

KMS ProfitPower Tips for Lawyers™



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



Observations

The last four months was a very intensive period for me with multiple lawyer workshops on practical law firm marketing and employed fee-earner productivity in Brisbane, Sydney, Melbourne, Auckland and Wellington, including a number conducted in-house for firms with suitable numbers of professionals...

This quality face to face time with so many practising lawyers is very invigorating...but worryingly, it's very evident that there is still far too much of a tendency for managers in small-medium law firms (the huge bulk of the Australasian Profession) to casually slip into an acceptance of perceived averages or "norms" for critical Key Performance Indicators...

Too little seems to be understood of the real reasons for genuine profits being very low to non-existent, and this is especially apparent in the area of expectations of accountability for effective effort by employed fee-earners...

There is monumental wastage built in to most firms in the very zone where effectiveness is critical to getting a proper return...it's simply a continuing epidemic!

I would dearly love to have a single dollar (Australian please while the "Aussie" is still strong!) for every time I hear reference to 5.5 hours a day average of billable time being the 'norm' for the Profession...

Lawyers, of all professionals, should be able to see the inherent lack of logic in that myth...and realise that real progress in any sector of life has only ever happened through committed people getting serious about myth-busting...

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Exactly how an employer in a well-managed firm should plan for an employed fee-earner to invest the agreed minimum hours purchased from them must depend on **a range of important factors in relation to each individual**, not on some perceived "norm"...

The starting point must be the minimum average daily hours agreed to be worked and accounted for by the individual...and this differs quite a bit from firm to firm, and person to person, but for the sake of this discussion we can use 7.6 hours a day...38 hours a week...

Immediately we can see that aiming at a norm of just 5.5 hours of work on client files leaves an employee with 2.1 hours every one of their normal workdays to apply to the other aspects of helping to achieve the firm's Business Plan...what we call KMSFirmTime™...and for a full-time person this is 485 hours a year...

In my wide experience of closely tracking actual FirmTime™ activity by thousands of employees in Australasia over the last twenty-three years, only a select few actually need, and spend, that sort of time on useful activities in pursuance of their firm's Business Plan...

The Editor, Rob Knowsley, is a lawyer, admitted 37 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-three 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.

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Many managers strongly suspect this, but don't actually know because they do not require proper (in some cases, any) accountability for this vital firm resource...

As some employed lawyers frankly acknowledged in a recent workshop, very significant parts of every day get used up on "stuff", and on "general fluffing around"!

On the other hand, in KMS client firms where FirmTime™ is properly regarded as a vital resource to be well-managed, investments in:

- Business Development/Marketing
- Receiving Training
- Supervising
- Mentoring
- Management
- Research
- Knowledge Management
- Credit Control
- Client Engagement
- General Administration

and the like are carefully tracked.

A free short list of suggested FirmTime™ codes is available by simply clicking here to generate a request... KMSFirmTimeCodesList@lawfirmprofit.com

The information thus available is used to plan the WorkPlan™ of each individual, with the mix of ClientTime and FirmTime adjusted to the way each individual's talents are perceived to best suit the firm's Business Plan for the planning period...

Clearly some will be strong in Precedent drafting and management, and others will best be just diligent users of precedents rather than creators or even editors!

Some are excellent in organising themselves to contribute to the firm's Business Development efforts, while others prove quite incapable even after years of education and strong leadership by the appropriate team members...

We see team members who make ideal managers of "up

and coming" but inexperienced professionals in their teams, while naturally there are others for whom this important skill will never be a strength...

Sadly, there are also too many lawyers who seem totally incapable of being given any rope in properly engaging clients, yet they are excellent in processing the legal work, and communicating to clients what they have done and are planning to do...

It doesn't require rocket science skills to work out that in setting the expectations of what part of each day on average should be spent by individual team members consistent targets of any number, let alone the scarily low 5.5, could only be a coincidence, not smart planning of such key resources...

Ironically, even in firms where 5.5 is a consistent expectation, very often that low goal is not actually met! All reliable surveys of the Profession paint the same picture, and the anecdotal evidence I get from principals every week falls squarely in the same frame.

Compare the situation in most firms where individual targets are set with proper care and thought...where achievement of targets far higher than 5.5 billable hours per average day is commonplace.

If business development is not yet a skill of an individual it is not heavily budgeted for, and the same applies to every other area of FirmTime™.

Logically we then see some individuals who have most of every day available for ClientTime™, and also a few individuals whose strengths in some FirmTime™ areas are so good that they would be wasted if not used in the right proportion, and their ClientTime™ requirements are naturally less...

In a recent workshop no attendee had an hourly rate under \$300, so if we use that benchmark in an example we can see that even a single hour a day not frittered away on "fluffing around" will result in potential productivity of about \$59,000...assuming a conservative actual collectability of 85%.

Remember however that many an effective professional is capable of recovering well over 100% of their standard hourly rate, so again, Realisation Rate assumptions used

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Click the request info button for a list of suggested topics for In-house training...

Extraordinary value at a very reasonable cost per head...

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across the board are dangerous to your proper profitability.

Given that we know all too many professionals do not even actually recover 5.5 hours a day, there is a huge productivity, and thus profitability, improvement available to well-managed firms that can get actual effective time utilisation on client files up to even 6.5 hours...and of course that provides good leeway for those firms to operate properly generous remuneration programs...one of the keys to getting and holding quality team members...

Fortunately, team members worth having on your team actually prefer to be busy with good legal work, so, properly informed, they have little difficulty achieving proper targets.

Without doubt the key to getting this right is to plan and track carefully utilisation of KMSFirmTime™.

Once an individual fully realises for the first time how little of each of their days is being **properly** utilised for sensible non-client tasks, their perception of what is possible on client files, with a healthy backlog of work, is changed forever, for enduring benefit to them and to the firm...the true "Win-Win" we all aspire to, but so few achieve...

As we continue down the inevitable path of greater workplace flexibility in law firms, let's hope that more and more managers will begin to plan more carefully and thoughtfully how they will utilise the varied talents of their employees.

No business can survive over the long haul without healthy profits, so the very future of a healthy, vibrant, legal Profession depends on better people management, based on applied commonsense and not on rusted-on myths that lock-in poor outcomes.

Your easy access to great depth of experience in how good small-medium law firms get things right...the KMSManagementSupport™ Program...

Simply because most Australasian law firms are quite small lawyer principals usually do not have genuinely experienced people to freely discuss management issues

with...

Some firms you potentially could discuss issues with play things very close to their chests, especially when they are in your region...

Further, even where there is discussion it is sadly too often a case of people of goodwill indulging unwittingly in "the blind leading the blind"...

Just attending a few practice management workshops a year is not enough on its own...

In my observation the same sorts of management mistakes are made over and over again...inevitably reducing the fun and profit that is available to principals in well-run firms...

During the last twenty-three years many practitioners without easy access to experienced help have joined the the KMSManagementSupport™ Program... which gives them guaranteed access to unlimited telephone and email consultation time each twelve months for a small fixed fee...and practice visits can also be arranged at reduced rates...

Knowing they can ask questions of a truly experienced fellow lawyer about any challenge facing them in their practice is a great relief, especially when they know they will not receive any additional Invoice!

Different levels are available within the program based on firm size, and members benefit from exceptional special pricing when they wish to retain KMS for events like Planning Retreats, extra consulting days on site, or in-house training workshops...

Membership fees start at just a few hundred dollars a month, and very substantial savings are available by paying annually in advance, or in two equal payments six-months apart.

So, to tap into, and start benefitting from, the sort of genuine expertise that only comes from working closely with 1195 law firms over twenty-three years, please just click the link below to generate an enquiry email, and I will make contact to discuss your proposed membership and the modest investment level appropriate for a firm of your size...

KMSManagementSupportMshipEnquiry@lawfirmprofit.com

Product Focus... KMS FeedBack Reports™ for your practice...

coupled with sound planning, feedback is vital to profit generation...
you will be delighted with the profit uplifts and tiny licence fees...

From time to time we come across developments that seem to be of interest and well worth more lawyers knowing about... here's one for Australian lawyers to consider...

Useful one stop shop for information...

www.foolkit.com.au is a website that puts all the information that lawyers use onto the one place.

No more wasting your time looking for the latest version of an Act, a case in AustLII, or the CPI data. Every time you want to use the internet, it has it there at your fingertips. You go straight to the information you need.

Daily practice is as much about the facts behind a case and the steps you have to take to help a client, as it is about Legislation and Cases. Foolkit combines the two.

So Family Law, for example, is not just instant access to a section of the Family Law Act or daily case list. It is also about local counselling services, the value of a car, title searches and marriage certificates and legal aid.

Foolkit has tools to help with your legal research too. Have you ever searched AustLII and got far too many results? Or not found what you were looking for first go? Foolkit's answer to this is something they call AustLII Easy Search. You fill in a form and it asks the right question for you.

Many lawyers have Google, news, banking or newspapers as their home page. They have to move from there each time they want something for work. Foolkit is the opposite. At work you have Foolkit and the legal internet as your home page and main focus. If you want to look at these other things during the day, then you use Foolkit's quick links to visit them.

Why not visit www.foolkit.com.au and discover for yourself how simple it is and how much time it can save you and your staff. It won't cost you anything. It is all free.

Upcoming new KMS workshops...

The Employed Fee-Earner Productivity

Melbourne

Thursday, October 13

1 - 5pm

ENQUIRE

Brisbane

Thursday, October 20

1 - 5pm

ENQUIRE

The absolute practical essentials for success in a modern legal practice

Brisbane

TBA

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