

“PRIMING YOUR PRACTICE FOR SUCCESS”

by Bizibody Technology Pte Ltd

PRIMELAW is the quality mark awarded by the Law Society to law firms in recognition of their efforts and commitment towards achieving and maintaining excellence in practice management standards. PRIMELAW is all about “QUALITY” – quality in the way you manage your practice, quality in client care, quality in the legal service you provide. It is also about managing risk.

According to Alexander Forbes, most complaints and claims against lawyers stem from a failure in administration and delivery, not from not knowing the law. Claims statistics also show that more deadlines are missed when lawyers are working under pressure; and that managing partners with their own case loads find it difficult, if not impossible, to devote adequate time to supervision. Alexander Forbes recommendation is that law firms put in place effective systems and procedures aimed at controlling the firms’ exposure to operational risk. In devising the PRIMELAW standards, the Law Society, through close collaboration with Alexander Forbes and law firm consultants, Bizibody Technology Pte Ltd and AFP Consulting, address the primary risk areas and causes of negligence claims against lawyers.

The PRIMELAW standards are in the process of being formulated and will soon be available from the Law Society. Here is a sneak preview of the PRIMELAW standards.

PRIMELAW sets out the objectives for good practice management in the following areas –

1. Business Planning - this involves setting SMART (“specific, measurable, achievable, relevant and time-based”) objectives for your law firm, devising a marketing strategy and a budget.
2. General Management - this involves the office backroom administrative functions, HR policies, email and office communications policies etc
3. Financial Management – keeping on top of your financials.
4. Case Management – keeping on top of your cases; including its deadlines, supervision of legal output of staff and legal assistants, monitoring the progress of cases.

As important as the standards themselves, it is the underlying principles underpinning the standards that will give you a valuable insight into how they will be applied; and how you can benefit from the implementation process.

1. PRIMELAW prescribes quality Standards, not Procedures

This allows for differences in approach that law firms may take to achieve those standards. For example, PRIMELAW provides that a Law Firm must have documented procedures for identifying conflict of interest. An electronic record of clients and matters in an Excel worksheet may be adequate to meet the standard for a solo practice with no more than 80 cases a year; whereas a large firm with 30 or 40 fee earners handling 200 cases a week will certainly require a more sophisticated system of conducting a comprehensive conflict of interest check.

2. PRIMELAW Standards are Objective Standards “subjectively” applied

This flexibility is a useful mechanism for taking into account law firms of different sizes, practice types, and practice specialisations. For example, the standards relating to case management will require a more onerous system of supervision and file review for a law firm that specialises in “high volume” transactional type cases (eg, debt recovery or mortgage financing) than for a boutique tax specialist.

3. PRIMELAW is focused on the Processes, not on the Outcome

PRIMELAW Assessors will not make a judgement on the “success” of the law firms processes. For example, the PRIMELAW standards requires the Law Firm to have a business plan, however it will not require the Law Firm to show that it has achieved its business goals; nor will it judge the “soundness” of its business plan as long as the principle behind this standard is met and the law firm has addressed issues of business development, image-making and continuity. Similarly, while PRIMELAW prescribes standards for backroom efficiency and productivity, it will not “fail” a law firm for not being profitable.

4. Documentation is an integral part of PRIMELAW

The three cardinal rules of achieving PRIMELAW standards are –

- (a) Say what You Do (document the processes designed to achieve the Standards)
- (b) Do what You Say (implement and follow-through the documented processes)
- (c) Prove that You Do (the Assessor must be convinced that the procedures are instituted and followed through. For this, he may review the documentation and interview your managers and staff)

The only way to arrive at part (c) is first to document the procedures so that every person in your law firm, from the Equity Partners down to the filing clerk will know what the rules and standard operating procedures are, and their respective responsibilities in complying with them.

5. PRIMELAW Implementation takes Time and Commitment

Part (a) of the process – documenting the processes designed to achieve the PRIMELAW standards – is probably the easiest part. Part (b) – Implementing the new processes involves change management at every level, from the equity partners to the lowest clerk. Old habits are hard to break. Given the entrenched roles and cultural resistance to change endemic in every law firm, you can expect the implementation and roll-out to take considerable time and effort. This is particularly true for large partnerships with several heads of departments, each operating under different competitive pressures. In the UK, law firms generally take between 6 months to 2 years to be ready for a LEXCEL Assessment. As a start, recognise that implementing PRIMELAW processes is not a quick fix designed to help your law firm to “win” an award, rather a collective investment in the future success of the enterprise.

Is the investment of time and effort in implementing the PRIMELAW standards for your law firm worth the exercise? We think it is-

Firstly, as a “QUALITY” mark, like the ISO standards, it sends an important message to your Clients that you are serious about providing excellent service, that client care is of paramount consideration, and that you have procedures in place to help you deliver what you promise. Even at its most superficial level, your PRIMELAW accreditation will be a valuable marketing tool that sets you apart from your competitors. Judging from the UK experience, we believe that, in time, PRIMELAW accreditation will become an industry “norm” and a requisite for panel lawyers of Corporations and Institutional Clients.

Secondly, insurers directly co-relate risk to premiums; and are likely to give recognition to law firms who have adopted systems for controlling their exposure to operational risk. As the indemnity insurance market matures, PRIMELAW accredited law firms are likely to enjoy lower premiums.

While “winning” an accreditation may be compelling enough for most firms to “give it a shot”, we believe that what you gain from the process of getting your firm ready for a PRIMELAW assessment is more important than the award itself. Lawyers are not schooled in how to manage a law firm; even less likely in how to run a successful business. Most solos and managing partners operate their law firms through a combination of what other firms are doing and a dose of common sense. At best it’s a don’t-rock-the-boat affair with no idea of how to run a tighter faster ship. If you are serious about achieving excellence and priming your practice for success, here is an opportunity to learn from the simple effective guidelines that PRIMELAW prescribes.

We believe that the process of PRIMELAW implementation will reap its own rewards –

1. Developing Your Structural Capital

A Law Practice is the quintessential “knowledge” business. It has few fixed assets and no tangible inventory or stock. Its only assets are its intellectual capital which comprises–

- (a) Human Capital– lawyers (including paralegals and staff) and their know-how
- (b) Consumer Capital– Existing Client Relationships and Goodwill

(c) Structural Capital – Best Practice Methodologies, Client and Contact Databases, Knowledge Libraries and Systems for retrieving or sharing knowledge, Software Applications and Procedures; Mentoring / Pupillage Training Programmes.

Law Firms are, historically, weakest amongst the professional services industries in developing its structural capital.

The process of Implementing PRIMELAW is all about developing your structural capital. You will be documenting, implementing and continually evolving your practice methodologies and business processes in all the key areas of your practice, including -

- Communication and collaboration
- Capturing and Reuse of institutional knowledge
- Financial Management
- Case Management and Workflow
- Risk Management

What does it mean for your law firm to have developed its structural capital?

It means that your firm is not overly reliant on a few key personnel for its continuity; that it is more likely to attract and retain legal talent; and that it has put in place a robust foundation for its future growth and expansion.

2. Competitive Advantage

We believe that “Quality” will reveal its face even if the Law Firm does not choose to wave its PRIMELAW Award as an advertising banner. The process of implementing the PRIMELAW standards (if you are committed to the implementation) requires you to put considerable time, resources and effort into improving your workflow processes, instituting proper supervision of matters, improving communication between clients and lawyers... This process will have helped you to develop a culture that is focused on excellence in client care and delivery standards. This alone will set you apart from your competitors who have not made the same commitment or focus.

3. A Broader Perspective on Risk Management

In today’s business climate, no firm can afford to ignore the active management of risk. Most lawyers, when asked what they consider operational risk limit their replies to missed deadlines and non-compliance with the Solicitors Accounts Rules. Most managing partners adopt a narrow perspective of risk management – one that is limited to ensuring compliance with regulations and managing claims when they arise.

PRIMELAW goes further by requiring Law Firms to actively identify, assess and manage risks that may threaten the “commercial interest or reputation of the Firm”.

This wide ambit of risk management will cover not only Quality Risks (involving delivery standards, supervision of legal output and case management) but also–

- HR Risks (succession planning, redundancy strategy);
- Financial Risks (managing cashflow, process of giving fee estimates, management of work in progress, adequacy of accounting systems);
- Strategic Risks (partner defections, lateral-hire incompatibility, business planning);
- Infrastructure and IT Risks (concerning back up systems, IT systems maintenance); and
- Engagement Risks (covering client care letters, client confidentiality, conflict of interest).

While firms may vary in their approach to and appetite for embracing risk, PRIMELAW ensures that managing partners address their minds to each specific risk situation - decide on a level of acceptance and a course of action in reducing the risk to the agreed level; instead of sliding into a risk-situation through ignorance or apathy.

4. Profitability

Although “success” in implementation in terms of increased profit margins is not a criterion by which the PRIMELAW Assessor will judge your eligibility for accreditation, improved workflow and business processes is bound to have a direct positive impact on profitability.

For example, PRIMELAW standards for better financial management prescribes regular and timely invoicing and active debt recovery procedures resulting in reduced credit cycles; PRIMELAW standards for case management prescribes enhanced supervision of work in progress will ensure that current cases are “progressed” actively and not dragged out through inertia or neglect.

“Quality” will bring in business. The competitive advantage offered by a law firm that has primed itself to delivering quality service through the process of PRIMELAW implementation will find itself more busy and productive than its competition.

CONCLUSION

We hope that this article has convinced you that the implementation process is the “reward” in itself; and the accreditation merely the “badge of honour” in recognition of your efforts. In fact, we believe that the longer it takes (the more work you have to do) to get your firm ready for a PRIMELAW assessment, the more you have benefited from the process. You are not alone in this enterprise. The Law Society will publish Guidelines, Sample Processes and “Templates” of Standard Operating Procedures to help you get started. Where your own resources are lacking, approved PRIMELAW Consultants can assist by concentrating your efforts towards implementing the requisite processes in your law firm to meet the PRIMELAW standards.

Bizibody Technology are practice management consultants and technology solution providers to the legal industry in Singapore. Our clients are law firms and corporate legal departments as well as the Singapore Law Courts, the AG’s Chambers and the Singapore Academy of Law. We were appointed by the Law Society of Singapore to draft the PRIMELAW standards and are now lead consultants in Project. You may contact Bizibody at 65 6236 2840 or email info@bizibody.biz