

This month

- **Recognition for top lawyer**
- **Profitability and Image improvement**
- **A costly abdication**

Recognition for a top Lawyer

In recognition of her achievements in London, which have extended to the top levels of government, policy and law-making, Hilary Meredith, has now been admitted as a Freeman of the City of London Solicitors' Company.

Hilary, a long standing and well known figure in the Manchester legal market, set up her own firm <http://hmsolicitors.co.uk> in Wilmslow in 2003.

The firm specialises in personal injury and medical negligence work with a particular focus on acting for UK servicemen and women - Very high profile at the moment. It has also has a fast growing private client team.

Having expanded in to London in 2012, the firm last year relocated its City office to the historic 1 Mitre Court, Inner Temple

Stop marketing expenditure going down the drain. Enhance revenue and profitability whilst improving your image

In March 2015 I wrote this and again do not apologise for repeating myself – “your enquiry conversion process and culture can make a massive difference to the bottom line. Say you get 500 enquiries a month and convert just 30% it provides some return on investment in marketing and business development but if you up that conversion rate to just 50% that is 100 more files and even if you are just making £500 per file that is an extra £50,000 per month or £600,000 a year”.

I referred to 50% conversion being an improvement but know firms that are doing the job properly and achieving up to **75%. Think of that impact on your bottom line.**

It is not just systems (like Cyber Security) but also people, their culture and processes that will have an effect ; there are still so many firms that simply have not grasped the need

Mystery shopping tells us all the time most firms are acrually poor at handling new enquiries, despite what some partners might like to think. Many of the PMS/CMS IT systems do not have the workflows in place despite repeated demands, the firm's organisation structure doesn't recognise it, the culture of individuals is wrong and perhaps a major crime is that staff (and by this I include, reception, secretaries, fee earners and partners) are not trained. That is not only in the information gathering and giving but also in asking for the order to get a decision or at least be able to handle objections and yet winning new instructions often with better pricing, is critical

A number of you will have come across the consultancy <http://www.legal-mentors.com/> geared to aiding profitability within law firms. Whether we like it or not I have been going on about this topic since Ian Cooper's initial report - would you believe it 4 years ago in 2013 – but still too many firms fail to understand that with culture, systems and processes and of course training so much more could be added to the success and bottom line year after year.

An example of a recent Legal Mentors project

- After aiding a Conveyancing team to enhance performance
- Mystery shopper exercise completed across all departments
- Result confirmed that with little or no specific training on how to do handle incoming new enquiries the approach was at best variable and they were guilty of leaking too many opportunities.
- The partners agreed that the whole firm of some 40+ solicitors and trainees needed to be properly trained in how to handle new enquiries more effectively
- The process, organisation and systems were agreed
- Custom built workshops around delegates included presentations, discussions, role plays, practice of new skills in a training environment then transferred to the office desk, is a must
- The programme of training commenced with reception and support staff. Solicitors and fee-earners then attended departmental bespoke half-day sessions.
- ROI in just a few weeks – an increase in conversion rates overall plus more of the targeted high value instructions
- Fully documented process now used in refresher training and new staff inductions
- The firms marketing partner confirmed the impact of training was *“Massive. We quickly recouped the cost of training and nine months on, continue to see a return on investment many multiples the cost. As well as increasing significantly the firm's bottom line, the training showed a commitment to our staff which has been great for morale.”*
- Refresher training programme in place

A free initial conversation is available to MLS Corporate Members with Michael Porter mike@legal-mentors.com

Abdication costs law firms dearly

In many firms we are getting a long way with three year strategies, business plans, structure and accountability of management and teams. In most cases we want to grow, enhance efficiency and productivity and consequently profits, strong working capital and enhanced client satisfaction. Some firms have adopted a new management style with perpetual review of performance and forward forecasting for recovery actions or greater exploitation.

We need management information to enable decision making. Both KPI and trends, we need processes to support effective case working and workflows to encourage enquiry conversions, we need validated WIP and working capital management, we need compliance, mobile and agile working, we need effective resourcing to manage the right staffing mix and levels, we need strong billing methodology and the right activities to ensure our GP is continually being enhanced.

I know it may seem a pain but it does involve the effective use of IT. It is a big investment of time and money **BUT IT IS NOT AN OVERHEAD** as all IT investment these days should be able to demonstrate a strong return on investment

It is another of my hobby horses but recent involvement with law firm management and their IT suppliers has confirmed that it is still not joined up as it should be and both parties are guilty.

If I was running the law firm and spent the time and money on IT I would be making sure that I got the best out of it.

I went on about this in the November 2104 column – Management check list – and of course have touched it further in various columns over time. Recent events have confirmed there is still a gap. The original check list can be down loaded from my website “definitive articles”

Line management in the firm and that included managing partners and department heads have to become involved with their IT supplier and be more demanding but more importantly more aware of the functionality of the software that has been purchased but in a lot of cases not put to good effect. Inertia is a terrible thing – it is like complaining bitterly about energy costs and doing nothing about it. With IT, it is key to the objectives and survival of the firm.

- Billing
- GP – costs and efficiency doing the work
- Working capital – showing profits is one thing – running out of cash is the end
- Compliance
- New business enquiry conversion
- Client satisfaction and communications
- Cyber risk
- Mobility and agility

Without doubt, managing partners and department heads should be up to speed with the capability of their purchased software and be demanding quarterly or six monthly reviews with their account managers to coincide the strategy and priorities of the mutual businesses and to see what software upgrades that happen all the time, can do to help the business priorities. It is wrong to delegate this just to the IT manager particularly when he is in no position to tell a legal department head to work in a particular way.

IT suppliers are also guilty with poor communication. “Enhancements are on the web site” – who is going to proactively look. “We have regular user group meetings” – sometimes very superficial and the wrong attendees for firms – plus what about communicating to the 80% of clients that do not attend.

Software is being developed all the time, particularly around reporting and management information but I would suggest most firms are not aware of it and not making use of it.

Proactive and positive input on requirements to your software supplier, individually, through user groups or the occasional collaborative “ginger” group can make a great difference with a supplier in terms of telling you what is available and also prioritising the next release and upgrade. The law firm is also paying for this within the annual maintenance charge.

Bill Kirby is a director of Professional Choice Consultancy offering advice to firms on business issues from strategy, planning, business development, the effective use of IT applications and IT hosting for compliance, business continuity and DR. He can be contacted at billkirby@professionalchoiceconsultancy.com