

Law News

BOOTH AINSWORTH LLP

The Big Bang?

With the Legal Services Act already having an impact, the changes this October present a number of both threats and opportunities to the legal profession. My experience is that a number in the profession only have a passing knowledge of the full extent of the changes and do not believe that their practice will be significantly affected. The greatest danger is complacency!

The forward thinking law firms are planning their responses and are looking to build more competitive and profitable businesses with the opportunities that will arise.

The changes will involve the creation of Alternative Business Structures (ABS's) which bring together the skills of a number of professionals to include lawyers, financial services, insurance, etc. The aim is to provide greater convenience to the consumer.

In allowing non-lawyers to own law firms the Act provides high street practices with even more competition. These new entrants to the market place will already have well-established brands and greater investment in IT. They will be able to significantly reduce the cost of legal services by using technology and paralegals to do the work that traditionally has rested with qualified lawyers.

Law firms will have to focus on their clients and people. They need to ask their clients what they want and deliver value for money instead of just selling on price. That way the client will remain loyal and not venture to the competition. Law firms must consider the experience of their people, in terms of their skills base, performance, internal attitudes and behaviour. How effective is the team with getting the most benefit from technology?

There is likely to be consolidation, in the near future, between smaller firms in order for them to compete with larger and more developed firms.

The landscape is changing and those firms that embrace change will have the opportunity to generate new revenue streams whilst the remainder have cause to worry.

This article was provided by Gary Cook, Partner & Head of Professional Practices at Booth Ainsworth LLP.



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ICT – a greener solution to your finances

As business analysts reflect on the significant challenges facing legal firms in the advent of alternative business structure (ABS) legislation, most businesses tend to concentrate on how they can increase their performance and gain financial efficiencies, with information communication technology (ICT) solutions often being ignored. It seems that the term “cloud computing” is as prevalent in the news as ABS, yet their obvious relationship is overlooked. With cloud based ICT solutions, legal practices can increase their competitiveness while simultaneously making cost savings and enhancing green credentials.

Essentially cloud computing is the outsourcing of business functions or services, using a range of virtual solutions that you access over the web. So instead of high investment costs in purchasing the resources typically needed to operate and manage their business, a monthly subscription model is used to access virtual or outsourced resources that are hosted and maintained by the provider.

With the latest developments in cloud based services from leading companies like Quill Pinpoint, practice management systems (PMS) have never performed better. Firms can reduce operations to a minimum using internet connection to access “virtual” software, systems and

servers. It couldn't be easier or quicker to securely manage essential functions such as accounts, payroll, cashiering, client billing and case documents.

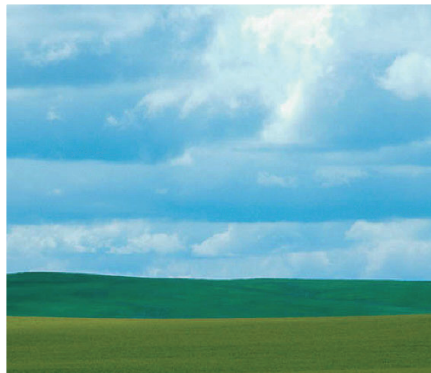
Technological advances in connectivity mean law firms can reap the rewards of new business operations models. Innovative solutions like Quill Pinpoint Interactive provide unrivalled assistance with practice management, whilst ensuring SAR compliancy and fulfilment of SRA reporting obligations.

The legal market place is set to become considerably more competitive when

ABS comes into force. Consumers will seek greater transparency in order to compare services and tariffs, so now is the time to build business efficiencies and flexibility to satisfy future customer requirements.

ICT offers a responsive,

straightforward and affordable solution. In addition to the immediate financial savings from a cloud solution, it can also help to reduce resource requirements, energy consumption and have a positive impact on carbon footprint. In the face of ABS reform, outsourced ICT services have never looked so attractive.



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Mergers, Mergers Mergers everywhere...

*O Goody, this means change,
change change! I can't wait!*

All the studies show that culture and people can be the demise of a successful merger.

Your people will be in Shock! They will be fearful of what happens next. This is despite the fact that the talk around the coffee machine has been about this and nothing else for the last few days/weeks. Even if you have (or could have) involved everyone from day one on the negotiations, when the announcement day actually arrives all you have done is lessened the shock not eliminated it.

Your proposed or actual merger may not be as large as the DAC/Beachcroft (to create a £175m insurance giant) but the experience of your people will be the same. So you will need to be really clear on why this is happening, what it means to the business and staff. Be enthusiastic about the benefits and demonstrate that you (and the new partners) are fully committed to the 'new' organisation when breaking the news.

So plan your 'announcement' with a 'WOW' message and provide ample time for your senior team to talk to, and reassure, your people recovering from the shock of it actually happening.

Resistance is a natural reaction to change and can take the form of;

- ▶ **denial** - 'I've been through mergers before – it won't affect me just those at the top'
- ▶ **anger** - 'I can't believe that we have hooked up with that firm'
- ▶ **passive resistance** - 'Over my dead body will I work with them so I'll just find a quiet corner out of the way'

So be prepared to reiterate all the benefits of the merger for everyone (not just the favoured few) many times; and practise your active listening skills with patience while they fully absorb 'what it means for me'. Be honest if you don't know. Be proactive, involve everyone in at least one if not two social 'meet and greet' lunches as quickly as possible. Actively encourage opportunities for effective relationships to be built. So make your maxim from now on – listen, listen, communicate for the next few weeks.

It is up to you to ensure that your culture and people of the merged organisation realises the potential you identified for this venture.

This article was provided by Ann Page, Director and Solicitor (non-practising) from Beyond the Brief.

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Spotlight - Sara's Story

Sara is a senior manager within the Professional Practices' team at Booth Ainsworth LLP. Sara has been with the firm for five years and specialises in the legal field, although she still manages a number of larger companies within her portfolio. Sara trained as a Chartered Accountant at Touche Ross, before moving on to PKF in Manchester, where she spent 12 years as an audit manager. We put Sara 'under the spotlight' to find out more about her role at Booth Ainsworth LLP.

Q What area of work do you enjoy doing the most?

A Gary Cook (Partner) has built up a large and varied portfolio of clients, all with varying levels of requirements from us, so undoubtedly it is the variety of work that provides enjoyment and interest. But I can't underestimate the joy of working for Gary!

Q What advice would you have for any legal practice struggling through the 'credit crunch'?

A Well, since it's been quite a while since it started, if you're still here and practising, then you're probably doing something right! In the

current climate, I would emphasise the importance of forward planning. I do notice that when rolling out our seminar programme, solicitors tend to form the majority of our attendee list, which means that they are naturally more inquisitive and pro-active with their business development and practice management. It is always good to keep informed about these things, even if it is not relevant to your business straight away.

Q What was your first job after leaving school?

A I went to university after leaving school so just the usual sort of jobs to earn a bit extra. However, from infancy I had always harboured an ambition to be a Chartered Accountant, and so could hardly wait to start my training contract upon graduating.

Q What has been your most interesting holiday?

A I'm a bit of a philistine, so don't really go for interesting holidays! Give me a week in the sun every time. For culture though I was particularly impressed with a trip to Las Vegas a year or two back!

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This newsletter is written in-house by our team of experts to communicate relevant business news.
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