

This month:

- **Partners/Directors/Owners/Managers**
 - **The buck really does stop with you**
 - **GDPR**
 - **Working Capital**
 - **Resource use and more GP**
 - **The changing world is happening to everyone**

Failure to act could be very expensive in many ways

Probably long before the Management Checklist that appeared in this column back in November 2014 I have strongly advised partners/directors/owners to check things out for themselves and not necessarily rely on others.

Things like business continuity, disaster recovery are essential now for business survival, we then more recently have had cyber security in all its guises and now we are faced with GDPR.

There are thousands of papers, events, lectures, on line courses and many think that they have heard enough on the subject. Within MLS Advantage we have experts on the subject www.nasstar.com and www.xyonecybersecurity.co.uk who it would do no harm to consult with – even a lot of good. As a basic how many of you are seeing the actual results of penetration test on your systems.

At the end of the day the responsibility and the penalties and fines for security breaches sit with the business owners – they must not let it happen and if they do they are the ones who will pay the penalties which apart from reputation destruction will be very expensive.

This month I have spoken with Brian Rogers, brian@riliance.co.uk Director of Regulation & Compliance Services at the Riliance Group www.riliance.co.uk . He will certainly be known to some of you.

He has evidence that “Law firms, like all other businesses, need to get themselves ready for the introduction of the new General Data Protection Regulations (GDPR) in May 2018, yet many either haven’t started looking at the new requirements, or think they are already compliant” and “many firms that thought they were ready for GDPR were in fact not when questioned in more detail about their preparations”

“Preparing for GDPR is not something that can be done in a day, so those thinking they can wait until the last minute and then be completely compliant need to think again! “

The Information Commissioner has set out 12 key steps that need to be taken in preparation for GDPR, including:

- mapping the data you hold
- determining the lawful basis for processing personal data

- obtaining the appropriate consent from data subjects to hold and process their data
- putting in place systems and procedures for dealing with data breaches.

Mapping the information you hold is an essential first step in any GDPR project, and covers areas like:

- Understanding the data flow – the transfer of data from one location to another
- Describing the data flow – how, what, when, why, where?
- Identifying key data elements – data items, formats, transfer methods, location, accountability, access

Some of the key challenges of data mapping include

- identifying personal data
- identifying appropriate technical and organisation safeguards
- understanding legal and regulatory obligations

Brian confirms that Many of the firms that think they are compliant have not undertaken a full data mapping exercise, and it is only once this has been undertaken that they realise that compliance means much more than;

- just putting in place policies and procedures
- nominating a data protection officer where appropriate
- undertaking some training!

Brian's challenge is "Do the firms that think they are already compliant or on the way to being there really believe they will be compliant – only 5 months to go ,brian@riliance.co.uk.

Working Capital

I am still very concerned about the management of working capital in many firms and as stated previously it is a real management issue with c300 firms in severe trouble or indeed going out of business annually – large and small. The world these days is not about demonstrating profit but making sure it turns into cash

- Partners/Owners/Directors have to be right on top of this subject
- Department Heads must have delegated accountability for their own teams
- Finance teams must provide forecasts, KPIs and reports to give warnings of the need for action – PLUS they have to be listened to.

On my website <http://professionalchoiceconsultancy.com/articles.php> do look at the articles from August 2015 and July 2016 that will demonstrate what I mean.

But in very simple terms:

- On client inception as well as giving the mandated estimate talk about payment terms. It will surprise you that the number of people facing £6k in 6 months-time would rather start paying £1k a month from the start
- Ensure fee earners record correctly their billable hours – minimum of 5 hours per day and make sure there are KPIs around to enable querying on a weekly basis
- **Make fee earners validate their accumulated WIP at least on a monthly basis confirming what will be billed and when and accepting write offs or amended estimates – needs proactivity and it needs checking**

- Make sure bills are raised and issued in accordance with terms and followed up as per policy
- **Do not allow WIP adjustments where WIP has grown but billing hasn't taken place to show more profit unless all the WIP has been validated**
- This should be a main board agenda item every month.

More gross profit and enhanced image.

Last month I wrote about the www.documentdirect.co.uk acquisition of Voicepath as a clear indicator of market uptake of outsourced transcription - This saving secretarial costs certainly for peaks and troughs, holidays and cover.

I have done more research over the last month and have discovered that on occasions it isn't just transcription that causes firms a problem but massive loads of document production – new documents – Word, Excel, Powerpoint, even marketing department document creation. We also have still many fee earners printing precedents and doing handwritten amendments.

The demands on internal resourcing is massive – volume and skills, limiting profitability even affecting fee earner time at crazy costs – getting others to meet the demands for this again must be addressed.

Changing World

Hey bigger firms – things are catching up on you

During October MLS Advantage supplier www.nasstar.com took two more law firms live onto its hosting platform www.hickmanandrose.co.uk and www.grosvenorlaw.com,

The move to this platform provides business continuity, disaster recovery and a more secure environment with; fully managed IT services on a 24/7 basis, the ability to work from anywhere with access to IT systems from a web browser, enhanced disaster recovery and SRA compliant data management, cyber-crime countermeasures that ensure their data and clients are protected, 24/7 Mobile Device Management that ensures company data on mobile phones is protected and managed to the firms IT policy, new local network ensuring protection from hackers and reliable communications, predictable per user pricing that enables easy budgeting and them to focus on their client's needs, not their IT needs.

Obviously another couple of firms seeing the light BUT perhaps more significantly in the same month Nasstar has signed a 1,000 people media company that will get the benefits above and with resourcing enhancements.

There has been resistance for such a shift for larger law firms to date and very few in the Top 100 will even discuss it – perhaps a deal like the one above may get our bigger firms considering the options too.

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