



Insight every day

The global health crisis is putting pressure on all manner of business, but Fraser Mayfield, head of EMEA at Iridium Technology, says it has never been more important for law firms to have daily insight into vital performance metrics

Like many businesses, law firms are currently facing a raft of new financial and productivity pressures as a result of the various lockdown measures implemented across the globe. While governments plot a way out of the health emergency, firms are looking for solutions to stabilize the ‘new normal’, says Fraser Mayfield, head of EMEA at Iridium Technology.

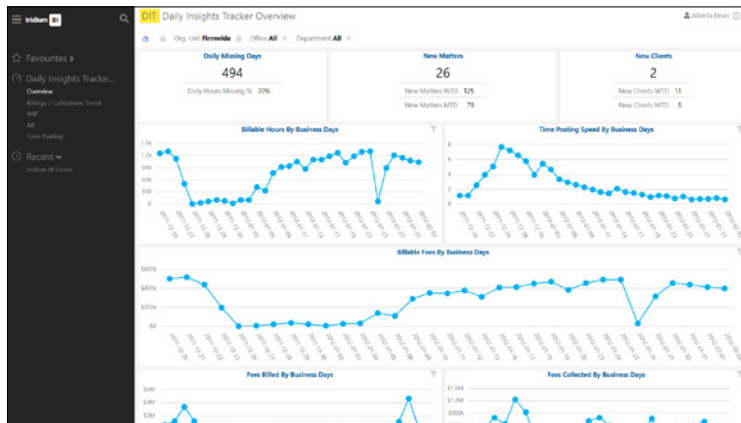
The first challenge facing many is the threat to cash realization. “Businesses around the world are looking to share the pain with their supply chains. Many clients have paused payment to their external suppliers – and legal is no exception – as many will be going through financial difficulties themselves,” he says. Although firms can’t overcome that issue entirely, they can try to get a more accurate picture of where cashflow is most squeezed, and by how much, he explains – and having access to that business information is also

crucial for a range of other reasons.

Eye on the price

A second immediate impact of the pandemic firms are seeing is reduced caseloads, which is being experienced across many legal practice areas, and a highly competitive landscape for certain legal work types will be the result. If firms are to avoid a “race to the bottom” on pricing, Mayfield says, they’ll need to have a clear and accurate understanding of the cost of delivering their services. “Knowing the costs means firms can price with confidence. If firms have capacity, it might make sense to work with clients on new resourcing and pricing models. But, in order to bid for work outside their typical pricing structure, they’ll need to understand their current resourcing and utilization levels,” he explains.

Another challenge facing firms during this period, he says, is the impact that working from



home may have on efficiency: “How law firms provide their services is changing at the moment, and many activities may take longer than usual.” Levels of realization need to be closely monitored as a result, he says, as clients are also likely to demand a higher-than-normal adherence to quoted fees, owing to internal pressures to keep costs down.

What’s more, knowing that some processes are taking longer may lead to hesitancy among fee earners to bill the full amount of their time, he says. In order to keep a steady grip on these three factors, he argues firms need to be more disciplined about how they track the progress of a matter throughout its lifecycle. “In order to do that, they need appropriate reporting both for internal purposes and to keep their clients informed,” he says.

Bouncing back

Having key metrics easily to hand is clearly important for keeping on top of all of this. In response to demand for increased visibility into daily trends affecting the financial performance of its law firm clients, Iridium has recently launched a focused version of its Revenue product: the Daily Insights Tracker (see image above left).

“Historically, overarching trends have been measured over long periods – often quarterly, or year to date. There’s now a need to shorten that cycle – the typical horizon firms are looking at is 45 days, but we’ve seen demand for trends over as few as the last seven days,” he explains.

Having seen plenty of uptake among its existing clients, Mayfield says the Daily Insights Tracker can now also be delivered as a discrete tool, offering easy insight into current status. He explains: “Like a share price tracker, it shows movements up or down across 50 metrics, including billable hours, realization and work in progress.” And as the tracker is focused on a reduced number of crucial metrics – refined down

from the 350 in the full platform – and is accessed through a web browser, he adds that it can be delivered quickly and at a low cost-point.

Prioritising time

But in fact, while many businesses are preparing for long-term economic disruption, he observes

there are a few shoots of recovery already in some practice areas. “Because of court closures, there’s a backlog in litigation cases, as well as in areas like family law. Firms need to ensure they’re correctly staffed to take advantage of those areas when there’s an uptick in market conditions,” he says. That means firms also need to keep a close eye on utilization, both in terms of practice areas and the proportion of time spent on non-billable activities.

Ultimately, Mayfield says, better insight can support improved organizational alignment and prompt firms to operate on a more ‘live’ basis, with real-time information. “The cost of implementing a new solution is likely to be small compared to the benefits you can get back. Firms are going to be better able to respond to the ongoing changes in the environment,” he says. A permanent shift towards more real-time business information will put legal leaders in a more knowledgeable position – important for identifying opportunities, understanding the risks around cashflow, and ensuring the firm is tracking to budget. And, he concludes, it has one further lasting advantage that ought to appeal: “In the long run, better insight should make firms more responsive to their clients.” ▀

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To learn more about the tracker, join a webinar on 17 June at: www.iridium-technology.com/daily-insights-tracker-webinar