This Month

- **Essential dynamics to know where we are and where we are going**
  - **Commercial, client relationships, security and compliance**
- **A most valuable law firm Asset**
  - **Benefits of taking control**
  - **Up the business performance and satisfy essentials for clients**
- **Realistic IT infrastructure proposals**
  - **Assumptions can be costing money and be a risk**

Essential Dynamics

The dynamics of the software applications over the last 12 months have seen some significant changes but still unfortunately not enough.

What is becoming apparent is that the supplier sector is beginning to offer a great many opportunities to new suppliers who are very much more up to date with technology – secure and resilient IT infrastructure and interfacing with added value third party suppliers to meet the challenges faced by the sector.

The current incumbents really need to recognise more the essential needs of their client base, and to be up front about the enhancements that are planned and when they will be available and the immediate added value from third party relationships – the IT PMS/CMS supplier and added value solution suppliers where integration is achieved or will be with a date.

There has been some enhancements in communication from incumbent suppliers but we really need some more, as identified by many clients, with a clear recognition of the benefits that law firms need right now.

Law firms do not necessarily want the challenges of finding a new supplier, going through the complexities of data conversions and re training the team from scratch rather than just added value. They do however have to meet client satisfaction, operational demands – profitability, working capital utilising the best MI/BI, compliance and regulation

- I believe that all law firms need to have a strategy meeting with their account managers from PMS/CMS suppliers where they need to come clean about how, when and how the necessary deliveries are going to be made.

This should not just be an IT related event and it needs to include the operations board members – MP, CEO, FD, IT lead, BD lead and legal department heads – those responsible for the delivery of legal performance, client interface, on boarding, billing, gross profit objectives, cash flow, Pii insurance compliance, compliance and regulation, security, systems resilience, forecasts, performance recovery and exploitation of opportunities – plus receiving all the necessary benefits from KPI, BI, MI at the right time and in the right place plus a system that is checking that all necessary steps from staff and management are actually happening.

Without clarity about what is coming and when there will undoubtedly be more resistance from law firms in terms of renewing or extending contracts which is a current activity for some – hence the considerations of the new entrants into the market.

Private Client Development and Business value

Personal private client activity over the last six months has opened up for me a brand new picture.

- 50% of the adult population has not got a Will – and that's without LPA considerations – plus really serious advice needed on IHT, finance availability and family protection in an efficient way.

Many firms have a Will Bank in various states of credibility and accurate data that could be effectively used. So many law firm clients on their databases could now be dead but there will be many that need to update their Wills – changing beneficiaries but also unaware because of lack of communication as where some changes are essential.

Where law firms bother to contact their Will base clients there is about a 20% requirement to do an update which is cost effective generation of business – revenue and GP for the law firm plus a potential referrer.

This means that a law firms Will Bank is a valuable asset in terms of potential revenue and profit but also as an asset that is valuable so saleable and with asset value if the firm wants to be involved in a M&A.

- Law firms should have it on their activity lists to regularly contact their client base with information of legislation changes and the ability to have the right beneficiaries. It is a minimum expectation from a client and potential referrer to friends, family and neighbours. Many firms over the last few years – lockdown plus – have not marketed or even put considerations on their web sites. Many clients have walked because of this.

It doesn't however stop there with the Will Bank. With firms that I work with clients from other activities such as family, conveyancing and even commercial should be made aware of the services and benefits of getting a Will in place. Other department teams need updating on the services so aware if just networking but also business development plans in place for the terminology that many dislike of "cross selling". It works.

Then of course – new business. Having the right business profile with key information on web sites and networking with other businesses, charities, care homes, IFAs and Accountants can be worth a great deal.

Getting the right Private Client activity in place is key

- Strong Brand
- Updated and active Will base – needs to be a CRM tool. Digitised and accessible through secure portals
- Regular client contact
- Right skill levels – sorting a Will is not just a document exercise – financial advice is also key so right level of client contact and relationships with accountants and IFAs

So many law firms are not interacting with clients in the right skilled way and not collaborating with Accountants and IFAs about the implications/opportunities. The right relationships with these sorts of business not only those related to a client but generally again is great client support but also revenue and GP from existing clients and potentially new business.

So much of this applies to the basic Will but also the additional revenue stream of LPAs which again so many Will clients do not understand or do not get the best advice. Another key revenue and GP opportunity and the right service to clients.

If the Wills and LPAs are handled well then Probate can be assumed as the nest revenue stream.

Making sure that the basic Wills are done well and effectively is good for client satisfaction but also protects the firm from potential actions around performance and compliance – it is not a document production job. The same applies to ensuring clients are informed about beneficial updates – retains them and potentially stops litigation. This applies to the right advice even ahead of LPAs.

LPAs as well as being a revenue generation are a pretty essential added value. Getting the right people in place for financial and mental/health exposure is key for client satisfaction and regulatory exposure. Estate planning with the right expertise is essential and therefore the appropriate advice from IFAs and Accountants is essential

This again apart from revenue generation will assist with client satisfaction, regulation and the avoidance of reputational damage to the firm.

Realistic IT infrastructure for now and going forward

From a timing perspective it is also appropriate at the moment for law firms to get an audit undertaken of their IT infrastructure. Whether in house and/or managed services/hosted. Not all suppliers are being as open as they could be

MLS Advantage member eticloud | Everything that is Cloud that supports many existing law firm systems but also involved with some newcomers PMS/CMS. They are experiencing a great deal of contact from law firms who are being approached about getting an audit done of their hosted environment

Health check expectations – IT in line with business strategy, paying too much? Potential changes to infrastructure to save money and underwriting security, compliance, fraud protection and vulnerability

There are others that I can reference.

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