This month

- **Stocktake and Action Plan**
- **Integrity and Communication with Clients**
- **Management Actions and the right skills**

Action list to consider during the impending break

At this moment in the calendar many directors, owners of law firms and significant suppliers will be having a break – it is a great opportunity however for you to consider whilst holidaying some really important issues that are facing law firms.

Cash flow, profitability, compliance and regulation, fines and insurance challenges, credibility and image – so many firms at the moment are under pressure from clients, banks, insurers, asset base, resourcing – the management team needs to face up. So many managers and owners of law firms are just not facing realities in terms of their roles, ambitions and contributions – away from management, best contributions or a return for previous contributions.

Owner and Manager Stocktake.

The management/ownership team of all law firms need to be very honest with one another in terms of how much longer they want to be there, open chat about the best roles, timeframe and methodology for potential departure plus of course additional time and skill they could offer the business for the benefits that it needs. There can then be an operational plan agreed in terms of departure, role changes, training.

3 Year Strategy Review

Obviously connected to the stocktake. The firm really needs a clear strategy going from where it is now – work types, locations, scale and to where it wants to be over the next three years and how quickly.

Multi-function, individual or corporate, client development, benefit from for example selling a high value Will base or how to enhance its value. There needs to be a business development commitment to enhance revenue and gross profit in the chosen areas and the right resourcing plan to be able to deliver the opportunities for development and then of course the resources to do the actual work.

The management team needs to be bought in to the plan and the activities required to achieve it. Know who is going, who is staying. There also has to be clear agreement of any investment required – cash, people, timing.

Clear management reviews on a monthly basis with the right BI/MI, perpetual forecasting for the first year and a new three-year plan on an annual basis.

Staffing and Recruitment

Again, becoming increasingly difficult for many firms with limited availability of key skills – more and more firms have the growing benefits and necessity of outsourcing – telephone answering, web connectivity, document production, more demands for accountants with skills shortfalls in compliance areas and bank relationships – plus a growth in lawyers outsourced to ensure the ability to meet the breadth of client needs. This can be on a project or time basis. Getting the right financial advice can involve the right person for just a couple of days a month – well worth it for working capital management alone.

It is essential for every role for firms to have not only a job profile for each role – accountability and performance but also the candidate profile with necessary communication skills, intellectual skills, management skills, emotional and motivation.

All needed at time of recruitment but also reviews, appraisals and people's development to help in house performance and of course client and prospect relationships.

Compliance and Regulation

There is unfortunately so much evidence at this point in time of firms failing to meet fundamental regulations. There are being many fines issued for failed AML basics and private client basic accounts management. The fact there is a COLP/COFA does not on its own answer the necessary challenges. The validation of input and information is essential and has to be part of the business process. Forms need to step up to this challenge for cost saving and credibility – use their authorisation properly plus enhance their PMS/CMS with some very simple AI or added value solutions.

Client Relationship and the Business Image

Too many firms do not have a clear client relationship policy – forgetting at the moment the finding of some new clients.

The clearest example is with Private Clients, who at some point may have generated a Will with the firm. The status of the Will base in many cases is awful and this needs sorting and digitising. Firms are not updating their clients in terms of changes in circumstance so why not update your Will. At risk clients and lost revenue for the firm (many think they are doing ok anyway). There will be a shock here over the next few months. That Will Bank could also be worth a fortune if there was a desire to see the Bank or the whole business.

Advising people who want to have a new Will (50% of population without) is more than a document production exercise and in many cases, there needs to be more consideration and advice about family, business ownership and financial planning – for example equity release.

There should also be a cross-selling policy and operation within firms. Other services being offered by other teams in the firm, networking opportunities and the firm's brand.

There are so many clients of law firms who are dissatisfied with communication from the firm in terms of live activities and other opportunities (40% plus). There are some great and simple added value solutions for this but there needs to be the right commitment to it.

Smiling at clients – there have been some recent incidents where folks have visited their law firms, not to have been greeted well and a desire not to go there again. Whether staff are answering phone calls or seeing attendances. All the staff need the right briefing.

Brand and Marketing

It is essential that the firm as a whole and for each department has a Product Marketing Plan. Services, benefits to clients, target audience and route to market – this can save a fortune by being a focussed plan and very effective.

The brand of the firm through the web site/PR/Networking is very important. Potential clients are looking for skills, performance, empathy and communication. Not how important the key guys in the firm are.

Inbound Enquiry Handling

A key issue that has to be addressed. If we have got the firms image right and the marketing so enquiries come in by phone or on line they need handling well – again a technology upgrade can assist but it is mainly a people thing.

For many firms, if they get 500 enquiries a month, they are only achieving a 20% success rate and at £500 per quote it is worth £50,000. Dealt with properly and achieving 65% it is worth £162,500. Assuming of course we have the excited staff to handle it. All part of the essential business plan. I wonder what the 80% that don't want to deal with the firm have to say about the firm's image.

IT – the essential assist

Over the last few years there have been many changes in the ownership of PMS and CMS suppliers. One of the main problems has been the lack of clarity from the existing suppliers in terms of the development of their products and the availability of added value solutions. There are also new kids on the block from Singapore and Australia – often with the added value already available.

Firms should be demanding clarity in terms of product development in terms of meeting essential business requirement (MI/BI, cash flow forecast, client management, client communication, on boarding, compliance and regulation achievement and so on. Firms should be demanding clarity from their PMS/CMS suppliers about what is happening and when and where can added value essentials be aware today. They do exist but there is evidence of some improving communications but not enough. A few naughty changes in T&Cs being offered.

Big scare at the moment is also that of **data security** – so a very careful check of IT suppliers and hosted cloud suppliers is essential. Plus, make sure staff are aware of their responsibility and necessary actions. Secure portals rather than e-mail are becoming important.

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