

This Month

- **Core challenges**
- **Core solution**
- **Route to solution**

What an exciting and challenging time for law firms and there are so many things that management cannot afford to ignore and need to be proactive about.

For this piece I am assuming excellent legal contributions and this is all about effective delivery.

The challenges below apply to all firms - irrespective of size – and they need appropriate attention. There are ways that they can all be managed.

We have strategies and business plans to achieve from a credibility, financial performance – not just revenue achievement but also gross profit (efficiency based), overhead management, net profit and the exceptional challenge around working capital and cash flow which is the ultimate.

We have to keep our clients happy with performance and communication, our staff with their management in variable and in some cases new working environments and responding to development as well as be secure, compliant, achieving regulations and Professional Indemnity Insurance. Non clients need to start respecting us also.

The Challenges

Let's look at the success contributors in a little more detail – all needing constant review by the firm's management and contributions from staff and suppliers. We are also entering a brand-new environment of flexible working.

- The profile of the firm is important whether it be the web site, marketing activity, networking and social media. We have to be there if a client or prospect wishes to communicate with us about potential work.
- We need to get out a quote, ask for the order, handle objections and then efficiently on board the client and the matter. Enquiry conversion is a major key to performance. Our conflict, ID and AML checks need to be efficient and effective. Signatures need to be electronic as should the files moving forward.
- There also needs to be a campaign for all paper-based files that should be retained to become electronic – for ease of access, sharing and to save a fortune in physical storage.
- We need to be much more efficient in handling our files with clear workflows and service levels, the right division of labour with the right level of people handling the right activity, integration with forms plus with open consideration of the outsourcing of some tasks such as document production and even legal services to aid timely delivery, handle peaks and troughs.
- We need the right supervisory management available through the right management information on service level achievements, WIP growth, dated billing expectations and achievement, debt management and so on. Gross profit and cash flow are very dependent here.
- Our clients these days as well as efficient on boarding are looking for regular information on the file status and expected next actions – it is also more efficient for the firm to provide it rather than the client perpetually calling through a 5-month conveyancing case.

- The business needs the right management information (reports, KPIs, BI) in order to make the right decisions – trended data on billing, direct costs, gross profit, overheads, perpetual forecasting to aid management decisions re headcount and if necessary, performance recovery or success exploitation.
- Performance and projections by teams as well as overall. Marketing success, debt management, discretionary spend, compliance management and that Pii coming up.
- Staff management is key and different generation requirements need to be understood – clear directions, expectations and targets – short and long term and the management information to stay on top and develop people.

The Common Factor

There is one common factor about all of these needs for the current law firm and that is IT and the right advice is critical. We are used to seeing our case management systems not being used effectively, compliance issues failing, but the performance issues, security breaches (external and internal) and contract disputes and surprises of the last 12 months really makes the point.

It is essential that IT receives full consideration and makes a contribution to all strategies and business management. Advising management of the relevant applications out there that can enhance the business.

Actions and Considerations

- The firm needs the right equipment for all to meet the expectations and demands – servers, desktop machines, laptops, mobile phones and the right software and other applications being used and integrated effectively. The discontent of staff under pressure without the right gear and support is extensive. The right infrastructure has to be available to recognise the new working environments. It has to be available and secure and scalable to meet flexible ownership challenges.
- The maintenance of security and compliance accreditations is key – cyber security (external and internal sources), Lexcel, GDPR responsibilities, Cyber Essentials Plus. Satisfying the firm, the accreditors and increasing demands of commercial clients
- The interface with existing suppliers and potential new suppliers of software, add-ons, infrastructure (local and hosted), telecoms and IT needs enhancing. Our own servers – self managed or through a managed service business need to be up to date, along with the software that operates on them. The undoubted trend is towards private and then public cloud for core but also add-ons – but we have to be sure of data centres used, the right ISO standards, the breadth of service, flexibility for number of users, no penalties for server or license upgrades, clear SLAs and the right to terminate for failure, negotiable terms in case of mergers and acquisitions. There is so much evidence of lack of clarity and exploitation.
- It is critical that IT availability is the very best that is geared to the business strategy and objectives of the firm and all added value with potential return on investment is being considered in the right way. This includes knowledge of the increasing availability of add on applications becoming essential in the modern world.
- Added value applications are increasingly available, for starters, such as on boarding, ID checking, signatures, electronic filing, forms, clients informed and kept up to date, business intelligence, legal outsourcing, document production – how well they can integrate with core PMS and CMS needs to be understood. They are then not costs but added value with ROI.
- Own staff and external suppliers need much more questioning by the firm’s management. Again irrespective of size of firm.
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Simple Route to Solution

All firms need the equivalent availability of a fully briefed IT Director and as referred to in [October2020.pdf \(professionalchoiceconsultancy.com\)](#) where there is a growth in the use of part-time FDs, the same is beginning to apply to part time IT Directors – two or three days a month maybe but able to fully understand the operations and objectives of the business to come up with the proactive advice on telecoms or IT engagements. With the change in work:life balance this sort of role will become increasingly attractive to some key players.

For example - During March I was able to dialogue with the key players at www.3kites.com an established consultancy in the sector – contact jon.howells@3kites.com who as well as ordinary consultancy are now offering part time IT director service and advice. They already have some firms which focus on both private client work and corporate work with staff numbers ranging between 50 and 180 staff and are seeking good advice that can be flexible dependent on scale and demands, seeking process efficiencies and want to know how technology can assist, seeking to ensure they are getting the appropriate advice from in house IT and potential providers of outsourced infrastructure.

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