This Month

- **Get strategy, process, procedures, authorisation in place**
    - **Compliance**
    - **Protection**
    - **Performance**
    - **Client satisfaction**
    - **Resourcing**

Attention Generation

During April, I participated in a very useful update about law firm management of AML hosted by Brian Rogers FCMI | LinkedIn that got me thinking that there are a large number of key issues within law firms that require strategy, process, education, measurement, authorisation and commitment. Although ok with some firms - certainly not all and some functions and certainly not all.

Within the AML environment alone the cost can be catastrophic – not just in fines but also reputation and Pii renewal.

Brian's summary ***"Recent fines for AML breaches all came as a consequence of the firms involved failing to have compliant firm-wide risk assessments and appropriate policies, controls and procedures in place, the former being a key strategic document that drives the creation and implementation of the latter. Since October last year more than 20 firms have been fined over £120,000 for these breaches, but what these fines don't show is the damage done to reputations, PII insurance profiles and accreditations; the majority of these firms hold CQS/Lexcel!"***

There are so many other areas of business operation that are requiring the right attention, process, authorisation. Cannot be ignored.

All of the suggestions below need thinking through, documenting, training and accountabilities can demonstrate compliance achievement but also a **return on investment (ROI)** plus a renewal and update process – not forgetting who has the authority to sign off.

Job Roles and Accountabilities

First example being the **head of legal departments** where accountability needs to be very clear – achievement of Revenue, the appropriate Gross Profit (efficiency and process levels across all in the department), working capital management (finishing files, billing, collecting), client acquisition, retention, satisfaction levels, recommendations and referrals, cross selling, perpetual review of performance with appropriate trends, exploitation of opportunities, recovery of shortfalls, action plans for the next 3 – 6 months across everything from BD, on boarding, efficiency and quality of work, client communications – yes system updates from the CMS but also responsiveness and attitude, the right staff working in the right way – so training, development and motivation.

Strategy, policies and procedures need to be in place for all of this along with the appropriate MI and BI available in the appropriate time and in the right format for short term actions, monthly achievements, perpetual forecasting (essential now) - capitalising on recovering shortfalls and exploiting opportunities.

Systems Usage

The effective use of IT. Yes, there could well be reasons to change, especially what is currently going on, however the firm has already invested in a PMS and CMS system and legal teams need to ensure that they are using the solution in the most effective way. There are so many cases where firms are not necessarily utilising the latest upgrade or indeed using the full facilities. Fundamental to any new system consideration too.
Essential performance, supervision and compliance criteria need to be part of the process – not just AML challenges
It is not just an IT issue for discussion between suppliers and in house IT support. The teams needing the efficiencies need to meet with the appropriate staff from the suppliers to either vent their frustrations or be shown the best method.
The return on this can be very quick, without a full solution change but even if that is what is opted for the best effective use is a priority.

Data Security

I saw an article in April that indicated that 80%+ of businesses are suffering Cyber issues – particularly difficult for law firms with so much information about their clients – at the same time only 40% are seeking expert advice, only 30% doing a risk assessment and only 20% of staff are getting appropriate training
There are desperate needs for a programme and the right advice
There certainly needs to be considering cutting back on e-mail with clients and utilising secure portals for review, updates and signatures – this even enhances the client firm relationship

In Bound Enquiry Handling

With the right attention there can be a 65% conversion rate rather than a benchmark lack of attention 20% - stimulating 500 enquiries a month for a 100 person firm is not unusual - getting 325 new deals monthly is a lot more profitable than 100 particularly with 60-65% GP
We need to

- Set up system and SLAs who responds, how and how quickly
- Establish a methodology/script for the initial enquiry handling, asking for the order and later gathering further information
- Staff need training and expectation levels set
- We need to ensure the capturing of data and recording responses against SLAs
    - Mystery shopper potential
    - Comparisons by individual and department
- There is also added value on boarding technology – including AML, ID

Client Communication Handling

A recent survey identified that 42% of live matters clients are dissatisfied with communication
There needs to be a process and SLAs to provide information – about case status but also advising in terms of reasons to update or consider additional services – all timed and planned
The right security and methodology for access to data needs to be in place – again there are now available secure client portals to proactively assist this

Secure Access to Files and Documents

Clients need to have easier access to documents such as Wills in a secure way and be able to ask for updates and then provide signatures and witnesses. This also generates efficiency/productivity for the law firm and more client satisfaction

There are now added value solutions available
This can apply to corporate and personal clients – becoming attractive to accountancy businesses too – document distribution re HMRC, accounts submissions and sign off

People Development and the Right Recruitment

It is essential for recruitment that not only are job descriptions and accountabilities clear but also the profile of the sought after person – communications, intellect, management, motivation, ambitions.
We have also to recognise that once on board, things change for individuals (development or change in circumstance) and the needs of the business which can be a new commercial environment and strategy and performance of the firm
Job and people specifications in the new or changing environment should be reviewed regularly
The firm's appraisal system needs to operate well to consider not just performance against current needs but where are we going - going forward
Honesty from both sides about performance, satisfaction and development is key and individual training and development programmes should be in place for everyone

Resourcing – The Right Number of People and the Essential Skills

Irrespective of the size of a law firm skill needs are essential – whether it be legal skills to meet the needs of clients in terms of legal channels, the speed and effectiveness of response, out of hours availability and so on. The firm needs to be on top of this scenario and not just for the budget year but including the impact of market dynamics by activity – conveyancing, family, private, commercial – but also business development expectations, IT and efficiency contributions. The perpetual forecasting application should assist here.
Then there is IT, Security, Finance, Business Development, HR and support. This is then further challenged by what is a commercially changing market and the firm's ambitions and business performance within it plus a changing working methodology, the availability of essential IT security and added value solutions.

Because of the demand there is increasing availability through third parties (due diligence essential) that can provide legal skills (consultancy or part time or matter related) where thought to be temporary but essentials for client relationships – private and commercial.

Skills are needed in all activities – financial and cash flow planning, financing and bank relationships and compliance/taxation, potential M & A. An increasing number of accountancy firms are offering part time skills. IT skills are needed for planning purposes to ensure a reliable and secure infrastructure with all the appropriate security. Compliance and regulation processes and training. Business development plans, HR structure and process.

Administration activities (due diligence essential) with rapidly growing outsourcing are telephone answering, web chats, document transcription and production, book keeping and accounting at all levels, enquiry generation and conversion

Brand and Image of the Business

Another essential consideration to the firm leaders. The firm needs to be clear about who and what are we – for both staff, clients and potential clients.
At least demonstrating that we are good, nice, performing experts with a care and empathy to the client base and staff

It is also becoming essential to both staff and clients that the firm meets the criteria of support to the social community and the new environmental challenges.

Bill Kirby is a director of www.professionalchoiceconsultancy.com offering advice to firms on business issue from strategy, planning, business development, the effective use of IT applications and IT hosting for compliance, business continuity and DR. He can be contacted at billkirby@professionalchoiceconsultancy.com and www.linkedin.com/in/bill-kirby-ab01632/