

Fail Fast to Learn Fast: Buying Commoditised Legal Services

HSBC and Radiant Law
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SWT: Tens of thousands of contracts remediated, over 20 years of experience in commoditised legal services and tons of different legal services implemented - that's what you have on stage. I'm Serena from Radiant Law, and I'm delighted to be joined by Hannah Grundon and Kate Newbound, Associate General Counsels from HSBC, where they have been instrumental in implementing change within such a huge organisation.

We asked people to submit questions on LinkedIn so thank you to those who did, and I'll try to distill those into three key questions. I'll kick off first of all to you, Kate.

How should people sell a commoditised legal service to a huge organisation like HSBC?

KN: I think the first thing I would say is don't underestimate the size and the complexity of businesses like HSBC and how long things will take, how much process will be involved, how many people need to be communicated to. I think factor that into your pricing as well as just the time it may take, and be patient. If you try to butt against that then it's not going to work for anyone. I think it's accepting that it may take longer than it would selling to someone else!

Secondly, be honest about what you can do. I think quite often we've been burned by people saying they can sell into numerous different jurisdictions but actually when it comes down to it they can't, or they don't have the experience. So, I think just be really open about what you can do, because we can be open-minded too - there's ways around timezones and various other things so just be open.

Also, we tend to buy from people - we are buying into the people and what they offer, so talk to us with the people who are actually going to be providing the service or product, because it's the people really that we trust and rely on.

HG: Yes, I think that's key. Often we see very senior relationship managers who won't be hands-on with the service, so we always want to meet the people who are actually going to be involved. We are always happy to meet sales people, but mix it up. We love it when someone turns up with the most junior person involved and tries to sell through them as the best way of meeting their team. It's all about the people.

KN: I would also say, start small. So maybe try to do a pilot or anything so that we can get to know you as it feeds into that relationship piece.

SWT: From a small organisation perspective we always feel a bit confused by panels and whether we can interject or whether we are part of it. How we should approach the whole panel side of things within a big organisation. How would you suggest dealing with that?

HG: It's an interesting one. I think the piece that Kate said about starting small – so we started our relationship [with Radiant Law] through a pilot on something slightly different, nothing like the work we are doing outsourcing thousands of contracts now. That's been a long relationship burn. So, there's usually a lot of things that organisations are trying to do and it's pieces of that that fit outside panels. We've had relationships where suppliers have worked in subcontractor models or relationships with our panel firms, so lots of companies can be used in a way that's helpful to us as well.

SWT: The next question that came up a lot was what is the best way to start a new commoditised legal service to really hit the ground running and fly?

HG: Looking out from the legal function within HSBC, we spent so much time on the business case, that really got us going and pre-empted hurdles later on. Whilst doing small pieces it really helped us to look as broadly as possible at where we could find either savings, or costs we could avoid. We looked broadly at the things we want to do as a function, that we can't do ourselves, and how a service provider could help us with that in ways that might be value-add, as well as the cost of the service. It helped to know our data on what it cost us internally; we had to really know and spend time on the data of what we as a team were actually doing before rushing to market, so that we had a good, solid case for a lot of later approvals on the business case.

We also spent time looking at the business case over a multi-year picture. We never would have got the sign offs for our business case by saying right, this year we're going to do this and it's going to save us a ton of money. We had to build that picture over the next five years, and show what an investment now would yield in terms of transformation but also savings over the period.

KN: I think it's about looking at what your goal is at the end of it all so that you can work towards that. One of the things we've learned is that we need to trust that you guys are better at this than us! So, you need to tell us how you would do something rather than us being proscriptive. Every time there has been a mistake or things have not gone the way we've wanted it's because we've tried to drive it down a certain avenue, and I think that learning from that is really important.

HG: Kate and I are both outsourcing lawyers by practice, and have spent ages telling other people how not to do exactly what Kate said! Be output driven, focus on your goals, get aligned with your suppliers on the goals ... we sit and tell stakeholders that all day long, and then when faced with our own outsourcing, we had such a shopping list of all the things we wanted and it was exciting. Our relationship [with Radiant Law] is a second generation outsourcing, and we probably had too long a shopping list the first time around. We've pared it back this time around and looked at where different suppliers in our ecosystem can help with different bits. We've narrowed it down to take steps and evolve the service, and to be a lot more flexible, rather than very grand, rigid designs from the get-go.

SWT: On 'fail fast to learn fast', what are the three key lessons you would share in terms of buying and implementing a commoditised legal service?

KN: Get everybody in the team ready for the mistakes that will inevitably be made. Getting everyone prepared – everyone feels very differently about change, so accept that mistakes are going to happen

and just get everyone on board with being open-minded about that because I think that sometimes you're making decisions quickly and you've just got to make the mistakes.

HG: Deciding who's accountable, giving them powers to make decisions. Agreeing what bits have to feed to the top of house and what bits can you all get on with deciding day-to-day. We've also iterated loads – again, not starting with a perfect list of what everything is going to look like. Do you transform first, do you get it ready then outsource – we are not the best at this, it's another thing we've learned. There are suppliers out there with amazing experience who will transform better and faster than our in-house team, so be ready to learn from them and evolve as you go.