

# Lexcel Link



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The Law Society

T H E L E X C E L T E A M ' S Q U A R T E R L Y N E W S L E T T E R

## Business Continuity - A User's Guide from BSI

**The management of business risk is vital, understanding and reducing the impact of information loss and business disruption can make or break a company. Planning and preparing for such events is always time well spent.**

### What Is a Business Continuity Plan?

Like an insurance policy, we hope that your business continuity plan is never needed, but your ability to recover, resume operations, and eventually return to a normal business environment should be considered a major asset. Your business continuity plan needs to deliver a quick and smooth restoration of business operations, addressing actions to be taken before, during and after an incident.

We hear a lot about disasters such as tornadoes, floods and fires or from man-made disasters such as terrorist attacks but the most frequent disruptions to a business are less sensational - power cuts, cut cables, equipment failures, theft, or accidental damage. A Business Continuity Plan is intended to protect against any incident that may cause an extended disruption of business.

Well managed IT systems have reliable recovery plans, however these IT systems need buildings, staff, services and communications to operate. Rapid recovery of individual systems or processes are of little value if your building is still in the dark. Deploying point solutions intended to fix specific problems is not business continuity, business continuity should include all of the business and all of the risks.

Through good planning you can identify and then reduce risks, make the right decisions quickly, cut down time and financial losses, perhaps saving the business.

### The Four Step process

#### Step 1: Establish your core planning team

Before you can do anything you will need to identify an individual or group in charge of

developing the Business Continuity plan. The size of the planning team will depend on your business's operations, requirements and resources, it may be one person or perhaps several, each should deliver a particular skill or knowledge set. At this early stage of the plan determine who should be an active member and who can serve in an advisory capacity. These members should be appointed in writing by senior management and their job descriptions specifically modified to reflect the additional responsibility. From the outset senior management must be both supportive and proactive in promoting the success of the program. They should issue a clear statement to the organisation that:

- Sets out the purpose of the plan and how it will involve the entire business
- Establishes a high priority for the program
- Details the authority, reporting and structure of the team
- Empowers the team to take the steps necessary to develop a plan, Establish work schedules, plan deliverables / deadlines and budget parameters.

The planning of staff and roles within the Business Continuity team is very important, real care should be taken when choosing members. Project management, diplomacy and plain common sense are skills needed, the team will be dealing with the whole company, asking awkward questions and in some cases changing working practices. Explaining why and selling these changes to those affected needs to be done firmly but with the up most sensitivity and understanding.

#### Step 2: Understanding your capabilities and the risks you face



This step entails conducting an initial threat assessment to determine your business's vulnerability to possible hazards, emergencies and disruptions. The British Standard on Risk BS7799 - 3 provides a list of potential vulnerabilities and the possible impact of each.

a) Review internal plans and policies that have been established by your business already. Try and understand what the current policies and procedures were created for and

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by whom. Often existing internal processes require special attention, if someone has already taken the time to design and document something, it's likely to be important. Just because a document is old does not mean it is out of date or unimportant. Lots of plans within a company cover what should happen, rarely do they cover what should happen if things go wrong. Look for documents covering:

- Evacuation
- Fire
- Occupational Health Safety
- Environmental policies
- Equipment maintenance guides
- Security procedures
- Insurance
- Office closing plans
- Staff manuals
- Hazardous materials plans, etc.

b) Meet with local government advisors, community organizations and your local utility providers to determine their disaster recovery plans and resources available to respond to any incident. Identify applicable local regulations such as:

- Fire plans
- Flood tables
- Environmental regulations
- Evacuation plans

c) Identify the critical products, services and operations within your business and network, the things you need to be in place for you to operate your business.

Areas to review:

- Company products/services and the facilities and equipment needed to produce them
- Products and services provided by suppliers, especially sole source suppliers
- Critical services, such as electrical power, water, sewerage, gas, telecommunications and data connections.
- Vital equipment and personnel for the continued functioning of the facility

Identify your business 's internal resources and capabilities that may be needed in the event of an emergency or business disruption.

These could include:

- Personnel assigned as fire marshals, hazardous materials response team, security,
- evacuation team and a public information officer.
- Equipment used in fire protection and suppression, communication devices, first aid supplies, warning systems, emergency power and decontamination supplies.
- Facilities designated as emergency operating centers, media briefing areas, shelters.
- First-aid stations.
- Addresses, numbers and contact details for all relevant suppliers contacts and staff.
- Back-up systems available to provide payroll, communications, production, customer services, shipping and receiving, information processing and recovery support.

Identify challenges and prioritize your activities, then determine how you will address the problem areas and resource shortfalls that were identified in the vulnerability analysis.

d) Identify external resources that may be needed, and determine if formal agreements may be required to define a relationship with these resources.

- Local emergency management office
- Fire department
- Hazardous materials response organization
- Hospitals
- Local police
- Utilities
- Contractors/suppliers
- Insurance contacts

Do an insurance review of all policies and identify cost/benefits of coverage.

### Step 3: Develop a plan to control what happens

When something does happen, a clear plan will be needed to guide you. You may not have the time to decide what to do and how to do it, the plan will be there to help you and provide fundamental tasks, processes and guidance.

Your plan should include these basic components. An Executive Summary that provides an overview to senior management and all employees.

- Purpose of the plan
- Emergency management policy of your business and each organization if different
- Roles, responsibilities and authorization for select group of employees
- Potential emergencies
- Location of Response and Recovery Site

An Emergency Management section defines how your company or organization will deal with operational issues. These sections serve as a basis for the development of procedures necessary to protect personnel and equipment, and speed that all important operational recovery.

- Leadership and administration of Emergency Management Team
- Communications
- Life safety
- Property protection
- Recovery
- Administration

Emergency response procedures set out how your business will respond to emergencies and the responsibilities that need to be addressed immediately in the event of a disaster. Specific procedures should be developed for specific potential emergencies,

these will act as templates or guidance for others.

At a very minimum you should cover the following procedures:

- How you initially assess the disruptive situation
- Preferred method of protecting employees, customers, vendors and business partners, equipment, information and records, etc.
- How to report emergencies
- How to warn employees
- An Evacuation plan
- How to decide to and how to shut down operations
- How internal and external communications must be handled
- Specific actions of specialized groups of employees
- Executive Committee
- Business Continuity Coordinator and Emergency Management Team Leader(s)
- Emergency Management Team Members, Alternate Team Members and Leaders

Plans and support documents should be available for immediate reference as needed.

Documents such as:

- Emergency contact details
- Building/facility/site maps identifying floor plans, network cables, stairways, designated escape routes, restricted areas, utility shutoffs, fire extinguishers and suppression systems, water mains, etc.
- Resource needed for emergencies
- Mutual aid/support agreements with other businesses and government organizations

Now write the plan. This activity should be shared among the members of this team, each one bringing a particular skill or understanding. Goals and a time-line will need to be set out early to include preliminary drafts, review, final draft, approvals, printing and distribution.

Training and understanding in the business is vital, staff need to know what to do and understand why they are doing it. Develop, schedule and conduct training on the business's new plan at all levels. This is very important to the success of all your planning efforts.

The plan needs to be finally and publicly approved by senior management. This is not an invitation to change it all, the program team must continue to own the process and the document. Once approved you can distribute the plan in both electronic and printed form. The final distribution list should include the managing director, all other directors of the company, senior

management, emergency team members and supporting personnel.

#### Step 4: Implement the Plan

This step is more than simply putting the plan away until something happens, an emergency or business disruption. Your business should be acting on recommendations made during the vulnerability analysis and reducing the risks when ever possible.

Integrating the plan into everyday company operations is an important function, as your business changes, so should the business continuity plan. By constantly improving / testing the plan your ability to recover will improve.

Conduct training for all employees at periodic intervals, the training should include the procedures set out in the plan for individual employees. Technical training in equipment, evacuation drills and full scale exercises all play their part.

After implementation, test how well the plan has been integrated by asking questions of senior management and general staff and determining what's been left out, needs to be improved, changed.

#### Conclusion

The information and actions described in this 4-step process can now be reviewed and fed back into your plans, this feedback loop is a key feature of any successful management system.

Business continuity is an ongoing task and can be complex, it's also one of the most important things a company possesses. For some organizations a simple step by step approach as described here is enough, for other a formulated and independently inspected approach is needed. The British Standards Institution(BSI) has developed a document for Business Continuity – 'BS25999-1:2006' - Code of practice for business continuity management'. This represents years of research and development, setting out defined processes and best practice in the form of a common approach.

Whatever route you decide to take, Business Continuity is a 'must do' task. Without it an organization is vulnerable and unprepared for even simple disruptions.

#### What should you do now?

Start your business continuity plan today and see what help is available from BSI.

Information Security: <http://www.bsi-uk.com/InformationSecurity/index.xalter>

Business Continuity training: [Gavin.Warran@bsi-global.com](mailto:Gavin.Warran@bsi-global.com)

Business Continuity audits: [Julian.Thrussell@bsi-global.com](mailto:Julian.Thrussell@bsi-global.com)

Business Continuity books and guides: [http://www.bsi-global.com/Business\\_Information/Downloads/index.xalter](http://www.bsi-global.com/Business_Information/Downloads/index.xalter)



# Lexcellence for Donns

**A challenge lay in wait for Adele Warchester, Managing Partner at Donns LLP when, in 1998, she was brought in to review their procedures. It proved the perfect opportunity for her to create an environment focused on quality and excellence.**

The firm did not have any quality marks of distinction at that stage; no Lexcel, no Investors in People and no legal aid franchise. Eight years on, Donns are the proud owners of all three accreditations; they have considerably driven up quality and, ultimately, given clients and staff a win-win situation.

Adele Warchester, managing partner at the Manchester-based practice provides further insight:

“The key focus in 1998 was to look at the bigger picture, viewing the firm as a whole and our approach to quality, client care and training. This touches on every aspect of the practice. The Lexcel framework provides the perfect tool to build on these important issues.”

“I felt we could gain true, tangible benefits: minimised risk, improved marketability, competitive advantage and increased profitability, which, in turn, enhances staff benefits, morale and performance. Perhaps one of the best results we have seen since receiving the accreditation has been the statistics on client complaints. We have seen a 44 per cent reduction in complaints and a 68 per cent reduction in compensation payouts. Negligence and non-compliance issues also hit an all time low and the complete overhaul of the complaints procedure helped raise the profile of client care throughout the practice.”

“Early on, I took ownership of the policies and procedures and gave everyone a better understanding of why things needed to change. We had to up the ante; it is a competitive world out there and if we did not evolve, we would have stagnated.”

“I felt that quality standards should be driven from the top, with buy-in from everyone and this approach has been well received throughout the firm. Everyone understands what we want to achieve and why we are doing it and because of this, we have maintained the Lexcel standard for six consecutive years.”

To drive up the quality standards within the firm, Adele created a user-friendly office



# Lexcel

procedures manual. This formed a reference guide for staff and gave a definite required standard for people to work towards.

Adele continues, “The guide is not something that sits in a drawer. People actually used it on a day-to-day basis. With any large-scale change management programme, you must have visible management support all the way and you need to deliver clear and consistent messages – only then will it work. Staff need to see the tangible benefits of the accreditation and be able to see what’s in it for them.”

“The Lexcel quality mark is widely respected and recognised by the legal profession and clients throughout the UK. It is now a pre-requisite of the modern legal business model. We have real evidence to prove that the whole organisation is working

at the highest level and, as a managing partner, that can only be reassuring.”

“Lexcel accreditation is not something you achieve and then forget about; in fact, quite the opposite is true. It is an ongoing commitment, refinement and revision of procedures – we will be assessed against key performance indicators set out by the Law Society to ensure that our standards remain high. We all worked very hard to achieve the accreditation in 2001 and continue to do so year-on-year as we feel strongly that it not only gives us a major advantage in a competitive market place, but provides us with a continuous framework for excellence.”

“Quality is the fabric of our organisation and now forms part of our culture. This is the way it should be and how it will remain!”

**Adele Warchester, Managing Partner  
at Donns LLP - Manchester**

## Lexcel Guidance



### Child care files & Lexcel assessments

As a result of changes that we have secured in the Family Proceeding Rules and the agreements that all assessment bodies have signed, Lexcel assessors have permission to include childcare files in Lexcel assessments, with immediate effect.

### File selection during assessment

When selecting files for review during an assessment, the assessor should check a random cross-section of files. The sample should reflect the work carried out by the practice. Where the files selected for review belong to a fee earner who is not available at the assessment, the files can still be reviewed by the assessor to ascertain compliance. Any issues arising on these files should then be discussed with the fee earners' supervisor or a senior member of staff.



### Business Continuity (4.3)



The Lexcel standard currently has an optional requirement in relation to business continuity. The new draft practice rules require practices to plan for business continuity and therefore the Law Society has decided that as of the **1 March 2007** the business continuity requirement in Lexcel will become **mandatory**.

### Lexcel Reports - Freedom of Information Requests

If a Freedom of Information (FOI) request is made to a practice in relation to their Lexcel assessment report, the practice is obliged to submit the report. However, the report should be redacted and all personal information relating to an individual should be blanked out. This includes information on interviewees, personal information to the practice, the assessor and assessment body.



# Equal Excellence

**Now more so than ever the business world is looking for quality and standards from its professional advisors. As far as the professional advisor is concerned applying a high level of quality work together with publicised standards gives them the competitive edge needed to succeed in an ever-changing market place.**

Today's SME business clients are looking for reputable quality support from their professional advisors which far surpasses that of professional firms from previous decades. As a consequence this demand has resulted in UK200Group, a membership organisations which provides just that – professional training, benchmarking, high ethics and a level of technical expertise from medium sized firms around the country focusing on value added support services for their SME clients.

The UK has not yet fully adopted the litigious culture of the USA, although professionals need to protect themselves from potential claims through their PI insurance, firms can benefit from the added security of belonging to a professional organisation like UK200Group which has at its core quality annual reviews of working practices. UK200Group of accountants and more recently lawyers was revolutionary in paving the way for professional membership organisations which demanded members delivered and maintained high benchmarked standards which clients could rely on. Lexcel, the kite mark for lawyers, has enabled legal firms to publicise their standards and training and increase their competitiveness in this fast changing commercial environment.

UK200Group has seized the initiative from its competition and in addition to professional training and networking provides:

An annual quality review, the brand of the Group since 1986, is an ethos admired and adopted by many other professional organisations. Members' standards have enabled the Group to maintain its pole position as a market leader for the accountancy profession.

SME clients of the Group's 125 UK and 43 international associate members can expect to receive a wide range of global business products and services.



Specialist Interest Groups including legal deliver market sector specialist knowledge and expertise for the benefit of members and their clients  
[www.uk200group.co.uk](http://www.uk200group.co.uk)

UK200 Legal Group

The legal group focuses its attention on providing bespoke service to its solicitor clients. There are three key elements to the service available:-

1. [Annual benchmarking survey](#)

Conducted through member firms and their clients this provides an annual review of how solicitor clients are performing, whilst giving Legal Group members the opportunity to discuss benchmarking issues with their clients on a pro-active basis.

2. [Solicitors' profit improvement workshop](#)

In September 2006 the Legal Group is re-launching its Solicitors' Profit Improvement Workshop "SPIW" which with Law Society accreditation, provides a three hour CPD seminar that challenges solicitors' understanding of their own practices. At the same time educating young lawyers and managers in the areas of profit enhancement, cash flow control and sound business management skills.

- Recent legislation introduced under UITF40 has placed the spotlight firmly on professional firms accounting for work in progress. UK200 Legal Group members have been specifically trained to advise clients on mitigating the effects of the new accounting rules focusing chiefly on how best to manage these in the coming years.

There is a clear synergy between UK200 Legal Group – a specialist section of UK200 Group where members have clients in the legal sector, and Lexcel. Both support their members who are, on the whole, medium-sized firms competing in a market place dominated by the "Big 4" accountancy and "Magic Circle" legal firms.

Profitability and regular fee income are paramount for a successful professional firm and the Legal Group's Solicitors' Profit Improvement Workshop is a tool which works well with the Law

Management Section's financial management guidelines, helping legal clients recognise that good management practices can lead to increased profit and growth.

The strength of any professional firm relies heavily on the quality of its staff – and future partners! Membership of an organisation where its roots are quality standards and training ultimately produce staff which are focused on client care and profitable growth – a career path often missing in the independent non-member firms. Attracting quality trainees and qualified seniors is paramount to the growth potential in any professional business. UK200 Legal Group recognise that any accounting or legal firm committed to set guidelines for quality and integrity will attract a high standard of client, thus achieving good organic growth. UK200 Legal Group and Lexcel have recognised this and member firms benefit from this vision.

**So why should lawyers and accountants within these two groups work together?**

- Both sets of professionals need to have trust and confidence in their own professional contacts.
- New referrals can be given with confidence.
- Working together with like-minded individuals creates successful clients.
- Professional and committed attitudes to client services

generates higher than average levels of profitability.

- Accessing professional knowledge and expertise like UK200 Legal Group can help Lexcel members maintain good financial management practices throughout the firm.

With Lexcel the focus is on quality standards, compliance and financial management. Given this base a UK200 Legal Group member is able to add a new dimension to the lawyers' financial performance. There is clear evidence amongst UK200Group members that one source of growth is sister practices of a similar size, highlighting the synergy in both shared professional issues and client development. This should not be ignored. We should take advantage of this opportunity for the benefit of all members and our clients.

My view is quite clear UK200 Legal Group and Lexcel members should actively look to develop professional relationships which result in referral work from quality firms which clients can rely upon.

#### **Mark Sharpley**

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## Lexcel Registration Fees.

The annual Lexcel registration fee, charged by the Law Society, goes some way to covering the scheme's administration costs and marketing costs. Unfortunately, it has become necessary to raise these. For applications after 1st December 2006, the following fees come into force.

### PRIVATE PRACTICE

	£
Sole Practitioners	60
2-4 Partners	175
5-7 Partners	230
8-10 Partners	300
11-15 Partners	350
16-25 Partners	485
26-50 Partners	580
51+ Partners	865

### NON-PRIVATE PRACTICE

	£
1-5 fee-earners	60
6-15 fee-earners	175
16-40 fee-earners	300
41-60 fee-earners	405
61+ fee-earners	520

# Lexcel Diary 2006

31 Oct 06	Lexcel Practices Training – Birmingham	£200	Chantal Haynes, 020 7320 5781 <a href="mailto:Chantal.haynes@lawsociety.org.uk">Chantal.haynes@lawsociety.org.uk</a>
02 Nov 06	Information security & effective - Cambridge Practice Management	£50	Julie Bissmire, 01223 488 620 <a href="mailto:Julie.bissmire@lawsociety.org.uk">Julie.bissmire@lawsociety.org.uk</a>
9 Nov 06	Information security & effective - Wakefield Practice Management	£50	Sarah Stone 01942 202 020 <a href="mailto:sarah.stone@lawsociety.org.uk">sarah.stone@lawsociety.org.uk</a>
13 Nov 06	Information security & effective - Newcastle Practice Management	£50	Christine Gascoigne 0191 222 3140
22 Nov 06	Lexcel Quality Forum – Manchester	£210	020 7316 5707 or <a href="mailto:lawmanagmentsection@lawsociety.org.uk">lawmanagmentsection@lawsociety.org.uk</a>
23 Nov 06	Information security & effective - Manchester Practice Management	£50	0161 233 4860
29 Nov 06	Information security & effective - Solihull Practice Management	£50	Kerry Fox 0116 285 9120 <a href="mailto:kerry.fox@lawsociety.org.uk">kerry.fox@lawsociety.org.uk</a>
30 Nov 06 & 1 Dec 06	Lexcel Assessor & Consultant Training - London	£550	Chantal Haynes, 020 7320 5781 <a href="mailto:Chantal.haynes@lawsociety.org.uk">Chantal.haynes@lawsociety.org.uk</a>
05 Dec 06	Information security & effective - Llandudno Practice Management	£50	Nia Griffiths, 02920 645 254 <a href="mailto:nia.griffiths@lawsociety.org.uk">nia.griffiths@lawsociety.org.uk</a>
15 Dec 06	Guide to the Proposed New - Exeter Practice Rules 2 & 5	£145	Sally Say, 01452 413641 <a href="mailto:sally.say@qualitysouthwest.co.uk">sally.say@qualitysouthwest.co.uk</a>

## Lexcel office contacts

As always, we would be pleased to hear from you on any matter relating to Lexcel:

For general enquiries please email the Lexcel Office on:  
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