

Robservations

Welcome to the August 2009 edition of “**KMS ProfitPower Tips for Lawyers**”...Issue 37

Back on March 31 KMS turned 21...although I hesitate to say, “Came of age”, as I feel that happened many years ago!

March was an exceptionally busy month, with normal in-house consulting work with client firms, planning retreats, and 8 KMS seminars across 4 cities. April, May, June and July have continued much in the same vein with planning retreats and seminars in New Zealand too.

The feedback from seminar attendees was as useful and stimulating as always. Many attendees were also “returnees” and “multiple returnees”, taking the opportunity for quality time out of their offices, working alongside many like-minded lawyers to review their focus.

Regular readers will be aware that this recent seminar series focussed on the seven key things law firm management continue to get wrong...slashing profits by huge amounts (far more than most appreciate) and putting their very survival at risk.

In my day to day intensive consulting I have to say that still the major problem remains...partners and managers getting too bogged down with legal work, and sometimes fairly mundane administration, and failing to identify the key “red balls” requiring to be juggled, to enable them to keep them in the air for the benefit of all firm stakeholders (including partners!!).

Almost always this translates directly into multiple team members operating with insufficient work and inadequate supervision, and of course coming up short on production of billable Client work.

Huge numbers of lawyers are still failing to produce a solitary cent in the key part of their day that, used properly, finally delivers partners a true commercial profit...and it is no surprise at all that the number of law firms in Australia and New Zealand that make no true commercial profit is very high. A quick glance through the leading law firm surveys confirms this if any reader is in doubt.

Recently I heard of a relatively young partner getting out of law entirely, ostensibly because, “There are no margins any more”.

In my wide experience this is simply not true.

However many partners create a self-fulfilling situation by being simply “busy”, rather than being focussed and strategic in their management. In short, they continue to be principally lawyers trapped into running a business, when they need to recognise they are business-people...in the challenging business of providing a selected range of in-demand quality legal services at a proper profit.

The difference is far more than merely orientation or semantics. The difference is everything.

Firms which are clear about what they're trying to do, have good skills in communicating with their markets, and operate excellent systems within attractive firm cultures, will get very satisfying results indeed...professionally and financially.

In addition to good ongoing returns, the environment in such firms is right for the building and maintenance of a structure that will perpetuate itself, and provide for more sane working hours, better coverage for sudden work expansion and holidays, including good long sabbaticals, and multiple viable succession options for those wishing to reduce involvement, wholly or partially.

In my experience the key is almost always in managing people, and there are many lawyers who do not do that at all well. Excellent people are easy to manage but by definition there aren't very many of them! Managing average people to produce results well above average requires real skill and good systems.

KMS focuses about half of its energies annually in this key area...implementing proven systems and working as closely as possible with individuals to assist them to become fully productive...getting them understanding their real potential and how to go about delivering on it fairly consistently.

It is ironic certainly that while lawyers continue to attract a barrage of criticism of perceived over-charging, and are also heavily criticised for a perceived flawed system of charging based on time, our KMS statistics continue to reveal lawyers under-performing on fee production on average \$150,000 pa each, Clerks/Paralegals/Legal Executives over half that amount, and Secretarial Support around \$50,000pa.

Managers, very often lawyers, work very hard themselves, but are loathe to require real accountability from employees, and employees far too often toil away trying, and regularly failing, to make even modest targets, because no-one has properly taken up the challenge of driving enough Client work into the firm to keep them working with a (KMS-coined) "Healthy Backlog" of Client work.

The people who should be doing it, and training others to also do it well as they gain experience, are far too busy processing legal work, often at far less than their so-called standard hourly charge rate, and many of those ubiquitous "red balls" are rolling about the floor.

Here's the bottom-line on the real role of a partner... There never has been a good time (since KMS commenced business in early 1988) to hide behind a big pile of Client work as a partner and assume that everyone else will also be trying hard, and being effective. 2009 is not that time either.

2009 is a time when partners must step back from the trenches and look more closely at what's happening in the business than ever before...taking steps to ensure firm management is excellent and the firm grows stronger going forward, with all the benefits that entails.

A word of warning...in most cases the key roles of a partner in this area cannot simply be abrogated to managers...partners have to know what's required and give direction and active support to whoever they delegate some of the responsibilities to.

How To Use 35 Years Of KMS Experience To Get The Great Guidance You Need On The Strategic Direction And Management Of Your Practice...While At The Same Time Securing At No Extra Cost All Those Valuable CPD/MCLE/CPE Points You Need Each Year...

1. KMS ManagementSupport™...Your truly modest annual subscription gives you unlimited access to Rob Knowsley for advice and guidance on any practice issues (by phone or email), and member firms who require ad hoc visits are entitled to savings of AUD \$1750/day off whatever is the normal current investment for Rob's on-site consulting.

This long-established program best suits small firms of 1-10 practitioners. The investment is paid annually in advance (or each six months with a small premium, for those firms wishing to spread cashflow).

Here's the extra powerful benefit...every hour spent in consulting with Rob entitles those involved to claim one Compulsory Professional Development point...assuming the training was relevant under your State's guidelines.

As an example, Rob recently spent an hour and a half in phone conference with a team of young lawyers interstate on Business Development training, and each attendee was able to claim 1.5 points from that one session.

We are happy to advise that membership of KMSManagementSupport™ for new member firms will be held at 2008 levels again for at least the second half of 2009...and the option to split the membership investment into two parts six months apart to spread the admittedly small cash impact still applies...so it's a great time to come on board and join the many other firms in Australasia who use this program to keep their experienced coach, trainer, adviser and mentor "close at hand" all year round, for an exceptionally modest investment.

2. Firm Planning Retreats...these are essential management activities in themselves, allowing partners and others involved in management quality time to focus on the big issues, but when facilitated by an experienced trainer each professional involved can claim a CPD/MCLE/CLE point for each hour of appropriate training, often the whole annual requirement in a single planning retreat...subject again to your State guidelines.

Firms holding a retreat facilitated by Rob Knowsley that are members of KMSManagementSupport™ are of course entitled to a saving on the investment in Rob's experienced involvement of AUD\$1750/day.

Click here to express initial interest and we will contact you promptly to discuss the appropriate options for a firm of your size... robkms@lawfirmprofit.com

Mandatory CPD/MCLE/CPE...Two Upcoming KMS seminars...

These two timely 4-hour seminars for tough times are again planned for Sydney, Melbourne, Brisbane, and Auckland. 4 MCLE/CPD/CPE points each.

Two hours free follow-up telephone/email consulting is included in your registration at no additional cost...any time in the ensuing three months...and in blocks of as little as fifteen minutes. This free hour also attracts an MCLE/CPD point.

Usual KMS 100% money-back guarantee that you'll be delighted you attended. This guarantee has been in place for over twenty-one years...it takes all risk out of attending for you!

Express your early interest below...no-obligation...it helps our planning enormously to get an early indication of demand...simply click the link for the seminar(s) you are interested in and an email will be generated to us...

1. The seven key things law firms most often get wrong to slash potential returns and impact their very survival...

For four intensive hours tap into Rob Knowsley's vast experience of where law firms most often get it seriously wrong, and in a small group engage in an in-depth discussion of how to get it right in every scenario...improving profit and thereby the health of your practice.

Express your interest here...

LinkSydney1
LinkMelbourne1
LinkBrisbane1
LinkAuckland1

2. Change your paradigms...how to use long-proven commonsense KMS systems to get employed fee-earners producing proper levels of work for you consistently...and loving doing it...

Four brilliantly illuminating hours on how Rob's clients dramatically out-perform profession-wide averages for fee-earner productivity, and importantly, still retain attractive cultures for the long haul...

Extensive opportunity to ask all the difficult questions and get all the answers you need to this most critical of issues. What's the point of a leverage pyramid if the employees in the leverage structure are producing precious little while you work yourself into the ground!

Express your interest here...

LinkSydney2
LinkMelbourne2
LinkBrisbane2
LinkAuckland2

A Lucky Thirteen Basic Business Development Tips for Tougher Times...

1. Business Development activity is for all times...steady, focused and consistent. In tough times stay steady, focused and consistent, but beef up the volume using the spare time available in your practice due to lower numbers of new files...
2. Start with a basic assumption...It is not even nearly true that everyone who might use you knows who you are, what you do, and how to find you!
3. Create a bigger footprint in the marketplace than you have been doing...
4. Do your Business Development based on helpful relevant information...use the knowledge you have at your fingertips...write articles, contribute to E-zines(see item later too), email helpful tips, give talks and put on seminars...
5. Follow up every contact...immediately if not sooner!
6. Follow up every lead...a simple follow up as a courtesy often gets the ball rolling again...
7. Take as many enquiry calls yourself as possible until you are totally confident others will be as helpful as you and thus convert as well as you...
8. Beat all your time and fee estimates...it's not a bad time to knock people's socks off!
9. Go to clients and prospective clients premises...and of course, much better a little early than even a fraction late!
10. The bigger the bill you wish to render the more important it is that you phone the person responsible for approving payment beforehand...
11. Over-deliver on service and add value at no cost...
12. Above all do not discount, and do not fall victim to the prospect who invites you to take your 'sharpened pencil' to the fee estimate you gave for the work...that confirms their view that you were probably over-priced or at least reduces your business acumen in their eyes.

13. Thought for a lifetime...Time doing work with no profit is far better invested finding more "real" clients...

The awesome power of the Internet for law firm business development...

Law firm business development is all about communicating relevant useful information to the right markets so that your reputation is enhanced by demonstrable helpfulness and expertise made freely available, consistently over time...

The Internet is about knowledge and rapid communication...and its use continues to increase dramatically.

The two come together beautifully because via the Internet the interested people in any marketplace have the ability to find your information...provided you deliver it in the formats that take best advantage of this particular medium.

Done properly you can do it without spending a great deal on advertising...although advertising can be used in tandem with commonsense to get an enhanced result.

One problem with successful paid advertising is that it rapidly attracts imitators, so over time you have to spend more to retain the level of business you wish to generate.

It's best to try to create streams of enquiry that do not require paid advertising others can easily imitate...

So, how best to do that?

Write short clear articles that are helpful and relevant and publish them on your website and publish them on multiple article directory websites that are set up for the purpose. For example look at ezinearticles.com

As your articles build you have greater and greater exposure on the web to people who make a general request for information...as web browsers continuously robotically check your site and find your articles and you also push the same articles out onto the web via the multiplicity of article directory sites.

There are hundreds, maybe thousands of websites that have a connection to what you do and they want new, relevant, helpful, interesting articles and content.

You write an article, send it to articles submission directories, and allow websites to use your info, provided you receive full credits. This helps build your reputation as an expert in your area of expertise and generates massive new semi-qualified enquiry to your website.

Experiment with including all the relevant words people might search on in your articles to put them high up on the Internet radar.

Think like a potential client...put yourself in their shoes...using words and phrases they'd use, not ones you'd use! Small things do matter! As an example, I've seen an article drop from position one in a Google search to off the first page simply by me adding an 's' to a search word. Work out what searchers are most likely to type in and work those words and phrases into your article.

Regularly get on the Net yourself and test whether various searches are bringing up the right responses with information from your site.

Quick ProfitPower™ Tip...69,000 very good reasons to get super pragmatic about keeping your people busy...

Every month when I'm looking at KMSFeedBack Reports™ for lawyers throughout Australia and New Zealand I encounter lawyers with 2 hours a day at a minimum spare capacity...

Here's the "heads-up"...while there truly may not yet be available to them that two hours Client work a day at their standard rate...there is probably work they can do productively for another lawyer in the firm at even a paralegal rate.

It doesn't take a Mathematics degree to work out that 2 hours a day charged out to clients at say \$150/hour is \$69,000pa...and that's on the bottom line in place of the zero currently being created by any team members in effect staring at the wall...

Identify the spare capacity...identify the available paralegal tasks...free up time of more senior people to get stuck into increased Business Development...it's not smart to have an experienced lawyer appearing busy with Client work but writing big licks of it off when you could be marshalling your resources so much better!

In-house training...

Larger Firms Australia and New Zealand POTENTIAL KMS WORKSHOP CONTENT

Ideal In-House training...CPD/CLE/MCLE points available in relevant Australian jurisdictions...very suitable for Associates Conferences etc...

Construct your own Agendas for Partners or Employed Lawyers...

Choose from the following Potential Topics...(all but 6. and 7. are ideal for all lawyers...those two are better included in a Workshop for Partners only). Indicative times are given for each topic based on earlier large firm workshops.

Minimum session 3 hours...

Minimum per day per firm...4 hours in a single session, including a break for morning or afternoon tea.

Max sessions per day per firm 8 hours... plus lunch and morning and afternoon tea breaks.

Other topics by arrangement...

1. How to dramatically increase your personal billings in just 30 seconds per day ...**Allow 20 mins.**

2. The importance of managing your clients cost expectations by providing fee estimates up front and along the way – only positive surprises! ...**Allow 40 mins.**
3. How to turn apparent "tyre-kickers" into real clients to significantly improve revenue...**Allow 30 mins.**
4. Practical ways to get more work of the right type in the door...**Allow 60 mins.**
5. How to effectively manage your debtors. Managing cost expectations. How to deal with "bill too high" queries. Strategies for approaching clients with overdue invoice. Cash up front for "riskier/non corporate" clients. ...**Allow 30 mins.**
6. How to get employed lawyers billing an hour a day more than average and loving it. ...**Allow 40 mins.**
7. Why many employee incentive/bonus schemes are a total disaster...and how to better motivate your fee-earners to achieve reasonable goals...year in year out! ...**Allow 40 mins.**
8. Why **activity-recording** is even more important than ever and where **time-costing** can really hurt you badly. ...**Allow 40 mins.**