



Opportunities and Challenges for Chambers in Manchester

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What has changed?

Nothing

- Majority of clients are still solicitors
- We are still independent and self employed
- Chambers are still managed by members of chambers
- We are still in the same set up and building

Everything

- clients come direct
- solicitors can retain work in house
- we have to tender for work and carry out block contracts
- we have to live to service standards and preferred supplier status
- the market is much more competitive
- new business structures are popping up in competition and delivering services differently
- the day to day running of chambers is managed by the staff and management professionals

What has this got to do with the LSA?

- Nothing

The LSA merely made people think differently.

- Everything

The LSA and the financial climate has caused a fundamental shift of working practice. In many cases, Chambers looking again at the way legal services are delivered has been driven by the LSA.

What else has to change?

- ❖ Clients will no longer pay for experienced and highly qualified professionals
- ❖ If it is not a regulated activity you must ensure that it is not carried out by a regulated person
- ❖ Chambers must hire the right management professionals
- ❖ Chambers must have a corporate structure. Chambers cannot compete with the large firms unless they take a large firm attitude.
- ❖ Solicitor's firms are block outsourcing. Why not advocacy?

- ❖ BSB rules are still in the process of catching up. The BSB have been slower than the SRA to change rules relating to ABSs and this has potentially restricted the Bar when it comes to reaching commercial agreements with clients.
- ❖ New business structures are only just having an impact on the market.
- ❖ The financial crisis and consumer power have created a demand for better service cheaper.

What can we expect next?

What challenges are approaching?

In the next year:

BSB are in process of changing rules that will potentially allow-

- ❖ Sharing offices and administration
- ❖ Chambers to hire legally trained professionals to carry out work
- ❖ Chambers (and others) to take on block contracts and service them, independent of their members
- ❖ Solicitors and barristers to join together on commercial ventures and to tender together for work and share the fees

The rule changes that are being made are sensible and in the public/consumer interest.

In 3 years:

.....?

Where does that leave us?

Where are the opportunities and
what are the challenges?

1. High quality and pro-active chambers should thrive, forming new and closer business referral relationships with their clients and consumers will benefit from it in terms of quality of service, cost and flexibility of expertise and representation.
2. New businesses will enter the market, competing with both solicitors and barristers. It is happening now.
3. Those who stand still will lose work, as the market place has no place for those who do not find new ways to compete for and deliver work in the consumer's interest.

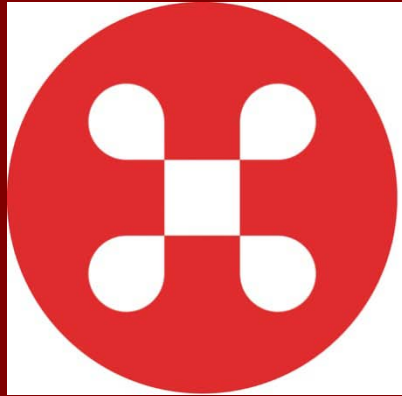
To ensure opportunities are maximised Chambers must –

- Ensure that they are working within the BSB rules
- Work more closely with clients to find out what they want and then deliver that at a price they can afford.
- Join with clients to make approaches for work.
- Get accustomed to tendering for work collectively, to service standards.
- Decide whether partnership is in their interest.
- Be more commercial in the way agreements are reached.
- Modernise!
- Recognise that clients are exactly that CLIENTS and treat them as such.
- Not fear competition.
- Ensure that managers manage and lawyers practice law.
- Bring in external skills where they are needed.
- Take commercial decisions in regard to work on behalf of its members.
- Be open to new business ventures and new working methods.

Is that the end?

No – with further changes in 2011 we can expect more ABS structures to arrive and outside investment. Chambers and law firms will have to continue to react to the changing environment and new challenges in the market. Only then will they be able to compete with the influence, buying power and marketing of the new entrants to the market and turn a challenge into an opportunity.

The cheese will keep moving. “Move with the cheese and enjoy it!”



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