

This Month

- **The Covid Crisis – variable status**
- **How lucky we are – available resource**
- **The essential way forward – Action now**

Management in law firms is certainly going to be remembered on how it has managed the firm, the staff and the clients through the current crisis – and of course the bank. Coping with adversity may well be a benchmark for many.

Tired and frustrated as we may be, however, we also have to be thinking about the future – recovery, strategy and actions that will be different than anything currently in place. This process needs to start now. In the where do we go from now section I have made a number of suggestions. Self-assessment and Finance a good starting point.

The Covid Crisis (Simon's live survey)

One of the more interesting and entertaining reads weekly during the end of March and first half of April were Simon McCrum's weekly publications <https://www.mccrumandco.com/#> "Covid Survey" section where an increasing number and variety of law firms responded to significant questions around how they were coping and moving on (trending). It covered everything from enquiries and file opening, charges, debtors, bank response, staff and client engagement.

Simon's simon@mccrumandco.com key observations and highlights are that firms did superbly well at marshalling and organising their staff so that after a hiccup lasting just a few days, they were all up and running as virtual, home-based businesses. Those who had invested in IT hardware, software, and people, fared best. All those things were directly under the firms' control.

He further points out *"What is clearly happening as we move into weeks 3 and 4 of the Lockdown is that various things are not under the control of the firms. Lawyer numbers are down, file-openings are down, chargeable hours are down, and inevitably therefore April billing will be well down. Add to that the increasing debtor days that firms are seeing, and the slowness in the arrival of any money from the Government, and what is on the horizon is a cash squeeze"*.

There are examples in the reports of what firms are doing to offset costs and manage cash flow in the short terms.

"But you can grow your way out of difficulty as well as cutting your way out. Now is the time to go back to the basics of being a profitable, valuable firm of solicitors that changes clients' lives for the better. You can't make clients instruct you – but you can make sure that in dealing with every case and every client, you act in the ways that what I call The Perfect Legal Business would act – ask a good price for a universally good service, limit your retainer so that extra work will mean extra fees, record all time, bill all recorded time, get paid quickly, and extend pro-active care to all your clients to help them to get their personal and business affairs in order".

How Lucky we are....

https://www.manchesterlawsociety.org.uk/mls_advantage/ Firm's and lawyers in Manchester and in reality the rest of the country are very lucky to have the MLS endorsed buying group and its current 13 members offering the right kind of services that law firms need going forward and during the current crisis.

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|---|--------------------------------|
| -Hosted IT | -IT/Telecomms Security |
| -Telecomms and mobiles | -Compliance |
| -Outsourced telephone answering | -Staff communication |
| -Outsourced transcription and document production | -Document sharing and security |
| -Alternative funding and financing | -Business Development |
| -Secure payment methodologies | -Insurance |
| -Property searches. | |

All of these need consideration when we consider our ways forward but in the short term some of the Lock Down wins have been

- Enhanced security and adaption of hosted IT to support furloughed staff
- 24 x 7 telephone answering and chat boxes for web sites
- Fast implementation of dictation recording on smartphones and transcription and document production to SLAs
- Mobile Device Management for mobile phones and tablets – securing client data and segregating from personal data
- Intelligent call routing – linking up phone systems and mobile devices for client contact
- Call recording to ensure client requirements are met
- Enhanced broadband strengths
- Video conferencing
- Additional funding options

Where do we go from here? Looking Forward. Action starts now.

Who would have thought that our management actions that have been taken over the last few months are as a result of a virus rather than supporting and sorting the strategies of our law firm businesses.

The next few months are undoubtedly going to wear us out – avoiding infection, supporting our clients and staff, developing our clients and staff controlling costs and perhaps above all managing our cash-flow.

That is not all that we need to do however – the managers and owners of our law firms of all sizes need to start a strategy review right now with a complete range of considerations.

Please make a point of taking time out to read at least my articles from October 2019 through to April 2020. Not in a sequence but coincidentally expresses views and ideas about the strategy and management considerations going forward. Where relevant month in (brackets).

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

In my opinion every firm needs a revised 3 year strategy say potentially starting from 1st July 2020 which as a starting point can take into account the firm's projected status at the end of June. Work on this needs to start on 1st May.

Self-assessment and the basis of succession and resource requirements

- All partners, directors, owners and managers should start with an open exchange of their newly assessed individual commitments, objectives, desires and drive.

- This should include retirement, desire to sell the firm, merge or acquire others, focus on being a lawyer, a desire to manage others (December).
- Deciding on what sort of firm we want to be – geography, work-types (lots of pressure on some with regulatory change and bulk providers)
- Recognition of client satisfaction, enhanced demands, development and communication.
- Ensuring clear management of and communication with our own staff for retention and development recognising the generational differences(December)

Finance and Accounting

- This needs to be fully resourced with appropriate skills available (November)
- Working capital management and profitability drives require a structure – Strategy, budget, clear accounting, revenue and GP by department, trended, perpetual forecasting
- Staff, support and systems need to be able to cater for this through systems and if need be outsourced book-keeping/accounting, part time FDs or appropriate NEDs and the management of the firm needs to listen and participate in projections, exploitation and recovery. Many need to make added value demands from their third party accounting suppliers. People in the know need to be prepared and able to speak out and challenge and demonstrate risks and opportunities
- Financing the business and the best route for this has to be reviewed. Some banks are better than others – clear demonstrations recently plus there is alternative financing available for different activities. How we present to, communicate and manage the relationships here is key.

Productivity and Efficiency

- HODs of legal teams need to be aware of their key challenges. Billing and Gross Profit are two that are critical and they both have a serious impact on gross profit – an increasingly key measure (January)
- The latest releases of existing software need to be considered against the business challenges – by the HODs directly with the IT suppliers if necessary. There is often so much that firms are not aware of and it can make a tremendous difference
- Staff need to be clear on the expected use of the systems as well as being encouraged to suggest ideas on productivity improvements

Mobility, Agility, Availability and Security

The current crisis has certainly clearly demonstrated the needs for this. One big consideration is to ensure that any **vendors** being considered are fully **qualified** to do the job. There will be very big growth in this sector and not everyone will have the right qualifications. Certainly not a time for continued inertia either.

- Hosted IT infrastructure – security (February), resilience and availability, compliance, mobile and homeworking (added bonus of key staff retention and even recruitment). Not capital outlay
- Hosted Telecomms – as above
- Mobile communications in a secure way
- Outsourced document production and transcription – all, part or overflow – saves money and prevents backlogs

- Outsourced telephone answering and web chat – all, part or overflow – saves money and ensures client communication

Our staff working in the new environment need the best quality of infrastructure and tools to believe they are part of the team and that the business cares. How well we have handled the furlough process may need a recovery programme.

Business Development

Absolutely essential. Firstly we need to segment activities between client development (April) and retention and the sourcing of new business. All staff have a role to play and it will vary by department.

- Presentation of the firm's image and strategy is key. How well we managed the time through the stress period, the fact that we have a new strategy being implemented in a structured way and our social conscience and contributions to society – becoming a decision criteria within the community
- Separate BD and Product Marketing plans and activities are needed for every department. Clients and new targets have different requirements and are seeking different benefits – these must come first.

Process and Priorities

There is an extensive list of items to look at and they should all be considered. Not all by 1st July but the reviews certainly scheduled and built into a timetable and accountability designated. Some of the items have had action but this has been short term necessities/fixes – they need to be reviewed and completed too for maximum effect.

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