

This Month

- **Partners and Managers are responsible for security**
- **PI insurance – cost shock ahead?**
- **The cheapest marketing**
- **HODs delivering performance**

Partners and Managers – The Buck Stops with You

The potential cost to the business in lost money, fines and credibility with clients and potential clients cannot be left without serious management involvement.

Amongst my New Year Resolutions and not for the first time was commentary about security http://www.professionalchoiceconsultancy.com/articles/January_2019.pdf It is essential that the management of the firm actually validates for itself that the necessary policies, procedures and training for all are in place. 80% are individual errors and 4 out of 10 businesses are invaded annually.

- **Security.** Obviously very key and an increasing challenge. Hosted is likely to be more secure but depending on access methods I strongly recommend Pen(etration) Tests for all and an ethical hack. Much as I rate many in house IT teams, third party IT support and even hosted scenarios – they are not all as strong as they claim so it will do no harm at all for these actions to be handled by a strong and equipped third party www.xyonecybersecurity.co.uk (MLS Advantage member). Forgetting success to private client data increasingly commercial businesses are examining their supply chains for security and proof of your resilience to attack will become increasingly important. Having certification such as Cyber Essential Plus is being made increasingly important in supply chains for customers. Your suppliers need to be able to demonstrate quite clearly at least ISO27001 and Cyber Essential Plus. The number of businesses that I have heard declare that they follow the principles of the certification is just not good enough.

Xyone has now introduced <https://mitigatehub.com/#are-your-employees-prepared> which is a very comprehensive programme to assist in mitigating the serious threats through policy, procedure, training and audit.

Relatively new on the block but the <https://practicalvision.co.uk> network as well as offering products like lawyer checker (risk evasion in conveyancing) and a number of publications now includes <https://www.todayslegalcyberrisk.co.uk> – great and straightforward education and consultancy in this arena.

Potential Cost Shock and Maybe No Supply

For many firms Professional Indemnity premiums are the third highest cost to the business after payroll and premises. Over the last few years there have been hikes in premiums and fewer suppliers. This year some of the brokers, companies and intermediaries are very openly discussing availability and price. Some are suggesting limited availability and up to a 35% hike in insurance premiums whereas others are saying it is scaremongering as a means to get early agreements.

Whatever it may be I strongly suggest that all firms start the process early and widen the traditional net of intermediaries and advice. If instead of £200k premiums the figure is going to be £270k. A

relative £70k addition to overheads and impact on working capital should not be underestimated. It needs planning and managing.

Low Cost and High Potential Marketing and Business Development

Personal referrals to law firms are of great value and it tends to come when a great empathy and level of service has been between a client and his lawyer for a particular piece of work. It is surprising however that the number of law firm clients who know nothing about other services from the firm that there are. "I only thought you did Wills" "Do you do Conveyancing as well" "and "the other side of settlement agreements".

Law firms are getting better at this kind of communication particularly towards the end of a file – conveyancing to Wills and vice versa and so on. Even membership schemes. Long may it continue.

An area where there is still a massive shortfall is within the firm's own ranks where staff are not aware of the length and breadth of service being offered. Departments can be isolated as can multiple offices. This has to change through an education process. It can even be as basic as other commercial lawyers not knowing what the employment team does and vice versa.

All of the staff of a law firm have families, friends, team members, charity supporters and networking opportunities. By making them aware of the excellent work being undertaken when people hear a tale over dinner, in the pub or club they should be encouraged to say "funnily that has come up because one of the partners in our firm is an expert at that – really sorted someone's problems out". It is also not just private client to private client but people meet husbands and wives of friends and acquaintances who may be high powered business men, charity managers or be very wealthy with out of date Wills and no LPAs.

I am a great fan of very simple sight sellers which clearly indicate by department the range of services being offered, the benefits being offered to clients and the ideally targeted clients. Sessions should then be organised throughout the firm to bring people up to speed and enhance their awareness. We would be a lot more confident then about who picks up the phone for an inbound enquiry too.

Some may say that there will be a need for an incentive scheme but I would suggest often that isn't necessary – publicity, thank you and maybe a bottle of wine or dinner for two will really suffice. Recognition, being more aware of what a great firm you work for and the benefits they bring to the community is a great and productive reward.

HOD Accountability

Not too many apologies for bringing this up again. One of the most important roles in the practice that relies upon proactivity. Still with lack of understanding, training and development too many HODs tell people what has happened as opposed to what they are going to do to recover a situation or to exploit a positive.

Firms that adopt this approach are more successful but often in needs a desire across the management spectrum including the more senior line management but also people responsible for marketing, IT, HR who should be encouraging demands rather than operating in another vacuum

The scope of the role is - To manage the performance of themselves and their teams against business targets, budgets, forecast and tasks.

The accountabilities are:

- To achieve billing performance of themselves and their teams at least to budget level and to grow performance in the short medium and long terms through development initiatives
- Cost reduction
 - To achieve Gross profit targets for their teams (which will encourage more efficiency, business analysis and case management configuration).
 - To ensure that the most cost efficient ways of working are adopted by both fee earners and support staff including ensuring that IT is utilised to the best effect in the department
 - To encourage more standardisation of documents and their automatic generation to improve efficiency and costs
- Ability to respond to relevant KPIs in order to have a real time impact on performance
- Responsibility for working capital and from improving time recording and billing routines – billing accuracy and timeliness. Accuracy and relevance of WIP
- Owning business development for their team – image, cross selling, new business and retention
- To ensure a strong client experience – capitalise on the positive and deal with queries and complaints effectively
- Owning compliance and their department contribution to Lexcel or CQS
- To be able to delegate responsibility realistically to team supervisors where applicable and to all other staff
- Ensuring all supervisions and appraisals are completed
- To directly manage secretaries and support staff allocated to the team
- Ensure that staff are being developed to assure the strategic performance of the firm.

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