

This Month

- **Added Value to flexible working**
- **Enhance enquiry handling**
- **Challenges round up**
 - Working Capital, Time Recording, GP
 - BD
 - IT Outsourcing

Added value for flexible working

We frequently write about the needs for flexible working aided by technology – hosted IT, dictation transcription, telephone answering and now MLS Advantage member Moneypenny has complemented its added value services by [offering modern co-working space for its clients in London](https://www.moneypenny.com/uk/workhub/) <https://www.moneypenny.com/uk/workhub/> near to the City. It means for lawyers and other law firm staff members there is a very flexible environment available when you are in London for a day and not fully occupied. It beats hotel foyers, coffee bars and the like whilst you are waiting for your meeting, in between meetings or have a few hours before your train.

I have had the advantage of visiting <https://labs.uk.barclays/locations/manchester> and last month I had a series of meetings during the day in London – the first with a finance organisation operating in a large hub at Liverpool Street and then a tour of Moneypenny's [Work-Hub](#), where I was able to review the facilities for myself – all before the excitement of Canary Wharf.

Moneypenny clients are entitled to 20 free co-working days per month, per company, as referred to on their website, as well as day passes, hot-desking, flexi-hot-desking and unlimited fixed desks, plus private meeting rooms and meeting pods. So you can work on your laptop, dictate your documents, return your calls and even have meetings when on the move.

Double checking and auditing in bound enquiry actions

I have repeatedly written about the business benefits that can be gained and the avoidance of wasting money on marketing provided that inbound enquiries are followed up and handled correctly. Quite simple really – as a general benchmark a multi-disciplined firm that has say 100 people spread over three or four offices and markets reasonably will generate 500 inbound enquiries a month. Not handling them properly about a 25% conversion rate is achieved – do it well and it can be 65%. So in one month the difference can be 200 new files, 2,400 in a year and at just £500 per file the equivalent over a 12 month period and additional £1.2million revenue.

I like many I suppose could see the incentive of getting it right – methods of capturing the data by department, systems work-flowing the process, coaching of staff in the development of empathy and asking for the orders – even some of the PMS/CMS suppliers are making such workflows available. Variable performance by departments and individuals being a must for review, accountabilities clear and so on.....

I am aware however that many firms are still not getting it right. I wrote a while ago about <https://legal-mentors.com/> giving a presentation to north west firms having done a mystery shopper exercise and reported that none of the firms present were following queries through well – a shock for some attendees.

This can also be supplemented by a survey by customer experience/mystery shopper company <https://insight6.com> stating that as many as 93% of law firms need to improve their approach and methodology. In fact they are holding a couple of seminars in the north west in the next few months in conjunction with MLS Advantage supplier <https://www.matrix247.com/> which would be well worth attending <https://www.matrix247.com/law-firm-client-experience-seminar/>

Above all please get to grips with this fundamental challenge

A few other Key Challenges

- **Working Capital** – still unfortunately a major issue for many firms. We are still in many cases suffering an overstatement of WIP. Every month every fee earner needs to declare to management how much WIP is going to be recoverable and when – it will certainly assist in billing and cash flow forecasting and encouraging management actions around discretionary actions going forward.
Also even on fixed price deals unfortunately we need to capture all the time and effort being spent to see how individuals perform against one another, encourage efficiency reviews and see if we need to put our prices up.
Agreeing payment arrangements with clients up front are key and billing (including interim) as soon as possible needs to be in the forefront of people's minds and be made to happen. Many years ago when cash and advances from banks wasn't an issue it used to be a last quarter exercise, now at least it tends to be monthly but I think we need to move to a weekly habit.
- **Time Recording** – so very necessary and a lot easier with systems these days. A very reasonable benchmark for all fee earners is 5 billable hours per working day – about 1200 hours per year. So many firms, individuals, departments are hitting 4 – 4.5 hours per day and this needs attention. Examination of the reasons and comparisons by departments, work-types and individuals is key for personal development and efficiencies
- **Gross Profit** – one of my favourite measures within a firm by department. By definition overheads are what they are apart from those that are discretionary (e.g. marketing spend, support staff headcount) and dependent on availability of profitability and cash.
Gross Profit is the difference between revenue generated by a department (and for me billed no augmented by WIP growth especially if it is un-validated) and the direct costs of generating the fees – fee earner and support staff costs, referral fees and of course partner drawings – they cannot be hidden below the line. From a % point of view we should be looking for 65-70% and even high volume conveyancing at 50% plus. Enhanced gross profit goes straight through to the bottom line.
- **Efficiency of Business Development** – This needs to be done in a cost effective and planned way.
Segmentation is a good start between existing clients and potential new business whether this is private client or company commercial work.
Every department needs a product marketing plan which makes clear the products and services available, the benefits that the services bring, the potential client base (existing and new - segmented) and then the route to that market – web site, direct contact, networking, PR, social media, inter department, staff, third party referrals and so on.
It is only then that a phased marketing plan can be out in place, thinking about low hanging fruit as a priority. This needs perpetual review of performance against expectations and changing and modifying as appropriate.

- **IT** – That infrastructure is key for performance, compliance, security and mobility. I will now always promote the outsourced model but obviously from a very qualified and compliant provider – such as MLS Advantage supplier <https://www.nasstar.com/>
With the enhanced mobility and flexibility being encouraged it is also important that we do it right ensuring business and social communication with remote working staff PLUS we need to ensure the tools (laptops, phones, connectivity) they are provided with are appropriate for the role.
Not all staff are happy at the moment.
The other side of IT is the applications, always needing a review for performance and efficiency. They are being developed by suppliers all the time and lawyer management needs to be making sure that they are on the best release for performance
- **Outsourcing** – This has to be consider for the enhancement of performance and the enhancement of client relationships
 - As a minimum out of hours or overflow, resource constrained, telephone answering from clients and prospects <https://www.moneypenny.com/uk/>
 - As a minimum out of hours or overflow, resource constrained, digital dictation transcription <https://www.documentdirect.co.uk/>
 - IT - as above
 - Accountancy and financial management – we had a big reaction to this recently and I am exploring outsourced finance directors this month

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