

Best Practice Clinic: Practice Management Systems – an overview

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Best Practice Clinic: Practice Management Systems – an overview

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GIVEN ITS RECENT LAUNCH (*LSJ* p.16), it may be useful to see where LAW 9000 sits in the broader management context.

The term practice management is generally used to describe the process of managing the delivery of legal services reliably, effectively and efficiently. Taken further, it assumes a strategic business-planning approach which includes a continuous improvement philosophy.

Broadly, organisational frameworks or schemes to enhance practice management have the premise that best practice requires a systematic approach. Benefits include enhanced professionalism, minimisation of risk, greater work satisfaction, enhanced efficiency, increased client satisfaction and enhanced profitability.

Listed below are some of a number of schemes which offer frameworks for practice management – some specific to the legal profession, some generic. Most offer an assessment or audit process, with the right to display a certification mark or logo.

Generic quality improvement systems

In Australia, the two main quality systems recognised in the business community are ISO (International Organisation for Standardisation) and ABEF (Australian Business Excellence Framework). The former is an audit and certification standard, the latter an award process.

ISO has six main relevant categories:

- 1 Quality System (QMS) – a documented system identifying practice key processes;
- 1 Management responsibility – a commitment to development and implementation of the QMS. Includes customer focus, quality, planning and communicating;
- 1 Resource management – primarily human resources, covering recruitment, induction, training, delegation, appraisal and succession;
- 1 Product realisation – planning and controlling delivery of services – for example for a legal firm, work and file management, conflict checks and client engagement;
- 1 Design and development – planning and control of new products; and
- 1 Measurement, analysis and improvement – requires a plan for monitoring and measuring processes, client satisfaction and performance indicators.

ISO requires a documented internal audit process and evidence that it regularly takes place.

The ABEF has seven categories – they include leadership and innovation; people, customer and market focus; and business results. To date, only one law firm in Australia has received an ABEF award – Noyce Legal of Parramatta.

Legal profession schemes

West Australian QPS – The Law Society of WA has developed a Quality Practice Standard which is divided into five specific areas: Procedures Manual; Taking Instructions (appropriate expertise, conflicts checks, disclosure); Handling the Matter (activity recording, key dates, file reviews); Finishing the Matter; and Other Procedures, which includes induction and training, reference resources and client complaints (see www.lawsocietywa.asn.au/qp.html).

QL II-IV – The QL II Best Practice Gateway Framework, begun in 1994, assessed legal service organisations against a number of components in five categories: Leadership (in promoting best practice); Practice Planning (practice, financial and strategic analysis and planning); Client and Work Management; People Management; and Business Consistency (risk management and standardisation).

of procedures).

LAW 9000 – LAW 9000 Tier 1, *Legal Best Practice*, combines QL II with ISO; LAW 9000 Tier 2, *Excellence in Law*, will be based on the Australian Business Excellence Framework (see www.qi.org.au).

Other ways to business success

The above schemes are not the only ways to business success. Ray Gould, CEO of Cutler Hughes & Harris, has written about his firm's use of Kaplan & Norton's balanced scorecard. Gould believes that setting four or five key objectives under the major headings clients, people, processes and money achieves a balanced focus for practice or business unit leaders. Under these activity headings, objectives can then be measured monthly or quarterly to drive accountability in the organisation or division, or at an individual level. If set correctly says Gould, these objectives will lead to successful financial outcomes.

Conclusion

The Law Council of Australia passed a resolution in October 2000 to "promote a national focus on excellence for the management of legal firms in Australia" by recognising the Excellence in Practice Management Framework suggested by its Legal Practice section. LAW 9000 will be a nationally-available benchmark but there is still no recognised national standard, a point worth considering in light of the National Legal Profession Model Bill (see *LSJ* June 2004 p.58).