

## **Choosing the best**

As the legal sector settles down to absorb another round of domestic and international mergers, the firms involved are once again being forced to look at their practice management systems. Rather than being a considered part of a long term change and upgrade plan, these reviews are often short-lived and require both a rapid decision making process and a rapid implementation of the final solution.

### **Reviewing practice management**

In some cases, the PMS may be a recent introduction, in which case the firm's management are likely to have a good and up to date understanding of both what it is being used for and what it is capable of. In other cases, the PMS may have been in place for a number of years, a situation that can lead to a great understanding of the product, or alternatively can lead to stagnation where only those parts in use have any impact on the management's view of the software.

There are many factors that will affect the choice of practice management system following a merger. The relative size of the firms, the relationship between the firm and the vendor, the system known to the merged firm's director of finance, and technical platform considerations will all play a part. However, it would be a great mistake to base such a decision purely on the grounds of the software itself. If the merger was of software suppliers, trying to choose a product to keep in the portfolio and one to phase out, then all these criteria are critical. Joining two law firms together, or indeed any businesses, is about creating a new business from two different sets of people, procedures and working practices.

The reasons behind any merger, and why the parties felt it was of benefit to both sides, will vary widely, especially in partnerships. Whatever the background, the act of creating a new business provides opportunities for improvement across the board. Taking the best from each of the constituent firms should allow the creation of a new business that is better than the sum of the original parts. In the case of the supporting functions of a firm, selecting the best is about retaining the best business practices: practices that are efficient; that are scalable and can grow with the organisation; and that are flexible and can adapt to new requirements.

### **Selecting between systems**

But how does taking a 'select the best' approach help with the decision of choosing the practice management system for the new organisation? First, the firms will need to look at what they are using the system for. Obvious features are keeping the accounts and providing management information. Most firms also provide relevant financial information to individual partners and fee earners through a 'fee earner desktop' or intranet. In addition, systems can be used to support a wide range of other activities from client relationship management to

records management. It is unlikely that both firms involved will be using their PMS for exactly the same set of activities, but it is important to bear in mind that all of these functions will form part of the business even if they are currently supported by paper based systems or free standing software.

Once the important business functions have been identified, firms will need to look at the procedures and working practices in each organisation that make up these functions, and select the one that best meets the needs of the new firm. An expected result of this would be that best practice is drawn from both sides. It may be that in some areas neither firm is happy with its existing procedures, or neither process is suitable for the larger merged business, and in this case there is an ideal opportunity to agree a new way of working. Having said that, writing new procedures at this stage should be considered with care and reserved for a very few parts of the overall system. Going back to the drawing board for the whole of practice management will always be too large a project and may simply result in no decisions and no system, as the firms' management will be tied up in many other integration issues as the same time.

Once the best working practice has been identified, it is a simple issue to list the software that is currently supporting it in each area. Time should now be spent to investigate for each of these areas to establish whether the other system can handle the preferred way of working. This may well give a clear and obvious winner in terms of which system is best suited to the new business. More likely there will be advantages and disadvantages to each one. What the decision makers will now have though is a clear understanding of effect on the business of choosing one system over the other. Weighed up alongside the more technical and financial criteria, such as technical fit and the cost of change of each solution, the management can now make an informed decision as to which solution is best.

### **The reviewers**

Reviewing the practice management processes is a large exercise, and firms will need to take a pragmatic approach in order to achieve the necessary results within merger timeframes. In reality, this means that an independent or totally external review is unlikely to be possible. The people on the ground who actually use the PMS on a daily basis are the ones who understand the detail of the procedures, and they will have to be used to define the current practice. Initial choices as to the better of these practices may also be able to be made at a more junior level than the firm's top management team, but issues of merging individual jobs may well make this difficult. It should also be remembered that analysts from the IT staff will normally have one of the best overviews of the automated parts of the processes, and where these are not working well. These skilled staff will almost certainly be needed to work out whether a system can support processes currently implemented on the other firm's PMS.

The review process must also include senior management, both from the support departments and from the partnership. Only at this level will the new business strategy be

clearly identified and understood at this early stage and for this reason these are the only people who can make the final decision on the most suitable way forward. By taking an approach of best practice from each firm, their decisions essentially become a choice between two options in each area. This avoids senior management becoming involved in the design and detail of new procedures at a time when they have larger issues to deal with.

## **Summary**

When trying to merge firms, it is important to remember that it is the businesses that are being joined together. Decisions on merging any IT system, and especially the practice management system should be based on how the business processes are going to be merged, and not simply made on the basis of technology.

Done well, any combination of firms has the opportunity to take a leap forward in terms of how its internal support functions perform. Done badly, whether due to partnership politics or by taking a purely technical view of the problem, it is likely that all parties will be worse off at the end.

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