



Legal Sector Breakfast Briefing

Wednesday 28 January 2015

Planning the strategy

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

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Legal Sector Breakfast Briefing

Welcome

David Hannon

Managing Partner, iFS, Clydesdale Bank

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Andy Poole

Legal Sector Partner, Armstrong Watson

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Wednesday 28 January 2015

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

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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

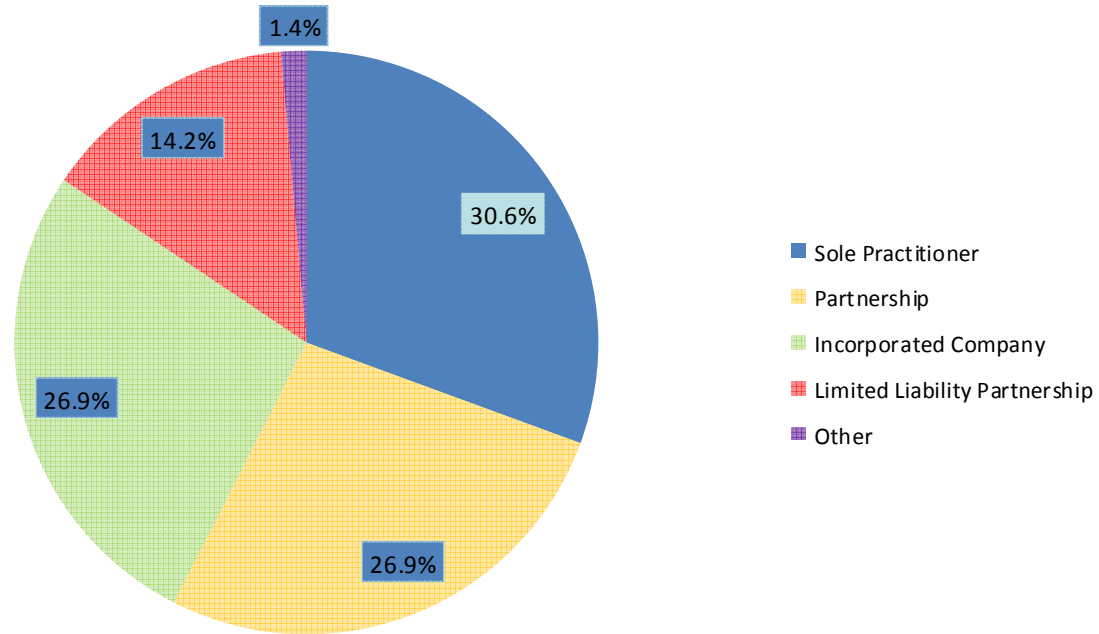
‘Number of law firms dips to new low’

SRA, October 2013

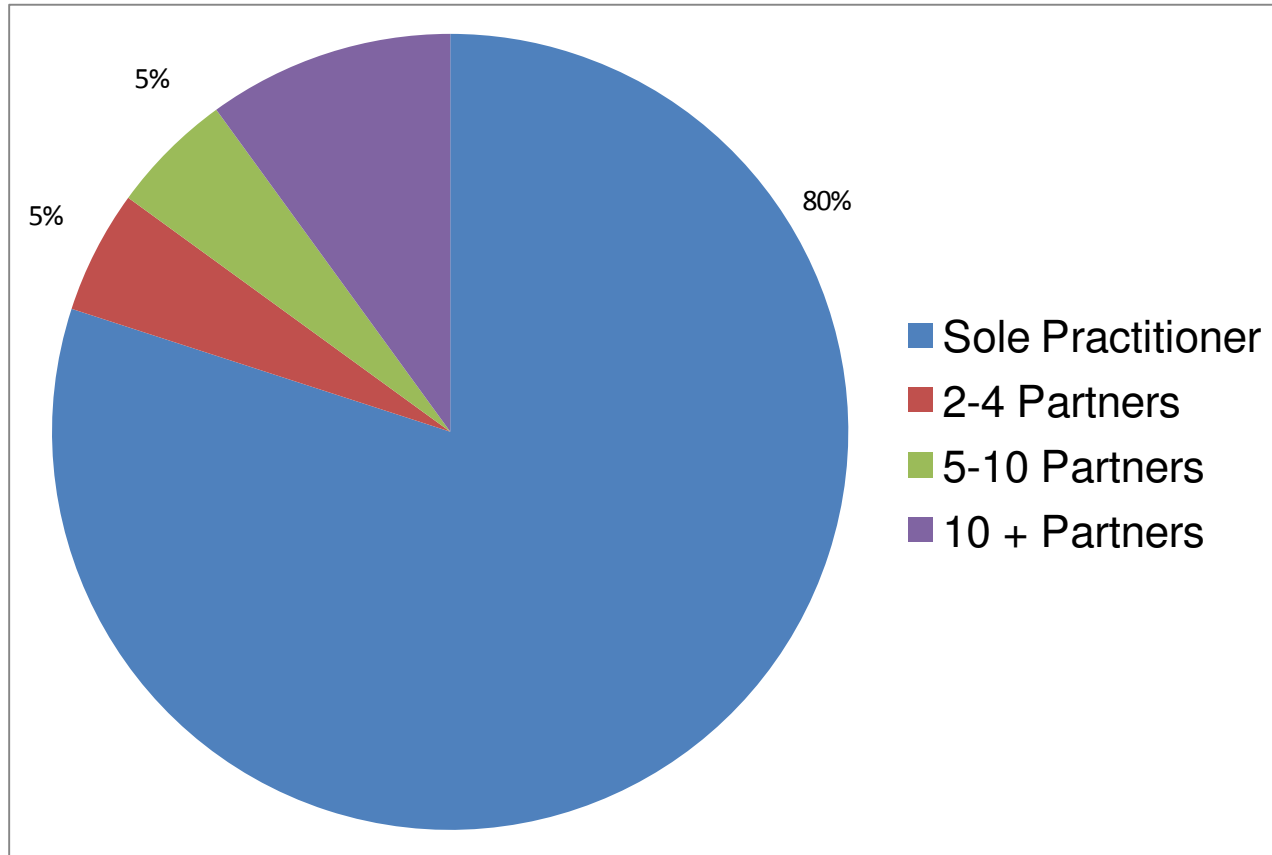


Overview

Breakdown of Solicitors Firms: January 2013

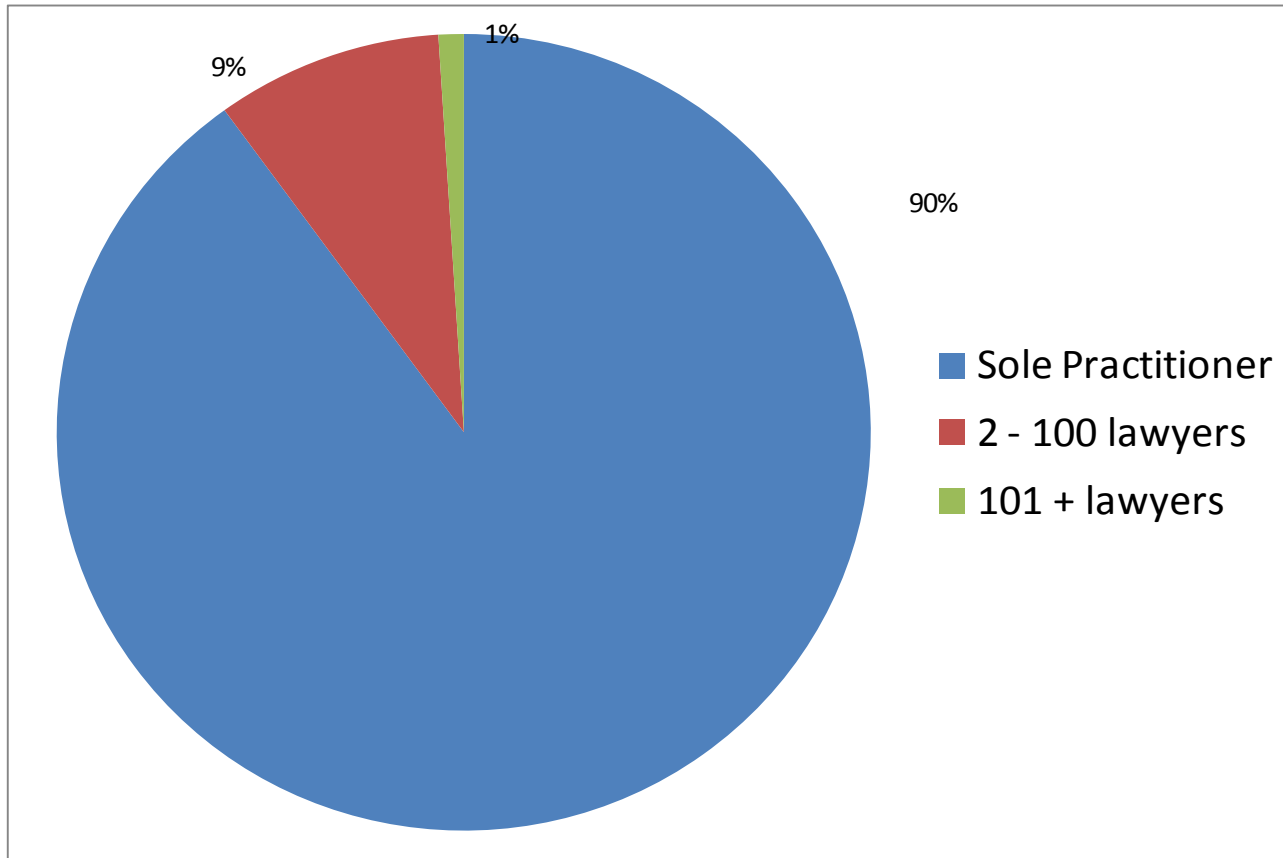


Solicitors 2019



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

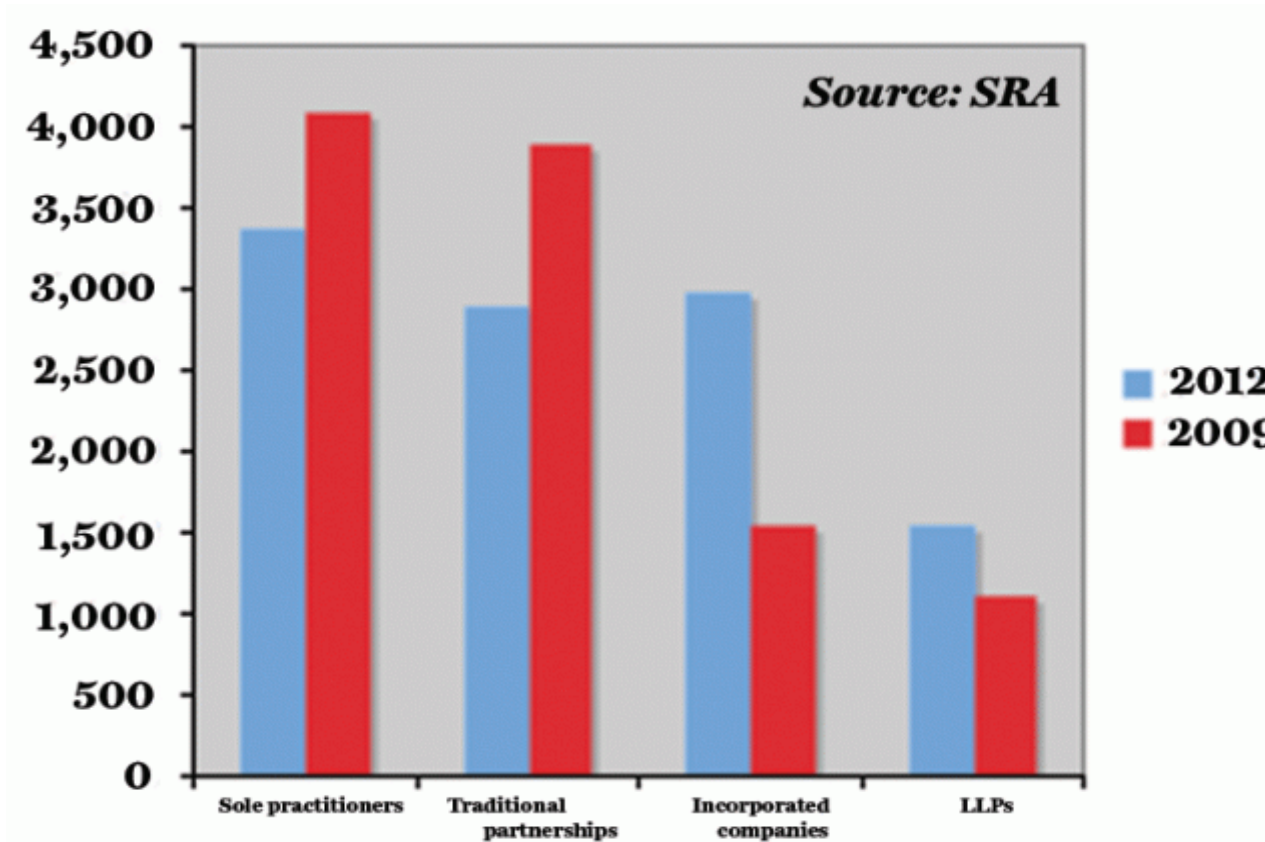


Practical Solutions

- 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

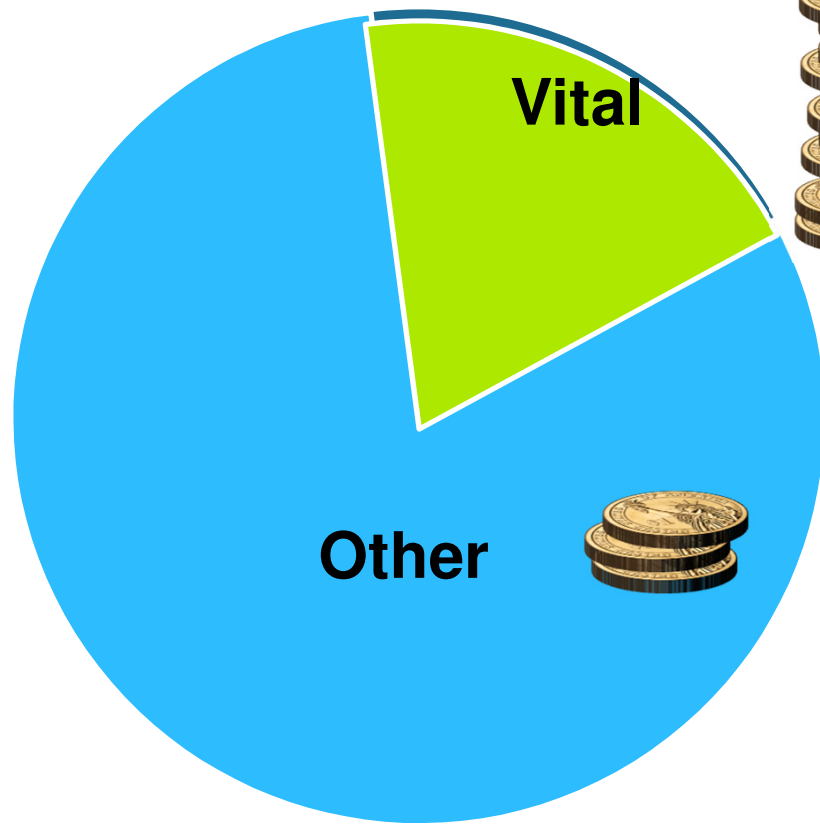


Snapshot of a changing profession



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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Conclusion

David Hannon

Managing Partner, iFS, Clydesdale Bank

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we're with you...