

# End to End Risk Management

## INVESTING FOR THE FUTURE OF THE LAW FIRM

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**W**ith the continued economic uncertainty and significantly challenging business conditions, law firms are increasingly forced to change their traditional, highly risk-averse new business practices. With speed to new business an absolute key ingredient to success and in many cases a determining factor, firms are reevaluating how they view and manage risk as they struggle to take on business and diversify to weather the difficult economic times. For the firms who are strategic and continue to maintain a long term view, this challenge presents a number of opportunities as they prepare for an overhaul of their risk management practices, moving from bespoke, manual, disjointed, multi-vendor approaches to a single, holistic, end-to-end risk management platform. The promise? Gaining the ability to evaluate and accept new clients and matters within a fraction of the time it takes today,

with full audit capabilities, compliant with today's ever-stringent regulations and ethics rules. The visionary company helping to make it happen? The Frayman Group, a leading risk management and compliance software and services provider for law firms.

The global recession has impacted law firms severely. Most firms continue to report reduced or flat revenues to previous years and reduced profits per partner across the board. This is fuelling significant M&A activity in the legal sector, with smaller firms merging to survive as a stronger single joint entity. In other scenarios, larger firms are purchasing smaller ones to increase their global footprint, bring on new clientele and diversify. Across the board, budgets and spending in all areas are severely impacted. IT budgets are—in many cases—entirely frozen, while the majority of law firms are undergoing staff reductions.



*“Speed to new business is what will differentiate the leaders from followers as we emerge out of this recession.”*

## The Reality of Today

In order to cope with these terrible market conditions, firms are putting measures in place to better manage the entity in these difficult times, until the economic uncertainty is over and there is light at the end of the tunnel.

Highly specialized firms are attempting to diversify as quickly and effectively as possible in terms of the types of business they accept, and in many instances are ramping up by way of lateral hires. Firms are increasingly less strict about their risk profiles and find themselves repeatedly in a position to accept higher risk business, something that would have not been tolerated in previous years of strong economic growth and stability.

## The Upside of Change

An economic downturn of giant proportions such as the one we are experiencing today

also has its positive aspects. It serves as a highly disruptive force in established markets, and brings opportunity for new leaders to emerge. How does a law firm take advantage of the opportunity an economic downturn and chaos provides? By reinventing itself. By applying new dynamics to old business practices. By focusing on long term planning and making strategic investments. By making smart choices for infrastructure with proven return on investment.

How does this apply to risk management, you ask? Let's take a closer look at today's risk management practices in a law firm. The traditional approach to risk management is not holistically based. New business inception at most firms today is a manual process, requiring and relying on a tremendous amount of human resources, and as a result, is slow and prone to errors. Add to that the very conservative risk profile, designed to turn away

high-risk business and avoid most conflicts. Even then, the process is manual with no well-defined and documented firm-wide risk profile in place, requiring lengthy conversations among multiple partners every time a conflicts check is performed. Take a look at ethical walls implementations that simply provide some lockdown capabilities in a few repositories. The result of all this is a slow, error-prone structure that leads to lost business opportunities at a very high cost of ownership.

At The Frayman Group, we believe risk management needs to be redefined and delivered with a holistic view, as an integrated platform of applications. In the new world, speed to new business is key to differentiate the law firm. The speed of the New Business Inception process will increasingly become the deciding factor for a firm to win or lose a deal.

## Risk Management. Redefined.

Key to success is the creation and management of a firm's dynamic risk profile and policies. And with the increasingly stringent ethics rules and regulations across different jurisdictions and geographies, a solution needs to be in place to ensure

compliance with all of them. The next-generation risk management platform will need to facilitate more automation of processes and a move away from the manual steps as much as possible. And, it needs to provide a comprehensive audit trail across all risk management activities. Imagine a comprehensive risk management platform—

integrated with all critical business systems, providing pervasive access across all devices including desktops, laptops, Blackberry smartphones and iPhones, a thorough data loss prevention approach, a clearly-defined firm risk profile, sophisticated conflicts search and reporting, full support for all ethics rules and regulations, all integrated as a suite of risk management applications—promising to reduce the time it takes to clear new business from 24 hours to 30 minutes.

**How much is that worth to your firm?**



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