



KMS ProfitPower Tips for Lawyers™



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www.lawfirmprofit.com

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Increase Your Profit Results Dramatically! Reading Time... only 9 minutes

Robservations

Welcome to the February 2009 edition of "KMS ProfitPower Tips for Lawyers"

It's of course hard to escape the mass of doom and gloom information in the general media as most of the world works its way through the current unprecedented financial crisis.

The Profession certainly is not immune from black clouds and has, if anything, more than its share of pessimists.

What I am finding particularly rewarding however is that the vast majority of firms I'm working closely with are extremely positive, and are simply getting on with looking after clients, business and private.

It is time to increase Business Development activity well beyond the normal desirable strong levels...and I have devoted a proportion of this edition to that topic.

2009 will be an even worse period than normal to be unnecessarily carrying "passengers".

One of the more frustrating issues I see in practices throughout any year is the crazy level to which seriously unproductive staff members are not dealt with. Almost always my approach is to direct attention to how the problem can be fixed while retaining the individual. Usually it is simply a case of identifying the scope of what is usually a large problem, and putting in place plans and strategies to rectify the problem as soon as possible.

Almost always neither management nor the individual were fully aware of how unproductive the individual was...so a proper agreed KMSWorkPlan™, and initiatives to increase flow of Client file work to create the KMS "healthy backlog", are all that's needed to begin transform the situation.

If it turns out that the individual and the firm would be far better placed if they

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were to part company... then do it professionally, properly, promptly, in the best interests of all concerned.

Governments are quite properly urging businesses to keep good staff for the good times to return, but don't fall in the trap of including those who should have been moved on even during the good times!

Of course, and particularly relevant to 2009, there will be opportunities to reduce hours/days to match the individual's preferences, actual workloads etc...and in many cases this agreed approach can be hugely influential in impacting the productive/unproductive balance.

I trust that you enjoy the read this issue, and find it both thought-provoking and useful to you in practice. Please feel free to e-mail me any feedback by clicking this link...

RobKeditor@lawfirmprofit.com

I wish for you that 2009 is a far better year for you than many of the pundits are predicting...and agree whole-heartedly with the thoughts of a client I was in discussion with in the last few days, who pointed out that much of what happens to

us all in 2009 will be much more in our own control than we often like to admit!

A quick reminder that where relevant you and your professional employees should be entitled to claim MCLE/CPD points for all practice management training from KMS...whether it be on-site, in seminar, on the telephone or by email...the manner of delivery should not be particularly material.

Each jurisdiction has its own rules and guidelines for its compulsory professional education programme... and subject to checking for yourself, and discussing with me any queries, you should find that this is a major additional benefit for you on top of the experienced practical advice on law firm success we offer you.

Finally...in looking for areas in which you can prune costs in 2009 be sure not to slice into "muscle, bone or blood vessel".

Law firms run pretty lean on expenses at the best of times and a small investment in truly experienced professional help has in the past often proven to be a much smarter move.

In this regard we are happy to advise that membership of KMSManagementSupport™ for new member firms will be held at 2008 levels for at least the first 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.

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

ExpressinterestKMSMS@lawfirmprofit.com

The Editor, Rob Knowsley, is a lawyer, admitted nearly 35 years, who practiced successfully with firms of all sizes – city, suburbs and country... in Australia and New Zealand. As KMS Senior Consultant, his insights are further based on the experience of twenty one years of consultancy assignments, and telephone/e-mail support, for lawyers...in all areas of practice management and profit building. Many practices have quickly reaped the monetary benefits and enjoyed the feeling of being in more control of their business through his practical help...as multiple referees attest.

Experience Powerful Profit Benefits with KMS Management Support™

A very cost-effective management advice service which draws on experience acquired in 1,093 legal firms of all types and sizes across all states of Australia, and NZ.

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Tough Times Call For Smarter, More Professional, Credit Control...

Here's a simple but critical "watch-out" for 2009...

In my observation far too many lawyers are managing to look moderately busy on Client file activity and even fees rendered, but have appalling levels (and average ages) of Debtors, and are eventually writing off far too much.

Anyone can get "work" from "clients" who don't pay proper fees in full on time... but it's not good for the health of your business or your own sanity.

The KMS definition of "client" is someone who needs your assistance, takes your advice and values it, and pays your fees in full on time.

As 2009 unfolds there will be many people taking up your valuable time who do not meet this definition and you owe it to yourself and all stakeholders in your business to have sensible systems to weed these people out early before they can do you any damage.

It is frankly shocking the extent to which some lawyers are still doing major work on a "wing and a prayer" basis as far as credit control goes...so they appear to be busy...even send out good bills, but have ridiculously poor cashflow and

very modest profits...

Apart from the fact that it doesn't make any commercial sense to do it... the reality is that you don't need to do it at all... and you don't need to allow untrained and unsupervised staff (or partners!) to do it either!

Some basic tips...

It is possible to set up Client Engagement in such a way that at that the same time as offering, and achieving, increased professional reassurance for the clients you decide to keep or take on...you can eliminate from your workload all those who do not deserve your efforts on their behalf. Ironically the clients you do end up with will provide far better repeat and referral business too.

It is a clear step by step process which done properly up front is easy enough to do, saves confusion, time and worry and ensures that cash moves properly to you for your efforts.

- ◆ Establish clearly who the client is...
- ◆ Discuss with the client what the client's particular objectives and desired outcomes are...note these in writing and assess

whether you consider they are achievable...

- ◆ Assess whether you can actually do the job...do we have the skills?
- ◆ Assess whether there are any particular risks in taking on the job...
- ◆ Does the client have a particular timeframe and is it reasonable?
- ◆ Make sure you get clear client commitment to the job ...
- ◆ Discuss your key terms, and arrange for them to be confirmed in writing and accepted...
- ◆ Establish when and how you are going to review progress and report to the client, and communicate this clearly...
- ◆ Get any agreed retainer amount in...and any Client Service Agreement actually signed and in your possession...
- ◆ Set in place a strategy for managing the job and where relevant get it started yourself or adopt a quality delegation process...

Major Areas Where the Engagement Process Can Run Into Difficulty

Not following the system and having the confidence to eliminate problem prospects at the outset. This is tied to the point made about not every prospect being an acceptable client.

Taking on jobs beyond your skills.

Under-estimating likely fees... whether for a stage or in total

Failure to get a commercially sensible retainer/Deposit at the outset.... getting a nominal figure or

a figure to go towards Disbursements only is almost always a waste of time and dangerous.

Failure to take client through the key elements of the process and the documentation up front and face to face if possible... this is in our experience far more effective and courageous than merely sending out the documentation and telling the client to read it...few ever will!

Failure to ensure clients understand

the "Topping Up" process...whereby they pay all bills as rendered on time, even where there is a Retainer held... so the Retainer balance is always restored to its original level until the final bill is rendered.

Failure to contact the client and communicate effectively where the client has not met his obligations... and this includes a failure to broach the issue of ceasing work until the client meets those obligations.

Experience Powerful Profit Benefits with KMS In-House Training

Click below for a list of suggested topics for In-house training...
Extraordinary value at a very reasonable cost per head... inhousetraining@lawfirmprofit.com

Revving up your Business Development in Tough Times...

We are probably all going into some tough times we have been well warned about. Don't take any old bad habits in Engagement Management and credit control along for the ride with you... clear the decks and get the proper system in... or it could be an unnecessarily rough ride!

KMS Clients and regular readers will know that I strongly advocate that Principals and Associates, and lawyers at any level who prove themselves capable, should be doing at least an hour a day of Business Development. Team members with a particular aptitude should be doing more.

People who can bring in desirable work, by expanding work from existing clients and referral sources and introducing new ones, are actually much more important to the business than the lawyers and other fee-producing team members who are essentially limited to doing legal work, and being trained to do a wider range of it well.

Newer lawyers are generally (there are always exceptions to prove the rule) less effective in Business Development, and should therefore be spending most of each working day with a delegated healthy backlog of Client file work.

People who can do the Business Development well should be devoting more time to it, and have appropriately reduced WorkPlan™ hours allocated to Client file work and fee-producing.

Now is the time for those who can do it well to beef up their levels of activity, without accidentally sending a message that you're panicking. You will not be alone in trying to pick up more business this year so it's important to get it right and to be properly differentiated from the pack. Expensive advertising, whether traditional or attempting to be "cute", is not where I advocate you be at!

A word of warning...it's important not to overtly "sell"...as that is likely to distract your contacts, or cause them to put up the shutters...quite counter-productive! Err on the side of providing

your clients and contacts with lots of useful information that demonstrates your experience and helpfulness.

My experiences around the KMS Retainer firms demonstrate that there are still many people and businesses that need assistance to maximise their opportunities or to protect themselves from disaster...possibly more than ever.

The biggest error most lawyers make is going about Business Development in the wrong way...and that will no doubt happen in spades in 2009.

It's important to understand that building up a business is about building on existing relationships and then about commencing enough new ones to sustain you.

The thinking about how to go about it is the same as always... irrespective of the types of work you would like to increase your business in...scope the situation generally, identify real client/prospect needs, select a communication approach or two then test, test, test... eventually settling down to a proven formula.

Targets are...

Clients and contacts within clients who are suitable... depending on their role and likely interest and current/future ability to give work or make a referral...

Suitable "public"... eg: the businesses and individuals who operate in such an environment that they are likely to need your assistance sometime and will benefit from understanding the benefits of the alternative service options you provide...

How to reach the public...

Direct by advertorial or editorial article in suitable media such as various existing websites (not just your own), newspaper, magazine, journal, association newsletters etc.

Via classes of people who may be referrers... eg: Accountants, other suitable professional advisers etc... look at your past referrals history and extrapolate from them to the wider numbers in that category... and they

can be targeted via email or newsletter in hard copy... test what gets the best reception...

Also there may be scope to run business briefings for suitable targets who are in any of the above groupings... eg: An hour from say 7.45 to 8.45 at your office or a suitable central venue... central to where the target audience is... coffee, breakfast snacks and fruit juice... market these by email and there's no substitute for careful testing... if it was always falling off a log stuff everyone would be doing it...

Look for opportunities to address suitable audiences of suitable people... eg: business groups... the people charged with organising these things often need lazy solutions... I have some where I get invited to speak every year! Large conferences are planned well ahead so get in early... but opportunities abound...

The mantra I promote comes from eons back... Emerson... "Make yourself useful and the world will give you bread".

No need to overtly sell anything... just be the freely helpful expert who makes people aware of useful things relevant to them, and when the work is available you'll be high on the radar to get the enquiry or referral call...

All communication is in plain down to earth language and spattered with practical war stories that ram home the point you are making...

The best part of this approach is that is not only highly effective but also generally very low cost...even nil... when you consider that the time you use comes from your daily KMSFirmTime allocation... it does not derogate from (eventually enhances) ClientTime...

Feel free to contact your Editor for input into your thoughts on Business Development... you'll be very surprised at the value... and reduce the risk of making the same mistakes many others have made in the past...

Keen to see a pet practice management **topic of yours addressed** in a future issue of ProfitPower Tips?

Feel free to click this link and [email](mailto:inhousetraining@lawfirmprofit.com) me your suggestion



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Working in Industrial Relations and WorkPlace issues... Family Law, or Wills and Estates... in Australia, and perhaps failing to communicate widely enough with your clients and referrers?

For a variety of reasons many lawyers do not get around to writing informative materials for clients and referrers with any regularity. Some start and soon lose impetus.

Here's a helping hand others are finding very helpful... Gavin Hanrahan at Turnbull Hill Lawyers in Newcastle finds it very useful to send clients and referrers short emails on interesting practical issues affecting them in the workplace... and Peter Marr at Grafton has for many, many years written down to earth articles in Family Law, and Wills and Estates.

They have each retained KMS to assist them to continue to market the emails and articles to other interested lawyers.

Two articles or emails a month on average... adapt slightly some of them for your state... others have universal application...

Do they work? Some subscribers are now on their third

renewal period... so it's clearly a service meeting a real need...

Of course we must reserve the right to deem you "too close for comfort" to Gavin or Peter (or an existing subscriber) as a competitor, but feel free to enquire... you may be surprised based on what we've seen in the marketplace so far...

On your enquiry we will send a couple of recent examples in your area(s) of interest... if you subscribe within seven days those examples will be free bonus issues...

Please click here to generate an email to us expressing interest and requesting the samples...

articles@lawfirmprofit.com

Mandatory CPD/MCLE deadlines approach fast yet again...

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

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.

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

One hour 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.

Brisbane

Wednesday 11 March 2009

Morning - 8.30am to 12.30pm or

Afternoon - 1pm to 5pm.

Perth

Tuesday 24 March 2009

Morning - 8.30am to 12.30pm or

Afternoon - 1pm to 5pm.

Melbourne - two days

Monday March 30, 2009, 8.30-12.30

Tuesday March 31, 2009, 8.30-12.30

Sydney and Auckland dates to be advised to readers and the profession generally by email as soon as available.

To contact us for more information about registering please click here...

Brisbane

Perth

Melbourne

Sydney

Auckland

To chat with our Editor about issues raised within this newsletter call the KMS Management Support Helpline™ Free Call 1800-621-270 in Australia – Outside Australia E-mail robk@lawfirmprofit.com to arrange a telephone discussion.