

## NQs – Developing commercial awareness: Law firm finances

### Synopsis

Make sure your NQs are prepared for the challenges of qualification.

NQs are introduced to the commercial reality of running a law firm. By developing their understanding of key performance indicators, they will appreciate the business rationale underpinning rigorous time recording, delivering accurate cost information and bills, and getting paid promptly. The focus is on helping fee-earners grasp how their working practices impact on the financial success of the business.

### Duration

3 - 6 hours

### Format

The course uses quizzes, exercises and case studies to ensure the training is interactive and engaging.

### Delegates

Newly qualified solicitors  
Maximum 20 per course

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### Outcomes

As a result of attending the course, you will:

- understand how law firms operate as commercial entities
- appreciate the importance of strategic planning
- understand financial data and key performance indicators
- recognise the importance of managing WIP and debtors
- develop your commercial awareness of the legal sector
- contribute more effectively to the day-to-day operations of the firm

### Content

#### Planning

- *The challenges facing law firms*
- *Planning tools*

#### Law firm finances

- *How are law firms funded?*
- *Key performance indicators and benchmarking*

#### How do law firms generate profits?

- *The profit formula*
- *Gearing*
- *Time recording*
- *Margin & recovery*

#### Cash is king

- *Cash flow forecasting*
- *Lock-up explored*
- *Managing WIP and debtors*

#### Business development

- *Winning new business*
- *Retention*