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Measuring Law Firms' Success:  
A Law Society View



# Context

- A successful profession
- 140,000 on the roll. Annual growth of 9%
- 1.5% of GDP
- Employs over 286,000
- London: 20% of Global Legal Business
- Large international legal firms



# The Risks of Success

- Perceptions: commercial success more important than professional values
- Pricing ourselves out of the market
- Short-term or long-term aims
- Corporate nature of entities without corporate accountability
- Harder times - increased competition or weathering a downturn



# Non-financial values

- Access to justice and the rule of law
- Independence, integrity, best interests of each client served, upholding reputation of the profession, providing a good service to clients
- Reworking our professional contract with society
- Pro Bono, CSR, Quality of Life, Legal Sector Alliance on the green agenda



# Measuring Quality- the Story so far

- The Law Society Lexcel Quality Mark (management Standards)
- ISO 9001 (reliability of process)
- Legal Services Commission attempts to measure quality of legal aid suppliers
- Judging quality in procurement processes
- External Awards of one sort or another



# Measuring inputs or assessing outcomes?

- Legal education example
- 16 hours CPD per annum- or
- assessment of achievements against training plan- or
- Assessment of ability to perform tasks against external benchmark
- Ticking boxes or changing culture?



# This initiative

- What are our business objectives?
- How are we investing properly to achieve them?
- Exposes the risk of short term profit and lack of investment
- A more objective assessment of a firm's economic and social health



# Future Regulation of the Profession

- Regulation of entities under the ABS regime set out in Legal Services Act 2007
- Certification of compliance by Head of Legal Practice or Head of Finance and Administration
- Beneficial for external investment
- Could measures like this be a proxy of compliance of some aspects of regulation?



# But also

- A good tool for management
- Should help uniformity of understanding of firms strategic objectives
- Is systematic (objective?)
- Achieves more accountability and transparency for external stakeholders
- Helps long term competitiveness
- Can highlight non financial values

