

This Month

- **A few business management essentials**
- **On-boarding and conversion enhancements**
- **Appraisal preparation and contribution**

Reports and Reviews

Many years ago, as a young business man I was the Financial Analysis Manager for the UK for a global technology company. As such, despite my youth, I met with the Board and senior heads of departments across all disciplines on a monthly basis to review performance and the future.

All directors and senior managers had to review their previous months performance against objectives and then forecast by month for the balance of the year whether it be revenue, costs or cash – billing analysis, direct cost analysis and overheads. They then had to say what action they were going to take to enhance revenue or reduce costs and justify approval from the other attendees before their forecasts 3+9, 4+8, 5+7 and so on were approved by the group – it covered everything from resources, source of supply, investments in marketing, IT and so on.

In articles over the last couple of months, I have referred to managers of law firms taking control and the provision of the right data at the right time to drive immediate needs and the future.

This approach is becoming increasingly more important for law firms with the economy having an unsure future and fundamentals like profitability, cash flow, Professional Indemnity Insurance availability, achieving regulation and client satisfaction – even the right resources.

I fully understand people who have entered the legal environment – to be a lawyer - because of challenges and desires to do things for people and if that is the dedication then stick to it. Not all top lawyers make the best managers but we cannot survive without them.

Our trended actuals and forecast data by month should be made available and reports written by Legal Heads of Department with their accountabilities – covering

- Billing
- Gross Profit- Billing for the department less direct costs (staff in the team, consultancy/outsource assists, any referral fee or pay per click etc.) This a true measure of efficiency and the right division of labour against pricing.
- Chargeable Time – that is billable – 5 hours per day for many is the benchmark
- Lock Up – WIP, outstanding bills, outstanding disbursements – critical for working capital survival – I do encourage fee earners to state each month against open files and WIP what is going to be billed and when
- Headcount – actual, planned, the right mix – development essentials
- Matter Starts – work-types, trends and actions
- Complaints – trends, key issues Pii risk
- Regulation – Pii risk
- Business Development – activities, files opened, referrals, increase or decrease in private work, conversion rates
- Requests/Impacts on central administration – IT, HR, Marketing – a two way street

- Summary of proposed action points (SMART – Specific, Measurable, Achievable, Realistic, Timeline)

The demonstration and commentary should contain

- This is how we are trending year to date
- Here are the reasons for any peaks and troughs – past or forecast
- These trends are likely/not likely to continue
- Here are the risks and opportunities ahead of us for this year
- Here are the actions I am going to take and when for recovery if necessary or opportunity exploitation
- On the basis if all of these contributing factors here is a revised forecast against the year's budget – takes in risks, opportunities and remedial actions
- Updates about previous SMART activities agreed

On Boarding and Conversion Enhancements

In my May article [May2022.pdf \(professionalchoiceconsultancy.com\)](#) I again emphasised the need and benefits of focus in the area of enquiry conversions and the massive revenue difference it can make. Conversions of enquiries at 65% stimulates much more revenue than 20% conversions 325 new files a month compared to 100 for a benchmarked 100 person firm with some reasonable profile and marketing. These percentages can vary by work-type – 65% for many, maybe 40% for Family and 50% for Conveyancing

This is becoming a significant focus for many firms and there are now a number of added value suppliers and AI and MI in this area. This month I have seen a new added value solution from MLS Advantage supplier Matrix247 and their Omni Channel [Omnichannel Solutions | Customer Service Platform | Matrix247](#) that they have been developing for specific support for law firms in client communication.

It started by capturing all in bound calls from clients and prospects and handling all from enquiries to complaints. It's clever technology, scarily not only ensuring the logging and subsequent action against SLAs for all calls but even analysing the tone and stress level of the caller. I then makes sure the call is allocated to the right/most appropriate handler even allocating actions to diaries.

Now through the use of AI this inbound call management then can integrate with the other routes e.g. social media, web site, e-mail to stimulate a single database for client and prospect management.

The benefits are higher conversion rates equalling more revenue profit and cashflow, improved image and client relationships and better returns on marketing investment.

Reports again provide management with information that can effect the right processes, the right people and the best investments.

This is a critical business area for now and the future and it is good to see some of the added value solutions.

Staff Appraisal Preparation

For some this is an annual chore but how we manage and treat our staff is critical for the retention of the right people and the development of talent for future contributions and enhancement of the business.

The results of a well-done appraisal should motivate both parties and measure performance against tasks and whether requirements are being met, new tasks which can include areas for improvement or enhancement, training and development plans to aid the staff member get to the next level. Hopefully all the way through the year the staff member has been made aware of performance issues and encouraged.

I am a great believer however that the staff member ahead of the appraisal should be encouraged to produce input. Things such as confirming that they are aware of their job roles and accountabilities, stating that the last year has been good, bad or satisfactory and why, what's the greatest achievement this year, what is liked or disliked about working for the firm/department, what elements of the job are most difficult, what elements of the job do you like the best and the least, what do you think should be the most important aims and tasks for the next year, what actions should the staff member and his boss take to enhance performance, what kind of job would the staff member like to be doing in 1, 2 and 5 years time, what sort of training and development in the next year would help job skills and personal development.

Pre the appraisal the staff member should be encouraged to rank himself against his accountabilities

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