



**BUSINESS**

**The £232 billion opportunity**

**HOW DIGITAL  
CHANGE IS LEADING  
BRITAIN'S PROFESSIONAL  
SERVICES FIRMS OUT OF  
THE COVID CRISIS**

**REVOLUTIONISE  
THE EVERYDAY**

**Some sectors of the economy have historically been resistant to digital change. The legal profession was certainly one of them.**

**It's one of the jewels in the crown of the lucrative professional services sector, yet it's remained behind the times in terms of tech adoption and strategy.**

Until now.

Some of the most visionary practitioners in the field now are choosing a digital-first approach, providing a clear route for the rest of their industry to follow.

We recently commissioned the Centre for Economics and Business Research (Cebr) to look at the potential benefits to the UK economy of the continued investment in digital transformation projects, similar to what we've seen over last year.

Across the UK, in the private and public sectors, Cebr estimates that Covid-driven digital change could increase GDP by £232 billion, or 6.9%, by 2040.

**In the professional services sector, the digital transformation uplift is estimated to be approximately £16 billion in 2040, a gain over the baseline of around 4.8%, bringing the size of the sector to £349 billion in 2040.**

Solicitors are now embracing technology so they can spend even longer doing client-facing work. Fountain pens and Dictaphones are being relegated to the back of dusty drawers.

And meetings and hearings that were often held in cramped Victorian rooms can now be conducted more efficiently in virtual spaces.

Accountants, lawyers and others in professional services – long suspicious of the security of sensitive information when stored digitally – are now finding that e-bundles and cloud storage are actually more secure than material printed on paper.

Covid has acted as a catalyst for the profession to realise the transformative possibility of digital engagement, and the early adopters have led the way.

Elsewhere we have found that Britain's army of small and mid-size enterprises, the SMEs that power the UK economy, are undergoing a similar journey.

Those with a digital-first mindset have managed to weather a crisis the size of Covid. And their digital transformation projects have proved to be essential investments that are already paying dividends.

Those projects have been wide-ranging: setting up systems to manage effective roll-out of PPE equipment to care-home staff; shutting down an estate agents' office but still working effectively from a kitchen table within half an hour. And many more.

By embracing digital, cloud-based technology, the innovators are thriving.

Read on to find out how.



Extract from the Cebr report focusing on professional services

## Professional Services

The table below sets out the estimated size of the professional services sector, starting in 2020, and then each year from 2025-2040.

It can be seen that by the middle of the 2030's, the digital transformation uplift owing to the accelerated use of technology is estimated to be in the double digits at £10bn, increasing the size of the sector to almost £300m. By 2040, the CADT uplift is estimated to be around £16bn, approximately 4.8% of baseline sectoral GVA.

### Impact of accelerated digital transformation in the professional services sector

(Real, £bn, 2020 prices)			
Year	Construction sector baseline GVA	Size of uplifted professional services sector GVA	Digital Transformation Uplift
2020	177	177	0
2025	218	225	7
2026	225	232	7
2027	232	240	8
2028	239	247	8
2029	247	255	8
2030	254	262	8
2031	261	270	9
2032	269	278	9
2033	277	286	9
2034	285	295	10
2035	293	304	11
2036	302	314	12
2037	310	323	13
2038	318	331	13
2039	325	340	15
2040	333	349	16

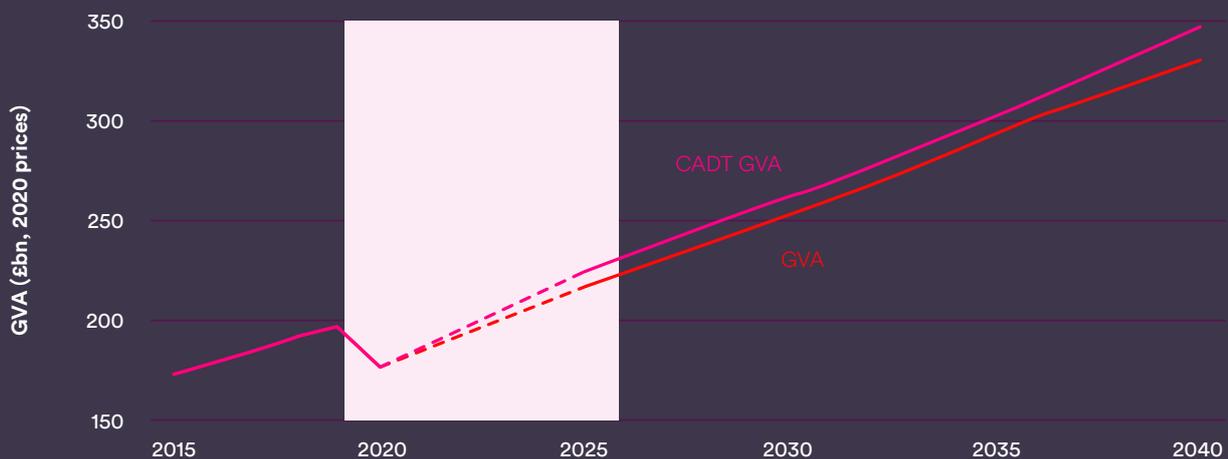
In contrast to other sub-sets of the private sector, such as construction, the professional and scientific services sector was found to have a 'high' current level of digital transformation adoption.

This was verified through the panel workshops, where industry practitioners confirmed that many sub-sets within the sector, such as the legal profession, have been using various automation tools for repetitive tasks for a number of years.

Such tools have brought about significant productivity gains that can further be realised by additional innovations in the sector, such as increased use of video technology, which was referenced as important in ensuring successful working from home practices.

In view of this, there are ongoing opportunities for the sector to grow, and the delta between the baseline and the CADT uplift scenario is shown in the table below.

**The impact of accelerated digital transformation in professional services sector**



Source: Cebr analysis

[Download the full CEBR Report to find out more about the national picture.](#)

[Or the detailed CEBR report focusing on professional services.](#)

## Viva office life! How hybrid working will improve your business performance

Building a world-class digital business is more about the mindset of people working alongside you than the tools you use. And the key to success lies in teams (with a lower-case t).

Leading UK legal and professional services experts Knights cite teamwork and tech as the twin pillars that enabled them to survive and thrive through the Covid-19 pandemic.

It has helped the firm hit £100 million turnover, with 900+ professional advisors serving more than 18,000 business clients, both large and small.

Knights COO, Richard King, says: “Since we listed in 2018, we’ve had great momentum in scaling up our business, which now consists of over 900 fee earners.

“We’ve achieved that through both organic growth and complementary acquisitions.”

So what’s the secret to Knights’ success?

Richard explains: “We came to market in the belief that there’s a better way to deliver legal services in the 21st century.

“Our business model is focused on a strong culture of collaborative teamwork, supported by robust technological systems.

“The combination of the two enables us to flow work to the right level of expertise, improving the efficiency of the business and ensuring we can offer our clients better value for money.

“It also ensures our lawyers focus on quality work that is suitable for their experience.

“The time of our senior lawyers is better spent providing high-value-add advice to clients, and junior lawyers are keen to learn.

“The culture we have developed ensures our professionals work together to produce the best outcome for the client.

“In more traditional law firms, it isn’t uncommon to see partners act as competitors to ensure they meet their own personal targets, which isn’t the case at Knights, as we have removed targets.

“We’ve also embraced technology to make our ways of working dramatically more efficient and faster.

“In the traditional legal world, to get a document printed you take notes, give it to a secretary to type up, then read and edit it before you arrive at a final copy.

“We made the conscious decision to not employ secretaries, but rather to empower our lawyers to do this themselves through the use of our technology systems.

“The industry average number of fee earners per support staff is 1.7:1 and currently we’re operating at 4.2:1.

“In many ways, the legal sector is 20 years behind other sectors. We knew where we were trying to get to when we moved from the traditional partnership model to corporate structure in 2011.”

Richard debunks the myth that using digital to streamline everyday business processes makes a company cold and uncaring.

He says: “We are a people business. Our model is relationship-led, not brand-led. It’s person-to-client, heavily powered by digital.

“Some believe that embracing digital means losing some aspects of the personal relationship. But we would argue the opposite.”

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Richard King, COO, Knights Professional Services

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“Take video calling for example, which enables us to meet more frequently and face-to-face. We use technology to enhance our relationships with all stakeholders.

“Technology has allowed us to work effectively from home, allowed us to successfully integrate acquisitions, onboard and train our new colleagues and engage effectively with our clients.”

This has led to a Client Net Promoter Score of 60-plus. A figure that compares favourably with superstars like Apple or Amazon, and way ahead of rivals in the professional services sector.

Knights also engaged world-famous sports and business psychologist Jamil Qureshi to help inspire and embed its winning formula for teamwork.

During the pandemic, he provided invaluable advice on how to thrive in lockdown.

Staff are inspired by Europe's Ryder Cup success and Premier League champions Leicester City – teams where the whole is greater than the sum of their parts.

Richard explains: “Our deep belief is that teams always outperform collections of individuals and there's a million and one examples of that.



“Yes, command and control structures can be very effective, but if you want to be agile, flexible and fit round someone’s needs, you need a team approach.”

Winning as a team in business requires leadership sacrifice and commitment. It can mean throwing away the trappings and titles traditionally associated with career success.

Richard adds: “The legal industry is full of these structures. Our team culture strips that away, we don’t have team leaders, heads of specific practices.

“It’s a one-culture business. We’ve tried to remove what’s seen by many as badges of honour.

“From the CEO through the seven client services departments, we have a ‘come on, let’s do it’ ethos.

“Nobody is too grand to get stuck in. We go out of our way to avoid any implications of hierarchy, that’s one of our unique traits.

Knights recognises that new digital skills are required for lawyers and specialists on its team to adapt to new ways of working. And it has put in place an efficient training system to deliver them.

Richard says: “We work hard to ensure all of our lawyers are trained on our systems and familiar with our technology.

“We made four acquisitions during the pandemic and integrated them into our businesses. This included moving 300 lawyers into our core systems and training them on how we work in Knights.

“A lot of those are people who have never created their own engagement letters or generated an invoice.

“We’ve been able to bring them to a level of competency very quickly and remotely, even though we haven’t been able to meet them in person yet.”

The impressive onboarding process was enabled by two dozen staff supporting training and compliance.



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Richard adds: “It can be very stressful for lawyers, who are experts in their field, being novices when it comes to technology.

“Our training staff are very good at the pastoral side as well as helping people get to grips with our systems.

“Willingness to learn is critical. Some people will never feel compelled to make that journey. If you want to work with a secretary and work in the old way, Knights is not for you.”

Richard continues: “There are some basic digital skills you need to have. The equivalent of reading and writing after the printing press was invented.

“You need to be able to create documents, use email, Word, Zoom and Teams. You have to review documents online, mark them up and work electronically.

“That’s the price of entry. If you don’t have those life skills it’s difficult to shop, pay utility bills and interact with other people at home.

“We want people with a willingness to explore different ways of achieving and who are open to experimentation.

“We find people are excited by finding a better and more modern way of working. Take electronic signatures as an example. In law, many documents are still wet-signed. This can take days!

“The time wasted is ridiculous, and this method is not necessarily more secure than an electronically encrypted method. The pandemic saw people embrace electronic signatures.”

Knights is looking forward to fully welcoming its staff back into the office, because it sees the physical workplace as a hotbed of great new business ideas.

Richard explains: “Our model is to be office-based. We believe the office helps people work collaboratively together and builds trust in teams.

“Our investment in technology and paperless ways of working meant we were able to go home and immediately carry on working as normal at the onset of the pandemic.

“There was no material impact on our productivity.”

*Virgin Media Business has been working with Knights Professional Services since 2019.*



## Care-home consultancy Fulcrum shows how embracing the cloud can transform an industry

Fulcrum was already well placed to provide transformative digital security for an industry that had been widely criticised for being lax with data.

One of the recurring bugbears raised by the Care Quality Commission – the body responsible for regulating the care industry – has been weak data security.

But with the arrival of the Covid crisis – with care homes on the front line – the need for digital innovations to keep residents and staff safe only increased.

Founder Tony Thiru has seen demand for his company’s tech-based solutions triple in 2020 as the pandemic left the care industry extremely vulnerable.

Since starting up just three years ago, Fulcrum had built its growing reputation by providing cloud-based digital security strategies – a critical issue for an industry tasked with keeping highly vulnerable people safe.

Tony explains how Fulcrum’s digital innovation neutralised the data-security problem. “We’d go into a care home and find they were quite cavalier with resident and internal information: care plans sellotaped to the wall, open offices with staff personal data on boards and so on.

“Our systems have removed the problem. By moving data to the cloud, we’ve made it more accurate and more secure. Clients knew it was a problem area and our input has reassured them that it no longer is.”

So when Covid came along and the industry was plunged into crisis, it was a logical step for Fulcrum to provide digital support to help.

“Some of our clients will have as many as 4000 residents and as many staff, and as soon as the pandemic hit they’d be on the phone to us desperate to create systems that could keep them all safe,” Tony recalls.

“By adopting our innovative digital strategies we provide a way of centralising every aspect of care provision, from meeting nutrition and hydration needs to making sure staff are in the right place at the right time with the right kit.

“With this new digital regime they could make sure that everyone was protected: that PPE rollout was managed efficiently, both their staff and residents kept safe and their core care provision uncompromised.

The care industry has often been resistant to change but the simplicity of use of the digital systems introduced by Fulcrum has seen a high adoption rate among staff.

Tony explains: “We use systems and apps that are completely intuitive so that anyone who has used an iPhone or a tablet will be able to use them immediately, and it’s so much more dependable to have a holistic system that manages and delivers care plans so that every patient’s needs are built in than relying on staff remembering to administer a medicine or check hydration, say.

“Demand for our services went through the roof because we could quickly put robust systems into place that worked. I’m certain our interventions saved many lives.”

Tony Thiru, Founder, Fulcrum Care

## In an unpredictable world, smart digital strategies prevent your investors losing out

Global progressive investor Actis knew about the impending scale of the pandemic before almost any other Western business: they had a team on the ground in Wuhan when it began.

“We were getting feedback from the very earliest point advising us that this was going to be very big,” recalls Actis comms chief John Thompson.

Their team was working on a healthcare infrastructure project and thankfully all were able to survive the outbreak safely. But the unanticipated insight they were able to feed back to London gave John and his colleagues a head start in preparing for the seismic shift in working practice that was looming.

This shift saw them put digital strategies front and centre of everything they would do in 2020, and helped them stop their investors losing out because of world events.

“Because we have offices in 17 cities around the world, from Mexico City to Seoul, we have always partially relied on online communication, but there was a lot of physical travel too. Covid saw digital take over completely. And you know what? By using digital strategies to manage that transition, we didn’t suffer.”

John explains: “We broke it down into response, recovery and resilience, and digital underpinned all three. Tech was the key enabler in allowing us to continue to be impactful remotely, whether it was switching to Zoom or Microsoft Teams or enabling home working remotely, but remaining hooked into our global network of projects.

“For example, we opened a wind farm in Senegal and a shopping mall in Cameroon last year, the first certified green project in its area. Previously we would have flown over a group of pension fund investors and shown them around, done a meet-and-greet with them, local communities, management teams and so on.

“But that was impossible under Covid so we had to remodel how we did that. We could use drones to give them a bird’s-eye, up-close view of the turbines of the wind farm, say, which was much more insightful than anything they’d have seen under the old model. It was about using tech imaginatively. And people really responded.

“The key to our success in 2020 was investing in digital and harnessing its possibilities.”



## Clicks and mortar – how one estate agent’s digital transformation paved the way for others to follow

When Ed Hartshone joined long-established York estate agent Blenkin and Co nearly 20 years ago, the only clouds were those rolling in off the North York Moors.

He longed to shake up working practices, to bring the office, in the shadow of historic York Minster, into the modern age. But it was not until he became the full owner that he was finally able to achieve that.

In 2019 he embarked on an ambitious digital transformation project. All data became cloud-based. He created an integrated phone and email system, with decades’ worth of paper files consigned to history. And thanks to integration with property website OnTheMarket.com, he changed the firm’s approach to marketing too.

“It turned out to be incredibly timely,” Ed recalls. “By the beginning of last year we were transformed from the old, cumbersome working methods. Instead we had become very light on our feet. When we realised we had to close the office and start working from home we were all up and running effectively within 20 minutes of taking that step.

“Everything was functional and integrated and, crucially, instantaneous.”

“Before this if I was at home on a Saturday morning and needed to check an invoice urgently it would literally mean an hour’s round trip into York to start rummaging in a filing cabinet. And all that sensitive data was only as secure as the locks on the front door.”

He adds: “By undertaking that transformation, it made us so much more time- and cost-effective – we made back everything we spent on our digital upgrade within months. And it meant that when lockdown came we could carry on working at our best without compromise.

“Whereas an old friend of mine works for a rival agency and it took her two weeks to get her phone configured to receive calls at home and another two weeks before she was able to access their email system. They lost a month of trading and I don’t know if they’ll ever catch up.”



**“ Before this if I was at home on a Saturday morning and needed to check an invoice urgently it would literally mean an hour’s round trip into York to start rummaging in a filing cabinet. And all that sensitive data was only as secure as the locks on the front door. ”**

Ed Hartshone, Managing Director, Blenkin & Co

## How cloud technology became a central part of the courtroom

It's difficult to think of a field more rooted in traditional practice and more resistant to change than the UK courts and judiciary, so the idea of trying to lead them on a journey of digital innovation must have seemed daunting.

But legal giant Irwin Mitchell didn't flinch from that challenge and has been among the trailblazers that have started a tech revolution in the way our courts are run.

Technical Director and partner Jonathan Scarsbrook explains: "As an organisation, we are routinely handling documents that are of the most sensitive nature possible – private medical records, settlement discussions and so on – and historically, much of this information was stored on paper or discs, which brings with it a range of security challenges and risks.

"At Irwin Mitchell we sought to adopt cloud technology and increased digital security around sensitive information long before the pandemic."

In this field as in so many others, Covid changed all that. The courts were forced to look to technology to keep functioning because those famous giant paper bundles of evidence were useless to parties dialling in from home.

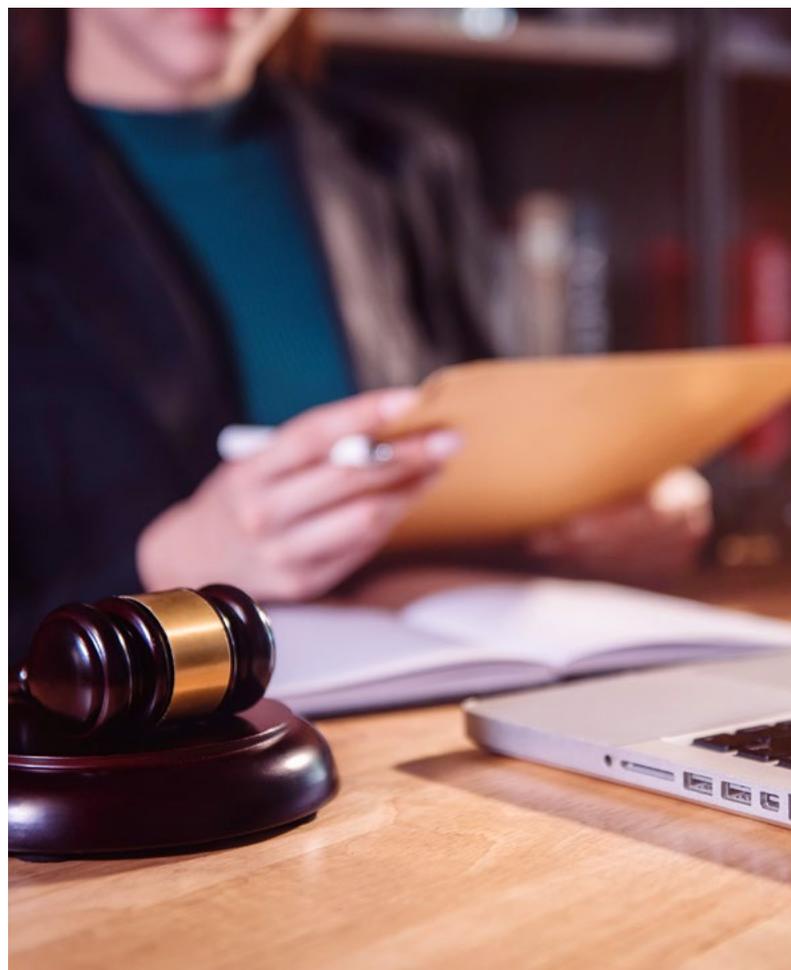
"We proved relatively early on in the pandemic that digital and remote can work. A staging post came with a settlement of over £10 million being approved in Manchester after the court engaged with the firm's IMShare solution to filing all the necessary documents as e-bundles."

Jonathan adds: "Consistency of approach around virtual hearings has been lacking, however Cloud Video Platform has gradually emerged as the court service's platform of choice for remote hearings. We expect the rollout of this solution to continue at pace."

Now digital is being seen not just as a temporary inconvenience but as a longer-term way forward to clear the significant backlog in cases that Covid created.

"Clients have felt far more at ease being at home, being able to make a cup of tea in their own house, or take the dog for a walk, than travelling to a more formal office, where they are cooped up with us for what can be a 12-hour day sometimes," Jonathan explains.

*Virgin Media Business has been working with Irwin Mitchell since 2019. Virgin Media Business is also working closely with courts and police forces nationwide to smooth the transition to remote work and remote courtrooms.*



## The CBI calls on the UK government to boost the UK economy through digital innovation

Digital innovation will help deliver on Britain’s ambition to be the world leader in producing business unicorns: startup companies valued at more than \$1 billion.

The Confederation of British Industry (CBI) identifies additional government support for tech as a crucial catalyst to achieving that goal.

They note that SMEs are the backbone of the UK economy, making up 99% of all businesses nationwide. And many of them were acutely affected by Covid-19.

Increasing competition (alongside demands from new regulations, data protection and taxes) means there will be considerable challenges to overcome.

But there’s a huge prize for getting it right. The CBI vision for the year 2025 is to improve the UK’s ranking for various indicators compared to other G7 countries.

- Number of unicorns created per \$ trillion of GDP: Current ranking 2nd; 2025 target 1st
- Percentage of premises with full fibre broadband: Current ranking 5th; 2025 target 2nd
- Business implementation of digital technologies: Current ranking 2nd; 2025 target 1st
- R&D spending as percentage of GDP: Current ranking 5th; 2025 target 4th
- Business view of level of digital skills in workforce: Current ranking 4th; 2025 target 2nd

The pandemic showcased innovation in action, from vaccines and ventilators to data modelling, UK business showed its capacity to solve real-world problems and improve lives.

Senior Policy Adviser Susannah Odell, author of the CBI report “Building a World-Class Innovation and Digital Economy”, says: “Coronavirus has shown the very best of British innovation.”



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**Coronavirus has shown the very best of British innovation.**

Susannah Odell, Principal Policy Adviser  
- Economic Policy, CBI

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“We’ve seen businesses changing manufacturing to produce hand sanitiser, to rapidly adopting digital technologies, such as remote working.

“But we can’t take this progress for granted. Businesses face low cash reserves for innovation and a highly uncertain economic climate.

“There are five things the government can do to put innovation and technology at the heart of the economic recovery and make the UK the best place to innovate.”

She explains: “Firstly, ensure that digital regulation is cohesive and pro-innovation, so that businesses can test ideas and scale quickly.

“Secondly, go for the gigabit by accelerating the roll-out of future-proof broadband and mobile connectivity.

“Thirdly, accelerate adoption by simplifying, joining up and scaling up support that’s already out there.

“Fourthly, increase innovation by making sure that businesses have the confidence and capability to restart their R&D activities.

“And finally, upskill on digital, making sure that the UK has a world-class digital skills system that prepares people for jobs in technology and innovation.”



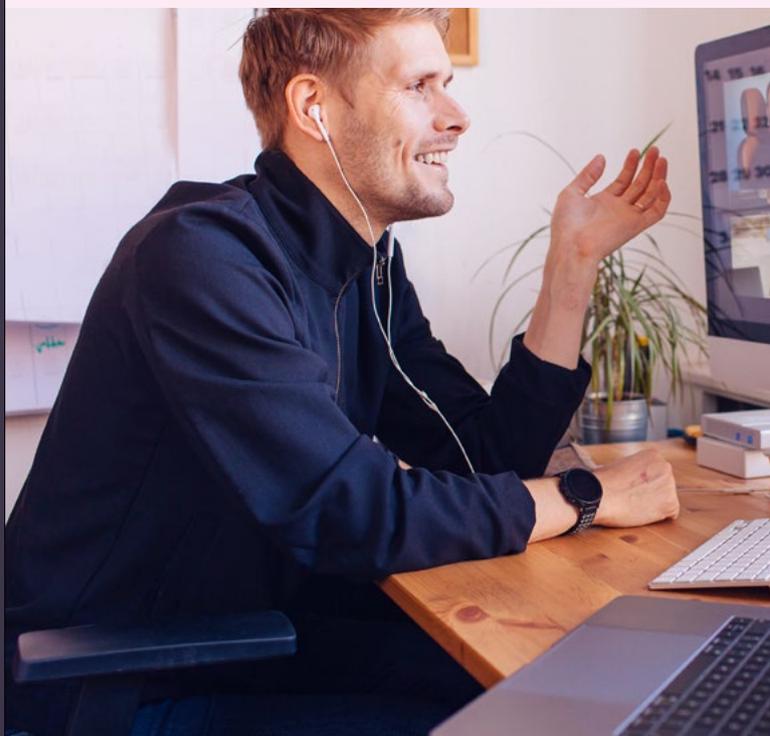
## How can we help you?

Professional services organisations are leading the way when it comes to digital transformation projects.

Virgin Media Business is partnering with consultancies, chambers and firms to revolutionise the everyday for their staff and clients.

From ensuring people could work from home safely and securely using their own devices to implementing brand-new customer-service channels, we are proud to play our part in helping the UK rebound.

This is a Virgin Media Business report based on work undertaken by Cebr. For the full analysis and economic modelling, methodology and literature review, you can [read Virgin Media Business' summary](#) and download Cebr's report [The role of digital transformation on the UK economy: Professional Services Sector - A Cebr report for Virgin Media Business from our hub](#).



Want to learn more about how organisations across the UK are grasping their digital opportunity?

Visit our [\*\*Revolutionise the everyday hub\*\*](#)

or get in touch today to discuss your own digital transformation projects

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