



**International Legal
Technology Association**

Show Me the Money: the ROI of Knowledge Sharing

By Dr. Heidi K. Gardner, Distinguished Fellow at Harvard Law School and Co-Founder, Gardner & Co. and Csilla Ilkei, Insights Director, Gardner & Co.

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Sharing knowledge isn't just good for your law firm: it's good for you, too. Our decade-plus of research at Harvard and with countless law firms backs this up. We'll show you the evidence for smarter collaboration's benefits and dig into the barriers that make it so difficult. From there we'll offer data-backed advice for busting these barriers (and preventing them in the first place).

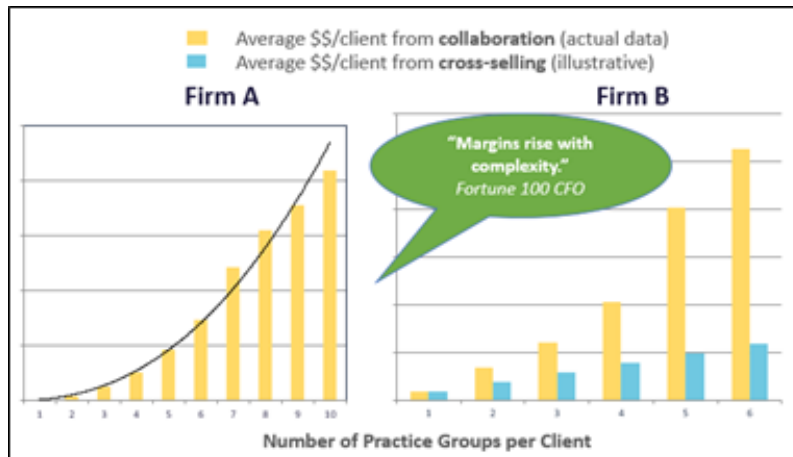
Financial outcomes of knowledge sharing

Collaboration hinges on collaborators' will to share knowledge and doing so in the most productive and skilled way: it is a hyper-intentional way of starting with a problem or opportunity, then dissecting it to figure out exactly whose expertise is needed and when. Let's be clear: expertise sharing is not a one-way, lonely act. The best knowledge sharers increase the value of their contribution by actively listening and productively debating the range of surfaced perspectives. Knowledge sharing is a team sport with players' sharp focus on the problem itself, so the healthy tension never gets personal.

Legal professionals who work in this way – across practice groups, sectors, functions, even geographies –generate higher revenue and profits, faster innovation, lower-risk solutions, deeper and more satisfied client relationships, and better talent engagement and retention. We share the empirical research behind these benefits in best-selling ***Smart Collaboration*** and ***Smarter Collaboration***.

Let's take revenue and profit as an example. The more disciplines that are involved in a client engagement, the greater the average revenue and profit produced from that client.

Financial benefits of cross-silo collaboration

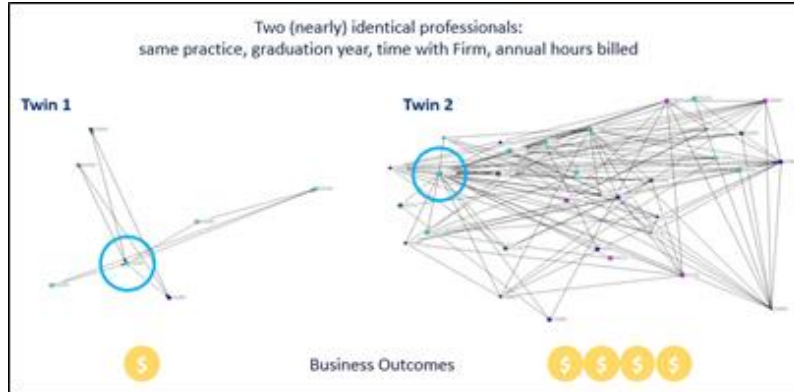


Source: Gardner & Co.

In the legal realm, we see that average annual revenues triple when two practice groups are involved rather than one; as additional practice groups serve a client, the firm can bill a higher amount and each group earns more, on average. We've observed that profit margins tend to hold steady, equating to much more profit in the bank as well.

This phenomenon also applies to individuals. Professionals who collaborate and share knowledge with a greater diversity of peers, including people outside their departments, perform significantly better than their more isolated peers. In one study, we saw that their business outcomes were four times higher - including their stronger delivery of core objectives, more engaged colleagues, and ultimately happier clients.

Collaboration on the individual level



Source: Gardner & Co.

Better performance outcomes often result in increased promotions, higher salaries, and a more rewarding career trajectory. Next time someone wants to hoard information, fill them in!

Knowledge sharing barriers and solutions

Despite the financial and other benefits of cross-silo knowledge sharing, people still don't do it enough. Our millions of data records point to several top barriers, including a perceived lack of time, a lack of collaboration skills and confidence, and a lack of trust (competence and interpersonal).

Perceived time pressure

Legal professionals often believe that solo efforts save time by eliminating meetings, debates, and waiting for input. However, this approach tends to waste time and money in the long term. Collaborating from the outset ensures efficient task allocation and execution, minimizing the need for extensive rework. To help you in the near-term, however, here are a few tips:

- When organizing a meeting, only bring in relevant colleagues – not everyone who's simply interested in the topic.
- Facilitate quicker decision making by sharing an agenda and supporting documentation (including pertinent data and reports) ahead of meetings.
- Split up follow-up work appropriately, based on people's interests, strengths, and availability – so you're not carrying the full load.

Lack of skills and confidence

A second barrier is a lack of collaboration skills and confidence. You could have all

the time in the world, but if you don't know how to successfully collaborate and share knowledge it doesn't matter. People have lots of misconceptions, like more collaboration is better or conflict and debate are bad.

To overcome this challenge, legal professionals can:

- Participate in collaboration coaching or masterclasses.
- Engage in job rotation to see potential linkages across silos.
- Learn how to practice influence without authority.
- Solicit feedback as a way to monitor improvement and boost confidence – ideally from a trusted and respected colleagues (not necessarily a supervisor).

Lack of trust

Another top barrier is a lack of trust, whether competence trust (how good someone is at something) or interpersonal trust (how well a person treats others). If people can't trust others will do a good job or give them credit, they are demotivated to collaborate and exchange information.

To alleviate this issue, we recommend:

- Making the first step by trusting others
- Sending signs you are a trustworthy person (e.g., by mentioning your experience or making valuable contributions to small projects)
- Giving others credit for their contributions

Measuring success of knowledge sharing

We frequently tell legal professionals that smarter collaboration and knowledge sharing are means to an end—not goals in and of themselves. As a result, you want to measure the strategic outcomes of this way of working, such as higher revenue and profit (e.g., by client, sector, or the firm as a whole), higher client satisfaction (e.g., through client feedback tracking), and higher employee engagement (e.g., through employee surveys).

That said, to spark knowledge sharing you might initially need to measure signs of it. For example:

- How much activity is occurring on your knowledge sharing/online communications platforms; what is the nature of this activity?

- How often is this online activity triggering inputs or decision making by senior leaders?
- How often are cross-practice or cross-functional meetings occurring; to what extent is each participant contributing expertise?

Emerging trend in knowledge sharing: GenAI as a sparring partner

Legal professionals are increasingly using generative artificial intelligence to save time and shift to higher-value work. We have a somewhat different interest in it: how can it boost smarter collaboration and associated outcomes through real-time knowledge sharing?

Our ongoing interviews with law firm and in-house legal leaders show that they see early yet promising success when GenAI joins the collaborative effort as a teammate that works alongside humans, filling in gaps, contributing to tasks, and adding insights.

While this is exciting from a knowledge sharing perspective, it doesn't come without risk and challenge. The smarter collaboration barriers discussed above are still at play, albeit in a different shape. For example, many people feel they lack time to use or understand GenAI (e.g., how can they write prompts that actually surface novel information?). Tailored strategies will be required to ensure that GenAI is a productive team member.

Conclusion

To spark collaboration and knowledge sharing, leaders and champions should familiarize colleagues with its organizational and individual benefits—including higher revenue, profits, and worker performance (engagement and success!). They must also be aware of the most common obstacles, so they can apply the right remedies to surmount them. Measuring the impact of knowledge sharing and integrating the latest technologies (like GenAI) are also crucial for building and maintaining buy-in. Share more, share better – and celebrate the power of sharing.

ABOUT ILTA

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