



Legal Sector Breakfast Briefing

Dumfries

7 September 2017

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Accountants, Business & Financial Advisers
A track record of providing solutions to the legal profession





Legal Sector Breakfast Briefing

Welcome

Douglas Russell
Partner
Armstrong Watson

ArmstrongWatson[®]

Accountants, Business & Financial Advisers

A track record of providing solutions to the legal profession





Legal Sector Breakfast Briefing

- | | |
|---------|-----------------------------------|
| 8.30am | - Arrival and breakfast |
| 9.00am | - Welcome |
| 9.05am | - Briefing – Graham Moore, Katchr |
| 10.00am | - Q & A |
| 10.30am | - Close |

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A track record of providing solutions to the legal profession



Better Law Firm KPIs

Actionable Information beyond Fees and Time

Graham Moore, Founder & Managing Director
www.katchr.com



How often does your firm publish KPI Updates?

- ▣ Daily
- ▣ Weekly
- ▣ Bi-Weekly
- ▣ Monthly
- ▣ Quarterly

Does your firm include a measure of profitability in KPIs shared with fee earners?

Do your published KPIs include a
measure of client satisfaction?

Do your published KPIs include a
measure of staff engagement?

KPI

◀ Key

◀ Performance

◀ Indicator

Action

RESULTS FYTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total			
Charged Hours to Clients	7782	7450	7567	8221	7404	8174	8611	7548	6030				68787			
Holidays / Sickness / Courses	1016	940	590	606	871	704	685	573	942				6927			
Recorded Administration	1401	997	993	1166	854	897	891	910	780				8889			
Missing Time	-2375	-1537	-1300	-2143	-1284	-1609	-2212	-1216	432				-13244			
Total Value of Fee Earners Time	£1,210,602	£1,321,439	£1,023,543	£1,273,463	£1,362,222	£1,100,203	£1,202,303	£1,212,323	£1,434,242				£11,140,340			
Less to Administration	£384,973	£301,069	£246,312	£270,277	£250,982	£242,718	£225,093	£211,796	£252,322				£2,385,542	21%	11%	26%
Less Lost to Non Recorded	£-417,196	£-248,152	£-216,334	£-359,301	£-200,861	£-287,088	£-364,206	£-196,682	£58,168				£-2,231,653	-20%	15%	-28%
Available to charge to clients	£1,230,071	£1,150,157	£1,162,514	£1,281,516	£1,133,200	£1,263,285	£1,337,982	£1,165,958	£911,467				£10,636,150	95%	87%	102%
Discounts	£18,983	£10,222	£12,059	£16,884	£11,087	£14,794	£16,736	£13,231	£11,308	£0	£0	£0	£125,304	1%	1%	1%
Net value of time charged to clients	£1,211,088	£1,139,935	£1,150,455	£1,264,632	£1,122,113	£1,248,491	£1,321,246	£1,152,727	£900,159				£10,510,846			
Amount of time written off	£136,355	£506,666	£118,385	£467,181	£94,417	£193,250	£122,597	£236,028	£1,186,335				£3,061,214	29%	28%	31%
Net value of time for charging to clients	£1,074,733	£633,269	£1,032,070	£797,451	£1,027,696	£1,055,241	£1,198,649	£916,699	£-286,176	£0	£0	£0	£7,449,632			
Amounts transferred to Work in Progress	£673,201	£198,566	£689,611	£295,841	£395,319	£437,639	£594,196	£305,802	£-595,443	£0	£0	£0	£2,994,732	40%	19%	38%
Amount available for invoicing	£401,532	£434,703	£342,459	£501,610	£632,377	£617,602	£604,453	£610,897	£309,267	£0	£0	£0	£4,454,900			
Amounts lost on invoicing	£-93,961	£-141,729	£-110,664	£-66,266	£30,056	£-58,387	£1,221	£-32,559	£-16,189	£0	£0	£0	£-488,478	-11%	9%	6%
Final value finishing up as invoices.	£495,493	£576,432	£453,123	£567,876	£602,321	£675,989	£603,232	£643,456	£325,456				£4,943,378			
Prior Year Targets	£529,358	£532,102	£538,913	£537,940	£533,817	£533,817	£540,817	£540,817	£540,817				£4,828,398	102%		91%
Prior Year Actuals	£312,321	£453,232	£546,523	£323,112	£401,543	£411,234	£398,765	£456,789	£412,345	£465,878	£598,765	£654,654	£5,435,161	Average		
Opening Work in Progress	£16,455,978	£17,129,179	£17,327,745	£18,017,356	£18,313,197	£18,708,516	£19,146,155	£19,740,351	£20,046,153							
Closing Work in Progress	£17,129,179	£17,327,745	£18,017,356	£18,313,197	£18,708,516	£19,146,155	£19,740,351	£20,046,153	£19,450,710							

Bills Delivered Analysis

30.06.2015

	NAME	CURRENT MONTH			YEAR TO DATE			FISCAL YEAR		
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
	Employment	3,650	14,833	-11,183	24,015	44,500	-20,485	24,015	178,000	-153,985
	Wills & Probate	2,492	11,667	-9,174	18,731	35,000	-16,269	18,731	140,000	-121,269
	Domestic Property	13,578	15,500	-1,922	30,196	46,500	-16,304	30,196	190,000	-159,804
TOTAL	PRIVATE CLIENT	19,721	42,000	-22,279	72,942	126,000	-53,058	72,942	508,000	-435,058
	IP	81,315	87,583	-6,268	236,540	262,750	-26,210	236,540	1,051,000	-814,460
	Data Protection	20,355	24,583	-4,228	70,846	73,750	-2,904	70,846	295,000	-224,154
	Corporate	9,295	26,583	-17,288	51,783	79,750	-27,967	51,783	319,000	-267,217
	Employment	57,197	59,500	-2,303	144,390	178,500	-34,110	144,390	714,000	-569,610
	Planning	59,722	33,583	26,139	124,943	100,750	24,193	124,943	403,000	-278,057
TOTAL	COMMERCIAL	227,884	231,833	-3,949	628,502	695,500	-66,998	628,502	2,782,000	-2,153,498
	PI	102,946	121,667	-18,720	272,866	365,000	-92,134	272,866	1,460,000	-1,187,134
	RTA	24,069	37,500	-13,431	73,260	112,500	-39,240	73,260	450,000	-376,740
	Clin Neg	82,978	83,333	-355	181,313	250,000	-68,687	181,313	1,000,000	-818,687
TOTAL	LITIGATION	209,993	242,500	-32,507	527,438	727,500	-200,062	527,438	2,910,000	-2,382,562
	Comm Lit	48,806	52,500	-3,694	153,592	157,500	-3,908	153,592	630,000	-476,408
	Disputed Probate	22,984	25,000	-2,016	72,061	75,000	-2,939	72,061	300,000	-227,939
	Insolvency	27,070	34,167	-7,096	76,870	102,500	-25,630	76,870	410,000	-333,130
	Debt Recovery	32,068	28,333	3,735	76,051	85,000	-8,949	76,051	340,000	-263,949
TOTAL	COMM LITIGATION	130,928	140,000	-9,072	378,574	420,000	-41,426	378,574	1,680,000	-1,301,426



“In times of change, learners inherit the earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists”

Eric Hoffer



KPIs To Drive Action

Aligned
with
Objectives

Balanced

Future
Focused



Aligned with
Objectives





Goal

Objectives

Strategy

Tactics



S

Specific

M

Measurable

A

Agreed

R

Realistic

T

Time Based



My objective is:

KPI is:



My objective is:

Grow fee income by 20% in next 12 months

KPI is:

Fees versus target



My objective is:	KPI is:
Grow fee income by 20% in next 12 months	Fees versus target
Increase focus on local New Media organisations, such that they represent 20% of new business by the end of the year	??

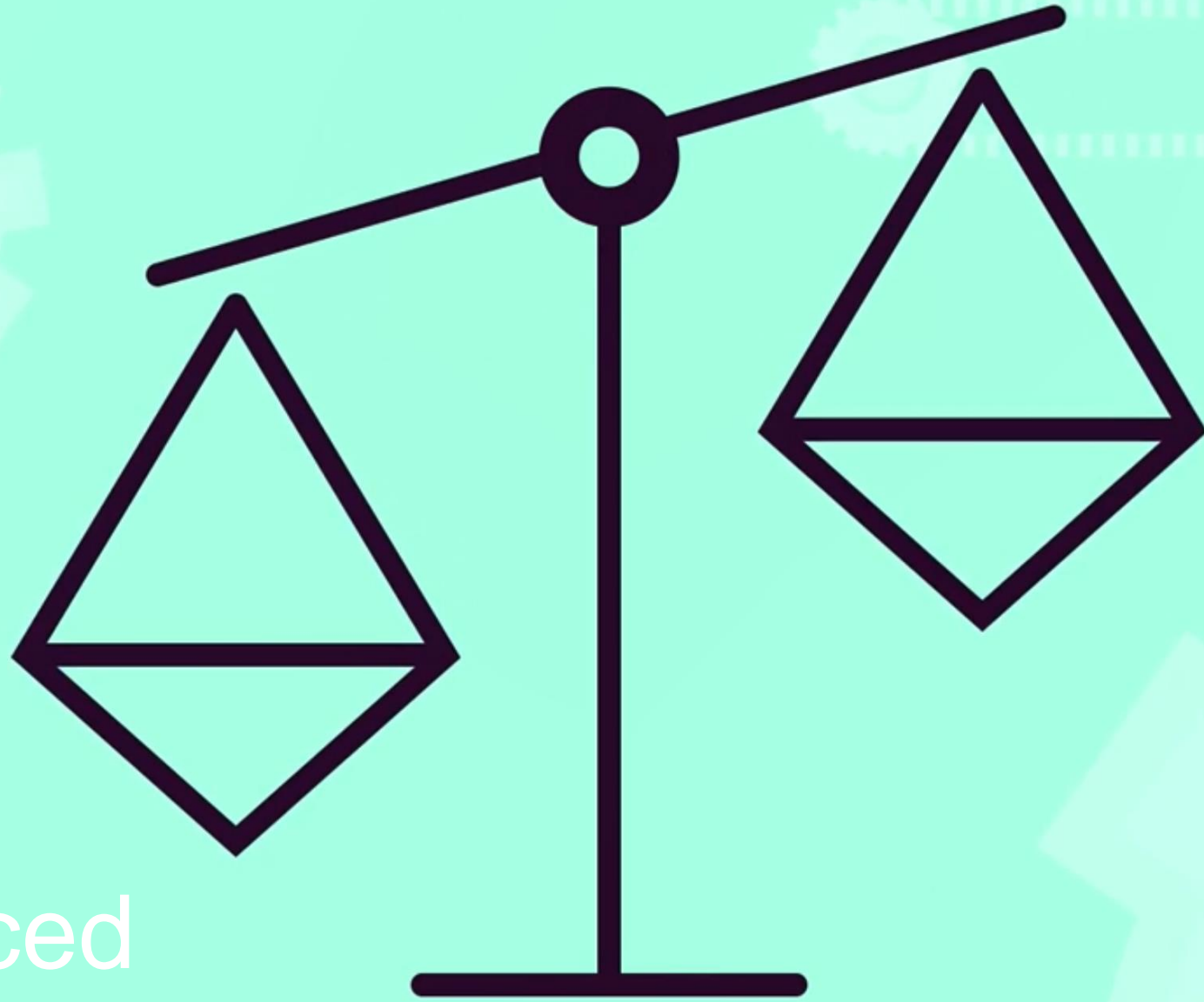


KPIs To Drive Action

Aligned
with
Objectives

Balanced

Future
Focused



Balanced

*“You get what
you measure”*

Clients

Satisfaction

Source

Finance

Profit

Cash

Process

Quality

Turnaround
Time

People

Engagement

Turnover

KPIs To Drive Action

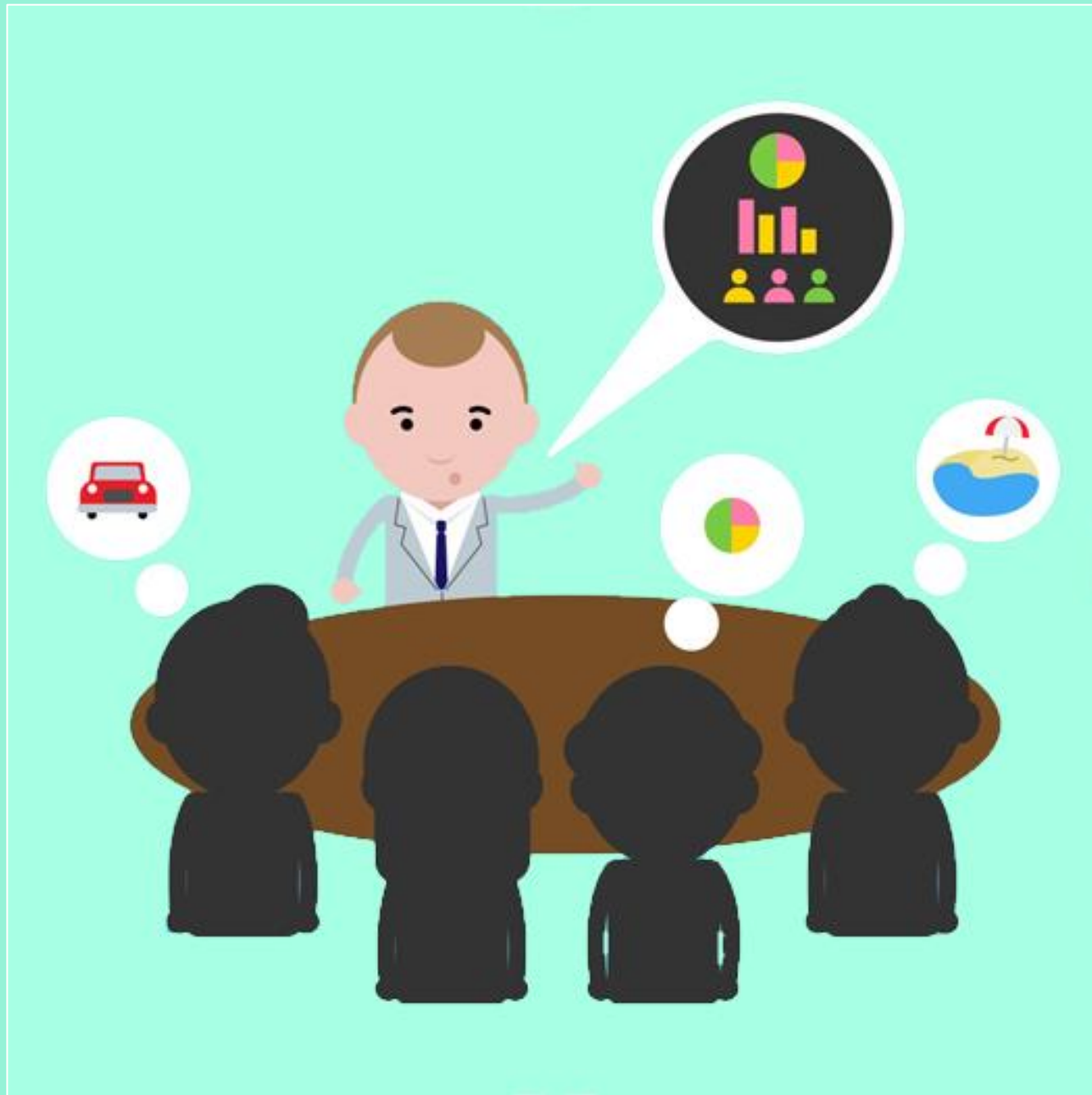
Aligned
with
Objectives

Balanced

Future
Focused

Future Focussed









Customers

- Net Promoter
- Conversion Rate
- Customer referrals

Finance

- Sales from new customers
- Sales from new products (services)

Process

- Turnaround time
- SLA Achievement

People

- 360 degree feedback
- Staff referrals



KPIs To Drive Action

Aligned
with
Objectives

Balanced

Future
Focused

Examples

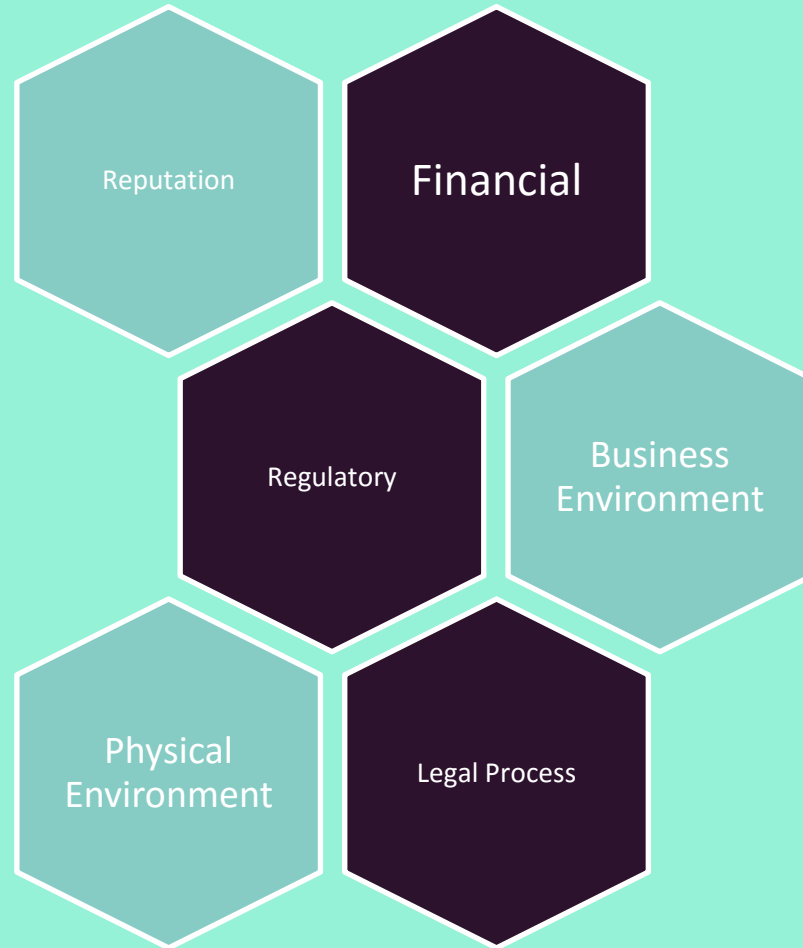


KPIs to
minimise Risk



Measuring
your Marketing

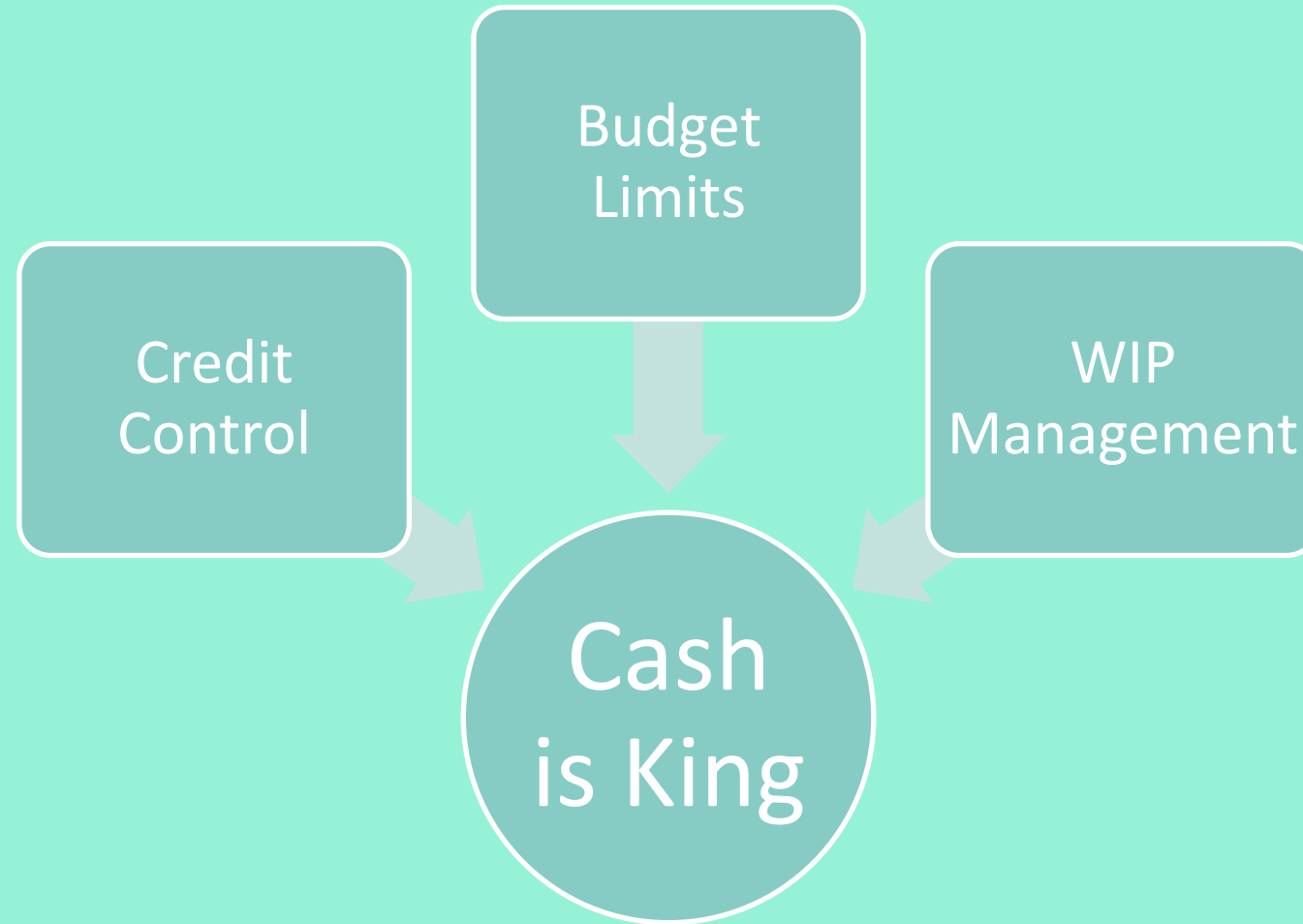
What's the risk?



Monitoring Risk



Monitoring Financial Risk



Monitoring Regulatory Compliance

SRA Accounts Rules

Anti-Money Laundering

Complaints

Data Protection

Monitoring Legal Process

Terms of
Business

Client Care
Letters

Risk
Assessments

File Reviews

Undertakings
Discharged

Limitation
Dates

KPIs - What does good look like?

Record the data

Don't use
spreadsheets

Combine data with
business rules

Examples



KPIs to
minimise Risk



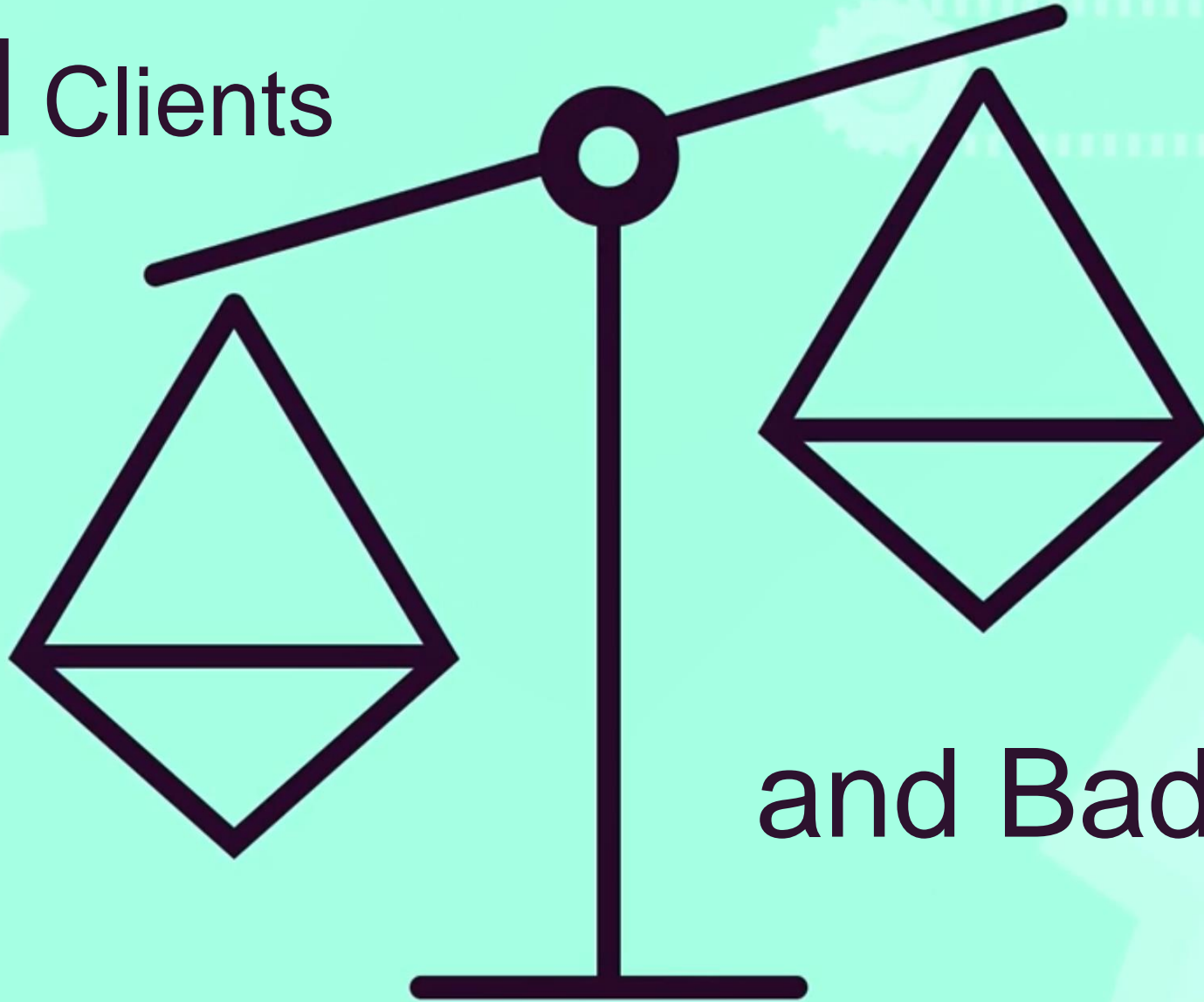
Measuring
your Marketing

Objectives

Understand our clients

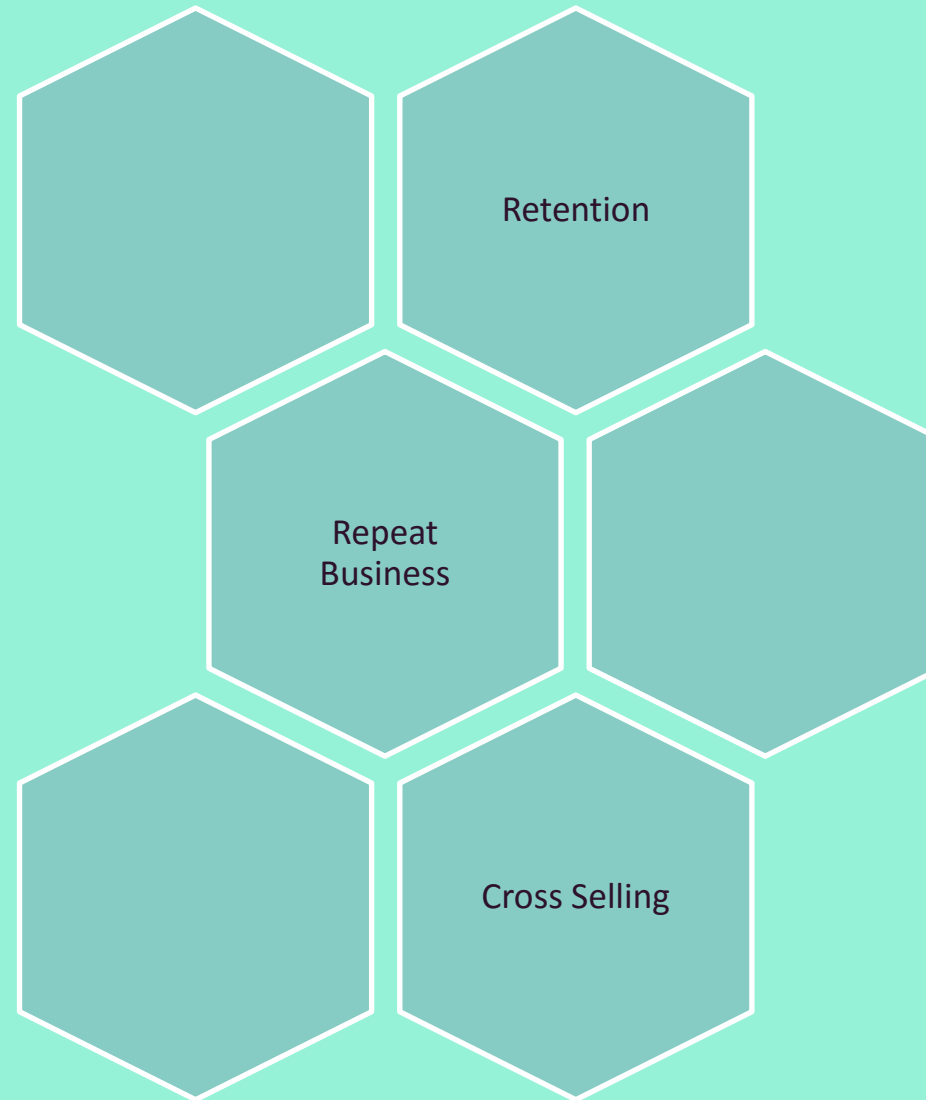
Refine marketing spend

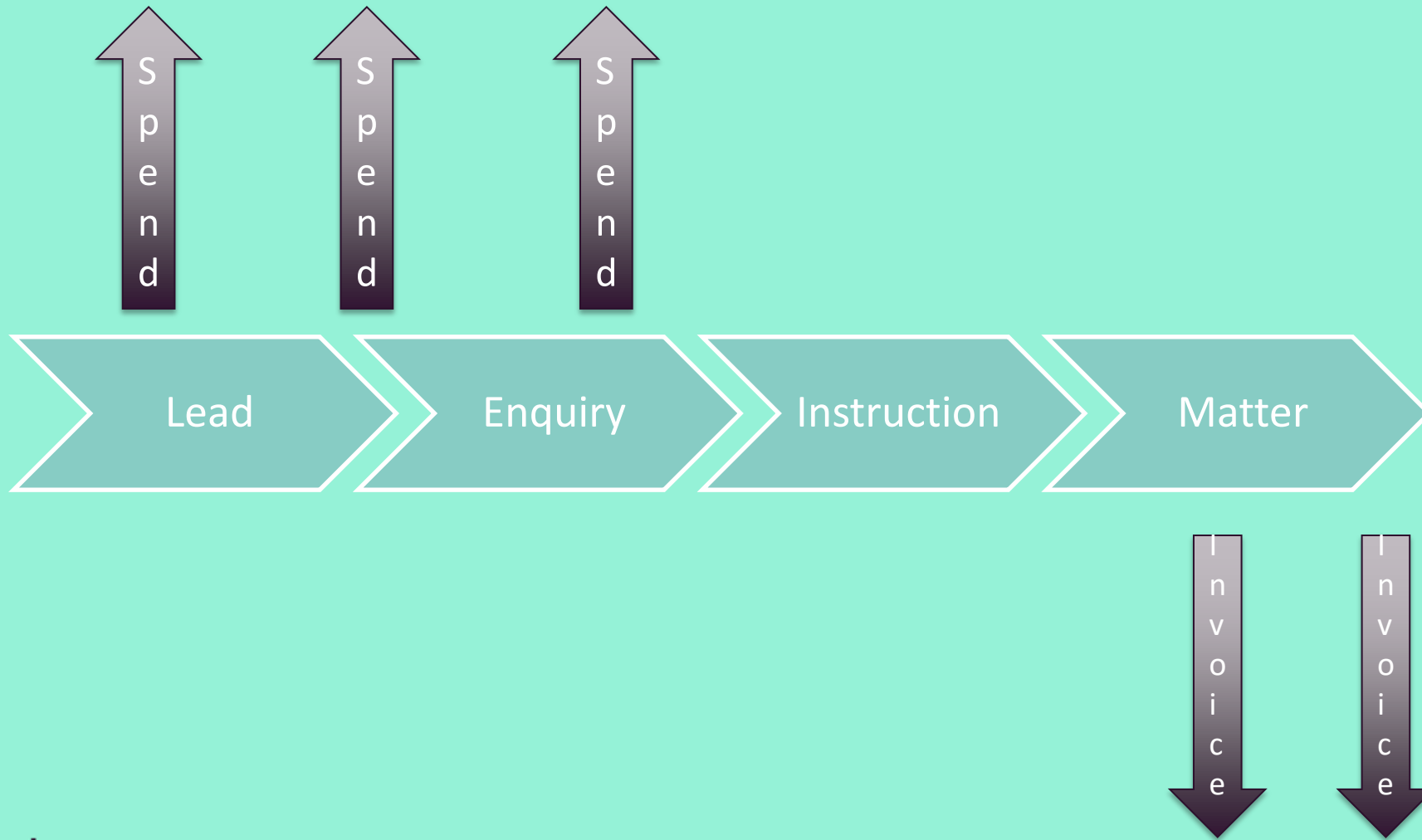
Good Clients



and Bad Clients

Client Analysis





Examples

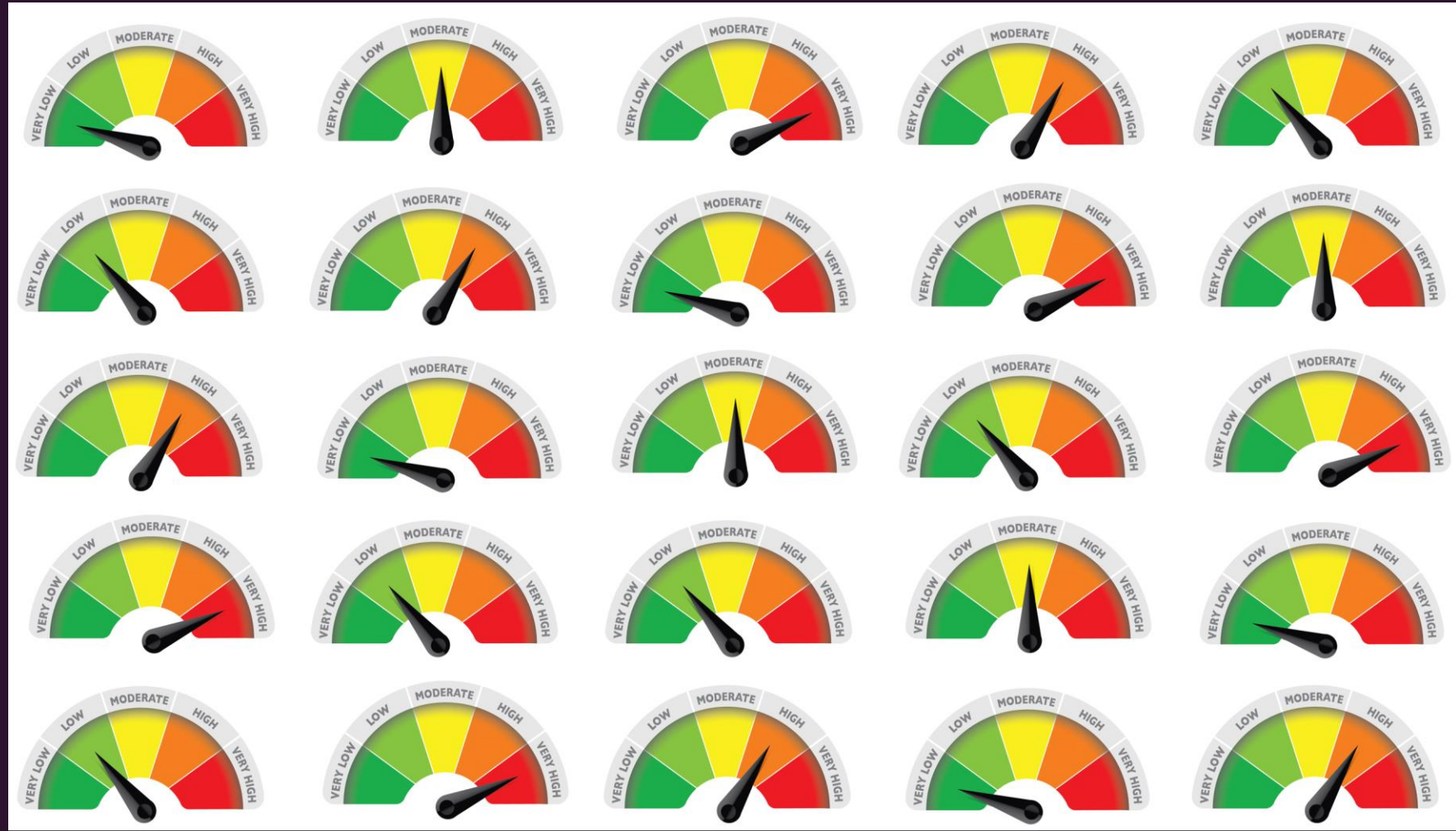


KPIs to
minimise Risk



Measuring
your Marketing

KEY Performance Indicators



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Company Overview

Moore & Dopson LLP

Analysis

< Group Office

Search...

All Groups

Commercial Services

Litigation Services

Private Client Services

Customers

Conversion Rate	76%	80%	
Customer Referrals	324	500	

Finance

	MTD	YTD	
Fees Delivered	£1,332,581	£15,857,026	
Recovery %	86%	85%	
Profit	£1,332,581	£15,857,026	

Process

SLAs **86%**

People

Staff Engagement	76%	
Staff Turnover	3%	

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Graham Moore, Founder & Managing Director
www.katchr.com





Legal Sector Breakfast Briefing

Questions and Conclusion

Alan Goodwin
Relationship Manager
Clydesdale Bank



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