

This Month

- **New Year Resolutions**
 - **Cannot be ignored in the current market**

One of the more amusing letters to drop on my doormat last month was a Christmas card addressed to 'Nostradamus': a nom de plume that, worryingly, caused not the slightest flicker of puzzlement from the postman, or family curiosity as it was passed over the breakfast table.

It turned out to be from a long-standing friend and regular reader of this column who combined his seasonal greetings with a request for a recap and update of last year's resolutions-cum-predictions from my January article.

I confess it immediately set me wondering, much like trying to remember in detail what you might have said the night before at a good party. Thankfully a long look at the files revealed no major indiscretions.

So, by special request, here are my thoughts looking back at 2020 and forward to the next 12 months

Compulsory reading <http://www.professionalchoiceconsultancy.com/articles/January2020.pdf> where I think I predicted many of the consequences of the pandemic with much of what we should have been doing anyway. I don't think the pandemic has overruled any of the proposed resolutions but there are a number of issues that have to be addressed now and hard.

2020 New Year's Resolutions

- Three year strategy with added dimensions of succession, owner honesty on next stages, selling or capitalising, staff engagement and market and client demands.
- Enhancing performance and progress. Perpetual forecasting , recovery and exploitation plans, staff awareness and involvement
- We will make sure that we will drive efficiency and cost reduction and believe it or not enhance client satisfaction at the same time. Clear management team and staff accountability
- Have the courage to review the strategy and budget by work-type during the year.
- We will ensure cash management and cash flow forecasting as it is increasingly essential. Stronger relationships with banks and alternative funding options aided very much by the perpetual forecasting concept.
- 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), telephony, book-keeping, finance management
- We will develop a much stronger involvement with our suppliers with them very much aware of our SLAs and expectations.
- Be more proactive in communications with Pii brokers and insurance companies
- 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.
- We will ensure for Business Development the whole team is on board and recognise key segmentation of new business, client retention and client development.
- Recruitment – needs to reflect and achieve the right characters needed for the business.

Details actions for the above are stated here

<http://www.professionalchoiceconsultancy.com/articles/January2020.pdf>

Resolutions for 2021

What a challenging year we have had, much of the behaviour has been forced upon us and most of the new working methodologies will continue. Government relief will be ending, we are facing Brexit, the number of unemployed will increase, inevitable family pressures, people want to work differently, people will want to move, clients will be more demanding, massive profitability challenges, massive working capital challenges, more hikes in Pii or failure to achieve coming as soon as April, IT and telecoms security challenges, staff management and communication demands at the same time of efficient uses of systems and the right division of labour. We have to decide how we are going forward

- We have to immediately do a stocktake of where we are at and where do we want to be.
 - Do we want to carry on and if so doing what? – decisions needed by work-type and geography. How are we going to fund this?
 - Do we want the additional responsibilities of ownership/management or do what we do best or retire?
 - Do we want to sell the firm or indeed start acquiring others, or merging? How will we go about this? How are we going to go about this? There are various approaches and methodologies already in the market.
- Strategies – yes - the three year strategy needs to continue to be reviewed maybe even quarterly but the introduction of the trend and perpetual forecasting model is essential with rolling forecasts at a senior level done every month. We also however need the introduction of each month completing a three month forecast and conveying the priorities and actions across the practice (staff engagement) with objectives and targets for all whether it be collecting cash, achieving billing targets (enhanced), business development actions, efficient use of systems
- Law firms are definitely businesses - have been since 2008 but some still need to catch up with the necessary management skills – with the need for cash flow management, profitability enhancement, MI to aid decision making, taxation improvement, financing for growth, acquisitions, selling oneself for the best arrangement and so on higher financial/commercial experience is needed by many. Bringing in such a qualified person and the costs involved would be quite scary for many – in some cases accountancy firms can assist but it may conflict with audits but also now there is an increase in the hiring of part-time FDs (3-4 days per month) [October2020.pdf \(professionalchoiceconsultancy.com\)](#). There are even part time business development people and from a more general perspective a growth of part time non exec directors (NEDs).
- Outsourcing of multiple activities need to be seriously considered – the enhancement of service and even cost savings have been proven during the last eight months. The number of

people that have told me how their firm has frustrated them or the other side because of lack of resource. Telephone answering and web chat www.moneyppenny.com, document production and transcription www.documentdirect.co.uk and even articles for blogs, web sites etc from www.legalrss.co.uk frees up time for the many other activities .

- The change to the new methods of working – WFH plus other agility, flexibility has been great for some and challenging for others – security for one but also capacity issues for IT and telephony. We touched on this in [August2020.pdf \(professionalchoiceconsultancy.com\)](#) as well as people overpaying for their networks [October2020.pdf \(professionalchoiceconsultancy.com\)](#) and challengeable additional charges for per user per month contracts. There will also be decisions to make over the next few years over the use of private or public cloud for hosting. Without doubt the hosted scenario for IT and telephony is the route forward for all but we need to review contracts and SLAs
- Our clients and potential clients have been observing our behaviour over the last nine months. Not just on our performance over their cases but also on our communication and image in the big world. Hard working lawyers, team leaders and HODs have found it difficult to spend time on business development activities. This I am afraid cannot be ignored. I have seen hard working consultants with lots of work suddenly wondering what they are going to do next week as they hadn't spent an hour or so a week generating the next projects. All firms need a proper business development plan – product marketing and marketing plan to action focussing on priorities. Why and how – here [December2020.pdf \(professionalchoiceconsultancy.com\)](#) . Has to happen.
- We need to get a team in January onto Pii renewal programme for April 2021. Non availability, price increases, less insurers, problems during lock down is going to have a massive effect see the articles [November2020.pdf \(professionalchoiceconsultancy.com\)](#) and [July2020.pdf \(professionalchoiceconsultancy.com\)](#)
- Efficiency and productivity. We probably all feel that we have invested heavily in our IT systems for PMS/CMS but in many cases we are not getting the very best out of them as too many individuals are left to do there own thing without taking advantage of the systems in place. A two-pronged attack is needed. Each department needs to be set a task to utilise their systems and the latest releases. It is surprising how many firms aren't using the latest releases effectively and the firm has been paying for the maintenance. We need the right division of labour, full use of the supervisory functionality – critical with flexible working. Early meetings are needed between legal department heads and their suppliers for a full understanding of the latest functionality and to get their issues across – many of which may be fixed in latest releases. Happy clients, improved cash flow (quicker action) and 60-70% gross profit straight to the bottom line.

MLS Advantage

Please remember the suppliers committed to and vetted by Manchester Law Society www.manchesterlawsociety.org.uk/mls_advantage Many of the firms needs are available here.

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