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Working Paper

**Delivering 'Effortless Experience'
Across Borders: Managing Internal
Consistency in Professional Service
Firms**

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**DELIVERING 'EFFORTLESS EXPERIENCE' ACROSS
BORDERS: MANAGING INTERNAL CONSISTENCY IN
PROFESSIONAL SERVICE FIRMS**

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DELIVERING 'EFFORTLESS EXPERIENCE' ACROSS BORDERS: MANAGING INTERNAL CONSISTENCY IN PROFESSIONAL SERVICE FIRMS

ABSTRACT

This article explores how professional service firms manage across borders. When clients require consistent services delivered across multiple locations, especially across borders, then firms need to set up an organization that is itself sufficiently flexible to be able to support such consistent service delivery. Our discussion is illustrated by the globalization process of law firms. We argue that the globalization of large corporate law firms primarily takes place in terms of investments in the development of protocols, processes and practices that enhance internal consistency such that clients receive an 'effortless experience' of the service across multiple locations worldwide. Over the longer term the ability to deliver such effortless experience is dependent upon meaningful integration within and across the firm. Firms that achieve this are building a source of sustainable competitive advantage.

DELIVERING 'EFFORTLESS EXPERIENCE' ACROSS BORDERS: MANAGING INTERNAL CONSISTENCY IN PROFESSIONAL SERVICE FIRMS

INTRODUCTION

"Implementing a global approach to strategy requires a difficult organizational reorientation for many firms... The solutions arise as much from attitudinal changes, education, and organizational processes, as they do from formal reporting relationships." (Porter, 1986: 7)

In his emphasis on shifting organizational attitudes and processes, Michael Porter had already signalled the main theme of this paper more than twenty years ago. How are we to implement cross-border integration within firms?

Managing across borders is complex and continually evolving. The aim of this paper is to explore how large international professional service firms (PSFs) strive towards internal consistency in order to deliver an 'effortless experience' to the client. What we mean by this is intra-organizational processes and activities to deliver services to customers or clients in a way that is experienced as effortless: 'a smooth, virtually effortless experience for those who interact with it' (Linden, 1994: 4). This requires the totality of all the processes and attributes which connect the different elements in the service chain to become: 'fluid, agile, integrated, transparent and connected' (Linden, 1994: 4). Effortless experience arises from the integration of the processes of the firm.

Competition between major professional service firms is no longer about the quality of the product or professional advice. Such professional competence is taken for granted. The same is true of levels of service, for which a high standard is simply assumed by clients and no longer constitutes a basis for distinctiveness. Instead we argue that the new competitive arena is the nature of the total experience of the client with the firm.

We therefore discuss the extent to which such effortless experience may provide competitive advantage in the longer term.

As an illustration, we draw on our research on the globalization of corporate law firms. For example, taking the fundamental requirement to ensure there are no conflicts of interest in the law firm acting for any given client in any given country, an internally integrated international law firm can complete conflict resolution procedures within a few hours, regardless of the number of countries involved; for poorly integrated law firms this process will take days. What has emerged from our findings is that leading competitor corporate law firms are investing in internal integration processes as a competitive tool. The nature of globalization within law firms is therefore through the internal processes of the firm rather than the globalization of its products or services.

This research makes three contributions: the first two are contributions to management practice; the third is a contribution to the literature. First, how to achieve consistency of service delivery in large PSFs across multiple locations, including across borders; second, that globalization in PSFs is implemented through internal processes of integration; third, it extends the literature on law firms, on the internationalization of PSFs and it also contributes broadly to the further literature within international strategy on the globalization of services. The paper proceeds with a consideration of the relevant literature from international and global strategy, from PSF research including the internationalization of PSFs, and then looks at the specific context of law firms that are in process of globalizing. Arising from this literature are our research questions concerning how integration and consistency are being delivered in these firms and why these issues are significant. This is an exploratory study that uses qualitative case-

based research methodology. The remainder of the paper discusses our findings from our analysis of corporate law firms. This includes the presentation of our qualitative data within an explanatory framework. Following the data analysis we discuss the implications of these organizations' efforts to manage internal consistency. We call the outcome of these processes 'effortless experience' and discuss its significance for corporate law firms and also potentially for other PSFs. We mention the main limitations of this research and useful directions of further research, ending with an hypothesis arising from our exploratory study.

RELEVANT LITERATURES, CONTEXTS AND THEORETICAL BASES

The paper focuses on how PSFs achieve internal consistency in service delivery across borders. We call this process organising for effortless experience. To develop this theme the paper draws together four intellectual domains. The first three domains are nested together like Russian dolls: international strategy (as distinct from international business); the internationalization of services and PSFs; and the internationalization of law firms. The fourth domain which runs alongside the previous three is PSF research. We focus mainly on where these literatures intersect to provide contexts for this research.

The Context of Managing Across Borders

Much of the international and global strategy literature concerns the internal management of multinational corporations (MNCs) (Perlmutter, 1969; Bartlett & Ghoshal, 1993; Ghoshal & Nohria, 1993; Yip, 1996 & 2005). Global firms are by definition organizations that are multi-site and multi-local. Since they operate across

borders they have to be able to coordinate their activities. This literature suggests that firms implementing global strategies need to pursue a paradigm shift. As Bartlett & Ghoshal (1993: 25) make clear: 'Managerial roles, organizational tasks and even the underlying rationale and purpose of the firm' would have to shift in order for cross-border coordination to be effectively implemented. Barriers identified within the literature as hindering cross-border, intra-firm integration include: dominance of domestic culture and processes; national culture and identity; autonomous national firms and business units; national (as opposed to global) performance review and compensation; local accounting and information systems; local-for-local-only skills and expertise; local branding and advertising (Yip, 1996 & 2005). Birkinshaw et al (2001) also identify the problem of poor global account management for multi-local customers.

In addition, the international strategy literature identifies a set of management issues facing the organization pursuing global integration, such as: effective management of cross-border networks (Hedlund, 1994; Malnight, 1996); headquarter-subsidary relationships (Birkinshaw, 2001); and internal knowledge management and the capture of intellectual capital (Szulanski, 2003). An especially important barrier to effective integration within globalizing knowledge-based PSFs is poor knowledge management and transfer (Empson, 2001). Barriers to the appropriation, transfer and dissemination of intra-organizational knowledge require 'a departure from the logic of hierarchical organization' (Hedlund, 1994: 73) towards the N-form (network) organization which enables easier knowledge combination within differing parts of the firm. Other attributes of the N-form are: temporary groupings of people; lateral communication; interdependence of staff; interdependence of technologies; potential for scope rather than scale economies. Thus MNCs are seen not as single entities but as multi-local

networks 'in a state of continuous experimentation' (Kristensen & Zeitlin, 2004: xxviii).

Some of these attributes may be found within our globalizing law firms.

The next element of the global strategy literature which this paper draws upon is the well-understood tension (Hampden-Turner, 1990) between global integration and local responsiveness (Prahalad & Doz, 1987; Bartlett & Ghoshal, 1989). Effortless experience is about managing this tension effectively. Centralized global hubs characterized by centralized decision-making and resource-allocation, have shifted to more decentralized transnationals and networks (Malnight, 1996). Immense requirements are placed upon these complex organizations and especially multi-local, global MNCs. How are such complex, decentralized organizations to be managed in practice?

The concept of the transnational corporation was seen as providing a creative solution. It is most comprehensively discussed in the work of Bartlett and Ghoshal (1989 & 1993) and Bartlett et al (2004). The transnational has been described as: '... not so much a type of structural configuration as a management mentality' – in other words, a mindset (Bartlett, 1986: 399). It is characterized by 'decentralized centralization' (Bartlett & Ghoshal, 1989: 159). Bartlett & Ghoshal see it as an ideal-type of organization for 'managing complexity: developing flexible coordination' (1989: 157).

Therefore in practice the transnational was the ideal organizational means of responding to the types of global industry changes that Porter (1986:56) captures in his 'Configuration/Coordination' grid. 'Today's game of global strategy seems increasingly to be a game of coordination...Successful international competitors in the future will be

those who can seek out competitive advantages from global configuration/coordination anywhere in the value chain, and overcome the organizational barriers to exploiting them' (Porter, 1986: 56). As industries became less geographically concentrated, the need for greater coordination across geographically dispersed activities was more important as well as more possible, due to modern technologies. Achieving such coordination in practice however, remains highly problematic. Managing across borders has therefore become a matter of how to achieve internal intra-organizational consistency.

Managing Internal Consistency

International and global strategy literature suggests that cross-border integration and co-ordination are key to the successful implementation of a globalization strategy (Porter, 1986; Ghoshal & Nohria, 1993; Bartlett & Ghoshal, 1993). We wish to highlight some literature that provides useful ways of thinking about achieving internal intra-organizational consistency through integration and coordination.

According to Child (2005: 389) organizational coordination necessarily depends on:

- 'the common use of standardized protocols and specifications for transactions between differentiated units
- the use of information and communication technology (ICT) to enable instant and precise communication of market-led requirements between members of the value chain
- direct personal relations based on trust between the members of teams and networks especially to handle non-routine matters requiring negotiation, problem-solving and the like.'

Global networks will therefore require investment in Child's (2005) three intra-firm processes to attain global integration. Quinn's (1992) ideas on integration complement Child's (2005) ideas on coordination. Quinn argued that service focus and activities had become the most significant element in the strategic thinking of all types of firms, product or service. In recognition of that shift he recommended a complete realignment in organizational thinking, management practice and measurement systems to reflect the changed strategic reality within the organization's operations. "What is needed today is a willingness on the part of managers to: (1) recognize the huge opportunities services and their technologies have created, (2) begin to think about them in new, more constructive ways internally, (3) design their strategies around their core knowledge and service skills, (4) focus on the human and process factors that create these core competences, and (5) begin systematically to implement the kinds of new attitudes organizations and control incentive programmes these call for" (Quinn, 1992: 439).

We view this strategic and operational set of practices as the internal face of integration. Quinn's points (1) (2) and (3) are about a general shift in strategic perception and focus (similar to the mindset of the transnational discussed above). His points (4) and (5) are about operational protocols, processes and practices (3Ps). Quinn argued that: "...most successful enterprises today can be considered 'intelligent enterprises', converting intellectual resources into a chain of service outputs and integrating these into a form most useful for certain customers" (Quinn, 1992: 213). This customer-focused chain of outputs is the external face of integration.

Similarly, Stabell & Fjelstad's (1998) distinction between value chains and value shops, echoes Quinn's (1992) 'converting intellectual resources into a customer-focused chain of outputs' to be achieved by the 'intelligent enterprise'. Value shops, unlike value chains, are not about inputs and outputs but about processes organized to achieve problem-solving for customers. Value shops solve a customer or client problem by: 'selection, combination and order of application of resources and activities (that) vary according to the requirements of the problem at hand. Thus while the chain performs a fixed set of activities that enables it to produce a standard product in large numbers, the shop schedules activities and applies resources in a fashion that is dimensioned and appropriate to the needs of the client's problem' (Stabell & Fjelstad, 1998: 420). Both Quinn's 'intelligent enterprise' and Stabell & Fjelstad's 'value shop' help us identify how to deliver effortless experience across an organization.

Yip et al (1988) identify four dimensions as the main areas within which change and development need to occur to equip globalizing organizations for operating within global markets. These are: organization structure; human resources; culture; and management processes. In our data analysis we use these four dimensions and the linkages between them to provide an explanatory framework for exactly such changes and developments in the corporate law firms interviewed, as their sector of legal services experiences its process of globalization.

Taken together these approaches of Child (2005), Quinn (1992), Stabell and Fjelstad (1998), and Yip et al (1988) provide different, but complementary, lenses in their interpretations of managing for internal consistency.

The International Context of Services and Professional Service

Firms

The literature at the intersection of PSF and international and global strategy (Van Maanen & Laurent, 1993; McLaughlin & Fitzsimmons, 1996; Lowendahl, 2000; Grosse, 2000; Aharoni & Nachum, 2000; Segal-Horn, 2005) describes the changing international competitive context of many service industries and professional services. More general studies have focused on PSF management (Maister, 1993; Lorsch & Mathias, 2001; Greenwood & Empson, 2003) and the broader internationalization and globalization of PSFs in general (Nachum, 1998 & 1999; Lowendahl, 2000; Lowendahl et al, 2001; Reihlen & Apel, 2007).

In the last twenty years many service industries have become concentrated, international and capital-intensive rather than fragmented, local and labour-intensive. World market leaders have been created in most service sectors including professional services such as law, accountancy and surveying (Lowendahl, 2000). Many sectors resemble oligopolies, albeit with a long "tail" of smaller firms as local providers in most markets (Segal-Horn, 2005). This implies a development path from local/national industries with little international presence to high proportions of international business with the emergence of a few industry-dominant firms (Morgan & Quack, 2005).

A combination of increased international competition and raised client expectations has led larger PSFs to expand their activities and product and client portfolios beyond national boundaries by developing global strategies (Brock et al, 2006). Studies have been conducted on the internationalization of a number of professional service industries: e.g., accounting, financial services, advertising and management

consultancy (Daniels, Thrift, & Leyshon, 1989; Terpstra & Yu, 1998; Kipping, 2002; Freeman et al, 2007). In many PSF sectors, firms have begun building integrated 'global professional networks' (Brock, 2006: 164). In most service industries, including professional services, the initial push for global strategies has been demand-led. Many global clients require professional services to be provided in all the countries in which they already have a presence. For example, Lowendahl (2000) describes two common types of global clients as follows: those with centralized decisions and/or activities; and those who demand consistent services at multiple sites. PSFs have begun to reorganize themselves to provide services on this basis. On the supply side, pressure has arisen from high costs, professional staff recruitment and retention problems, pressure on fees, and the changing nature of competition (Aharoni & Nachum, 2000; Hitt et al, 2006). Therefore, the globalization of the marketplace for professional services is both supply- and demand-led. Such changes have come later to law firms than to other PSF sectors such as accounting and consulting, and are still largely confined to the segment of corporate law. However, law firms now appear to be following similar pathways. This is the context for this research.

The Growing Globalization of Law Firms

Since the deregulation of US and UK financial markets in the 1980s (Flood, 1995), many PSFs have followed an evolutionary route from hierarchical professional partnerships towards multinational service businesses (Greenwood & Hinings, 1993; Greenwood & Empson, 2003; Pinnington & Morris, 2003). While such firms (including large law firms) had been international for decades, the shift from international to global is more recent. Whereas internationalization implies a presence in non-domestic markets with no integration necessary, a global strategy 'takes an integrated approach

across countries...’ (Yip, 1996: 10). Corporate law firms have experienced rapid globalization relatively recently (Brock et al, 2006; Morgan & Quack, 2005). Within the legal services industry only very large law firms (i.e. corporate law firms) are pursuing global strategies. Their clients are themselves large corporate organizations such as international banks or multinational corporations that require global service delivery. The emergence of global clients for legal services and the creation of corporate law firms operating in major trading regions are cause and effect of the current globalization of the corporate legal sector.

At the moment, the two dominant global law firm clusters are mainly headquartered and parented in the USA and the UK. These are the two largest industry locations for legal services in the current world market (Brock et al, 2006: 476-7 and 480ff.).

Previous studies of very large UK law firms provided evidence that senior managers within such law firms perceived continued international expansion as a defensible and advantageous strategy for corporate law firms (Segal-Horn & Dean, 2007). Indeed within The Lawyer ‘Global 100’ list of top global law firms (The Lawyer.com, 2005a), the highest non-US/UK entry ranks 82nd. That does not mean that English and US legal systems exist in isolation. However, it does mean that the UK and US corporate law firms dominate the current provision of multi-local legal services, often using local lawyers skilled in local legal systems in local-for-local provision.

Law firm research has focused on the globalization of the law itself (Shapiro, 1993), the feasibility of international expansion of law firms from a geographical perspective (Beaverstock, Smith & Taylor, 1999 & 2000; Chang, Chuang & Jan, 1998) and the growth of US law firms regionally and globally (Ramcharran, 1999; Silver, 2000; Spar,

1997). A European study with a strategic perspective is Morgan & Quack (2005) who conclude that both 'institutional legacies' and 'path modification' are present in internationalization.

Given the changing industry context (e.g. multinational clients, cross-border projects and the internationalization of legal business), a further strand of significance to this research addresses 'archetype shift' in PSFs (Greenwood & Hinings, 1993 & 1996; Morris & Pinnington, 1998 & 1999; Pinnington & Morris, 2002) and in law firms (Cooper et al, 1996; Pinnington & Morris, 2003; Brock, 2006). 'Archetype shift' means that the traditional hierarchical professional partnership (usually called the 'P²' structure (Greenwood et al, 1990)) has changed into a more 'business-like' entity (Pinnington & Morris, 2003: 85) known as the 'managed professional business' (MPB). According to Pinnington & Morris (2003:85), 'evidence of change to more business-like ways of operating' in PSFs is now common. The MPB organization is likely to include 'more formalized management practices and defined management roles' (Pinnington & Morris, 2003:86). Brock (2006) has reviewed this entire archetype change literature and developed a third type of PSF organization which he calls the Global Professional Network (GPN) which, as the name implies, is a new organization type to reflect the incidence of large global PSFs.

These changes and their impact on the firms are summarised in the following quotation: 'The last ten years have been a period of extraordinary change for law firms. The rapid growth of corporate law firms and the emergence of global mega-firms, have strained the traditional partnership model of management. Some managers of law firms are appalled at the creeping 'corporatism' that they fear may result. However a

growing number believe that it is time to move on and adopt more contemporary forms of structure and management.' (J. Gabarro quoted in Empson, 2007: xvii). Our research explores exactly such 'more contemporary forms of structure and management'.

RESEARCH QUESTIONS

The literature strongly suggests that when organizations become multi-local this creates implications for organizational integration. The organizational implications of the process of globalization within corporate law firms therefore concern integration and its implementation. The following research questions arise:

- 1 - How have corporate law firms approached cross-border integration and internal consistency?
- 2 – Why are the changes made by corporate law firms to achieve cross-border integration and internal consistency significant?

METHODOLOGY

This study uses qualitative case-based research. Since research on the globalization of law firms from a strategic management perspective (e.g. Brock et al, 2006; Hitt et al, 2006) is limited, we therefore regarded an exploratory approach to this research as the most promising. We sought rich data. The most appropriate method to achieve this was in-depth personal interviews (Jones, 1985). We elicited the views of lawyers within their frames of reference, as well as those of other professionals working within law firms, without imposing our preconceptions. Our interest was in discovering from the perspective of the industry participants what major changes had occurred in the last ten years (the time period most respondents regarded as relevant) and how they and

their firms had responded. We explored the views of managers concerning significant internal organizational changes made within the last five years in response to perceived industry changes.

The data relate to a particular sector of the UK legal PSF industry, namely very large corporate law firms. This is a specific strategic group serving corporate clients, mainly MNCs from the international banking and finance sectors plus a cross-section of all main international business sectors. These corporate law firms, both following their clients and as a defensive move against competitors, are developing global strategies for increasingly global markets.

Our data are drawn from three UK 'City' law firms out of the top 10 of the Legal 500 (Legal500.com) which ranks UK law firms by partner numbers, profit-per-equity-partner (PEP) and gross revenue, to determine rankings. Comparative data on the interviewed firms is given in Table 1. The three firms questioned provided enough interviews (25) until the interviews generated no further new relevant information. Purposive sampling of firms was used in firm selection and snowball sampling in selection of interviewees. Our research design was not hypothesis-testing and the results were not intended to be statistically significant. However the firms represent 30% of the relevant strategic group. Within each firm we had access to a spread of interviewees from the Managing Partner, at least one Senior Partner, Associates and non-legal professionals (e.g. Directors of HR, leader of Strategy team, etc.) Junior associates were under-represented. Our interviews focused on those in each firm with responsibilities for developing and implementing strategy.

Table 1 Comparative statistics of the interviewed firms 2005

Firm	Total Partners	Gross revenue £m.	PEP* £k.	Total lawyers	%lawyers outside UK
A	580	914	651	2480	62%
B	463	805	843	2013	55%
C	429	322	535	1482	26%

*PEP is Profit per Equity Partner

(Source: compiled from Legal Business 100, 2005; The Lawyer, 2005)

Our data are drawn solely from UK rather than US firms (although one interview was carried out with a US lawyer at a US law firm operating in London as part of contextual triangulation of issues). This UK emphasis reflects the different historic internal practices between UK and US firms, such as ‘lockstep’ (i.e. seniority-related in the UK) versus ‘eat-what-you-kill’ (i.e. fee-income-based in the US) remuneration. We have at this stage sought to control for such differences by focusing on UK firms. Brock et al’s findings (2006) of different patterns and different prospects between UK and US law firms in their international expansion, support our approach.

In-depth semi-structured interviews (Yin, 2003; Lee, 1999) were conducted jointly by both authors with managing partners, senior partners, partners, associates and non-legal professionals: a minimum of seven interviews in each firm. For triangulation purposes we also interviewed non-UK partners of UK firms (German, Swedish and Spanish), as well as clients (who were themselves legal professionals) in order to verify data given by other interviewees and fill gaps.

All interview data are treated as confidential and anonymised. The interviews were guided by a short series of topic questions identified from the experience of other

PSFs, a survey of articles in the financial and trade press (e.g. The Lawyer, Legal Week, Legal Business), and the literature on professional service firms and the internationalization/globalization of service industries. The topic guide for interview questions was piloted to ensure understanding of the terminology used. This pilot process was immensely helpful in redesigning the questions to have sufficient precision to survive the detailed scrutiny of our lawyer interviewees.

All interviews were recorded and transcribed. Each interview lasted between two and two and a half hours. Respondents were encouraged to speak as much, or as little, as they wished about industry and organizational characteristics and issues. We only probed to seek clarification and to explore their comments further where more detail was required. Content analysis of the interview transcripts was carried out initially to identify themes and then responses were sorted and coded by theme in relation to firms' strategic and operational responses to the process of globalization. Whilst the questions in our topic guide were derived from the relevant literatures, we allowed the themes to emerge from the interviewees' responses. In addition, feedback loops to test internal validity were provided by discussion of preliminary results at workshops presented to both new industry respondents & existing interviewees for clarification and interpretation.

Content analysis (Krippendorff 1980) was conducted independently by both authors. Within the context of the research aim and following Miles and Huberman's (1994) framework, the two authors noted dominant themes in the data and drew links with previous literature. From this, organizational implications and implementation issues arising from the pursuit of internationalization strategies were identified. The authors

then compared their independent analyses. Inter-research differences were resolved through discussion and reference back to the transcriptions as suggested by Miles and Huberman (1994).

FINDINGS: LAW FIRM ANALYSIS

[Comments in italics below are direct quotations from the interview transcripts which are included to give some indication of the nature of the primary data.]

Within our research on legal PSFs, we asked what precisely is being globalized - the products of the firm or the processes within the firm? It became clear that it is not the products of law firms that are global, as these vary by national and regional jurisdictions or can be client-specific. Instead, the globalization of law firms has been about the internal processes by which these products are delivered by the firm in different parts of the world. This was not our starting-point but emerged as significant as our data developed. What was most important was the ability of the organization to 'operate like a single firm'. What do we mean by that? It means the ability of a complex organization to operate as a single simple organization.

"More of our clients are beginning to demand that we think globally and act globally and they don't want to see the local approach; they want a one stop shop. They want to know that everyone's speaking with the one voice, that we will manage the matter for them in a consistent manner."

From this we see that intra-organizational integration is driven by the significance of cross-border capability to major clients.

"Acting for a German bank, lending money to a Belgian company where the assets securing the loan are in Sweden..."

At an operational level, the aim is to create:

“...a seamless firm, consistent management of transactions, consistency in quality of advice”.

“Some transactions involve 80 law firms...we can produce a team that can cover whichever jurisdictions are relevant to our client.”

This brief strategic overview empirically reinforces the implications from the literature review concerning the significance of organizational integration. Our findings now drill down to the operational implications.

Nature of Findings

Our overall findings are presented in Figure 1. They are deliberately not presented in a table, as is more usual for qualitative research, because we are trying to put multiple dimensions on a two-dimensional surface. Instead, we have organized the themes that emerged from our transcripts into individual topic points within the framework of Figure 1. Figure 1 captures the interview firms' perceptions of where they have reached in their journey towards becoming global firms. It represents a systemic view of the processes within the globalizing law firm across four dimensions: human resources, culture, management processes and organization structure. Each of the four dimensions contains its relevant set of topic points from the data. The four dimensions are loosely derived from Yip et al (1988) in which they are used to describe the internal characteristics of a global firm. Yip (2005) uses these four dimensions as the organizational basis of global integration. The important thing to note in Figure 1 is that the four dimensions interact. This interconnectedness of the dimensions is key to managing internal consistency and to the potential outcome of effortless experience.

INSERT FIGURE 1 HERE

Figure 1 – Creating the Global Law Firm

We have already argued that global networks require heavy investment in Child's (2005) three intra-firm processes to attain global integration: well-understood protocols, instant communication and trust between organizational members. Taken together, these processes provide the mechanisms from which consistency may emerge. They are the processes with which Porter's (1986:56) 'game of coordination' can be played. Figure 1 summarises the main internal protocols, processes and practices (3Ps) by which the global law firm is being created.

"...trying to get some common consistencies now for both lawyers and business services; it's what we call support staff. And we have global business planning, global budgeting, global reporting and then going more onto the operational side that backs up the strategy we are moving to centralisation of back office functions, global procurement and all those sorts of areas as well. "

Interpretation of Results

Our results reflect the literature in providing examples of achieving internal intra-organizational consistency across borders through integration and coordination. In interpreting our results, we refer back to the three types of 'organizational arrangements' for integration described above by Child (2005: 389). We illustrate each in turn from the four dimensions of Figure 1.

Organizational Arrangement 1: 'the common use of standardized protocols and specifications for transactions between differentiated units'.

'Standardized protocols and specifications' are incorporated within the **management processes** dimension and some elements of the **organization structure** dimension. Protocols are a very explicit operationalization of management processes. They support the implementation of common performance management systems, common finance systems, common human resource management (HRM) practices, integrated reward systems, shared best practice and knowledge management (KM) systems, common technology platforms and standard organization-wide templates and intranet. Their common use is reinforced by such organization structure elements as: a single global profit centre for determining partner remuneration; global client teams that operate across countries and practices; an integrated global authority for decision-making. This wide range of elements lies underneath the ability of the organization to: *'operate like a single firm'*.

'We were the first global law firm to implement that process which means that we have one global finance system that is a real time system with access to information all around the world, everybody has the same access, 'One source of truth' as they call it.'

'The single biggest differentiator between a firm that has an international strategy and a firm that has a global strategy is the profit pool. So a global firm has a global profit pool...their remuneration is driven by the success of the global firm.'

Within the **human resources** dimension, the decline in professional autonomy is of particular significance and, in turn, enables further change.

'You can no longer do your own purchasing and you can no longer decide what chair you want to sit on...they just think its taking away their own freedom; so there is a tension.'

Such further changes in common working practices within the globalising firm include: lawyers in managerial roles; the use of non-legal professionals as in senior managerial roles; increasing lateral hires (i.e. recruiting partners from other firms); building up and managing cross-border practice teams and working groups and the cluster of policies implemented to create 'international lawyers' without which transactions between differentiated units in the global organization would not be 'fluid, agile, integrated, transparent and connected' (Linden, 1994: 4).

'The professional managers in the firm have really shot up the food chain...professional managers have a much higher profile than they used to and their views are much more listened to and taken into account.'

'When I first became a partner it was extraordinary for a partner to leave and join another firm...now it pains me that I have to assume that a percentage ...will leave and join another firm.'

'A global client would have a single client relationship partner and a series of local client relationship partners with particular expertise, and they would generally work together to try and deliver a coherent service to that client.'

Organizational Arrangement 2: 'the use of ICT to enable instant and precise communication of market-led requirements between members of the value chain'.

This ground is covered extensively by the **management processes** dimension. Enabling such ICT-based management processes to work effortlessly intra-firm worldwide is itself a highly complex series of processes: consider for example, the

systems that track real-time billing as one basis for the performance management and integrated reward systems; or the dependence for effective interaction of the global teams upon shared best practice, shared procedures, standardized protocols and the organization-wide intranet.

'Technology gives you speed, through templates and common working practices which technology often drives so you get consistency and through global know-how systems you get access to the best knowledge . . . very, very quickly.'

'The business development function is increasingly supporting the global client teams rather than local offices...we are increasingly doing online billing with clients...we send them a data-file directly from our system to their system, accounting for all the projects we're doing, wherever they are in the world...'

'If you went back three years, if we did work in fourteen countries, the lead office would bill the client, and all the other offices would be listed as a separate bill...now all the time is recorded on the same system and presented on the same bill.'

Organizational Arrangement 3: 'direct personal relations based on trust between the members of teams and networks especially to handle non-routine matters requiring negotiation, problem-solving and the like'.

Such processes include building and maintaining the shared corporate culture and values of the organization. They are identified in the **culture dimension**. In our interviews, senior professional staff who had worked for the same organization most or all of their professional lives, often described the informal unstructured ways in which relationship-building occurred when firms were smaller and based in few, as opposed to multiple, locations:

'Whilst you are all opening post together in the morning around the library table you can organise things, you know what is happening, you can see what letters are coming in and going out. Once it gets to something bigger you have got to have proper systems [to set] the parameters in which you work.'

As these firms grew in size, complexity and geographic spread, resources were invested in identifying, espousing and embedding corporate values and commitment to the global firm.

'You need something which binds you, which ties you together. How could you work together unless you shared some basic values?'

Such values commonly include quality, commitment and expectations relating to high service delivery levels. While seemingly generic, such values are nevertheless powerful motivators and performance guides in practice since they have concrete, shared training, protocols and approaches to problem-solving supporting them (i.e. internal protocols, processes and practices). They are largely the outcome of the combined impact of the other three dimensions. Quinn (1992: 318) argues that 'mutually held values create the trust necessary for flexibility and effectiveness'. He further argues that values and the management of values enable 'people at distant points in the organization (to) be trusted to use their intuition to solve unique problems in ways consistent with organization purposes.' Aspects of trust-building reinforced within other dimensions include: overseas secondments that initiate and reinforce intra-firm personal networks (**human resources** dimension); cross-border practice team-building and global training that repeatedly brings together similar professional layers from geographically dispersed practices throughout the organization (**management processes** dimension).

'I spent a little while in Italy and not necessarily that there was much UK work for me to do in Italy when I was there but I met all the tax people, I could put names to faces, and if you had a transaction with Italian tax advice, and you've got a face in your head, it's so much easier to pick up the phone and it's so much easier if you think they're not quite doing what they should be doing to say it to someone if you've met them rather than someone you don't know.'

'We have a number of events where there is a mixing between the offices, we have sports days, training weekends, and we have just started an Associates Network which is . . . across all of the [partner] firms and [is] for us to get to understand the different cultures and to get to know people on the same levelso as we can work more efficiently together.'

"We do have global training programmes where associates from all across the world at key points in their careers will all come together and receive common training."

We now discuss the relationship between our findings and our research questions.

DISCUSSION: DELIVERING EFFORTLESS EXPERIENCE

Our first research question asked: how have corporate law firms approached cross-border integration and internal consistency? We have emphasised the overall design of the organization in support of the service activities. We have stressed the internal intra-organizational protocols, processes and practices (3Ps) that are needed within the firm to deliver the external-facing effortless experience for the customer. Effortless experience is also about the internal connectedness through which consistency is delivered. Specifically, creating this internal connectedness, i.e. this ability to speak with 'one voice', is the task of the 3Ps. All the protocols, processes and practices in Figure 1 are linked. This explains why in our view the topics captured in the four dimensions provide an illustration of how to manage internal consistency. They

underpin the effortless experience of the client external to the firm and the layers of employees, professionals and managers internal to the firm. Taken together, it is the integration of these four dimensions of Figure 1 which defines effortless experience within the organization.

Our second research question asked: why the changes made by corporate law firms to achieve cross-border integration and internal consistency are significant? In other words, why bother to integrate? What is the benefit of effortless experience and under what circumstances does the organization need to pursue it? There are two reasons: first, client expectations; second, potential competitive advantage.

Regarding client expectation, MNC clients expect sophisticated problem-solving across borders:

'...the client is saying I want to operate at a level of granularity that makes it the same for me around the world, standardizing things; and we're the feet of the swan in that respect, because the client says I want it to look the same wherever I sell it. So don't tell me I've got to paint it a different colour just because I'm selling it in this country.'

Regarding potential competitive advantage, within the corporate legal sector (as has occurred previously in other PSF industries such as accounting and management consulting) a shift from international strategies to global strategies is occurring (see Brock et al, 2006). Those firms which invest in creating a global organization for implementing global strategies will gradually benefit compared to those retaining their less integrated international strategies and structures. Brock et al (2006) and Hitt et al (1997) show that there are performance advantages in investment in cross-border organization structure in global law firms. Brock et al (2006) capture this point in their

u-shaped profit curve for international diversification of UK law firms. The later upward spike of the u-curve reflects a form of first-mover advantage (Lieberman & Montgomery, 1988) from which firms that have made early investments in 'building various relevant organizational competencies' (Brock et al, 2006: 473) benefit. Therefore amongst corporate law firms, the integrated problem-solving cross-border firm is likely to secure competitive advantage.

'The gap between the specialists and the global firms is going to widen... therefore their strategy will have to change to be working to compete in this space... the gap for them to bridge is too wide...they've then got to work for the next five years at least on investing in all this: the globalized processes, global training, the global strategic thing, global networking, making the global firm work. It's very complex. We've been at it for twenty years, and its still complex. It's getting worse.'

'It's very difficult to replicate what we've achieved...the more we invest, the better we get at being a global firm.'

The concept of effortless experience entails well-understood protocols, instant communication and requires trust between organizational members, rather than simply linking the outputs of autonomous units. Taken together, these processes contribute to a genuinely shared mindset throughout the extended organization. To return to an important issue in the international strategy literature - in managing the tension between being local and being global, the more successful the firm is at achieving robust internal global processes for effortless experience, the easier it is also to provide local responses and flexibility when required. The pursuit of effortless experience is therefore an effective organizational approach to competing both within and across borders. Further, it goes some way towards addressing the tension described earlier between global integration and local responsiveness.

Limitations and Further Research

The research has significant limitations as follows: the amount of data; problems of access; UK firms only; dependence upon the views of interviewees; reliance upon firms to recommend interviewees, thus creating potential gatekeeper issues. Such limitations are common to exploratory case-based research. The generalizability of our findings is therefore limited. However, the characteristics in Figure 1 are describing a total service delivery system which, in principle, may be applicable in any sector. They may constitute an organizational template. Further research is needed to assess its relevance in other firms and sectors, especially other PSF sectors.

Further, major culture change within the legal profession (*'creeping corporatism'*) subsumes many further changes each of which constitutes a significant area of future research. These include: a shift in the professional self-concept of what is a (corporate) lawyer; managing the headquarter-subsidary balance of the global firm; and the role of non-legal professionals within PSFs, especially as senior managers.

CONCLUSIONS

Global strategies carry with them strategic, organizational and operational requirements which corporate legal PSFs were not originally designed to meet. In order to achieve consistency in meeting client expectations, globalising corporate law firms have invested heavily in the development of systems and processes for the integration of their international operations. These developments have, in turn, contributed to significant changes in the culture and organization structure of these firms. For example, the increase in scale and cross-border scope of the top legal PSFs

has placed the traditional professional partnership structure under pressure, resulting in the adoption of a Limited Liability Partnership (LLP) structure by most firms (Denny, 2003; Carlson, 2004).

We have argued that, given such industry change, the search for organizational integration, internal consistency and the resulting effortless experience for both clients and staff, is significant. First, integration is about the experience of the client and being client-focused. It enables firms to respond closely and more rapidly to the ever-greater sophistication of client requirements and market direction. This reflects the greater complexity of projects and tasks for specific client groups. Therefore integration is relevant to client retention and competitive pressure. Second, the delivery of effortless experience is extremely difficult to imitate with very high path dependency. This creates huge investment gaps between potential competitors through the time and the resources needed to implement the strategy of effortless experience. Third, genuine integration is a significant barrier to entry and therefore represents a major source of potential competitive advantage particularly for international PSFs in global markets. Therefore within a knowledge-intensive, cross-border sector such as corporate law, the ability to deliver effortless experience may provide the basis for competitive advantage sustainable for a period of years. Its complexity in implementation and its inimitability, provide potentially sustainable barriers to entry into the parts of the strategic space with the most desirable characteristics in terms of clients and competitive markets. In strategic terms, this may be viewed as a differentiation strategy in service markets that are very competitive and very demanding. It creates a differentiated strategic group with raised entry barriers.

In practice, as long as their expectations of service delivery were being met, would clients know the difference between integrated or non-integrated firms? Should firms bother investing in effortless experience since such investments are expensive and long-term? We have argued that internal integration between layers/individuals/groups within the organization is as important as the external face of integration presented to the customer. Many organizations present a supposedly integrated face to the customer. However the majority of such organizations are not internally integrated and have to achieve their client-facing consistency by means of continual temporary solutions. We argue that the gap between competing firms that have or have not invested in managing effective internal consistency will become wider and more noticeable to clients as investments in consistency enable such firms to deliver services with greater speed, shared knowledge, flexibility and responsiveness. In due course these investments may also contribute to lowering of costs.

With exploratory research, the main output is often a testable hypothesis. The testable hypothesis arising from our research is as follows: Organizations in which both external customer-facing, and internal intra-organizational, aspects of integration are practised are most likely to achieve effortless experience for clients and staff.

This should form the basis of further research.

Many of the ideas we discuss in relation to internal consistency and effortless experience have been around for a long time. The most obvious of these is the theory of the transnational organization (Bartlett & Ghoshal, 1989) or Hedlund's (1994) heterarchy. Each has been an attractive ideal-type but immensely difficult to implement. Many of our 3Ps were not previously technically feasible. Such complex

flexible organizations may now be more feasible than formerly as a result of new ICT technologies. This paper has shown how their implementation may be managed in large firms and why such firms should bother.

Cockburn et al (2000) in their article on the origins of competitive advantage pose the question in regard to innovating firms: 'Were they lucky or were they smart?' In regard to building effortless experience throughout the organization, we view such firms as smart rather than lucky since effortless experience requires deliberate investment over the long-term to create the shift from the value chain to the problem-solving value shop. For Stabell & Fjelstad (1998) the means of turning a value chain into a value shop depends on the intra-organizational integration of the processes of the firm. In achieving an 'effortless experience' for the customer, the intra-organizational experience between and within the elements of the firm must be equally effortless for those within the organization. This in turn enables a sophisticated functioning of the organization that is extremely difficult to imitate by other firms. In this resides its longer-term sustainability.

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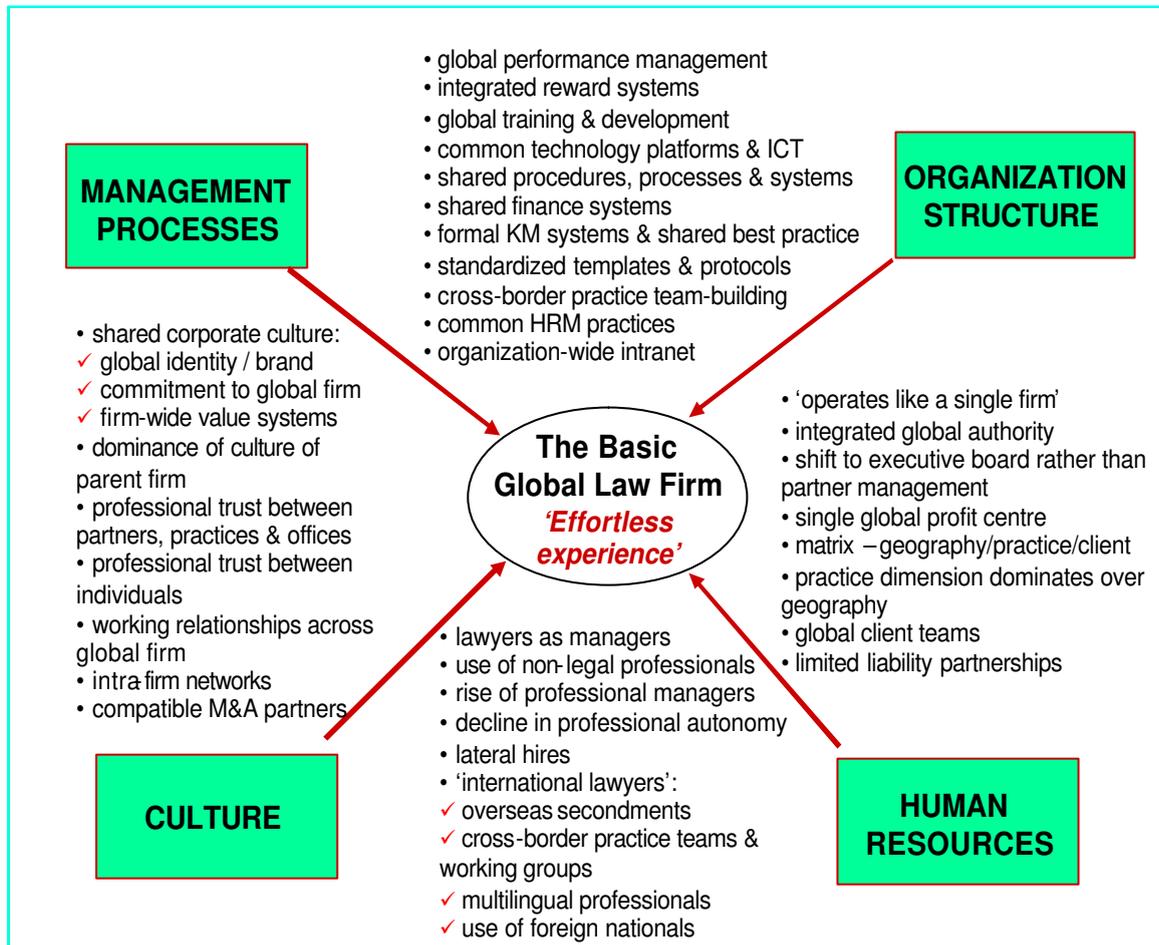
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Figure 1 – Creating the Global Law Firm



(The four framework dimensions are based on Yip, Loewe & Yoshino, 1988)

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