

This Month

- **Acquiring and managing the firm's most valuable asset**
 - Knowing what you want and need and when
 - Identifying it and acquiring it
 - Effectively managing it for performance
 - Training it and motivating it
 - Developing it
 - Retaining it
- **Improving those PI renewal chances**

Our people are our assets

Strategy

A three year exercise considering the overall scale and shape of the business including headcount and skills needs and of course succession planning as there is hopefully life beyond current activity and leaders

Budgeting and perpetual review

A fundamental requirement for all discretionary costs which includes marketing and of course headcount – we shouldn't just be doing something because it was in the budget - and provides time to recruit or not

Job and Candidate Profiling

With everyone understanding what is expected of them and you giving regular reviews and guidance there will still be a need to recruit. Either because you have managed a non-performer out of the business, you want to expand the team because of marketing success or because some-one decides to leave which is hopefully because of a major career opportunity or personal circumstances – people do but hopefully you have capitalised on their way through.

Selection of new members of the team is critical – obviously a clear role and job description – do recognise that these are dynamic dependent on performance changes. You obviously want a high performing or potentially high performing candidate but you need to look at more than performance history – to get the right mix for the team you need to establish a need for communication skills (internal and external), intellectual skills (the job role but also the ability to match your solution to the client's needs) management skills (managing a file/case but also the ability to get co-operation from non-managed team/firm members), motivation (the desire to succeed and over perform), emotion (the ability to work the expected hours and geography).

No one is 100% so it is important that with any new members of the team you are aware of the areas requiring attention. I am also aware of team managers who once that have established the person profile actually talk their existing team through it in order to aid individual development plans

When Hiring understanding and comparing the needs of the recruit in terms of meeting the profiles and establishing a programme – no one is 100%.

Identifying and Acquiring – Enhancing your team

Recruitment - and for this section I have communicated with Peter Manners peter@petermanners.co.uk of <http://www.thelegalrecruitmentcompany.com> well experienced in this challenge for law firms.

Peter confirms “Recruitment of fee earners with good skill sets in most areas of law is difficult. This partly dates back to the Banking recession of 2007 when firms cutback on the number of trainees and staff at all levels from Partner to trainee were made redundant. Retained lawyers were not gaining exposure to the quality and types of work that their peers experienced leaving gaps in their knowledge. Added to this years of case management, and increased specialisation left us with lawyers with detailed experience in one area but limited in terms of understanding of other areas of work”

Move forward to 2019 and competition for the good candidates is intense and the problems recruiting are numerous including:

- Severe skills shortages in many areas of law. Also many lawyers working on advanced case management systems have undertaken only specific areas of a PI case, debt matter or residential conveyance and lack sufficient knowledge to handle a case from beginning to end.
- Disruptor law firms with new age or virtual models such as Keystone, Excello Law Gunnercooke and Setfords have recruited senior and middle management type lawyers who have their own clientele. Many of these people were either existing or next generation Partners in their firms and impossible to replace.
- Generational and cultural changes – young lawyers see working life very differently to the traditionally run law firms and have different ambitions, desires and motivators.
- Poorly run recruitment process – its essential firms look their best when recruiting and let potential candidates feel they are wanted and valued.
- Counter offers – there has been a massive increase in firms counter offering a candidate seeking to leave their employment often with sizeable inducements. The cost of rehiring is significant and often the skill set is difficult to find.

Going forward increased demand for lawyers, increased competition for talent and continued lack of skilled lawyers is going to compound the above situation, so there is a desperate need for law firms to think differently:

- Improve recruitment process – ensure its simple, have your best user friendly people conduct the interview, act quickly, keep the process moving and act quickly. Offer immediately if you feel the candidate is good – hesitation will cost!
- Consider candidates with a wider range of experience and more varied backgrounds
- Consider flexible working conditions to appeal to a wider audience

The key to good recruitment is understanding the market and the people you wish to recruit and creating an work environment and culture in which they wish to work.

Managing for Performance

As I frequently point our real clarity of accountability and objectives is vital. Good job descriptions http://www.professionalchoiceconsultancy.com/articles/April_2019.pdf an example for HODs and being clear on the detail for file management expectations, time recording and the like.

Some firms are now getting their appraisal systems better however they are not all being managed like they should be. Once a year is ok but insufficient and individuals should be able to complete their own appraisals in advance of the formal review as they are aware how they have performed against all expectations because of perpetual monthly reviews and reminders, recovery and enhancement objectives and even KPIs to drive change.

There are also two key outputs from the appraisal system – training needs to enhance performance and development training to enhance seniority or a move into management for fee earners and supervisors and managers taking more senior roles. There should be a firm wide timetable and budget for these exercises

The Working Environment

This is a key feature and is essential for retention and performance of staff. I have recently covered the law environment and the needs of Diversity and fairness

http://www.professionalchoiceconsultancy.com/articles/March_2019.pdf and ensuring that the move towards Mobility and Agility is done properly

http://www.professionalchoiceconsultancy.com/articles/February_2019.pdf not just paying lip service

The right approach to business performance is also essential for the working environment with everyone overcoming inertia and dealing with key activities

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

It is also essential that available technology is put to its best use which does require perpetual review by accountable HODs, not delegation to IT managers and the like. Key business management criteria need the best use of any PMS/CMS system which needs interface with the systems supplier to ensure the greatest affect. Good performers also lose respect for the firm if there are Luddites within an organisation not following the rules and processes and using the same old methodology. Not wanting to upset these types of people has to meet the recognition that they are having a negative impact on other people as well as the business

Peter referred above to 2007 and the time of the recession and always strongly makes the point that retention is key. During the difficult times 2007 to 2009 I was aware of a number of firms where the best staff observed treatment of others during redundancies and the like and because it wasn't necessarily handled in a humane way as soon as the market picked up organised their own exits.

Our Plans for PII Renewal

I first mentioned the potential shock ahead in April's Messenger

http://www.professionalchoiceconsultancy.com/articles/April_2019.pdf At the MLS Professional Dinner Club (great for positive networking) in May I met Paul Denny - paul.denny@insure-risk.com of <https://www.insure-risk.com/>

Through your selected broker it is important to have access to both primary and excess layer insurers.

Paul made the point to me *“that if you have a large premium spend, buy excess layers or have had claims, preparation is key for your renewal and it's not just a question of filling in a form and hoping for the best with your broker. Planning well ahead getting the message over to potential insurers and building a relationship with your existing insurer is important.”*

We all need to be more proactive – bit like dealing with your current or potential bank – Paul advised that *“for larger clients or ones which we know the claims are a potential issue we always try to arrange face to face meetings with the insurer. It improves the relationship, opportunity for insurers to get underneath the skin of the firm and understand exactly how it operates and its processes. Also if you’ve had claims, explain what you have done or going to do to prevent the same scenario happening again”*

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