This Month

- **What is the image/brand of your business**
- **Regulatory and Due Diligence challenges**
- **PMS/CMS Update**

30 years now working with law firms and many of their suppliers in terms of strategy, management and development.

From a commercial perspective, law firms have the same challenges as most other businesses – all need to be perpetually reviewed and handled - Aspiration of owners, business strategy, business management - proactive process with the right objectives and appropriate BI, MI and KPI, the right staff being on boarded, developed and retained. Decisions over in house work or outsourcing for volumes and needed skills.

Empathy with clients, business development – new clients but also retention and development. The right image in the market place through brand, image, social conscience and community awareness – can be decision makers for new and retained clients as well as staff. A secure and high performing IT infrastructure with the right tools for accounting, business efficiency, on boarding and communication. Well used PMS and CMS enhanced as necessary with added value solutions.

In addition to all of this law firms have also got to be up to speed with all regulation and compliance – rules of the game with AML and SRA but also avoiding fines which are growing like crazy – profit, cash and image impact but also loss of Professional Indemnity Insurance which means the end.

Business Brand

This is something that law firms have tended to ignore – much through ego but also not recognising how important the image of the business is becoming for the acquisition and retention of clients as well in particular with younger staff acquisition and retention.

Over the last few years I have had the benefit of getting to know [(3) The 'Think Brand - not bland' Guy - Phil Strachan | LinkedIn] and have attended some law society events, business networking events and afterwards often share the same opinions – so many opportunities lost by the providers.

Phil says

"One particular very busy, almost overcrowded, market sector where many businesses compete to offer their services but so many fail to differentiate themselves and their offerings is Legal Services. It really pains me to come across one firm after the other, whether I meet them in person or through their website or business cards and they just bland in with their perceived competitors. They simply fail to stand out from the crowd.

This is because all too often they simply present themselves almost as a commodity, just as Solicitors or something similarly bland, without perhaps signalling clearly that they are Family Law Specialists or Corporate and Commercial Lawyers. Additionally they succeed wonderfully in failing to have, or at least failing to communicate a compelling proposition that will prompt anyone to choose them over their perceived competitors.

As such, in the eyes of their target audience, they are perceived to be just a.n.other anonymous brick in the wall - as me-too blands as opposed to the go-too brand in their market. Equally, from the employer brand perspective they totally fail to position themselves as the go-to legal firm, the *employer of choice, with the result that they will fail to attract, recruit and retain the best candidates."*

[Home - Think Brand Not Bland]

It is not about how pretty the web site is but the image that the firm projects – empathy and client performance and benefits, skills and market awareness, the target markets priorities from skills through social awareness, local or national services and understanding leading to community participation and environment contributions. Potential and existing clients have much clearer lists on choice methods and sought benefits.

This includes things like ESG and B Corps
https://professionalchoiceconsultancy.com/articles/December23v2.pdf

Legal Compliance/ Regulation/ Due Diligence

In addition to all of this commercial management and challenges, law firms have also got to be up to speed with all regulation and compliance – rules of the game with AML and SRA but also avoiding fines which are growing like crazy – profit, cash and image impact but also loss of Professional Indemnity Insurance which means the end.

There are so many firms at the moment who are not following basic due diligence or processes to protect themselves not only from the SRA

Again, I have had exposure for the last few years to (1) Brian Rogers FCMI | LinkedIn for multiple discussions and also participation in his on line, monthly legal compliance update for which in excess of 2,200 are registered. Compliance Update Webinars for the legal profession | The Access Group. Next one is as soon as 4th April.

There are so many compliance and regulation plus due diligence challenges that must be faced by law firms and staff at all levels and sign off and operations methodologies have to be met.

A few examples:

- AML – and identity fraud a very hot topic at the moment. The last month has seen a number of firms sanctioned for breaches – fines £3,203 - £23,000 – causes lack of firm wide compliance and client and matter risk assessments. The SRA has made it clear they will take action where failure to meet full obligations.
  Due diligence at an appropriate level is essential for corporate and individual clients. We now have the Economic Crime and Corporate Transparency Act.
  Updated assessments covering potential vendor fraud – included methods of funds transfer, pooled client funds, third party managed accounts
- Matter Risk Assessments
- Operational diversity data
- Financial Action Task Force
- Ethical Conduct – good lawyering is one thing but it needs to be managed well without bullying
- Residual Balances – fines again being introduced where not returned to clients and maybe so long as to files being destroyed

All firms need to have policies and procedures in place to ensure that at least the basics are met – due diligence timing, source of funds checking, individual and corporate ID

PMS & CMS

Following the November November2023.pdf (professionalchoiceconsultancy.com) and March March2024.pdf (professionalchoiceconsultancy.com) articles it is good to see some progress at least from a couple of suppliers. Some firms are enquiring of their vendors. We also now have interest with regional law societies in developing questionnaires where the providers can be challenged – these will be developed soon. Potential new suppliers are clearly working with the essential added value opportunities.

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