This Month

- **Essential Items Needing an Action Plan**
- **Acquisition of Skill and Resource Needs**

With the current commercial, regulatory, social and economic environment it is becoming even more apparent that irrespective of the size and nature of law firms there needs to be a dedicated focus to meet commercial and compliance challenges and action is needed for survival, recovery and continuance as well as strategy for development.

The Actions Needed

Many firms are under great pressure and there is quite a list of areas of challenge. All of these items need ownership, an action plan, benchmarks, communication and resource recognition

- Meeting client expectations and satisfaction (so many unhappy with performance and communication)
- Having clear plans for existing client development and cross selling and the creation of new business – targets and routes to market
- Resourcing – recruitment challenges and staff development to meet management and client delivery
- Skills breadth and depth shortfalls – resourcing challenge
- Personal profiles and development of people for recruitment and achieving the right relationships and objectives internally and with clients
- Defining the status of the business and where it wants to be, by when and how
  - Revenue, Gross Profit (skills, systems use, division of labour) and Net Profit shortfalls, cash flow and working capital
  - Current trends and status
  - Strategy and timed clear actions
  - Perpetual forecasting and timed clear actions for recovery of shortfalls and exploitation of opportunities
- Efficiency for delivery – processes, reducing costs, right people at right time and cost
- Having the right MI and BI at the right time and a clear decision-making, communication and supervision and management process
- Does the firm want to acquire others or be acquired and when plus the future of operational processes as the businesses and people come together
- Professional indemnity insurance availability and at what price
- Regulation and compliance achievement and the penalties and credibility with failure
- Diversity and equality application
- Cyber and e-mail protection
- Using the right IT in the right way – clarity of supplier strategy and available added value and operational changes for more effective use

People

A key issue across many areas and making use in the right way of the most valuable and most costly asset is critical

Seniors - Applicable to most business owners and senior managers is absolute clarity with what they are good at and should focus on whether it be legal work, management, technical skills as being the top performing lawyer does not mean that there is the best manager there for departments and teams needing drive and motivation, the same with technical skills plus are they extensive enough to manage the cash, handle an M&A, ensure compliance and IT security. So, firms need a stocktake of the management capability available to them and sort out a resourcing methodology for the shortfall, whether it be training or the use of part time third parties.

There is also a major need for openness and clarity on individual plans and ambitions – retirement – if so when, selling the business – if so when. This needs careful planning.

We also need to assess the personal profile of these people – *communication skills (presentations, written work, empathy with clients and staff) intellectual skills (empathy with people and clients, assessing the need and presenting the right available solution), management skills (people, file delivery, business objectives and targets personally and by the team), motivational factors (what is the "turn on" (top performer, exceeding targets, being loved by clients and staff) finally emotional factors (things that people like or don't like, availability to work excessive hours and to travel as appropriate).*

The Rest – performance has to be regularly reviewed by individual and satisfaction or otherwise communicated in the appropriate way for performance improvement but also very similar to above the individual personality profile needs to be understood and addressed for individual performance, team relationships, client relationships

Recruitment – Having clarity with the stocktake of internal resources and the way the firm needs to go forward firms need to be very clear when recruiting on the profile of the individual required to fit into the strategy and performance demands. History and proof of qualification and performance is very important but also in consideration of the type of person being sought is clarity on communication, intellectual, management skills plus motivation and emotional factors. All very critical for the open questions in interviews.

Skills Resourcing

Irrespective of the size, location and work-types of a firm the challenges listed at the beginning have to be resourced. Large and/or small firms have to manage cash flow, be compliant, secure insurance, data security, effective IT and even have available the right legal skills to meet client needs for retention and delivery of satisfaction.

Because of the changed world there is an increase of external resource utilisation by many firms and it is something for all to consider across the whole operation. We do need the right resource at the right time at the right cost with clear added value.

-Starting with legal skills and resource availability. The is very much an increasing demand – say for small firms with a desire to grow without the immediate income for breadth of service where collaboration with other firms is at hand, along with the utilisation of the growing number of lawyers working as independent consultants or within quickly growing management organisation with the service

There is an increased availability for the outsourcing of a legal process in full or even part of the multiple stages – helps cover lack of resource availability and the handling of peaks and troughs of requirements

-Accounting challenges. Again, irrespective of the size of firms not all leads of the accounting operation have skills to meet the level of all activities needed whether it be working capital management today and with the future forecasts or potential mergers and acquisitions. An increasing number of accountancy practices are now offering consultancy advice and even part time non-executive FDs for a few days a month. There are also independent financial consultants and NEDs. There is also a major growth in the outsourcing of a firm's book-keeping activities again with varying levels of strategy and financial management and advice.

-IT is an incredibly demanding role at this time and the skill levels need not always be in house. Cyber and data security is a massive challenge costing firms money and destroying market credibility. Essential along with the selection, use and management of PMS/CMS applications in the new supplier environment. Utilising good resource here can be very motivational for in house IT people as well as the essential consideration these days of having the IT system and telephony hosted for availability, security, flexible working etc. There is also a growing need for firms to identify added value add-ons to current systems to generate on boarding, client portals, client communication.

-Compliance and Regulation achievement. A major challenge for firms despite the COLP/COFA roles – things like AML is such a hot topic at the moment and it amongst other SRA breaches are costing some firms thousands of pounds, impacting the Pii renewals and damaging market credibility. Again third party consultancy by industry experts is available

-Non legal activity performance delivery – much need 24x7x365 again to meet client demands and expectations, reductions of backlogs so there are outsourced services for document production and transcription, telephone answering, chat box and on boarding

Selection

Just a reminder it is essential that due diligence is carried out on potential third party suppliers in terms of legal sector knowledge and track record whether it be for NEDs, Consultants and Businesses whether it be for business development, finance (SAR expertise a basic), IT, compliance, document production and transcription, telephone answering and so on. Reliable and high performing suppliers are there and can demonstrate track records

Happy to chat

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