

Ways Forward

It is three months before the end of the calendar year which for many means the end of the fiscal year, so in a couple of months time we will be going through the budgeting process for the new fiscal. But not yet. We have a few things to do first.

Hopefully by now – week 1 of September we have a good handle on what we have achieved so far this year but are also in a position to forecast fairly accurately by department for the full year – billing, headcount, direct costs, gross profits and overheads, plus be able to assess our business development actions and the results they are likely to bring. By regular review we will have made changes in direction and action with the change in circumstances. There shouldn't be too many surprises. *(April 2015 Messenger)*

Ideally last year in September/October we, by department and the firm agreed and wrote a three year business strategy and this formed the basis of our budget for 2015. It is a good time for department heads to review their strategies and commitments made last year and how well they have performed against them and the numbers. This September/October we need to go through the exercise again for 2016, 2017 and 2018

We have to have a clear strategy, usually produced and amended annually but with a three year horizon. This provides the frame work for annual budgets and the recognition of milestones that ensure sensible review. This will cover size and shape of the firm, growth, work-types, client targets – new, cross selling, retention.

Hopefully over the last year management of the firm has been much more proactive and those with the ambition and have the skills have stepped forward and we have recognised the essential skills of staff managers in finance, HR, marketing and IT

The Role of Partners

Hopefully a year of more proactive management and business development, the skills, likes and dislikes of Partners can be assessed more equitably. Partners need to take the opportunity of the strategic review to consider their own roles in the firm – we are not all managers or business developers so we need to recognise this. Likes and dislikes need to be considered by all along with potential retirements to enable sensible succession and people development programmes.

There are major issues with many partners in roles that they like/dislike are capable/not capable of doing which are holding back the success of the firm. No one is/should be doubting the fundamental skills in the process of legal activities but not everyone is cut out to manage and do business development. There is no shame in this.

If you are an equity holder in a business you want to maximise its profitability so if you are not right for the department head role then step aside and support the person that wants to manage or do business development. Or if you are business development and management skills short but want to do the work they seek the appropriate training and personal development.

A fundamental part of the three year strategy is to consider growth, geographical coverage, work type development and the resourcing that this requires. This includes succession for retirement and the development of skills in management to handle the changes. Yes, some

of this costs money but should be carried out for the corporate good through the life of the strategic plan.

Relationships particularly with commercial clients are critical and clear handover plans to successors are essential

Appraisal & Assessment

Hopefully over the last year or so all staff members have received clear job descriptions with their accountabilities quantifiable and measurable and they are in receipt of KPIs on a regular basis so from a performance perspective there are no illusions and this is discussed on a regular basis – particularly for chargeable time, billing, realisable WIP, cash collection, lock up, enquiry conversion.

This kind of clarity makes the operation of the formal appraisal process very straight forward and in many firms the first assessment pre formal discussion can be done by the staff member.

The results of the appraisal process are on two dimensions

- Performance against key job accountabilities and improvement tasks

Rated as - 1 - poor, 2 - needs improvement, 3 - meets requirements, 4- consistently exceeds 5 – Excellent all the time

- Likelihood of Development and likelihood of response to remedial action

E – immediate remedial action required

D – will never be more than an OK performer

C – meets expectations of the job

B – with development could in 12 months achieve a higher level or different role

A – should be promoted now

A training and development needs analysis to meet the requirements of the three year strategy is an out put that can be timed and included in the budget

People Development

This has to be taken seriously. Too many people in law firms are being asked to supervise, manage, develop strategy without the necessary skills training – this is unfair on them, on the people working for them and not generating the best performance for the firm.

Let us take as read that the practice of law is understood and aided at the appropriate level with the use of case management products.

Management and Business Development however is a different matter. When I was a lad in commerce “Delegation and Managing Tasks Through People” was a given and there were great films like “who killed the sale”, “for want of a nail”, “the GOYA affect”

I will be exploring availability relative to law firms over the next few months but in the meantime;

- Identify the people development skills identified with the appraisal process
- Match this to the three year business strategy
- Make sure personal development actions are in the output from the appraisals
- Make sure there is no doubt in everyone's mind what is expected of them
 - Job descriptions
 - Performance targets
- Regularly produce KPIs for people – in time for them to action prior to deadlines
- Publicly publish performance against targets – peer pressure is often quite useful
- When issuing tasks make sure they are SMART

As a Starter

Manchester Law Societies Management Conference is on 6th October where a number of experts in the field are speaking and networking

<http://www.manchesterlawsociety.org.uk/event/2015/10/6/management-conference-2015/>

Chaired by Chris Bull of Kingsmead Square, other speakers include Rob Elvin of Squire Patton Boggs, Richard Hodgkinson of DWF, Scott Harding of Poole Alcock, Simon McCrum of Darbys and Purple Legal, Daniel Clark of JMW.

Most of the vendors in the MLS Advantage Group will also be in attendance. Should be a great and informative day

I had to Smile

Front page of the Gazette on 3rd August announced that two top 100 firms have announced “agile working”

As far back as the May 2015 Messenger I reported on the Innovation Forum in Manchester sponsored by ConvergeTS – hosting provider to law firms and chaired by Richard Hodgkinson of DWF. It was apparent that a number of firms in the north west have a much bigger appreciation than was certainly reported

“The discussion was geared around how technology, by providing flexibility, can assist firms in the management of their key staff in terms of attracting good people, enabling retention and supporting an increasing demand for work:life balance. Another advantage of effectively a large proportion of mobile workforce is that 100% of staff does not require office space and desks. The latter saves a great deal of premises costs and the former enables imaginative use of skilled people and more time dedicated to generating revenue rather than travelling and other diversions”

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