

## **This Month**

### **Our People – the most valuable asset**

- **The new world and demands**
- **Strategy**
- **Resource review and division of labour**
- **Management style and information**
- **Image, Culture, Compliance, Diversity**

Hopefully we have learnt again over the last year that our law firms despite aiding and comforting individuals and commercial organisations and demonstrating skills and talent have to operate as businesses themselves with the right revenue, gross profitability, managed overheads, net profitability and cash flow at the same time as meeting increasing demands for communication and performance from our clients.

In order to do this, we have to be very clear on our strategy and objectives and the route through which achievement will happen. Whether we fully appreciate it or not we are very dependent on staff of all disciplines and levels encompassing their;

- performance, skills, personal development capability,
- communication skills – personal, with other staff, with clients and prospects,
- intellectual skills – able to listen, question and present solutions,
- management skills – projects, their time, other people,
- motivational factors - what drives them, performance, teamwork, social and community involvement
- emotional factors – desire and ability to be where and when needed

We also have to take account of changing attitudes – not just the pandemic but as a result. Research by [www.atlascloud.co.uk](http://www.atlascloud.co.uk) published in the Times during February says that 49% of the 2,000 surveyed would try to change jobs after the pandemic if they could not work in their preferred location. Two thirds said they wanted to switch to a combination of home and office working when it was safe to do so. Many cited the time saved on commuting and an improved work-life balance. Less than 50% believed their employers would choose a form of hybrid working.

It is doable – management style, IT, outsourcing is a good starting point. That emotional factor.

### **Strategic Plan**

Business managers and owners have to start this process with a business stocktake and a clear strategic plan. Now, for many, is the time of year when this needs to be in place including the budgets for the next fiscal – phased by month across all departments with planned decisions - affecting work-type development, geography, revenue, GP, overheads, net profit and cash flow. This will now include working methodologies, the move to outsourcing of activities – saving money and enhancing capability and performance, agile working with the right IT and effective use of technology for BI, workflows and productivity.

Owners, managers and high performers also need to take stock of their capabilities and desires to be in management. Management means giving a lot of time to others. Without such a tie there is the opportunity of freeing oneself up to do the legal work at a standard that is in itself a great motivator

and produce exceptional revenue and gross profit. Declining management is not a bad thing but supporting those that do is. It doesn't prevent a share of business ownership and the rewards either.

### **Resource Review**

Once the "strategic plan" is done, we need to take a "strategic" look at the resources required to make things happen – initially in an ideal world – image, business development, conversions, division of labour, SLAs, effective use of IT, revenue generation, direct cost minimisation, skills needed, demands of the working environment – flexibility, diversity, equality, mental health and motivation.

For some key roles we need to fully understand the ideal people to fulfil them. Qualification, performance but also communication, intellectual, management, motivation and emotional factors. So ideal job and candidate profiles.

We then need to review our current staff against those criteria and see where they exist or if there are shortfalls can this be adjusted with training and personal development programmes. In some cases, we may need to adjust our strategy and goals but it is surprising once the gaps are recognised how things can be quickly recovered.

I often mention division of labour but do not explain it sufficiently so here goes. With the business demands of profitability, working capital and client satisfaction and the availability of positive IT and workflows with appropriate SLAs. Nearly gone are the days when a £200 per billable hour lawyer can afford to carry out all activities on a file. Apart from the lack of efficiency we probably treble the WIP on a fixed price deal. Work needs to be shared and the most appropriate person allocated the tasks. File creation and closing e.g pre- and post-completion), document production, meeting organisations, information gathering and so on. Client satisfaction increases as does gross profit, net profit and enhanced cash flow and we can really see what a file costs to do.

All job roles within the organisation need new/revised job descriptions and targets/objectives that can then be agreed with staff and management methodology, supervision, reporting and reward geared to the achievement. This will impact not just on performing individuals but also on team leaders and their teams working together to achieve the necessary goals.

Imagine the legal team achieving the efficiencies from IT use, working against SLAs, handling BD and enquiry management, five billable hours a day and consequently the Revenue, GP, net profit and cashflow that the business needs.

This sort of exercise assists clearly defining the scope of any potential new recruits so the resourcing can be planned and much more effective, whether any interim or part time skills are needed for business safety and achievement and likewise for any outsourced activities.

### **Management Styles and Information**

As a minimum we need to be clear about direction and priorities, inclusive in terms of teamwork and direction and working hard to get people on board. Recognising different age groups, different motivational factors and different social demands and desires for work-life balance especially now and going forward.

It was way back in [December2019.pdf \(professionalchoiceconsultancy.com\)](#)

That I covered the different management styles and needs of the different generations of staff – law firm builders and baby boomers avoiding debate and happy with the annual appraisal but then we have the x generation (37-51 years of age) expecting weekly/monthly communication plus training

and development and then the Y generation (22-36) seeking daily communication – it will be interesting to see how things have progressed for the current Z generation. We have also seen surveys that 88% of millennials are likely to buy from people who support the community and 30% of staff will leave companies who do not do this.

In [November2020.pdf \(professionalchoiceconsultancy.com\)](#) we included a survey. During the last 12 months as many as c80% of staff were more productive working from home – however these were the people with enhanced communication from supervisors. Where this communication aspect failed there could be as many as c40% of furloughed staff looking to leave their current employers as they see no long-term future.

MLS Advantage supplier [www.weekly10.com](http://www.weekly10.com) have some great aids for this communication challenge particularly for the younger generation. Used properly most of the PMS/CMS systems can generate KPIs and prescriptive reports – including SLAs in CMS workflows and [www.katchr.com](http://www.katchr.com) sits over multiple databases for consolidated reports.

### **Image, Culture, Compliance, Diversity**

The culture and social attitude of the firm these days can be a major contributor to the attraction of staff and clients and also the retention of those staff that we want retained particularly. There is obviously an economic logic to this but also a political and compliance requirement to support equality, diversity, the removal of bullying and enhanced mental welfare. We even mentioned this with compliance requirements back in [July2020.pdf \(professionalchoiceconsultancy.com\)](#). There is growing commitment in the sector to this aim.

During February I had the opportunity to look at a new organisation [www.widertinking.com](http://www.widertinking.com) which is a platform geared to understanding behaviour and mindsets within an organisation around diversity, inclusion and belonging and recommending appropriate coaching and leadership to not only meet the increasing social responsibility requirements but also attract, develop and retain staff thereby cutting costs, increasing efficiency and profitability performance – supporting clients and giving them the right perspective of the business. On line questioning and education in simple manageable chunks, of all staff plus a report to management outlining positive steps that can be taken going forward. I am interested in how many firms are up for this.

Full list of articles [www.professionalchoiceconsultancy.com/articles](http://www.professionalchoiceconsultancy.com/articles)

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