

This Month

- **New Year Resolutions**
 - **Cannot be ignored in the current market**
- **More Added Value from MLS Advantage**
 - **Revolutionary Management Change**
 - **Protection of Client Money**

New Year's Resolutions

- We will re visit our three year strategy with some added dimensions
 - Succession. We need to fully understand the skill needs of the business at all levels and make sure we have a programme in place
 - We need honesty amongst the business founders and owners in terms of their plans. We have to take steps so we are not surprised when no one outside of the elite group doesn't want to participate in a management buy-out. It is a bit late to sort out retirement then
 - Selling/capitalising on the business can also be a phased and planned operation. Shouldn't be a surprise.
 - Managing multi diverse age groups effectively (millennials to baby boomers plus)
 - The changing market and supply chain demands from clients
- We will ensure that our approach to performance reviews and considering our progress is enhanced
 - Perpetual forecasting for the balance of a budget year
 - Reviewing trends and putting in actions to cover shortfalls and exploit good stuff
 - All staff will be aware of expectations and performance and will have this discussed as a minimum monthly but in some cases on a perpetual basis
- We will make sure that we will drive efficiency and cost reduction and believe it or not enhance client satisfaction at the same time. Bear in mind the impact that deregulation may have on some work-types and adjust accordingly.
 - Legal department heads have to be sure of their accountabilities
 - Revenue
 - Gross Profit – critical performance measure, often falls short because of team structure and working methodologies
 - Cash management
 - Effective use of IT by the whole team
 - Business Development
 - Staff development
 - Appraisals, training and development programmes, clarity on objectives, perpetual reviews and assistance – remember the age profile variances again. Once a year is not enough.
 - Staff engagement. Care and communication is essential. We want to develop people quickly and well and then make sure we retain them
 - Compliance

- When there is an indicator for one or two departments we will not be afraid even half way through a budget year to do a revised strategy for the team and produce new action plans and numbers
- We will ensure cash management and cash flow forecasting as it is increasingly essential aided very much by the perpetual forecasting concept plus getting rid of WIP that won't be billed, forecasting every month when it will be billed and taking credit control seriously. We need to build stronger relationships with our banks so that we can be more open about highs and lows of the cash scenario. By taking it seriously temporary problems can be supported through a number of different methodologies. There are a number of funding options available that added value from our accountants could make us more aware.
- We will seriously consider the outsourcing of multiple activities to cut costs and enhance client service – telephone answering, document production, IT (infrastructure and security), book-keeping, finance management
- We will develop a much stronger involvement with our suppliers with them very much aware of our SLAs and expectations
 - Don't leave IT relationships with the IT function there is so much potential under the lids of most PMS/CMS systems – HODs to be involved – get the business and operational needs on the table
 - Get more added value from your accountants. You need so much more than an audit – you need to expect proactivity around profitability, working capital, financing. Some do, many don't. It's why we see a growth in part time Finance Directors
 - Be more proactive in communications with Pii brokers and insurance companies
 - Develop a relationship with the bank to ensure you are dealing with decision makers who understand your business and the progress you are making
- We will review our working methodologies for efficiency, cost, staff retention and development ensuring flexibility over locations and hours. Not just playing lip service but making sure the IT (infrastructure and equipment) is up to doing the job. Plus making sure management and communication is first rate.
- We will ensure that our Wellbeing, Diversity and Psychological Care policies are in place and effective – enables recruitment, retention, people development
- We will make sure that the business is seen to have a social conscience not only internally but also externally through support for ethics and charitable needs. Not just saying it is good to be nice. 88% of millennials are more likely to buy from a business that supports the community and 30% will not stay with a business that doesn't generate this.
- We will ensure for Business Development the whole team is on board and recognise key segmentation of new business, client retention and client development and team marketing plans need to reflect this for each work-type with clear tasks, objectives, accountabilities and follow through. Processes and procedures need to be in place for enquiry handling as well as coaching in sales techniques – understanding the requirements, providing and offering a solution, ask for the order and handle objections – all with empathy – bit like being a good lawyer. Test this with mystery shopping
- Recruitment – needs to reflect and achieve the right characters needed for the business. Of course we want the best lawyers but that is now more than a qualification – empathy – clients and other staff, common sense, commercial awareness, capable of development as lawyers and/or supervisors and managers.

- Compliance – fully understand the new SRA rules in terms of regulation changes and the impacts on each work-type and business plan accordingly – it will be more competitive for many. Be on top of the GDPR rules and regulations and use them effectively. It is not an excuse not to conduct fundamental marketing and business development

Many of these topics have been covered in detail during the last 12 months

<http://www.professionalchoiceconsultancy.com/articles.php>

MLS Added Value

From two new and additional members

Revolutionary management change

Remember I wrote about revolutionary changes needed within law firms which included the management needed to match the demands of generational differences in their workforce in order to get the most out of them. Lack of commitment and engagement with newer generational staff is going to cost many law firms dear.

<http://www.professionalchoiceconsultancy.com/articles/December2019.pdf>

Engagement is fast becoming the key metric for building a workplace culture where staff are truly connected to their organisations, leading to a significant number of business gains, including:

- Reduced employee turnover
- Increased productivity
- Decreased instances of absenteeism
- Boosted discretionary efforts
- Improved brand advocacy
- Greater levels of self-reported pride and job satisfaction

According to new member <https://www.weekly10.com/> Head of People Science, Chris Shenton, *“employee engagement is “the emotional attachment, intrinsic value and overall commitment an employee has towards the firm or company they work within”*. He also points out *“Yet, there is some bad news for the legal industry. In 2018, professional services organisation, AON, released their ‘The State of Partner and Employee Engagement in the Legal Sector’*. *The report found following the polling of 10,000 legal professionals, just 52% of employees are engaged in their work and with their firm. “This is not a great showing. In fact, employee engagement in the legal sector is lower than across similar professional service industries such as IT (78% engaged), marketing (73% engaged), accountancy (69% engaged) and finance (66% engaged), with the average being 59%.*

Weekly10 has already worked closely with a number of law firms, based both locally in the north West and further afield with firms across the UK, US, Australia and Europe.

The Weekly10’s solution centres around a weekly, 10-minute (hence the name!) check-in for all employees, both pay-rolled and otherwise. The focus of the check-in is to allow staff to highlight experiences, issues, successes and opinions in a light touch, open format, with the aim of boosting engagement and creating a culture of communication and engagement.

Why weekly? Well research shows there is a huge generational shift occurring in the frequency that employees want to give and receive feedback in the workplace, with millennials (soon to make up 50% of the UK’s workforce) desiring weekly touchpoints with their manager.

Employees spend a maximum of 10-minutes completing their check-in, following which managers spend an average of 5 minutes reviewing, giving feedback and where required, sharing key elements up the chain of command. This science-backed approach (Weekly10 works closely with a number of behavioural academic partners) helps create habitual, two-way feedback that has measurable, lasting behavioural effects within firms and companies.

The check-in also targets performance management, allowing practice managers, HR, team leads and employees themselves to create project-based goals which they can update each week. This means every week, the appropriateness and progression of current work can be assessed, amended, commented on, or where appropriate, scraped.

Protecting Client Money

On 25th November 2019, the new [SRA Accounts Rules](#) came into force. Rule 11 officially provides the ability for firms to use Third-Party-Managed Accounts (TPMAs) as an alternative to holding client monies. TPMAs will not be appropriate for every firm, but TPMAs can be a great option for firms looking to reduce their risk exposure to handling client money and in the case of specific transactions or arrangements. The use of a TPMA should keep a firm clear from any possible breaches of Account Rule 3.3; providing a bank facility:

- Corporate escrow arrangements
- Commercial rent deposits
- Trust and guardianship accounts
- Retention amounts

Trusted by a growing number of law firms across all practice areas and sizes, <https://www.shieldpay.com> is probably the UK's leading Third-Party-Managed Account and Digital Corporate Escrow provider. Shieldpay's multi-award winning platform streamlines KYC/AML, client money processes and gives you full transparency on the status of funds at all times.

As with other Outsourcing it is essential that the firm does the necessary due diligence in the selection process. Speaking on the day the new standards and regulations came into force, Geoffrey Dunnett, professional services director gave a webinar <https://register.gotowebinar.com/recording/7899681386412342029> about TPMAs and how firms should undertake their own due diligence ahead of engaging a third party service provider like a TPMA.

Bill Kirby is a director of Professional Choice Consultancy offering advice to firms on business issues 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