

Case study: Foot Anstey

Culture transformation: Foot Anstey drives pricing, profit and productivity



Foot Anstey leverages intelligent decision making to drive a performance and profit-led culture with BigHand Quantum and BigHand Evaluate, formerly DW Reporting.

Overview

Foot Anstey is one of the UK's top 100 law firms, with over 50 partners and 500 staff – and one of the largest firms outside London. The firm, which has been in existence for over 100 years, is firmly rooted in the Southwest of England, with offices in Bristol, Exeter, Taunton and Southampton.

The law firm prides itself on offering high quality services at a fraction of the cost of London-based firms. However, with pressure on fees becoming even greater, and growing numbers of clients pushing for a fixed-fee model, it has become imperative for all fee earners to have accurate and up-to-date performance, efficiency and financial insight.

Legal Knowledge

For Foot Anstey, a strategic overhaul of the Practice Management system in 2015 prompted a review of the way in which key strategic performance and finance information was provided to the business. As Neil Demuth, Executive Director, Finance Operations explains, "We recognized the need to improve our reporting structure to provide partners and lawyers with readily available information to help them better understand how they are performing, reinforcing a corporate culture of financial control to meet both our own and our clients' business needs."

The new Practice Management system included a reporting solution, but the firm decided it was not fit for purpose: "It didn't feel intuitive for the end user," he says. Having assessed the market, the firm opted for BigHand's Quantum Financial Data Warehouse, not only for the intuitive user experience and self-service information access it provides but also the company's deep understanding and experience of the legal marketplace.

As Demuth confirms, "While the majority of software companies can offer good technical expertise, the guys at BigHand also have legal expertise and experience; they have worked for law firms, they have been legal management accountants; they understand the market, culture and terminology. We felt a great rapport."

Tailored Dashboards

BigHand also took time to understand the specifics of the Foot Anstey business, working with Foot Anstey to ensure the highly adaptable, and data source agnostic BigHand Quantum data warehouse would deliver the precise dashboards required to meet the firm's specific Key Performance Indicators (KPI).

Leveraging the data from the Practice Management system, Foot Anstey has two dashboards – one customized for the firm's 56 partners, providing an overview of all work under their remit, and one for the remaining 200 lawyers, providing each lawyer with granular performance insight. The dashboard is available online, via the company's intranet, and is customized in the corporate colours.

The dashboards address the three primary KPIs identified by the business, namely: Time recording, by day, week and month; Recovery rate – the hours converted into fees; and Efficiency. Demuth explains,

"As a lawyer you want to understand how many hours you have recorded for the month, what fees have been allocated to you, plus any outstanding debts. BigHand Quantum provides a one stop shop dashboard to enable lawyers to manage their own performance as well as their portfolio of clients, with instant access and financial information."

Neil Demuth, Executive Director Finance Operations, Foot Anstey

While Foot Anstey had provided some limited performance and financial information to fee earners in the past, with BigHand Quantum the information is now refreshed routinely throughout the day, ensuring all fee earners have complete confidence in the performance information through its intuitive, drill down dashboard model.

Profit Insight

Foot Anstey was rapidly able to start leveraging this information to drive business benefits – not least in gaining a far better understanding of profitability by client, matter, sector and work type. "Our business leaders now have a powerful tool to help understand in detail the profitability of the work we are delivering," Demuth confirms.

The ability to confidently look beyond the headline turnover by client, for example, into the overall cost of managing that relationship to understand profitability has enabled Foot Anstey to refine its business model and pricing. Demuth works closely with the partners to delve down through the figures, using identified areas of particularly strong or weak profit, to understand underlying business practices, determine how good performance could be replicated elsewhere, and less good avoided in the future.

He confirms, "The BigHand Quantum dashboard is a really good tool that helps partners step back and think about how Foot Anstey could be best placed for future work."

Assessing Opportunities

The following year, in September 2016, Foot Anstey also deployed BigHand Evaluate, a matter budgeting and pricing tool. BigHand Evaluate enables the firm to build on its profitability insight and new thinking regarding pricing by providing a very clear view of potential profit on each piece of work before an instruction is even accepted. For example, if a client is looking for a fixed fee

of £10,000, the firm can determine the likely break down of work required - by partner, senior associate, junior and trainee – and BigHand Evaluate will automatically calculate the likely profit contribution based on the cost rate of each individual.

"This insight has ensured that Foot Anstey has avoided engagements that would have been loss leaders while also enabling the firm to sharpen prices to ensure we are generating the correct contribution from each piece of work." Demuth continues, "The firm's client development team is heavily involved, especially when being asked to pitch for work at discounted or blended partner rates, in evaluating the impact on profitability of various pricing models." He confirms "It effectively enables us to undertake 'What If' scenarios to determine whether or not a piece of work would be commercially right for the firm at a set fee or rate."

Once a partner is happy with the budget as defined within BigHand Evaluate, it can then be assigned to the matter and the progress tracked through the Practice Management System. At any time, a partner or lawyer can check whether or not the firm is over or under budget on any specific piece of work based on the number of hours already worked by individuals at each level.

Another key benefit of BigHand Evaluate is its built-in support for Precedent H, enabling Foot Anstey to segment cost budget in line with Precedent H requirements for any litigation work. Demuth confirms, "When we undertook our complete technology update in 2015, BigHand was the only company that had spent time developing a solution to support Precedent H - and that enables us to quickly and effectively comply with litigation funding."

Looking Ahead

Two years on from the initial deployment of BigHand Quantum and BigHand Evaluate, and Foot Anstey has made notable advances in corporate culture and thinking, with an even stronger emphasis on profitability and financial control. Building on this, the firm is now looking to further leverage BigHand Quantum to support its growing client-centric focus, for example to gain a better understanding of cross-selling with a complete, holistic view of how each client is performing with every part of the business.

"Segmenting fees into different areas, corporate, employment, litigation, and so on, will support Key Account Management by identifying new business opportunities within the existing client base," he says. The firm is working with BigHand on the creation of client-centric BigHand Quantum dashboards, which are set to go live in Autumn 2018.

Demuth concludes, "Working with BigHand over the past two years has undoubtedly improved Foot Anstey's decision making. With BigHand Quantum, all fee earners have immediate access to the financial and performance information required to manage their contribution to the business, while BigHand Evaluate provides the client development team with the ability to confidently support partners in making decisions about potential new business. Looking ahead, as we extend intelligent decision making to support our client-focused model, BigHand's legal expertise and market understanding provides us with confidence in both the strength of our relationship and its ability to build products that truly support law firm finance."