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## General news



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### Keeping in step

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IT forms the backbone of a modern business and is the enabler for business process management. But the use of IT in law firms needs clear management goals behind it, says Billy Kirby

It has been said that without a new vision of business process management in law firms, survival in the post-Clementi world will be difficult, to say the least. I would say it is just one of many changes that most law firms will need to make, ranging from building a business strategy to gaining a capable management team that can also stand scrutiny from potential third party investors.

The future, however, is one in which law firms need to match small and medium-sized businesses in the corporate world. This means defining processes, automating triggers and activities to an extent where exception information and management – alerting people to important events or milestones – becomes the norm.

Professional standards, risk management and compliance need to become a way of life for everyone within the firm. Management wants to see reports and exception reports that ease the business decision process.

#### BPM laid bare

BPM, as well as enterprise resource planning and workflow, is about the co-ordinated flow of work through a practice, cutting across the boundaries of the traditional silos to deliver best practice. It is the delivery to the firm of process, management, triggers, reports and activities to handle a business priority.

An example could be the management of 'working capital'. This process actually starts with client inception – recording an understanding of the client, the source of work and other potential work within the client, then establishing credit limits, judging the ability to pay and doing money laundering checks.

This is followed by matter/file creation – explaining the case plan, providing an estimate of costs and likely success, undertaking fresh money laundering checks, outlining risk management requirements, explaining the plan and likelihood of success, agreeing how and when the client is going to pay and establishing milestones and triggers.

Next you have working the file with a workflow (case plan), time recording, document and email management, monitoring the costs against stages of the case plan, reviewing the file, revising estimates, automated billing promptly as per the agreed profile, closing the file, billing and collecting, reviewing the file and auditing customer satisfaction and seeking the next line of business.

So you can imagine the scenario where, at the appropriate point and without intervention, the system delivers a draft bill that the client is expecting, ready to pay and the lawyer can authorise its dispatch.

#### Bridging process gaps

With BPM systems the workflow (the business process) can cut through the traditional business silos, in most cases totally automating the processes.

One can quite easily see how such BPM capability can be used in client performance and account management/relationship management, encapsulating all activities for a single client or group of clients, triggering reviews against service level agreement requirements, business development and cross-selling activities.

Working capital management, business forecasting and resource planning, client relationship management and new business development are all examples of firm-wide processes, as are risk, quality and compliance management, professional standards, people retention and work allocation.

#### IT only enables

Buying the technology for BPM is a decision for the practice management, not an IT decision. Technology is only the facilitator. It is a decision to be made at the top by the board or management committee, and the project needs to be led and seen to be led by this same team, forcing or encouraging buy-in throughout.

Do not underestimate the work and collaboration that must go on between departments to define the business processes. I am aware of one significant firm that spent nearly three years at a senior level defining its business processes and is now very well placed to get significant benefits from a BPM solution.

The majority of law firms out there will not be at this point of development. They probably break down into two classes: great exponents of case management for some work-types and matter management elsewhere, and firms that are less effectively using these systems.

The former could relatively easily handle a phased approach, leaving their case-managed areas until last to maintain productivity and efficiency and putting their matter-managed work-types and departments into the BPM system first. For the others, BPM could be the first step – they could find the workflow development much easier with the new technologies and there are fewer entrenched systems to affect. The challenge, as for everyone, will be the commitment to define the business process.

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