

Case study: Morton Fraser

Morton Fraser reinforces a culture of clarity and fee earner responsibility with BigHand Quantum financial data



How BigHand Quantum is providing Morton Fraser with key financial information into operational costs and business capacity to help with the firms strategic planning.

Morton Fraser is a top ten independent Scottish law firm with revenues in excess of £21 million. The progressive firm has a commitment to clarity: clarity of pricing, clarity of client communication and clarity of advice. The firm offers a broad range of services to body corporates, the public sector and private clients, with extensive expertise ranging from commercial real estate to banking, through to family law, dispute resolution, employment and executries.

As part of its progressive model, and supporting its clarity commitment, Morton Fraser is keen to empower fee earners at every level to take responsibility for all aspects of the client relationship. From ensuring the accurate time recording required to better understand operational costs and business capacity, to driving down aged debt and minimising the age of Work in Progress (WIP), the firm is encouraging responsibility across the business to underpin good, client focused decision making.

Strategic Change

Wholesale behavioural best practice cannot, however, be achieved without support – and in 2014, Morton Fraser embarked on the strategic replacement of its practice management and case management systems. During extensive discussions regarding product functionality, project implementation and data transfer, it became very apparent to the firm that the new

solution in isolation would not and could not provide the quality of management information required to support fee earners to take control over key issues such as WIP and aged debt.

As Scott McClure, Finance Director, Morton Fraser, explains, “While we were very confident with the chosen software’s functionality as a practice management system, we wanted to enhance the management information to ensure the effective running of our business. The system’s reporting functionality would have taken a lot of time and resource to design a solution to meet our needs.”

Specifically, the firm was looking to create tailored financial dashboards to support fee earners at every level of the business, from Chief Executive downwards, to underpin both day to day operations and strategic planning.

Legal Expertise

Morton Fraser required a financial reporting solution that provided not only a top level perspective for the Finance Director and Chief Executive, but also information to support department heads in managing their business and to provide fee earners with rapid access to their Key Performance Indicators (KPIs).

Having reviewed the market, Morton Fraser opted to implement the data agnostic BigHand Quantum financial data warehouse (formerly known as DW Reporting, Quantum), which was developed specifically for the legal market. The target was to go live as quickly as possible, to tie in with the new practice management deployment, which was set to be deployed in June 2017. McClure expands, "Working with BigHand's small, nimble team has been really refreshing – enabling us to cut through the bureaucracy and get things done quickly."

Indeed, despite the tight timescales, BigHand Quantum was rolled out within weeks of the practice management solution, going live in July 2017. It uses data from the practice management system and is refreshed overnight to provide everyone across the business with the insight required.

The BigHand Quantum dashboards have been designed to deliver different business views – from the overall firm perspective through department – commercial, corporate, litigation and private client – to team information, such as employment and dispute resolution, making it a go-to tool for staff at every level. Each partner has a specific portfolio view that relates to the matters under their remit; while every fee earner sees the KPIs relating to their specific matters.

As McClure confirms, "The first thing I do every morning is to look at the KPIs in BigHand Quantum reviewing the four key areas of time, fees, work in progress and debtors."

Immediate Financial Insight

While traditionally law firms have used time recording as the basis for billing clients, with the rise in Fixed Fee contracts, the accurate recording of time is now key both to understanding the costs of manufacture of legal services and gauging the business's resourcing capacity. He explains, "Hiring decisions are increasingly informed by this information – I work closely with the Chief Executive, looking at the Time KPI to understand and identify capacity concerns across the business. If a department head insists the team is stretched, for example, but the KPIs reveal there is a 20% capacity in that team, that points to other issues in terms of time recording that need to be addressed."

The firm is using Fee information to track progress against budget and flag any areas of potential concern, as well as tracking WIP to identify aged WIP that may be hard to turn into fees.

It helps management to focus on specific teams or individuals demonstrating a problem with older WIP. Credit control is also making extensive use of BigHand Quantum to analyse and sort aged debt – for example debt over 120 days – to better identify potential problems and prioritise debt recovery efforts. As a result, Morton Fraser's aged debt has reduced significantly in recent months.

Extending Responsibility

Morton Fraser is building on the accessibility and intuitiveness of the BigHand Quantum dashboards to drive new behaviours across the firm, from improving the accuracy of time recording to reducing aged WIP. Providing all fee earners with an up to date view of these KPIs is helping the firm to embed a culture of overall responsibility. While the credit control team is primarily focused on analysing the Aged Debt information, making Aged Debt a KPI for all fee earners encourages everyone to take responsibility for this aspect of client relationships.

"At each level of the business we are looking for people to be proactive in terms of looking at their matters and considering what action needs to be taken to get it to an optimal situation – everyone is encouraged to look at the BigHand Quantum dashboard every day to ensure they can make the best possible decisions for clients."

– Scott McClure, Finance Director, Morton Fraser

Driving Change

In addition to flagging up the age of WIP to draw fee earners' attention to potential areas that need to be addressed, Morton Fraser is also using the dashboards to further reinforce the need for fee earners to meet expectations regarding accurate time recording. Whilst in the past fee earners would be entitled to a bonus if they hit 80% of chargeable time targets, the bonus is only provided now when 100% of target is achieved.

"We need to encourage people to record their time accurately because this is an essential indicator of operational costs and business capacity," McClure concludes. "The BigHand Quantum dashboard includes a dial that shows each fee earner where they are in comparison to the chargeable time target, helping them to work towards meeting objectives. BigHand Quantum is encouraging the right behaviours in the business, and it's doing so with our core underpinning values of transparency and clarity."

