



Linklaters

CASE STUDY

# Linklaters enhances financial and tax service to partners

Cloud-based applications improve process efficiency, flexibility, quality and service

For many lawyers, becoming a partner is a major career goal. But once they achieve it, their personal financial and tax affairs become more complicated. For income, they rely on a share of the firm's overall profits. But managing partner remuneration and tax in a major global law firm involves complex calculations, global data management, extensive reporting and frequent communications. To make these processes easier, faster and more agile, Linklaters turned to Avanade to help it design and develop a suite of cloud-native applications securely managed in Microsoft Azure.

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## Situation

### Slow, expensive paper-based systems risk inaccuracies

Linklaters is one of the world's largest global law firms, operating across 30 offices in 20 countries. With around 480 partners, it is an enormous task to calculate profit allocations each year. The firm must consider a myriad of complex financial and tax policies. Accuracy, timeliness and trust are critical, because partners rely on this data to determine their income for the year.

Sandy Clark, senior partnership finance manager at Linklaters, said, "The profit allocation process was based on a laptop, did not support team collaboration and increasingly struggled to cope with the complexity of the profit allocation process."

Preparing the accounting entries required a sizeable team working for weeks to prepare, process and check entries. Payments were then arranged, and paper statement packs issued to each partner, resulting in high costs for paper, printing and delivery. Because many had to be couriered across the world, it could take up to four days to reach partners, assuming they did not get delayed or stuck in customs. From a security aspect, this method of communication risked personal information landing in the wrong hands. A digital transformation with intuitive, adaptable applications was imperative for the firm to live up to its expected standard of excellence.

## Solution

### Partner financial and tax systems built on Microsoft Azure

The right solution needed the right support, which is why Linklaters turned to Avanade. We helped migrate the system from an on-premises solution to Microsoft Azure, giving Linklaters its first production system hosted in the public cloud. But the environment was too good to keep only for the profit allocation process. "We set out a strategic plan to transform more of our partner-related functions into the same environment with a long-term development plan," said Clark. Several more modules were developed to enhance the service to partners and to reduce time, cost and risk in the team's processes. In addition to the original profit allocation model, the suite now includes:

- A **master data management system** for firm, accounting and taxation data, which acts as reference data for the other modules
- A **partner management system** for all relevant partner data to act as a reference source for all other modules
- An **adaptable partner portal** to provide secure, private information storage and two-way communication for partners and the global partner finance and tax team

- A **document management system** alongside the partner portal to manage document collation, review and publication
- A **tax management system** to calculate the tax liability for partners across the globe and manage tax reporting, payment and accounting
- A **profit-sharing management module** to manage, track and report partners' profit shares, including planning and modeling capabilities
- A highly resilient **disaster recovery solution** to protect the firm's partner and business data and processes

Combined with on-going cloud hosting, we are managing and evolving the firm's applications to ensure the systems continue to meet the firm's needs. "Avanade understands us as a department and as a firm. They have worked with us to find efficient solutions to challenges along the road around how the system works to support us through major changes," said Clark. "Without such flexible systems and the partnership we developed with Avanade over the years, it would never have been possible to deliver the changes the firm wanted or needed to deliver in the time required."

Due to the nature of tax laws and the business need for system adaptability, the solution was built for flexibility, giving Linklaters an innovative application that continually evolves at scale. "It is truly agile. There are no people between us as the owners and users of the system and the developers themselves. It really is an end-to-end process," said Clark.

## Results

### Better processes, flexible responses and agility for 20+ years

Linklaters unlocked the power of the Azure stack to increase business agility and improve the overall partner experience. In particular, the solution utilizes the cloud to address security, resilience and redundancy, and its evergreen approach to system upgrades ensure the latest software is consistently applied. As a result, partners have greater financial and tax support in a complex environment as well as continued confidence in the firm's handling of their remuneration and tax affairs.

"It's a fantastic suite of applications that we plan to be at the heart of what we do for the next 20 years, if not longer," said Clark. "This extended impact is only possible because the system is now integral to much of what we do, and we work closely with Avanade to anticipate and respond to evolving requirements." Instead of using it just for profit calculations for a few months each year, the Linklaters team is using the integrated architecture year-round and across the business for calculations, document preparation, communications and data management, which have far-reaching business value:

- **Speed and operational efficiency** – The partner portal eliminates the need to print and send documents all over the world, making communication and document management much quicker, easier and cheaper in terms of paper and courier costs.

- **Time savings** – The year-end profit allocation and accounting process has shortened by weeks with this global, multi-user application. Regular payment processes are now quicker and more flexible.
- **Security** – The partner portal's security features and single sign-on authentication protect sensitive information from unauthorized access. Partners have a secure communication channel for confidential information and financial instructions.
- **Collaboration** – The partner portal is used to communicate and share large amounts of information to selected individuals or groups of partners in a matter of minutes.

“We make the near-impossible look straightforward, which we seem to do on a regular basis. We do a really difficult job incredibly quickly and very well, and we couldn't do that unless we had this suite of programs and the partnership with Avanade,” concluded Clark.

For Linklaters, the journey is not over. The team will continue to work with Avanade to maintain and enhance the system as it continues to focus on excellence.

## About Linklaters

Linklaters LLP is a multinational law firm headquartered in London. Founded in 1838, it is a member of the Magic Circle of elite British law firms. It currently employs over 2,800 lawyers across 30 offices in 20 countries.

“One of the difficulties that we have is that excellence is taken for granted. And with a system like this, we can actually achieve that excellence in an incredibly complex, difficult and fast-changing environment.”

– Sandy Clark, Senior Partnership Finance Manager, Linklaters

### About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. With 39,000 professionals in 25 countries, we are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com)

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