

## **This Month**

- **Strategy Checklist**
- **Chatham House Exchange on the new world**
- **Supplier challenges v needed Added Value**
- **Licensing change impact on cost and flexibility**

## **Management Strategy and Operational Checklist**

Too late maybe for New Year's Resolutions but just a quick reminder with a list of items that should be on the clear agenda of law firm management.

- Clarity of strategy, ambitions of owners and managers, retention or sale of the business
- 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
- Clear trended data and perpetual forecasting that predicts in house or outsourced resourcing to limit costs for predictable levels
- 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

## **New World Adjustment – Opinion and experience exchange opportunity**

Adjusting to the new world for many managing partners has certainly been a significant challenge. Many managing partners of law firms have experienced challenges over the last couple of years plus there is a great deal of suspicion and prediction about what is going to happen and plans are needed along with implementation.

Topics from return to the office, forecasts and cash-flow, performance and service delivery, hiring the right people, exit and succession and professional indemnity insurance challenges.

Back in August2021 <http://professionalchoiceconsultancy.com/articles/August2021.pdf> I cited many of the challenges including commentary from Viv Williams about succession and consolidation. In February <https://www.vivwilliamsconsulting.co.uk/news/at-the-crossroads---opportunities-and-challenges-post-pandemic> Viv and some of his team are holding a Managing Partner forum in Manchester - with Chatham House rules being applied where there is an opportunity for attendees to express experience and seek advice on future actions. Limited numbers so an early registration is advised.

## **Challenges for some essential added value**

A few months ago, I wrote about the consolidation situation that has been developing within the Practice Management and Case Management environments with many of the independent suppliers

being acquired and becoming part of larger conglomerates with apparently very strong commercial objectives. Advanced, Access and Practice Evolve

Clarity of the future of the acquired products and the related strategies has not been apparent

During November, December and January I have received a serious number of complaints from law firm clients of some of the acquired with a great deal of pressure being placed upon them to move to new long terms contracts and SAAS. Sign up or receive significant increases in price on your annual maintenance for software that has been acquired and paid for

A lead consultant in the sector - David Baskerville has recently published an article with detailed analysis of the situation [The shape of things to come? - Baskerville Drummond LLP](#). It is well worth a read and covers good detail relating to the position of your supplier.

The senior management of law firms are strongly recommended to get to understand the consequences for their firms as while this debate continues we cannot ignore that the market place is demanding added value solutions – right now – on boarding, cash flow management, MI and BI, profitability, efficiency, client satisfaction and communications to name a few – not forgetting compliance, regulation and Pii. There are also alternatives for the hosting element.

Connection with others in the original associated user groups is also a good idea.

Potentially related to some of the above.....

### **Licensing issue that can affect – flexibility and mobility**

Without question there is undoubtedly a movement to secure availability and security of our infrastructure systems – whether it be public or private cloud environments.

Law firms and their potential hosting suppliers need to be aware of the way that Microsoft are changing their billing methodologies and make sure that account is taken of this at the time of entering into commercial agreements so that account can be provided for in the structure of license purchasing to enable the benefits of flexing the number of users up and down.

There is time to offset this challenge with quick collaboration – firm and CSP

*David Ricketts [David.Ricketts@quiss.co.uk](mailto:David.Ricketts@quiss.co.uk) has provided a good definition of the changes and what to look out for – for both clients and suppliers of cloud solutions.*

*If you are not aware there are several changes coming to the way that Microsoft bill your licenses with the introduction of the 'New Commerce Experience' (NCE), which imposes new terms of service on subscriptions for Microsoft 365, Office 365 and Dynamics subscriptions.*

*NCE is billed as the new platform for Microsoft Cloud Subscriptions and is designed to simplify the way customers buy their Microsoft products, whilst choosing options based on their business needs. The changes are being sold as a benefit to drive client retention for the resellers of Microsoft products and services.*

*Microsoft is using NCE to switch users from monthly billing onto one-year or three-year subscriptions. The incentive is more stick than carrot though, as there will be a 20% price hike for those who choose to remain on their current monthly subscriptions.*

*The changes will be introduced through the Cloud Service Providers (CSP) like Quiss that organisations engage with to manage their IT services and licences. The changes, such as revenue predictability, operational efficiency and more choice are all benefits for the CSP but add little by way of benefit to the end-user, other than increased cost and a need for long term commitments.*

*Given the fluctuations in staffing driven by the pandemic, the fact a business will not be able to stop and start Office 365 subscriptions as easily as they can now, might be seen by some as something of detriment. But not Microsoft, which will get paid at least an annual licence fee, regardless of how long the businesses needs it.*

*Worryingly for those who favour a competitive CSP market, the future could be bleak. Any customer that ceases trading leaves the CSP responsible for the outstanding licence fee, which could be as high as £400 per licence, for a 36-month subscription. And a CSP in financial difficulties, spells trouble for their customers.*

*However, if you renew your license before March 1<sup>st</sup>, 2022, with the help of your CSP, you can keep the existing pricing and flexibility of your subscriptions.*

## **Finally**

A number of independent cloud/hosted suppliers in the legal sector are being creative with cloud prescription options and alternatives to offset some of the cost challenges for firms that will face varying populations of staff over the duration of a contract.

I may have overdone some of the IT issues this month but unfortunately it is critical to the operation, success and survival of our businesses – from finding clients, effectively working on files, managing staff in flexible environments, communication with clients, having the right MI and BI, managing profit and cash, being compliant and ensuring our Pii cover. There are solutions out there with ROI.

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