

MARKET ANALYSIS: REVENUE CONTROL 2018-2019

1ST EDITION

balance.





WHO WE ARE...



In May 2018 we celebrated our 10-year anniversary in business.



Our dedicated team of consultants have all been with the business for over 5 years.



We have achieved regular recognition from our peers within the recruitment industry, with over 10 awards received in both the Recruiter Awards for Excellence and the Global Recruiter Awards.



We have a combined 35+ years experience of working within and recruiting for the finance teams of law firms in London.



We cover transactional finance, qualified accounting, finance systems and executive management positions, with successful appointments ranging from Chief Financial Officer and Finance Director level through to Accounts Assistants and Revenue Assistants.



We are also the leading specialist recruiter for legal finance systems appointments, having helped with the vast majority of manager-level appointments in recent years, alongside team-based hires from senior to assistant levels.



We have a successful track record in recruiting for our clients worldwide, with appointments secured in Asia, mainland Europe and the Caribbean.



We produce and publish regular industry commentary and have been early-adopters on various social media channels, where we enjoy great levels of interaction with our community of contacts.



LONDON OFFICE
15 Bishopsgate, London EC2N 3AR

INTRODUCTION

Revenue Control has been by far and away the busiest area for hiring across the legal accounts function in recent years for our team, with significant change and evolution of teams across the legal sector.

During 2018 we also saw a big drive from US Law Firms to strengthen their resources in this field, often hiring at the senior end of the market, which has had a big impact on the hiring market and created more movement between firms.

We therefore wanted to shine a light on this thriving discipline and sought the input of over 100 Revenue Controllers and Revenue Managers from across our network

of contacts to produce this report, providing valuable insight in to the shared and differing experiences of those working within this niche field.

A huge thank you to all of those who took the time out to contribute to the survey. We hope the findings will provide a valuable resource and be, at the very least, an interesting read for those working or managing within Revenue Control.

THE RESULTS

Team Structure:

With restructuring of revenue management functions commonplace over recent years, we asked respondents to describe the team structure of the working capital function they are currently working within (incorporating billing, revenue control and collections functions).



- 33% Two teams:** a team of Billing/Revenue Specialists and a separate team of Credit Controllers
- 32% - Three distinct teams:** Legal Billers, Revenue Controllers and Credit Controllers
- 27% - One team:** multi-discipline controllers who each cover aspects of WIP management, billing & collections
- 8% - Two teams:** a team of Revenue/Credit Controllers and a separate team of Legal Billers

Location, Location, Location:

With agile working environments becoming more prevalent and legal finance functions now playing a more advisory role than ever before, we were interested to review where Revenue Controllers are physically based on a day to day basis, asking 'When not attending WIP meetings, where are you physically based?'



- 60%** Based within the finance department
- 26%** Based within the practice groups I support
- 14%** Equally split between the two

To Bill or not to Bill:

The survey explored to what extent the production and processing of bills remains a regular responsibility for Revenue Controllers and whether this differs significantly between UK and US firms (removing manager responses).

Are you responsible for billing on a monthly basis?

Overall



UK Firms

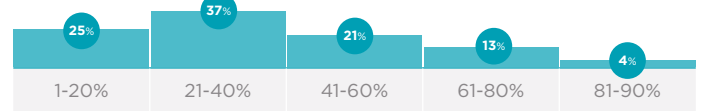


US Firms

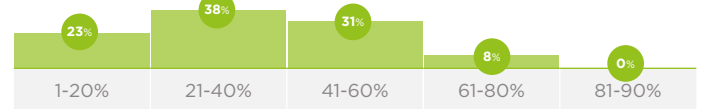


On average, how much of your time do you spend on production /processing of bills on a monthly basis?

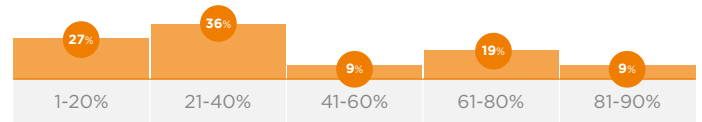
Overall



UK Firms

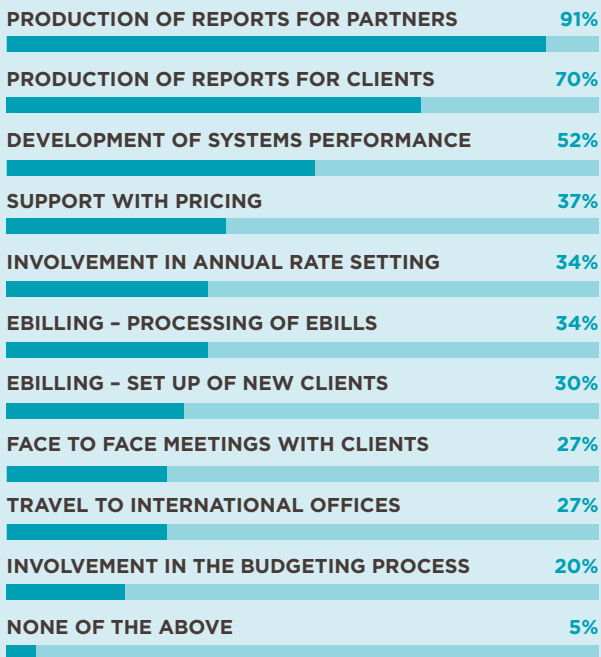


US Firms



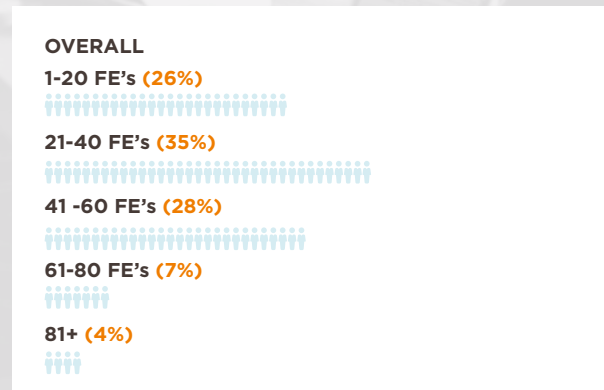
Wider Responsibilities

The range of responsibilities that a modern day Revenue Controller will cover has been expanding over recent years. Away from WIP meetings and supporting the billing process, we wanted to assess how prevalent the following tasks are for Revenue Controllers who participated in the survey.



Fee Earner Portfolio:

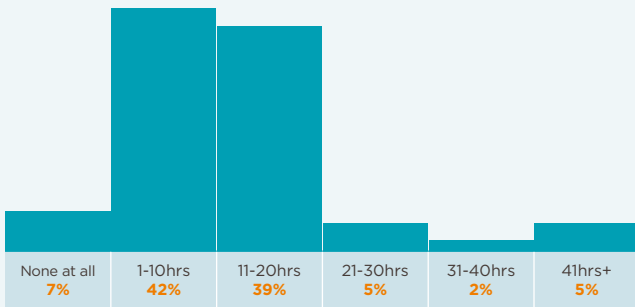
A common differential from one firm to the next is the number of fee earners a Revenue Controller is responsible for supporting with management of their WIP. The survey results showed that the vast majority were responsible for between 10 and 60 fee earners, with Revenue Controllers in UK firms stretched a little thinner than their US firm counterparts.



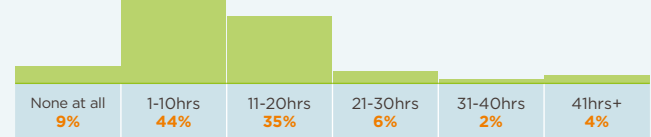
Overtime

Largely unavoidable for Revenue Controllers, due to month/quarter/year end peak periods, we asked: 'on average, how many hours overtime do you do a month?'

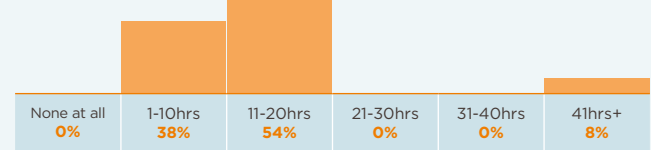
OVERALL



UK FIRMS

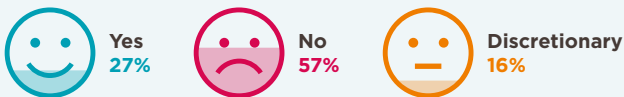


US FIRMS



Is this overtime paid?

OVERALL



UK FIRMS



US FIRMS



Current performance

Many different factors have contributed to law firms restructuring their revenue and working capital teams in recent years; changing client requirements, new systems and technologies, offshore processing teams, business growth and more. So how are Revenue Controllers and Managers generally feeling about the current performance levels of their existing teams right now?

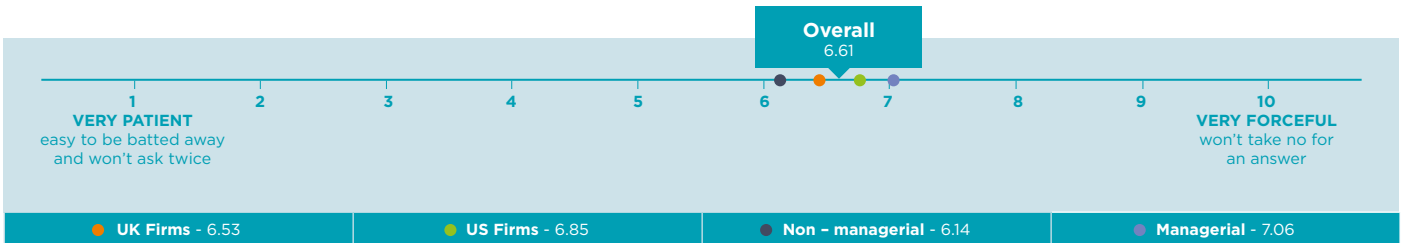
	Non-managers	Managers
A well oiled machine, performing very effectively	7%	17%
Room for improvement, but generally performing well	52%	45%
Currently in a transition period following recent changes	26%	31%
Underperforming and in need of some big changes	15%	7%

Which of the following do you feel would improve the effectiveness of yours and your teams performance at your current firm?



Tact and Diplomacy vs Results:

One of the biggest challenges for Revenue Controllers is maintaining good relationships with Fee Earners, whilst still able to challenge them when and where necessary. We asked where respondents felt the ideal balance is found on the following scale:



Key Attributes

So what do managers look for when hiring for their Revenue Control teams? We asked respondents with managerial responsibility to rank the following attributes in order of importance when hiring for an experienced Revenue Controller, resulting in the following order (1 being the most important)...

- #1 **Resilient** - strong character and can handle themselves with challenging partners
- #2 **Likeable** - easy going manner and able to build rapport
- #3 **Commercial acumen** - stronger than average appreciation for wider business issues and impacts
- #4 **Very well spoken** - with a professional manner
- #5 **Technically gifted** - strong systems/reporting ability
- #6 **Ambition** - eager to be challenged and to progress themselves

Motivation

We were interested to see how different firms/managers approach motivation of staff in order to achieve results, asking "Which of the following are adopted in your current firm?"








	Annual discretionary financial bonus Based on performance	43%
	Monthly team targets Regularly discussing progress towards them	34%
	Annual measurable financial bonus Based on specific targets	9%
	Periodic financial incentives Based on monthly/quarterly performance	9%
	Monthly individual targets With competition amongst the team	7%
	Non-financial incentives Awarded periodically	4%
	None of the above We just get on with what's in front of us	33%

We also asked respondents which of the above would be the single most effective for them.

#1 Monthly team targets Regularly discussing progress towards them	25%
#2 Periodic financial incentives Based on monthly/quarterly performance	25%
#3 Annual discretionary financial bonus Based on performance	23%
#4 Annual measurable financial bonus Based on specific targets	17%
#5 Monthly individual targets With competition amongst the team	5%
#6 Non-financial incentives Awarded periodically	5%

Career Path

It's rare for a Revenue Controller position to be secured by a "first jobber", and the path in to Revenue Control has become more varied over recent years, so we were keen to review the common career history before moving in to the field, asking "Which role did you hold before moving in to Revenue Control in the legal sector?"




 Legal Billing	40%
 Credit Control	21%
 Revenue Controller (other professional services)	14%
 Legal Cashier	9%
 Accounts Assistant	5%
 eBilling	3%
 Other	8%

We were also keen to see in what direction Revenue Controllers would like their career to progress in future.

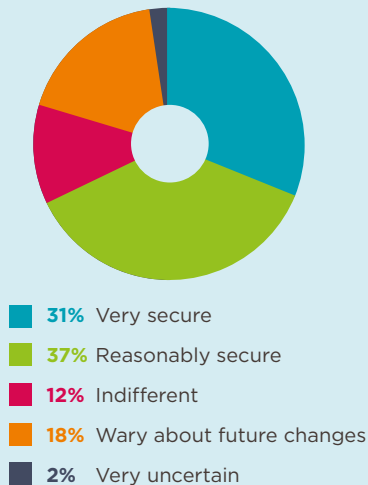
Progressing in to management of a revenue function	35%
Happy with the challenge of my current role	16%
Moving to a dedicated Pricing role	15%
Moving to a broader Financial Management role	13%
Moving to a smaller firm	7%
Moving to a larger firm	5%
Moving to a Financial Analysis role	4%
Moving to a different industry	3%
Moving to a Finance System role	2%

Movement and Job Security

Finally, we were keen to review the level of employee movement in the market, asking respondents if they had changed employer within the last 12 months.

 <p>YES Through my own decision to make a move 21%</p>	 <p>YES following redundancy from my previous employer 4%</p>	 <p>NO 75%</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

How secure do respondents feel in their current employment in the face of merger activity and relocation of business services teams?



The results also showed that a comfortable majority were at least open to making a move within the next 12 months:

- 43%** I wouldn't rule out a good move
- 25%** Very open to interviews if a good role finds me
- 14%** I'm already actively seeking a move
- 10%** Unlikely to move - only if something changes
- 6%** No plans to move at all and hope to stay put
- 2%** Finishing a contract/being made redundant so will need to move

EXECUTIVE SUMMARY

It came as no surprise to us to see that the majority of Revenue Controllers and Managers considered themselves to be working within a team which is either in a transition period or one that is performing well but with room for improvement. This may have had some bearing on the high degree of movement within the market, with 1 in 4 respondents having moved employer during the previous 12 months, and the majority not ruling out a move in the following 12 months.

The results also displayed that Revenue Controllers are becoming involved in a broader range of responsibilities, with production of Client and Partner reporting now a routine aspect of the role, and over a third of respondents providing support with pricing. This, we feel, is likely to result in the future career options for Revenue Controllers expanding beyond just the traditional path in to management, and the desire is there - over a third of respondents declared an interest in a future career path away from revenue control in to other areas of finance.

There were some subtle differences between UK and US firms, with US firm Revenue Controllers more likely to be involved in producing bills and doing more overtime, although they were more likely to be paid for the additional time than their UK counterparts and, on average, are supporting a smaller number of fee earners.

Looking ahead for 2019 and beyond, we would expect to see demand remaining high for Revenue Controllers. As commercial finance resources continue to grow at pace within the larger law firms, we also anticipate the progression opportunities for talented Revenue Controllers opening up to a wider range of analytical and advisory roles, where a combination of financial acumen and relationship development skills are crucial.



Richard Hooper

Director - Balance Recruitment

richardhooper@balancerecruitment.com