

in focus

FMRC
LEGAL

TARGETING TRAINING FOR SUCCESS

The reasons why some firms fly and others struggle confounds many partners and practice managers. What is even more baffling is when firms similar to yours in size, structure and client base seem to be enjoying more of the spoils than you are.

The reason is often more to do with the qualitative management of the practice rather than the obvious (to an external observer) quantitative measures such as number of lawyers, practice premises and client base. Whilst there is no doubt that these quantitative factors are fundamental for success, whether or not success occurs will depend on how well they are managed.

Following the results of a recent survey, FMRC Legal approached the five best performing firms to find out what they saw as their secret to success in the following areas:

1. conversion of work-in-progress into billings;
2. conversion of billings into receivables; and
3. growth in billings of all fee earners.

The one theme that ran through the answers from these high performing firms was the importance of management training of all fee earners. Among other things, these firms attributed their success to the fact that their key employees had a thorough knowledge of how their efforts impacted on the performance of the firm and how this in turn would impact on them.

The fee earners were given an understanding that they could directly influence the performance of their team, the



firm and, ultimately, their careers. The fee earners were given an entrepreneurial education in law firm management. Many firms leave this sort of management training too late in a solicitor's career. Progressive practices are training their people early and reaping the rewards.

What Training is Beneficial?

Aside from the technical aspects of the law, young lawyers will benefit from an understanding of the operations of the firm. This would involve an overview of the flow of funds through a legal practice and the related timing issues of when cash is

collected and how it is spent.

Many firms have found that when their key fee earners have an understanding of the micro operations of the practice, they are more likely to behave with the mindset of a business owner than that of a business resource. Some possible areas for training may be:

- How an individual's activity relates to cash collected;
- How budgets are set and the break-even fees required;

- How various matters are priced and what determines hourly rates;
- Costs associated with operating the practice;
- Time recording methodologies;
- Billing policies and procedures;
- How are lawyers making themselves more valuable to their clients and the firm.

There are many options for the delivery of this training. What is most important is that it is the right sort of training and that it reflects best practice as much as possible.

The Role of the Partners and Practice Managers

To emulate the better performing practices, management needs to have the ability to make effective business decisions based on accurate performance data of the firm. The issues management are confronted with on a monthly basis include:

- Are expenses blowing out?
- What is a reasonable amount to be spending on ...?
- Managing and minimising debtors;
- Can the billing system be more streamlined;
- Maintaining or improving fee earner performance;
- Managing staff crises;
- Effectively allocating matters and managing workflow

The challenge for the leaders of the firm is to know whether the qualitative management approaches they are using will lead to improved performance. Whilst most practices will have a strategy to address these issues, the approach of some firms is significantly more effective than others. It is the application of the correct strategy that will determine whether your firm flies or struggles.

Determining an effective qualitative management approach of the firm requires exposure to best practice. Leaders of the firm need to invest in management training. This investment will reap rewards through improved performance of the firm as well as the opportunity to train the other members of the team.



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