

This Month

- **Need to fix real issues as part of the business plan/actions**
- **Not to avoid them with inertia or possible future enhancements**
- **Need to be practical**

We need to identify real business needs and priorities and available solutions before we invest time, money and effort into perhaps not the most important solutions. Many law firms have significant demands for business leadership and adherence to priorities and this needs to take precedence over trendy solutions such as we are planning to be the best users of AI or technology pioneering.

These ideas could be the answer but at the right and appropriate time for the right business. Good intent in most cases but often a diversion and perhaps a supporter of inertia.

Undoubtedly AI will have a future along with many other technology ideas but some basics still need covering off first.

Many of the actions that need to be taken are necessary now or have been a need for many since the recession (over the last 10 years) – medium sized and smaller firms have had to get on with it and it is just dawning on many in the upper echelon where much of the inertia sits.

Much of what I am writing about this month has been covered over the last six to nine months <http://www.professionalchoiceconsultancy.com/articles.php> and this is an attempt at consolidation which can provide a useful checklist.

All firms by now should have at least an overall idea of direction and as a minimum a 3 year strategy with clarity of actions and accountabilities/responsibilities with reviews and updates annually - year one of the new three year plan. each year, being the budget for that year and that should last just for one or two months of the financial year when perpetual forecasting takes over based upon trend data and actions for recovery and exploitation.

Starting Point Stocktake

The starting point needs to be a very good stocktake of the current status analysing:

- The business and trends of the last few years
- Current and perceived changes in the market place especially demand from clients for services and their expectations
- The wants, desires and capabilities of the **business owners and managers** (not just lawyers) following an open and honest review of abilities, likes and dislikes and commitments for the three years of the strategy and beyond. I have often worked with soon to be successful businesses where the owners step aside from line management as they know that their return will be so much greater with the capable and committed in the key roles.
- Resources – skill levels, training needs, development needs, motivation of existing staff but also the supplements that are needed with any new recruits – and that is without the strategy call

It is then time to consider **The Future**

- Same or different work-types
- Client base and segmentation
- Growth or consolidation

- Geographical expectations
- Enhanced profitability – Gross Profit the key measure of direct performance and overhead management. Clear identification of discretionary costs – e.g headcount and marketing
- Working capital requirements – managing the cash flow and financing growth that is planned. All spending should expect a return (ROI) and be planned and measured

Going Forward

We then need more detailed plans for key areas – some of which may trigger some of the normal “cart before horses”.

People – that high cost asset that we cannot manage without

- We have established what we need following honesty from owners and managers – development and replacement
- Real clarity of job accountabilities particularly for Head of Legal Departments
- Training and development programme and budget for existing resources making sure we are picking up where lack of experience exists
- Ensure we recruit against job profiles for all roles – background experience and performance but also communication skills, intellectual skills, management skills, motivation – can be applied to existing staff as well to confirm development programmes
- Career potential clarity for lawyers and non-lawyers
- Ensuring the right balance of staff – performers without management ambitions and high flyers
- Major changes in thinking and planning about people
 - Diversity, Well Being – need policies and practice in place
 - Mobility and Flexibility – retaining good people as personal circumstance change, getting the job done, ensuring client service
- Outsourcing of many roles – document production/transcription, telephone answering, accounting – with added value services and getting more proactivity from third party accountants, even legal support and advice (things like Lawshare or independent consultants, even collaboration with other firms). This is proven to save money, enhance GP and cash flow and enhance client service

Clients

There needs to be a clear policy and plan for this

- Finding new clients – more difficult than developing existing ones but it is achievable with the development for every department of a product marketing plan – products and services, features, benefits to clients, target clients and the right route to them. It’s only then that the marketing plans should be put in place actioned and results monitored. This does include making sure that when a potential client communicates he/she get positive empathetic communication and asked if they want to proceed so any objections can be handled.
- Performing for clients – alongside own staff the client base is an amazing valuable asset that needs delivery and communication along with a thing called empathy – effective use of systems against service levels.
- Retaining clients – again performance and communication/empathy dependent

- Developing and cross selling all services to clients. Making sure they are aware of all the relevant services that the firm can offer. It is scary when corporate clients don't know that you offer employment and litigation support
- Recognise the value of that client database for example there is evidence that if communicated to properly there is about a 20% hit rate when asked to update Wills let alone telling them about LPAs etc.

IT – and it goes far beyond considerations of AI

- IT needs to be geared and matched to the business objectives of getting from current status to the plan in three years-time.
- Ownership by HODs of accountabilities should see them working very much closer with the existing practice and case management suppliers (directly and not just through an IT function) to help them deliver their performance. Making sure they are on the latest releases, that they are aware of the system capability and are demanding enhancements. There is so much capability hidden within systems and also some third party integrations can go that much further in areas such as MI, client communication etc – we don't know until we ask.
- Then they have to make sure that all staff (remove Luddites) are working the systems to the best effect. If a new system is being considered it cannot be done without HOD involvement and staff should be consulted and plans for workflow changes done in an organised manner.
- Security – of own and client data. This has to be proven and tested by the line for own in house systems and if outsourcing is being considered – which it should be – this needs to be with the appropriate and experienced suppliers to the legal sector with all the necessary qualifications – not those following the principles. If the firm is in the supply chain for a company then as a minimum these days Cyber Essential Plus. Proven IT security gives a marketing advantage also
- There needs to be a defined and managed social media policy for all staff – avoids unnecessary leaks and very bad PR
- Management information. Most systems are capable of providing the necessary reports and KPIs (be aware of the difference) to drive the business requirements but so few are fully used. Where necessary this can be enhanced by third party input

Outsourcing

A major opportunity for businesses these days to save money (salaries and office space – even generate more income if a fee earner fills that space), offer better services to clients, be efficient. Small to medium firms are adopting it, I know a number of bigger firms are considering it. It is a natural.

- IT – many firms of all sizes are now considering this for availability 24x7, reliability – back ups real time, security, mobility, flexibility and agility. There are many break-aways from bigger firms and it is just natural. Costs going forward and easily defined with user per month pricing rather than surprises. So as we grow and potentially acquire the additional staff, offices, businesses it is very straight forward from a planning perspective and not needing major capital investment. Just look at the successes of virtual firms like Keystone
- Telephone answering – client and prospect satisfaction through no delays, 24x7 service, SLAs can be included to ensure great client empathy and support – even part of the inbound enquiry challenges and opportunities. Web site – on line chats also a growing challenge and

again out of hours when the “Y” generation and Millennials expect to be able to communicate

- Document production and transcription – 24 x 7 service, enhanced delivery to clients, removal of backlogs – now all achievable, securely without investment in dictation equipment but through mobile devices
- Accounting – possible a bit revolutionary at the moment but there are c1,000 firms using third party book keepers and in some cases their accountants. Technology is making it easier but we do need to ensure our demand for added value services and advice. Irrespective of outsourcing this function more can be expected from our third party accountants – might up their PII premiums a bit.

It is July now and we are half way through 2019 – it seems to be going so fast this year. How many of you have followed through on New Year’s Resolutions

http://www.professionalchoiceconsultancy.com/articles/January_2019.pdf

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