

## This month:

- **My vet has it right – customer not a client**
- **New Year's Resolutions**

*Previous articles of relevance can be accessed here*

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

### **The vet and dealing with customers out of hours and at Christmas**

I had a meeting with my vet in week one of December and asked him how his firm were covering the Christmas period when the principal office was closed.

He was fully aware that he had customers who during this period may well have serious issues – so consequently he has a phone number for customers and the members of his practice are on a rota for the whole period to deal with emergencies.

Despite pleas in this column a year ago there are still multiple law firms – I understand closing for Christmas and New Year period - but not providing contact numbers for customers who may have a death in the family or a family dispute and even violence. It is bad enough at week-ends let alone a couple of weeks at Christmas and New Year

Because of technology and businesses such as [www.moneypenny.com/uk](http://www.moneypenny.com/uk) (MLS Advantage members) this is something that is easy for a law firm to fix with calls being filtered and prioritised so in my view a no brainer for a firm that sees its customers as important. You can even get documents completed with outsourcing during these periods [www.documentdirect.co.uk](http://www.documentdirect.co.uk) (MLS Advantage member)

I had a call from a long distant family member at 8.00pm one evening a few months ago and because I was aware of an out of hours contact number was able to make contact with a family partner who responded at 9.00pm that evening with some essential advice – guess who has the right publicity for future business.

The vet also pointed out his anger with his accountancy firm that was effectively closing for two weeks and was putting pressure on him to complete data earlier than normal.

### **New Year's Resolutions**

*Where relevant and hopefully useful I have linked to monthly columns in the Messenger*

It is interesting how this has progressed over the last five years but this year there are some issues that are critical rather than just good business sense.

- **Security.** Obviously very key and an increasing challenge. Hosted is likely to be more secure but depending on access methods I strongly recommend Pen(etration) Tests for all and an ethical hack. Much as I rate many in house IT teams, third party IT support and even hosted scenarios – they are not all as strong as they claim so it will do no harm at all for these actions to be handled by a strong and equipped third party [www.xyonecybersecurity.co.uk](http://www.xyonecybersecurity.co.uk) (MLS Advantage member). Forgetting success to private client data increasingly commercial

businesses are examining their supply chains for security and proof of your resilience to attack will become increasingly important.

Having certification such as Cyber Essential Plus is being made increasingly important in supply chains for customers. Your suppliers need to be able to demonstrate quite clearly at least ISO27001 and Cyber Essential Plus. The number of businesses that I have heard declare that they follow the principles of the certification is just not good enough.

- **Business Continuity and DR** – again essential that you have this validated by yourselves. This applies to computers and telephony – contracts are one thing but validation is something else as a number of clients of supply organisations have found out. The cost of computers and telephony being down for just one day is unbelievable as it isn't just slower billing but also credibility loss with commercial clients.
- **Inertia has to end.** This exists within firms of every size whether it be the Board, individual partners, department heads, fee earners and support staff. People either don't want to because they have always done it this way or they don't see benefits to the business or to themselves.

Whether they like it or not the commercial environment has totally changed – it is more competitive, client expectations are higher, compliance and security risk is challenging. More proactivity from all in achieving – billing, gross profit and working capital are essential and obviously involves so much more. Obstacles have to be convinced, buy in or be moved aside.

<http://professionalchoiceconsultancy.com/articles/November2018.pdf>

[http://professionalchoiceconsultancy.com/articles/September\\_2018.pdf](http://professionalchoiceconsultancy.com/articles/September_2018.pdf)

<http://professionalchoiceconsultancy.com/articles/December2017.pdf>

- **Ensure or assume Ownership.** It is essential that everyone in the firm accepts and is clear about their accountabilities. Yes everyone has to hit their targets but the key role in the firm these days is that of the Legal Head of Department. His responsibilities accountabilities should be clear and he genuinely has to own them
  - Billing
  - Chargeable Time
  - Gross Profit
    - the only true measure of a team's performance
  - Working Capital
    - lock up – debt and WIP
  - Compliance
  - Business Development
    - New and retention
    - Conversion of enquiries

<http://professionalchoiceconsultancy.com/articles/July2018.pdf>

- **Ensure or assume the effective use of MI**
  - Data by department should be trend date for the key measures above
  - The budget (Year 1 of the 3 year strategy) should only last one month and perpetual forecasting introduced (1+11, 2+10)
  - HOD should spend time on how why success and failures and how they will recover shortfalls in any month and exploit positive trends
  - Fully understand the difference between trend reports and Key Performance Indicators – most legal IT systems have this data available on a daily basis – it means that a fee earner, a HOD or the managing partner can see that at the end of week one only 10% of the forecast billing for the month has been achieved and go and do something about it. That ownership thing again.
- **Focus on Gross Profit** – a simple but effective measure of team performance. It is the difference between the billing achieved and the direct cost of supplying the service.
  - Look at comparable time performance of fee earners on similar matters

- Look at what work is being done for a matter n letters, n meetings have this pre-defined, very clear to customers with change control mechanisms in place
- Have clear workflows and SLAs within the case management systems and use them
- **Focus on Working Capital** – cash from banks is no longer available as it used to be and about 350 firms a year disappear because of this
  - Yes billing promptly with good cash collections is key
  - The biggest myth is the delusion around the value of WIP. It is frequently well overstated
    - Too much work being done on fixed price deals
    - Fee earners not following the process rules
    - Fee earners not being efficient
  - Every matter should be evaluated for likely billing and dates and clean up action taken monthly
- **Do not cut prices** despite the new disclosure rules – **empathy** with potential clients wins business. Clarity of activities and confidence calls the shots – me, Professor Ian Cooper and Mike Porter of Legal Mentors all agree that only c10% of buying decisions are on price.
- **Ensure or assume real focus on in bound enquiries**
  - Don't assume that all your team are effectively handling this. Horrified managing partners at a recent seminar where mystery shopping had been conducted on their firms
  - It is a culture, training and process need that has to be owned by all staff and HODs should be fully aware at all times of the number of enquiries, their conversions and ratio and what is happening to those outstanding. It is worth 10's of £1,000s to even small firms
  - Be careful that there aren't people in the firm not converting as they feel they have enough to do

<http://professionalchoiceconsultancy.com/articles/June2018.pdf>

- **Ensure client communication** affects many areas. There is an increasing frustration amongst clients where they do not know the next/subsequent actions and timings. Hours on the internet and multiple calls that interrupt the processes of the firm. This needs proactivity – most case management systems can handle this and there are third party options

<http://professionalchoiceconsultancy.com/articles/April2018.pdf>

- **Ensure every department has a marketing plan and using it**
  - Stage 1 - Product Marketing Plan
    - Products and services
    - Benefits to clients
    - Potential clients
      - Existing
      - New
    - Route to market
  - Stage 2 – Phased marketing plan
    - Direct contact
    - Social Media
    - Referrer activities
    - Events
    - PR

**Here is to a great 2019**

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