

## This Month

- **Productivity, efficiency right level of resourcing**
  - Skills
  - Add ons
  - Cost effective production
- **Working Capital**
  - Essential activity

Last winter I was interviewed by accountants [www.armstrongwatson.co.uk](http://www.armstrongwatson.co.uk) in their law magazine <https://armstrongwatson.info/3CJbC1C> about why I am such an advocate for outsourcing for law firms and I believe that the last year has proved the point very well and certainly has enhanced it as we are not sure about the economy for the next six to twelve months.

It is so hard to predict the resourcing levels – volume and skills – that will be required – for conveyancing and commercial property if nothing else PLUS we have to consider the skill levels essential to resolve business performance issues, security and compliance.

We then have to consider everything else – big challenges for the strategy and operational challenges of management

- Attracting potential clients – direct, web, social media, on boarding new clients with the right levels of enquiry conversion, two way communicating file status with clients
- Efficiency through legal work – system availability, workflow and systems use, document production without delays, right number and type of lawyers, document management, electronic signatures, form management
- Accounts production and billing, MI and BI, credit control, WIP management, cash flow and working capital – prediction and management
- Compliance and regulation achievement – really getting the AML actions right and all needed for SRA, GDPR compliance and Professional Indemnity Insurance renewal
- Performance of the IT and data/telecoms infrastructure – including essential security of the network

All of this at the same time as the pandemic, sickness, working from home supervision and disciplines plus not being 100% sure is staff are going to stay and new people join.

Outsourcing in the right way is a great aid for management and efficiency and even cost saving and enhanced performance.

We have to meet client demands at the same time as everything else so flexibility is a core term. Some of the needed skills these days could well be needed 24 hours a day, 7 days a week but also maybe a couple of days a month or just a legal file. We have to have the skills on board without in many cases the overhead.

**What can be outsourced by a law firm? In reality just about everything.** Most if done correctly with a definite return on investment. This can also be supplemented/complemented with added value applications – many of which have been covered in articles from May to October.

[www.professionalchoiceconsultancy.com](http://www.professionalchoiceconsultancy.com)

Some examples:

- Book-keeping and accounting – all or supplementary plus maybe part time senior accountants/FDs to up the skill levels to ensure the right reports and actions at the right time, protection of working capital and SRA compliance – without the full costs in the overheads. Supplementary MI and BI aids available too. Many skilled accountants have opted for work:life balance changes.
- Document production and transcription 24x7, 365 days a year with scheduled response times. Quicker file completion and client satisfaction plus examples cost savings. Plus, production of Powerpoint/Excel schedules which can save fee earning time at a senior level.
- Lawyers to help manage peaks and troughs as we have seen with conveyancing this year plus the introduction of skills broadening the ability to support diverse commercial and private clients. Until we know how many conveyancers we need, we cannot commit to the overhead. Many lawyers have recently opted for work:life balance changes so are available.
- Business development needs skills across the board from product marketing plans, marketing plans, social media activity, web site development and content – not all of this available in house, it is also not probably needed full time so part time and consultancy can assist – but it has to happen not just for new business activity but also letting existing clients understand that you know what is going on in the world.
- On boarding of new clients can be outsourced (willing and skilled participants) plus there is the availability of added value solutions for the automated on boarding exercise and client communication both of which can be interfaced with the in-house software solutions for PMS/CMS
- More client communication enabling them to call 24x7 when faced by issues and even have a web chat – it is important
- IT and telephony infrastructure also has to be resilient, available 24x7 and very secure. Going hosted provides this without capital outlay

#### **How to progress**

- Firms need a strategy with the management and owners bought in and the benefits also sold to staff to gain their co-operation. It can enhance the working environment because of the added flexibility
- There are significant benefits for paying for what you really need when you make use of it. Quicker file completion and enhancements to working capital situations – old fixed overheads become more effective variable direct costs.
- Above all be careful when selecting suppliers. Due diligence is necessary along with vetting their legal track record – with proof of quality services in a compliant and secure manner
- One route to try to find some of the potential suppliers is through this connection [www.protemexecutiveconnect.com](http://www.protemexecutiveconnect.com) – potentially finding those missing pieces

#### **WORKING CAPITAL**

As in 2015 I have been dialoguing with banks, accountants, law firms who are stressed about their working capital. This is what I wrote back in August 2015 and so much of it is still unheeded.

<http://www.professionalchoiceconsultancy.com/articles/workingCapital.pdf> . I have even unearthed a Powerpoint presentation I did for firms back in 2008 – available on request – useful in training everyone in the firm about their contribution.

One request I have is that monthly all fee earners receive a list of their open files with the WIP and they are asked to identify their forecasts of how much will be billed and when. This enables common sense being applied to perpetual revenue forecasts and enables a realistic cash flow forecast so actions can be taken to avoid insolvency.

It will also give a guide on efficiency of individuals and the realism of pricing designed to give us the right level of Gross Profit.

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