This Month

Some essential management actions and methodologies that need to be in place for the New Year

If we think the last few years have been challenging. I am afraid that most of it has not gone away and as management teams within law firms there is an amazing list of things that require for many an update in policy and action.

There is a checklist below that I think all firms should be clear that it is covered within the current management process.

There are added value products, systems and services around. Many can be found in my articles over the last 12 months www.professionalchoiceconsultancy.com/articles.php or request some referrals.

New Year Actions and Resolutions 2024

- **Owner and Manager Stocktake**
  - A fundamental basic that needs to be considered at least annually or when individual or business circumstances change. How much longer do key managers want to stay in post? Do they want management or skill roles and are their motivational desires being met. Have they the skill levels now required by the business – do they need augmenting? Is there the necessary personal development plan or replacement programme.
- **3 Year Strategy Review**
  - Again, another annual essential and January is as good a time to undertake this. Where does the business exactly sit in terms of performance and where do we want it to go and what needs to be done to get there. This will include ownership, geography and work-types. Have we the skills and infrastructure to get there and what are our challenges going to be – what are we going to do and when? Year one usually becomes the budget.
- **Process in for proactive monthly management**
  - We have to have a process in place that enables the firm every month to look at performance, to fully understand the trends for every department and look at exploitation of good things and recovery of bad things.
  - Active management needs to include a forecast every month looking at the market, resourcing and actions – so a forecasting methodology for a budget year becomes 1+11, 2+10, 3+9 – without this we cannot consider the impacts of the economy and lock downs – social changes impacting commerce, private client and conveyancing – let alone the success or otherwise of our own business development, on boarding and client relationships. Profitability the right GP through efficiency and cash flow management the end result.
- **BI & MI & KPI**
  - Often taken for granted with little proactivity but looking at critical numbers in the right way at the right time is essential. Maybe daily time and billing, monthly reviews of WIP, comparable performance of individuals, source of the right skilled resource, system use and efficiencies. Not just data from our PMS and CMS system but also other statistics that we may have from HR, CRM, responsiveness to clients.

- **Staff communications**
    - Growing in criticality with something like 65% of junior staff in firms looking to potentially move because of communication methods and lack of data on a regular basis for performance. Dependent on age group, getting this right is critical
- **Staff management**
    - Trying to recruit people at the moment for many is very difficult. Resourcing a major challenge initially by fully understanding the skill levels needed for the job roles and too often job descriptions are left at that. Recruitment must not however just be based in performance but also the personality needs of the individuals wanted – communication skill, intellectual skills, management skill (people and projects/files) and motivational factors – what is there in a job role that is going to turn someone on – satisfaction or big performance rewards.
    - During every year with appraisals and regular communication by management performance is a consideration but so becomes the other personality aspects and improvement, training and development systems need to be in place
- **Client communications and empathy**
    - Recent surveys have come back saying that 42% of clients with live matters are not happy with law firm communication and actions. They of course tell others.
    - The client base also needs to understand that the firm is leading in areas where challenges are faced – so a profile via web sites and social media will not go amiss. The database also proactive marketing – for example Will updates (20% benchmark if a success rate) and LPAs. Clients also need to be aware of the other services that are on offer from the firm – cross selling methodology needs to be in place – media and networking.
- **On boarding management**
    - A critical operation that some firms achieve c20% conversion of enquiries but if done properly it can be 60 – 65%. It means for a small/medium firm with 500 enquiries a month's either 100 new files of 325 per months.
    - Needs positive empathetic response to phone calls, e-mail and web site enquiries that a fully measured through the whole process plus the right training and culture for all members of the firm's team that has such a contact.
- **Firm's image – brand**
    - For too long many firms have prided themselves on when the firm was founded and/or the skills of the leading lawyers. It is a little ego centric. These days clients and prospects need to feel confident about the level of services and experience and empathy available from the firm plus the real benefits available to them working with the firm.
- **Business Development**
    - The firm and each and every work-type within it needs a business development plan that covers the identification of new clients, the retention of existing clients and the development and cross selling
    - This has to start with the Product Marketing Plan that confirms the services available to clients, the benefits that they bring to the clients, the target market and the best route to that segmented market.
    - It is something that needs completing well before commitments to activity in order to consider priorities, the lowest hanging fruit and consequently a return on investment of time and money.

    - The plan and commitments need to be in place on a monthly basis covering direct marketing, social media activity, networking and cross department referrals.
    - Along with the on boarding disciplines and desires an inevitable ROI is available.
- **Social conscience and community awareness**
    - Clients and staff seek this increasingly and it is not just for local charities and care – firms need to demonstrate their social awareness by making contributions locally and nationally
    - It will be so relevant to businesses including law firms in terms of attracting and retaining clients, ensuring an important image for the business which doesn't only impact on clients but also on staff members who not only want good management and communication but also the firm having the right social conscience – it will not do clients or staff members any harm either if firms ensure that their suppliers are also meeting the criteria.
    - One live example is ESG – The "E" focuses on environmental considerations, such as a company's carbon footprint and resource use, the "S" pertains to social factors, including labour practices, diversity and inclusion, and community engagement. Finally, the "G" addresses governance issues such as board diversity, executive compensation, and transparency.
    - Another is the key advantages of B Corp certification in that it provides a third-party verification of a company's commitment to sustainable and ethical business practices.
    - These certifications go beyond just a marketing tool; it is a tangible demonstration of a company's dedication to being a force for good. In summary, embracing ESG principles and actively pursuing a B Corp certification are pivotal steps in the positive transformation of business practices. As sustainability takes centre stage in the evolving business landscape, incorporating ESG and B Corp principles isn't merely an option – it's a strategic imperative for ensuring the enduring success and resilience of organisations. Currently very few law firms have started to action this.
- **IT Infrastructure**
    - There have been some terrible incidents in the reliability of available IT infrastructures with security break downs and failings of the infrastructure, possibly because of investment shortfalls, from a capacity and performance perspective. Systems now need to cope with in office working, working from home and mobile working
        - Firms need to consider the availability options whether it be On-site, hosted or within the cloud. Coupled with this are essential SLAs reflecting performance and consequences and contracts that enable change with changing commercial circumstances
    - Security is essential and this has to be a combination of the strength of the technology and security along with staff education and training
    - The firm needs to be fully aware of the owners of the technology companies and their commitments. The last few years has seen significant ownership changes.
- **PMS/CMS**
    - Obviously, everyone in the firm making effective use of existing PMS/CMS systems is essential this means education and commitment at all levels and all going out of their way to see the benefits and operational methodologies available. So, the right relationship with suppliers is essential from that perspective

- Secondly and a priority issue is that the market place for suppliers has changed significantly with mergers and acquisitions and a heightened presence of venture capitalists and for many a change being forced in commercial relationship.
    - It is essential that there is interface with the new merged suppliers making sure that the future options for existing products is clear so that the right sort of planning can be put in place – including whether to go for added value third party essentials for performance.
    - These suppliers should also be making firms aware of future product developments and enhancements and timeframes. Including whether it is going to be cloud based or hosted or still on premise.
    - The management must get aware of options on their way and meet the suppliers at the right level to ascertain this. The current market state (confusion and exploitation) needs individual and collaborative action by firms including collaboration with other users of the products – not necessarily through the supplier organised user groups. There are a number of such groups in action at the moment. Also, regional Law Societies in some cases are prepared to step up a support their members
    - With the changes commercially and from a technology point of view there are new suppliers entering the market. Due diligence essential
- **Regulation and Compliance**
    - Another major issue that is affecting a firm's reputation (SRA action), it's profitability and cash flow and its ability to get sensibly priced Professional Indemnity Insurance.
    - Firms need to fully study and ensure that procedures are in place to make things happen. A major challenge at the moment is AML where everyone has to get a check but on receipt it needs to be fully understood and signed off as appropriate. This needs to be covered in CMS workflow
    - Another example is failure to automatically register property sales and purchases with the Land Registry
    - Early reviews with Pii Brokers and Insurers are strongly recommended.

Resourcing

The above list is a massive challenge for law firms and it cannot be ignored. Irrespective of the size of the firm and the level of resources all of the challenges still apply. Firms need to have a dynamic approach to ensuring the right and best resourcing levels.

The term Outsourcing has to be considered by all

- With the unpredictability of the volumes of work that may be around in six months' time setting a permanent budgeted staff level is very difficult and this applies to qualified lawyers and legal support staff just as much.
    - Recruitment is proving difficult for many because of changes in working practices by many lawyers, plus the cost of the activity and the role without guaranteed returns – so outsourced, part-time lawyers need to be an option. There is also an increasing growth in outsourced businesses offering to complete all or part of the process
    - There is a big growth in support services such as outsourced cashiering/accounting as well as document production and transcription (24x7) – both potentially saving money but also enhancing the delivery capabilities and timing. Mainly integrated with the PMS/CMS systems.

- Even accountancy practices are beginning to offer part time added value support – finance directors, cash flow management, M & A advice, development of reporting packages.
- Similar external resources are also growing to aid IT decision making and security, business development, client support and client development.

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