



# Legal Sector Breakfast Briefing

Wednesday 24 September 2014

This briefing qualifies for 1 hour CPD – Authorisation Ref: EKQ/ARWA





# Legal Sector Breakfast Briefing

Welcome

Simon Coatsworth  
Chief Executive  
Zenith Chambers





# Legal Sector Breakfast Briefing

Introduction

**Andy Poole**  
**Legal Sector Partner**  
**Armstrong Watson**



# Legal Sector Breakfast Briefing

Wednesday 24 September 2014

8.00am	-	Arrival and breakfast
8.30am	-	Welcome
8.35am	-	Briefing – Planning the strategy
9.30am	-	Q & A
10.00am	-	Close



# Planning the strategy

Viv Williams

360 Legal Group



**‘More than 1,000 small legal practices go under’**

*Begbies Trainer, September 2013*

**‘1 in 3 firms in financial difficulty’**

*PWC, October 2013*

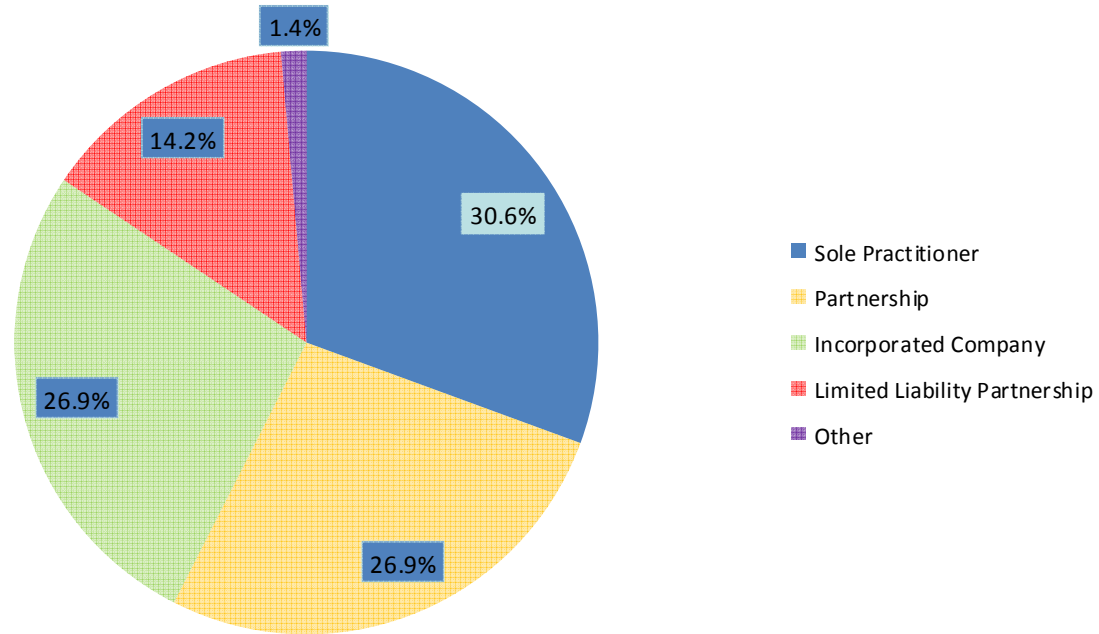
**‘Number of law firms dips to new low’**

*SRA, October 2013*

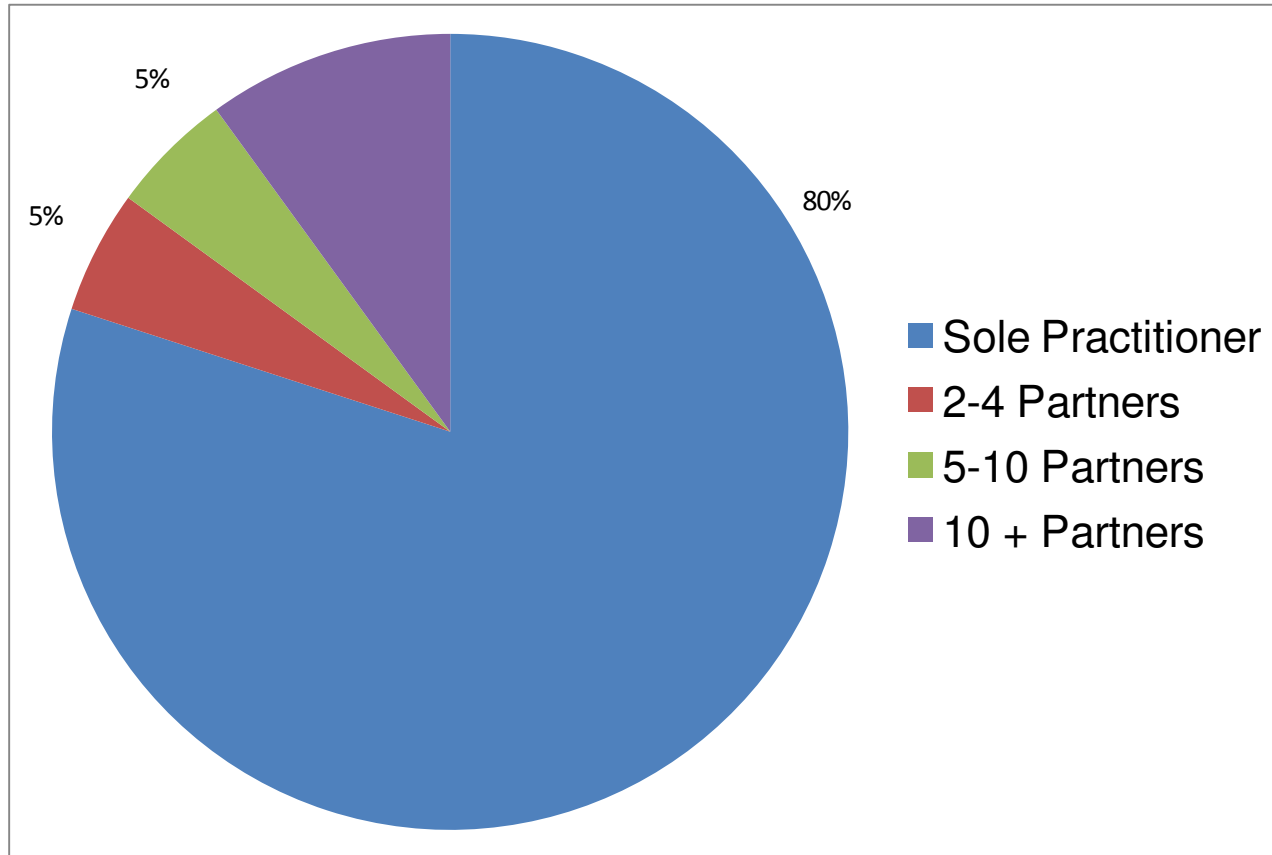


# Overview

**Breakdown of Solicitors Firms: January 2013**



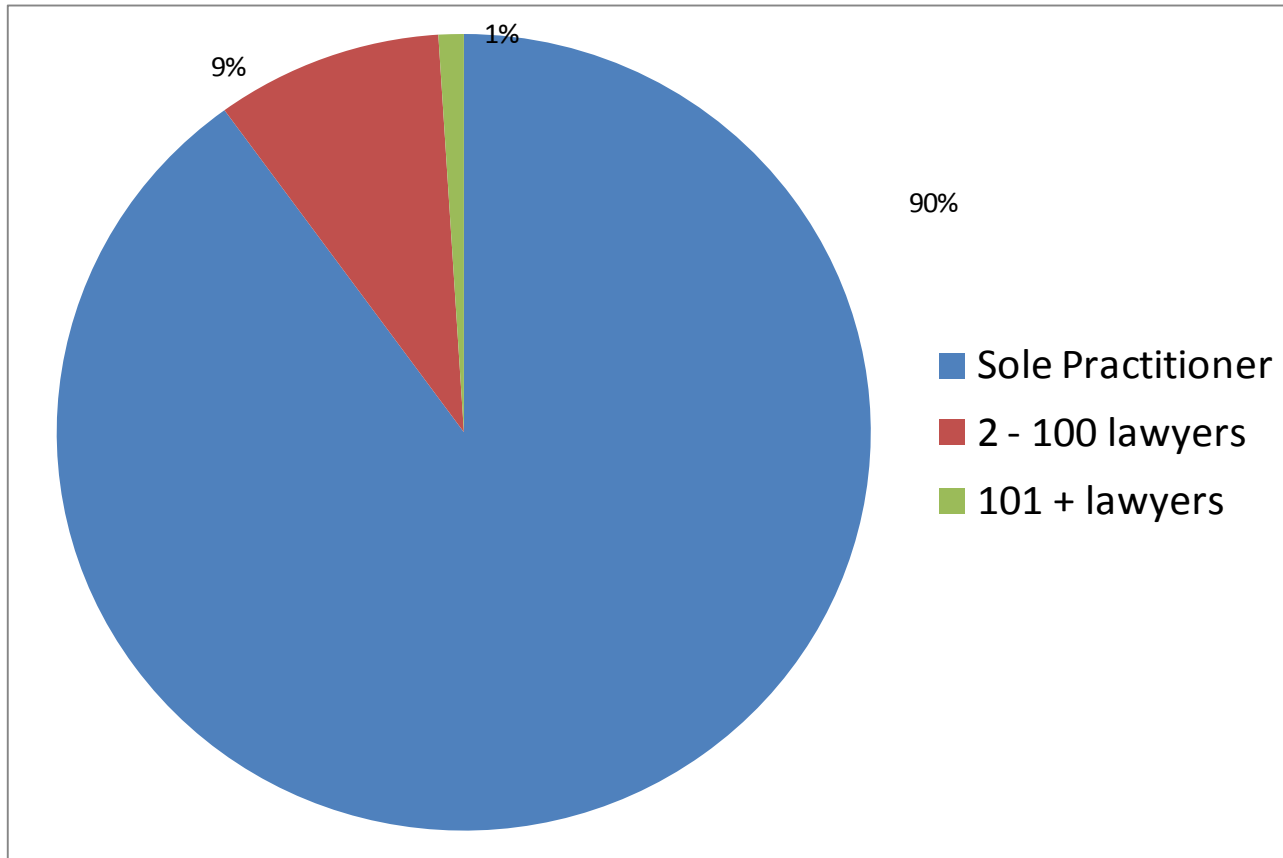
# Solicitors 2019





# US solicitors 2012

460,349 firms and 412,786 Sole Practitioners



# Catalyst for change

- PI renewals
- Bank and Basle III
- 3000 firms to merge/fail/close
- Failures
- Mergers
- Cost of intervention



## **Principle 8**

- You must run your business or carry out your role in the business effectively and in accordance with proper governance and sound financial and risk management principles



# The challenges

- Partnership model unfit for purpose
- Age of partners
- PII – historic issues
- Lockup and cash collection
- Not merger ready
- Office space
- Marketing and networking
- Inconsistent recording of time



# How to add value

- Decide on your business model
- CQS
- Lender panels?
- Value pricing your service



# Driving down costs

- Processes
- People
- Outsourcing and off-shoring



# Advantages of retaining your independence

- Vastly changing marketplace
- Survival of the fittest
- Adding local value



# Survival Tactics

- Corporate structure and governance
- Buying goodwill
- Agree an exit strategy for 50% of the Partners
- Prepare for merger/acquisition
- Realising the WIP and debtors
- Layering finance



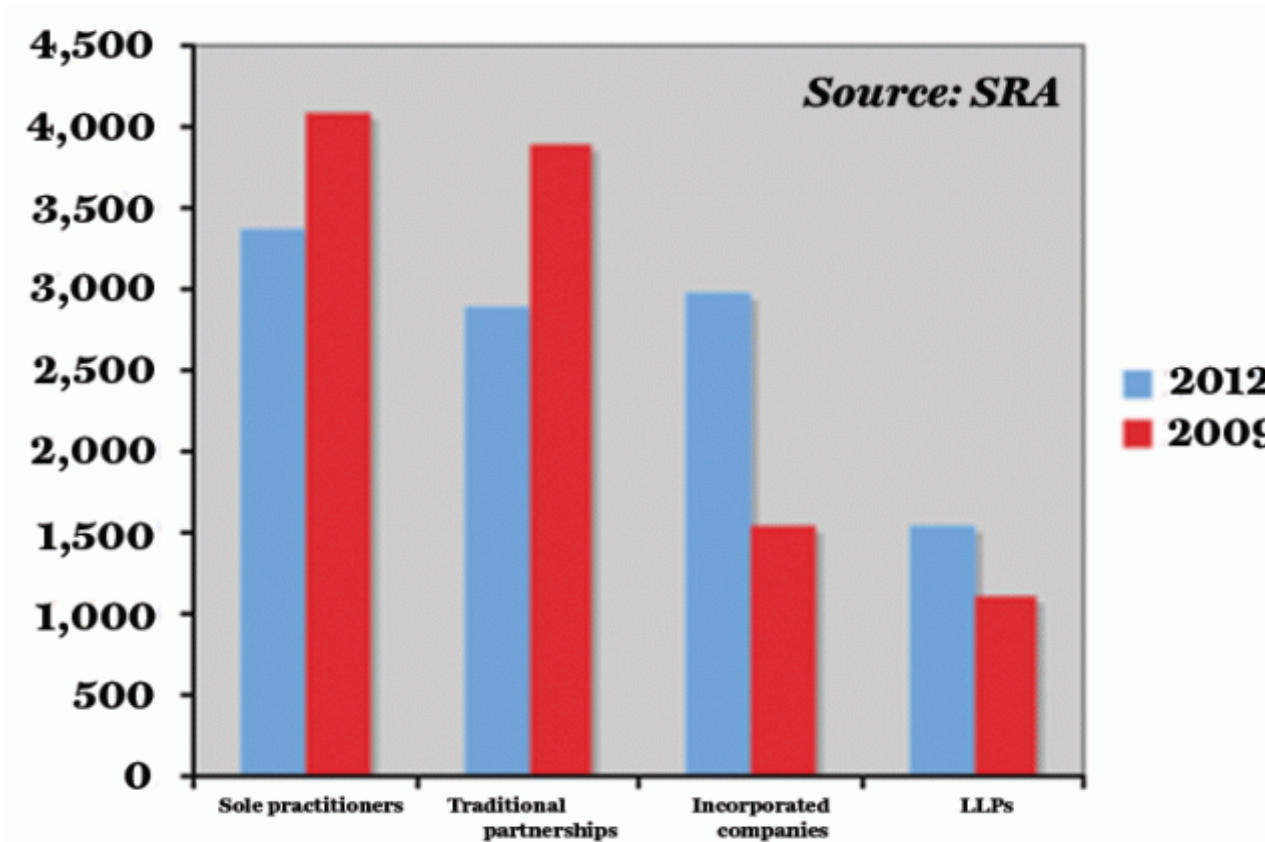


# Practical Solutions

- Using Principle 8 as your strategy
- Building the value of the 'solicitor' brand
- Each department as a profit centre
- Charge, bill and collect
- Value pricing
- Setting a credit control policy
- Reducing lockup
- Managing the bank



# Snapshot of a changing profession



**Time to focus.....**





Legal advice  
Customer contact  
Business development



Form filling  
Standard letters  
Repetition  
Dictation  
Manual number crunching



# Practical Solutions

- The true value of time
- Fixed fees do not mean ‘cheap’
- Reducing risk by cloud technology
- Review of people and places



# Retaining independence...

- Developing services to meet clients needs.
- Growth of the CEO and Non-Executive Director
- Survival of the fittest – people and services
- Developing a value strategy
- External help



Viv Williams  
360 Legal Group





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## Questions and Conclusion

Ian Appleby

Relationship Director

RBS

