

Key issues – 2017 – survey in association with the Law Society Gazette

Summary

Participants see two key issues facing them in 2017 – recruitment and retention of staff and cashflow/profitability:

What do you see as the top three issues for your firm in 2017?	
	Number of times mentioned
1 Recruitment and retention	19
2 Cash flow	8
3 Brexit/global political uncertainty	7
4 Improving profitability	7
5 Succession planning	6
6 Growth	5

Brexit remains a concern but is far less significant than it was over the summer.

The survey was undertaken by Andrew Otterburn, who commented: *“It is interesting to see that once again the key issue is recruitment and retention of staff – the key issue for most firms over the last two or three years. Cashflow and profitability is also a major issue, and many firms are vulnerable to any slowdown in property, which has boosted income in recent years. It is important that firms build a reasonably strong cash position now, in advance of any potential slowdown...”*.

The Law Consultancy Network is a network of leading law firm and chambers consultants, comprising: Vicky Ling, Andrew Otterburn, Richard Burcher, Sue Bramall, Colin FitzPatrick, Simon Tupman, Ian Dodd, Chris Denington and Emma Potts.

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Key issues

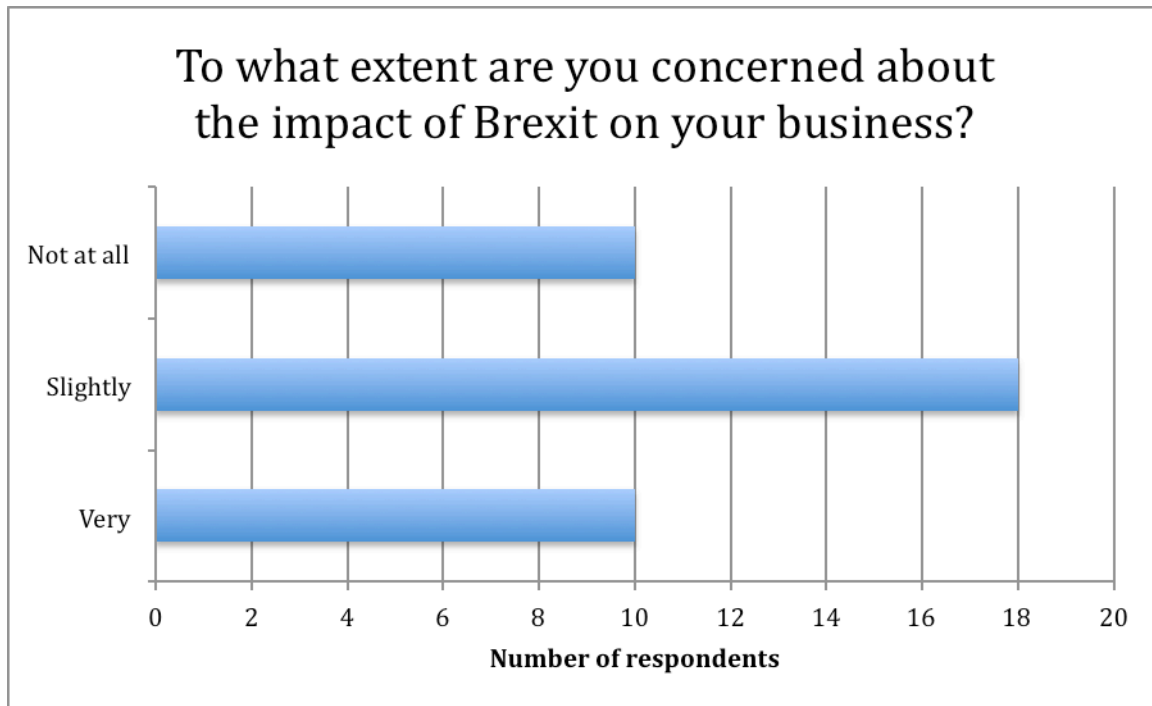
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Brexit/global political uncertainty	7
Improving profitability	7
Succession planning	6
Growth	5
Changes to the PI/Clin neg market	4
Cyber crime	4
Investment in IT	3
Merger	3
Integration	3
Accommodation	3

Other issues mentioned:

What do you see as the top three issues for your firm in 2017?	
	Number of times mentioned
Others	
Stability	2
Increased competition	2
Funding expansion	2
Agile working	2
Managing growth	2
Changes to the way clients seek legal advice	1
Suival	1
Acquisition of another firm	1
Attracting capital from new partners	1
Our lease expiry	1
Improving business processes	1
Public tender costings	1
Management	1
Poor perception of lawyers by public	1
Governance & finance	1
Billing	1
Disabilities	1
Government	1
Incorporation	1
Development of staff	1
Sale	1
Pressure on salaries	1
Staff motivation	1
Building serious injury work	1
Staff	1
BD strategy	1
RE-branding	1
Rationalisation of offices	1
Career planning	1
Developing workflow to meet capacity	1
Pressure on charge rates	1
Court fees	1

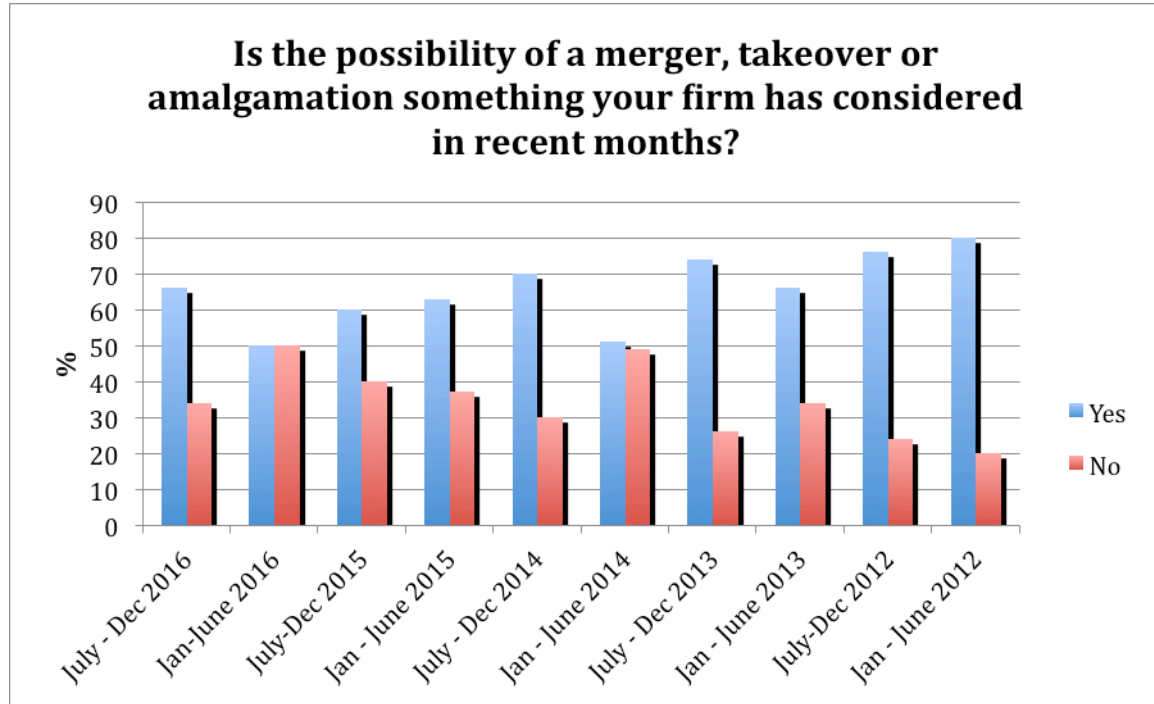
Brexit

Most participants were relatively unconcerned about the possible impact of Brexit:

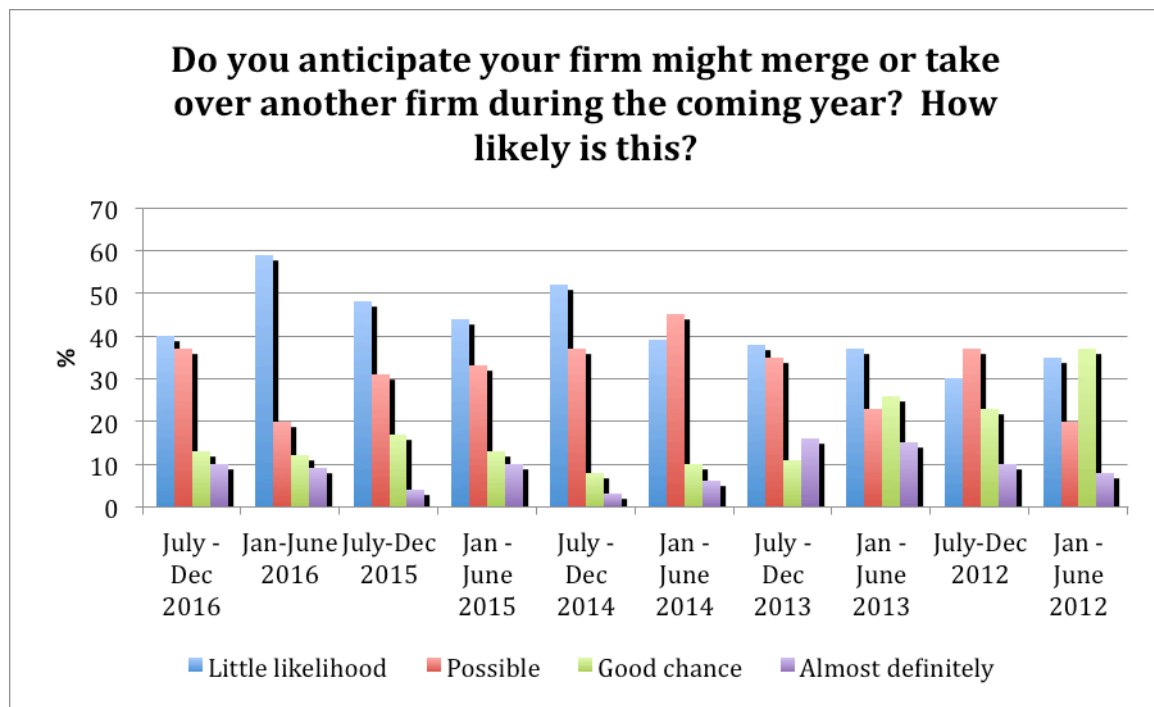


Mergers and acquisitions

Two thirds of respondents had considered the possibility of a merger in the last six months:

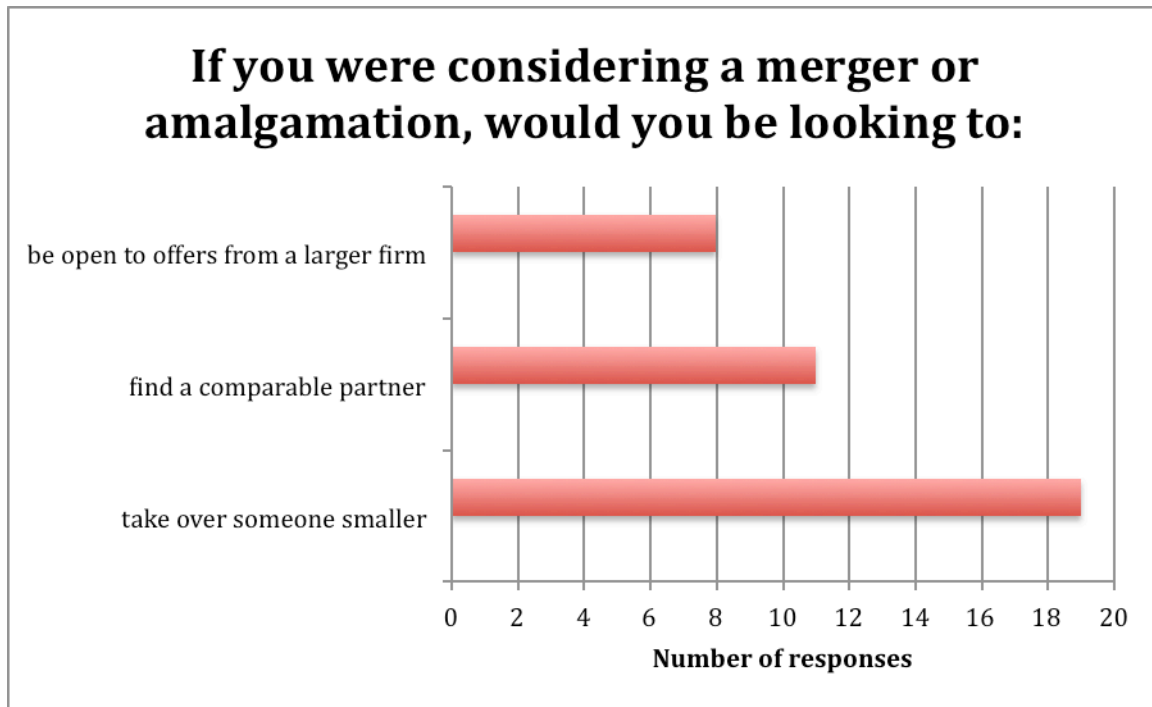


The participants were slightly more optimistic about the possibility of a merger:

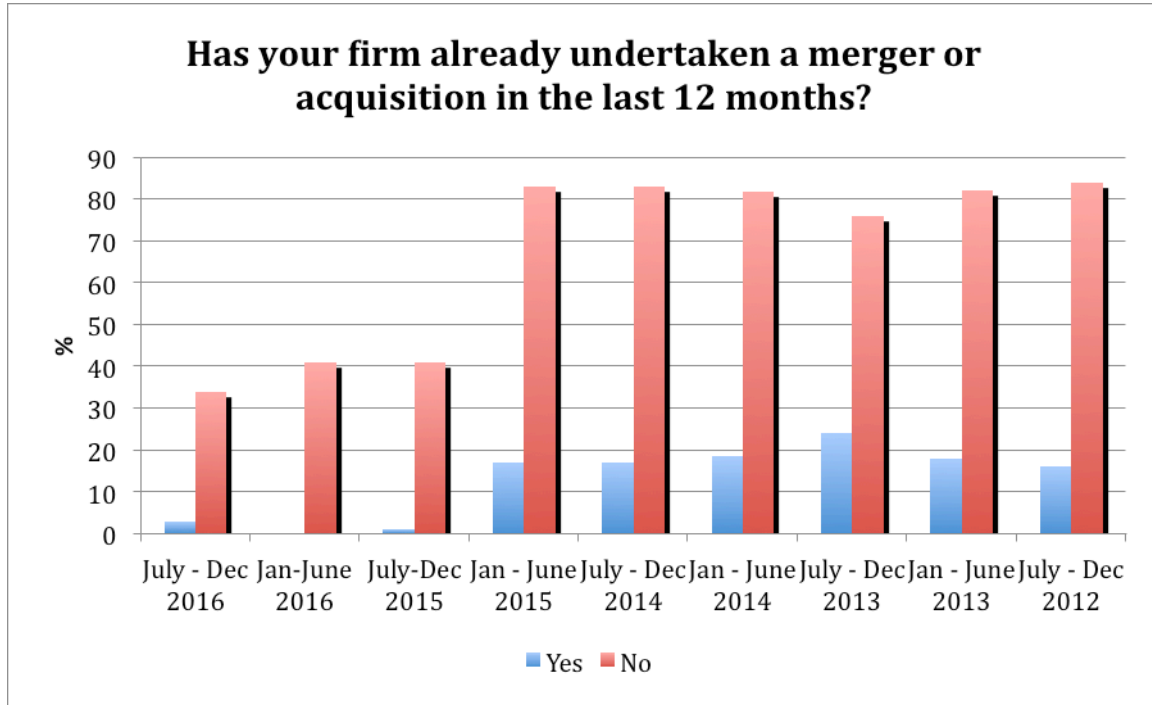


The number of approaches made or received in the six months was comparable to the previous six months: 407 compared to 42. Half the firms that participated had no approaches.

Most firms that were considering merger would prefer to take over someone of comparable size or smaller:



Once again very few of the participants had actually merged in the last six months:



The respondents

The average number of partners or members was 11 and half of the participants had 10 or more partners. 38 firms participated.

How would you describe your firm?	Number
Commercial	30
Legal Aid	17
Private Client	31

Note: Participants could tick more than one option