, and do things differently. Above all, you need to be highly client centric. If you don't, you're really exposed in terms of survival."

He says there are four things that set Holman Webb apart from other firms.

"One of the complaints we used to hear from clients is that lawyers aren't commercial enough. I think we're quite unique in that we've attracted a number of partners who have previously held very senior in-house roles in high profile companies or in government. The result is that our lawyers are not just great lawyers. They also have an acute business instinct and true commercial experience in that regard.

"The other thing is that we like change, we welcome change. As

I've said to my executive team, change is like learning to ride a mountain bike. It seems daunting at the beginning and you get bloody, and you get things broken. But eventually you get on top of it and you start to see the rewards, and you start to really enjoy it.

"Number three, I think is that the owners of the business here have the good sense to know they can't be experts in everything. All our partners are specialists and not general practitioners. It can also be difficult for a lawyer to loosen the reins on other aspects of the business but the partners here realise that they can't be the best marketers, the best IT specialists or the best accountants while also being the best lawyers. It is essential to have a strong specialist executive management team for operational management of the business. By design we have a particularly strong executive management team, which I think also sets us apart."

Finally, Greg believes the fourth thing that sets the firm

apart is its strategic approach to relationships, particularly its corporate sponsorship alliances. The approach Holman Webb takes in this regard is long term.

"Our marketing and business development teams keep up with any changes and developments in all the sectors we specifically serve. Our lawyers are on top of what's happening in their industry, on top of any developments and on top of any changes in legislation which may impact on our clients' businesses.

Team members are also active committee members in relevant bodies, including industry associations and various governance groups. They get involved in the shaping of policy in representing Holman Webb clients and their clients' industries and interests in those industries.

Ultimately the firm's growth strategy is tied to the innovation of its service offerings.

"Holman Webb's growth has really been motivated by our ability to embrace the disruption that we're facing." **BFM**

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