

Briefing

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Sail the Cs of client success

Marie Burgess, senior director, product management, at Aderant, outlines key opportunities for turning operational efficiency in law firm business process into greater law firm revenue and growth

In every business there occurs a never-ending cycle: you build a product or service, market it, get buyers, service the buyers, learn what improvements buyers want, then refine your product or service. And the cycle starts again.

In the legal industry, we often hear it is becoming more difficult to grow both business and profit. But is it really getting harder, or have the buyers of legal services made improvements to their processes to be more efficient and to grow their business and overall profits?

We see that this hinges on operational efficiency. The hard part for law firms is prioritising areas where improved process, technology and use of resources can have the greatest impact.

Let's look at areas where we see successful firms making most headway; these focus on three 'Cs' – choice, compliance and collaboration. Each encompasses an end-to-end approach for firms,

where every aspect of how they operate has a significant impact on revenue growth and profitability.

Customers of legal services make a choice by selecting firms that not only have the right experience for their matters, but also those that are easiest to work with – both from a legal service and a business relationship standpoint. A law firm with internal operations that are geared towards efficiency, and able to support client requirements, is in the best position to win and retain clients.

Actively influencing client choice is imperative for firm growth, whether obtaining new clients or increasing services provided to existing customers. Ensuring clients are adequately informed as to how your firm will work not only for them, but with them, is key to success. So, while a client's choice is ultimately out of the firm's hands, they can certainly set themselves up to win new business by ensuring the next two Cs are ingrained into every aspect of their business model.

Compliance control

One of the most impactful areas firms can address to improve their working relationships with clients, while also improving revenue, is compliance. The most successful firms build an efficient end-to-end operation to manage outside counsel guidelines (OCGs) successfully, ensuring all terms are adhered to across the firm, most importantly from a billing compliance perspective. Accurate bills will minimise rejections, which in turn maximises revenue and improves client relationships. Law firms sometimes think their clients use OCGs as a means of putting the squeeze on firms; however, there's a different consideration when trying to improve both client service and revenue.

From Aderant's annual Law firm leader survey on outside counsel guidelines, we know that inefficient firms struggle with compliance with OCGs, causing collection cycles to increase, invoices to be rejected, and line items met with refusal to pay, written off or, in some cases, whole firms sued or fired for non-compliance.

In fact, billing compliance is so complex that, rather than improving processes and efficiencies to eliminate complexities, some firms simply accept write-offs, fee reductions and so on, as a cost of doing business. For many, this cost can translate to upwards of £12,000 a day, or more than £3 million annually. The survey supports this, finding that over a third of firms experienced over 20% of e-bills rejected or reduced.

Firms can have meaningful impact on compliance improvement by emphasising processes which reduce the number of steps in the e-billing process, where human error can impact the outcome. They can also focus on technology improvements that incorporate powerful analytics to provide insight into errors at the start of the process rather than the end.

Secure collaboration

Shifting to the third C, we have collaboration, which requires the firm to manage large amounts of data related to clients and matters. Firms must share this information and collaboratively work with relevant people internally, clients and multiple third parties.

Firms often address collaboration in several ways, plying solutions like document

management, data rooms, intranets/extranets and other communications portals. This can result in a spaghetti pile of tools that are inefficient to use and don't communicate well with one another. In addition, these solutions often don't have the ability to draw from all of a firm's data streams, making them costly and inefficient. These drawbacks mean firms are often forced to be selective as to which clients they provide a service for, leaving many out, which can have a negative impact on the client experience. But it doesn't have to be that way. Focusing on key elements will help to provide efficient and positive collaboration experiences and generate more overall business.

First, a firm needs to recognise the data and information sources that are available and understand how the information contained helps staff meet client needs. These go beyond basic transparency. Clients want access to everything related to their relationship with a firm – the matter, billing and all related information – but they have other requirements.

Information security is the highest, but in the course of exchanging information, is often overlooked. Think about the number of times a document, financials or other matter-related content is passed between a firm and client by email. There's no need to discuss the number of ways sharing documents can go terribly wrong. Addressing collaboration means selecting the right technology solution. One that will enable a firm to provide collaboration to every client needs to include:

- Secure distribution of content and knowledge
- External sharing and real-time collaboration and content updates
- Full integration with base solutions like Microsoft Office 365
- Being easy to set up and maintain, without requiring major investment or specialised resources
- Customisation based on client needs.

As the legal industry shifts at an ever-increasing pace, law firms focusing on the three Cs of choice, compliance and collaboration, will have most impact on their own processes and efficiencies, create the best client experience and positively impact client growth – and ultimately, firm profitability. ▀

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- Client-informed **Choice**
- Secure **Collaboration**
- **Compliance** with client SLAs

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