

## This Month

- **Should bigger law firms learn from Big Four Accountants or.....**
- **The need for an active Diversity policy**
- **Security and evidence of communication**
- **The right bank**

## Source of learning

I saw an article last month trying to identify what large law firms can learn from the accounting Big Four. It principally cited professional management and enhanced financial management. That proactive leaders in a business are needed and are not necessarily the biggest fee earners and the acceptance and recognition of professionals from outside the sector – Marketing, Finance, IT. We however mustn't forget to recognise that the big four accountants are somewhat different to the balance of accountancy firms.

I personally believe however that the bigger law firms in the UK can still learn a great deal from medium sized law firms who, maybe because they had to, have responded to the market conditions in the 12 years since 2007 – the recession, legal services Bill and Act, client demands and expectations, competitive pricing forcing efficiencies and working capital pressures - and turned their firms into successful businesses. Couldn't afford inertia.

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

The key thing however is not just to develop policies and procedures that will enhance operations, performance and even image but have people in place throughout management **actually making them happen**, removing inertia and driving elements forward – being leaders and gaining commitment from all staff.

- Annually produced 3 year strategies
  - Scale & Geography
  - Products and Services
  - Targeted markets
  - Prioritisation – growth, profitability, working capital
- Annual budgets (year 1 of the strategy), trend performance reports, monthly produced perpetual forecasts for recovery or the exploitation of good things – clear legal HOD accountability and reporting
- Clear delegation of accountabilities for everyone in the firm
- Segregated reports and KPIs (making short term targets happen)
- Clear visibility of Gross Profit performance, chargeable time, working capital, WIP
- Clear visibility of marketing activity against the product marketing plan and conversion of generated enquiries
- Regular performance reviews and activity prioritisation for teams and individuals

## Above all proactivity

## Diversity and its benefits

In the February Edition [http://professionalchoiceconsultancy.com/articles/February\\_2019.pdf](http://professionalchoiceconsultancy.com/articles/February_2019.pdf) we looked at the benefits to be gained from mobile and flexible working and the key importance of doing it right not just playing lip service and the positive and negative impacts.

We discussed the needs and benefits of a Wellbeing Policy and the importance of eradicating bullying. This month I would like to touch on the benefits of operating a strong policy for Diversity. A frustration maybe for some but not for a modern business with a clear desire for success.

These days we all need

- Staff loyalty and retention
- Confident employees developing the talent pipeline
- Motivated people enhancing the firm's Productivity
- Reduction of the Gender Pay Gap
- The right business image for clients and potential clients

The case for Diversity and supporting progression in your workplace is becoming very clear. There is evidence of a positive cultural change when a business creates a level playing field for success, a more committed workforce and the building of long-term sustainability into the business.

Diversity isn't just an HR measure. Like all the other issues it requires ownership by management throughout. Diversity needs advocates and champions.

Failure to support a policy and visible actions could lead to

- Not being attractive to candidates who could advance the business. Talent and a supported workforce attracts and enables retention of the best
- The wrong image to clients and potential clients in the modern world

Firstly we need to see the benefits of the principle and then at an early stage it would do no harm to question related business processes and any potential bias. There is no standard diversity measure to apply to teams but we do need to look and take stock of gender, ethnicity, life experience and neurodiversity.

A further stock-take can be of the gender pay gap. There are stories that in some firms the gap can be the equivalent of a woman working for nothing for 2 – 3 months of the year. Not an internal or external image to be portrayed

Succession planning and people development another key feature. Bearing in mind the business strategy and priorities the firm should look at the talent pipeline at every stage to ensure it is attracting the right talent and looking in the right places for it. This means having role models in all areas of the organisation, and not just a figurehead woman who is expected to speak for everyone. Talent and a supported workforce is going to attract more talent. Talent with more diversity of thought and experience will have better interpersonal skills with understanding of clients and the market and will be much better placed as the market changes and develops. A real long term gain

What are our policies for working practices and "leave" as we do not want women to self-select out of our business. Flexible working shouldn't be viewed as a temporary measure until the return to "Proper Hours"

## **Dealing with another Demand and Headache**

We are increasingly having to overcome the fear of security and being able to prove and have the evidence around communication with clients and others

A law firm client of MLS Advantage member <https://www.frama.co.uk/> recently faced a complaint made by a data subject to the ICO.

The data subject alleged that the client had not responded to her subject access request.

She sent the ICO "evidence" in the form of her SAR email and our response saying that we would respond shortly... and nothing else. Based upon this "evidence", the ICO concluded that the client had not fulfilled its obligations under the GDPR.

Luckily, this particular data controller was a user of Frama RMail.

They sent the ICO copies of the RMail legal receipt (proving confirmation of not only the contents of the email, but also when it was delivered and opened).

The ICO very quickly responded to confirm that our client had, in fact, fulfilled their obligations under the GDPR.

This is an example of the increasing security needs that we are facing from the Frama range of Encryption, E-Signature, legal proof and large file transfer! All within the normal IT operations with Outlook.

## **The Right Bank**

I know that many firms and commercial businesses have varying relationships with their banks dependent on size, geography and personality. With the RBS Business Banking Switch launching on 25 February it is likely that more firms than ever will be weighing up a move to a new bank. In my experience most firms have been with the same bank for decades and with market pressures it is important to have the right bank for your firm and be dealing with a bank with proactive structure and managers for your sort of business.

It is well worth investing the time and effort to secure the right banking partner but with limited or no experience of changing banks, how can you find the right bank? The key to success is to identify your requirements and manage the process like any other business critical project, with good planning and implementation. It doesn't have to take months or even years with the right approach. The business strategy, quality of accounts in key areas that we often discuss are key and also the right person in the firm with the responsibility. Take charge of the process, be clear and well organised, with the right person taking responsibility to deliver the project, clarity of requirements and clear communication, a banking switch can be achieved swiftly and smoothly. Your accountants may be able to assist, finance houses or friend of Manchester Law Society - Sara Hutton [sarahutton@consultsh.co.uk](mailto:sarahutton@consultsh.co.uk) who is a specialist.

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