

DLA Piper debuts “crisis simulation training” to avoid the next Carillion

By Cristiano Dalla Bona 5 March 2020

DLA Piper has invested between £100,000 to £300,000 to launch a new service that will guide clients through tough decision-making in high-risk and challenging infrastructure projects.

The training service, called “DLA Piper Project Simulator”, was inspired by Carillion’s liquidation in 2017. It is one of the first products stemming out of the firm’s ‘radical change’ strategy initiated by managing partner Simon Levine, a wide-ranging initiative to ensure the firm is prepared to broaden its services and face the growing competition of the accountancy firms.

Available from March 12, the training tool will simulate risky and distressed situations stemming from the development of infrastructure projects by using an algorithm and the knowledge of lawyers familiar with these kinds of mandates.

The initiative will be overseen by a steering committee made of lawyers in the infrastructure and projects practice. It involves partners Maria Pereira, Alison Fagan, head of construction and engineering disputes Paul Giles, legal director Robin Jack, associate Owen Knight and senior international marketing and business development manager Anna Hampson.

The service aims to give clients a playbook on how to tackle the different aspects and unforeseen consequences of large-scale and long-term infrastructure projects, awarded by governmental entities to contractors.

They include, for example, the construction of hospitals, prisons, bridges, railways, energy or water public systems. However, these artifacts are often subject to external calamities such as fires or even wars that can stop money flowing into projects and result in reputational damage for all parties involved. In these instances, contractors can deal with crippling issues, time constraints and high-impact decisions.

In particular, the service was inspired, in late 2018, by the firm’s work on the Carillion collapse, as well as recent dramatic supply chain insolvencies,

in the hope that better training might avoid similar catastrophes in the future. The potential havoc brought by coronavirus globally was also taken into account ahead of the launch.

“When things go wrong, clients need to know how to react,” London-based partner Maria Pereira told The Lawyer. “Most of the time we advise on these projects either at the beginning or at the very end. We wanted to accompany the client along the entire lifecycle. There was a clear gap,” she added.

In early 2019, the steering committee engaged with Swedish business consultancy BTS that provides gaming-based digital simulations to help users at companies like Nike and Adidas learn skills and behaviours through immersive experiences instead of prosaic Power Point presentations. For instance, DLA collaborates with BTS to train new partners, who are exposed through simulation to the complexities of running a partnership.

The steering committee also involved London crisis management firm Watchman, which advises corporations and governments in high-stress situations.

The committee pitched the project to a board of litigation and regulatory partners, construction lawyers and members of the ‘change council’, a managerial body set up to deliver the different phases of the ‘radical change’ roadmap. They obtained a development budget that is understood to be less than £300,000.

Over the early part of 2019, the committee ran brainstorming sessions to design storyboards for potential scenarios - from inception to development and unforeseen hurdles. The firm’s historical mandates informed the layout of the scenarios, ensuring that questions for clients were not only about legal issues but also commercial strategies, from directing investments to mitigating risks.

Through the simulator, the team set out to achieve multiple goals: having access to different stakeholders involved in the same mandate;

guiding them throughout the full length of projects instead of too early or too late; and mining market intelligence based on the conversations that can inform future advice.

“People tend to think too reactively in these circumstances, while we wanted to give them the tools to have a more proactive approach in uncomfortable situations,” Pereira added. “It’s about lessons learned.”

The service comprises day-long competitive workshops in which groups of five or six people from different companies face fictional infrastructure projects such as the build-up of bridges and hospitals. The final winner is the group that made the wisest decisions. During the workshops, attendees run through a set of lengthy questions on an Ipad, discussing how to move forward and what decisions to make.

After the discussions, the DLA team gathers intel from the answers and briefs participants on the takeaways of the discussions and the main learnings stemming out of the day.

“The simulator builds on analysis showing that, when compared with reading and listening, people are more likely to remember learnings if they are involved in a first-person experience,” Owen Knight, an associate involved in the project, explained. In particular, while attendees only remembered 5 or 10 per cent of the material through listening and reading, they retained 50 per cent to 75 per cent through discussions and direct practice.

Decisions are assigned a percentage score which starts at 50 per cent and can go either up or down based on five key performance indicators: time, money, value, risk and stakeholder satisfaction. The assessment is made possible by an algorithm that processes each decision and outlines its effects in the long run.

The firm organised a soft pilot last July in which DLA lawyers ran workshops involving several representatives from a number of parties that are involved in infrastructure projects but rarely communicate

with each other. They include state or government representatives, contractors overseeing the construction of the artifact involved, facilities director in charge of its maintenance, and funds and stakeholders running the project.

Internal workshops have been set up to finalise the simulator, which is now subject to internal promotion carried out by ambassadors involved in the soft launch, ahead of the external launch next week. The idea is to have four facilitators – ideally partners or associates from both transactional and contentious practices – across multiple jurisdictions.

Sessions can be run either privately for companies or on a networking basis that involves more clients. They cost £200 per attendee through a licence fee agreement, and groups can host up to 25 people to ensure that the conversation is manageable.

Early tests of the service led the firm to explore similar applications in other practices, for example involving corporate partners that can guide clients through the various phases of a deal. The same technology is currently being used also in internal team-building sessions ahead of new mandates and for junior lawyers.

Last November, The Lawyer reported that the firm was set to roll out a new design thinking training scheme for lawyers and business professionals to help them support clients on more than just their legal issues.