

## In This Issue

- [Successful Partnerships](#)
- [Performance Remedies](#)
- [Performance Indicators](#)
- [Your Views - Cash Management for Law Firms](#)

## Also This Month

### In-House Training

Our CPD accredited training can be a cost-effective way to ensure you achieve results throughout your firm that will impact on bottom and top lines. [More information.](#)

### The Profitable Partnerships Programme

This law firm business development programme helps partners and key solicitors to measurably and sustainably improve business development performance and profitability. We deliver tracking of performance across a range of key indicators, from new clients and instructions to monthly billing rates. [More information.](#)

### Blog

Get involved in the debate - read our posts on the issues and challenges confronting your industry, and provide your own opinions on our [Blog](#).

### Cash Management for Law Firms – Ark Group Sector Report

Recognising our expertise in the area, Wilkinson Read & Partners have written a definitive sector report on Cash Management for Law Firms. The report, available [here](#) from publishers the Ark Group, addresses in detail the cash flow challenges

Saturday October 26, 2013

## Successful Partnerships

Dear Associate,

This month Barry Wilkinson addresses the related issues of remedying underperformance in law firms and measuring performance on an ongoing basis using KPIs.



As ever, any comments or shares are gratefully received.

The WRP Team.



[back to top](#) ↑

## Performance Remedies

Law firms are complex organisations, with success – and underperformance – rarely attributable to just one or two factors. In diagnosing and remedying chronic underperformance, managers must focus on those things they can influence – they should ‘control the controllables’.

### System and Process

The complex dynamics of the legal market in recent years have left those firms employing inefficient processes and outdated systems even further behind the competition, often lacking clear management information or the processes to foster cooperation.

### Strategy and Direction

For some partners the realities of a much more challenging and crowded marketplace are yet to fully hit home, the consequence of which is that clarity on strategy, roles and performance objectives can be lacking.

This can lead to an absence of leadership and direction – to firms drifting, without a clear sense of the clients they are seeking to serve or their own key differentiators in their market.

### Rapid Growth Syndrome

Aside from the ‘overtrading’ trap into which many businesses fall, growing too quickly can lead to management and staffing structures that are no longer aligned with the profile of the firm.

facing legal firms of all sizes, and details specific strategies for improving cash management and achieving rapid yet sustainable results.

---

## Forward

Know someone who might be interested in the email? [Forward this email to a friend.](#)

---

## Unsubscribe

If you no longer wish to receive this email [please unsubscribe.](#)

In practice this means that responsibilities and accountabilities can quickly become unclear and staff engagement soon suffers.

### Urgent and Important

Because the underlying causes of underperformance are often complex and interrelated, they are not immediately obvious and may not be identified until problems become chronic.

The priority must be to identify both the urgent and the important issues – and to address the urgent while coming up with longer term, sustainable solutions to the important.

Please email [barry.wilkinson@wilkinsonread.co.uk](mailto:barry.wilkinson@wilkinsonread.co.uk)

[View full article](#)

[back to top](#) ↑

---

## Performance Indicators

One of the main problems contributing to underperformance is that consideration is only given to performance measurement once it becomes clear that there is a problem. In many cases, this is simply too late.

### Unlocking Potential

Even where there is no ostensible problem and the partners make very healthy profits, there is often the potential to improve performance.

However, the difficulty comes in identifying ways to measure and analyse performance, and thus to improve it. This is where Key Performance Indicators (or KPIs), which have been commonplace in many other industries for many years, can make a real difference.

It can be tempting to range too widely. However, trying to focus on too many different factors will result in overwhelming data and the results will be close to meaningless.

It was recently announced that NHS trusts will be assessed against 150 different indicators, but it is hard to see how such a wide range can allow management to focus on the big issues.

### Unblocking the Pipeline

We like to keep things simple using the analogy of a pipeline. Clients and instructions flow in at one end, with work being done in the middle, and bills raised leading to cash at the end.

To really make a difference to performance, we try to focus on just four key measures:

- New matter take-on
- Time recording (eliminating leakages)
- Recovery (eliminating leakages and minimising discounts)
- Time elapsed from matter start to completion (eliminating blockages)

The specific figures used under each of these KPIs will vary

from firm to firm, often from department to department, and even between work types.

But by homing in on the key areas that have the most significant impact on profitability, partners can turn performance management from a perennial headache into a tool that has a real impact on the bottom line.

Please email [barry.wilkinson@wilkinsonread.co.uk](mailto:barry.wilkinson@wilkinsonread.co.uk)

[View full article](#)

[back to top](#) ↑

## Your Views - Cash Management for Law Firms

---

Regular readers will remember that in 2009 we sought your views for the first edition of Barry Wilkinson's book, Cash Management for Law Firms, published by Ark.

We are now revisiting the issues for the second edition of [Cash Management for Law Firms](#), and would be very interested to hear your views on the subject - and how the situation may have changed for law firms in the past four years.

If you would like to contribute your views, please contact [barry.wilkinson@wilkinsonread.co.uk](mailto:barry.wilkinson@wilkinsonread.co.uk).

Many thanks in advance.

[back to top](#) ↑