

Revising the template

Stephen Ward explains why the traditional barrister expenses model is under pressure



Traditionally, most barristers unite with other barristers to form an expenses sharing environment because funding rooms, staff, IT and marketing costs individually is simply too costly. Here lies the fundamental problem with the traditional chambers model. All of the items in a budget are a cost and therefore a liability. Staff are therefore commonly considered to be an unnecessary expense rather than an asset.

Difficult decisions

Decision making in many traditional chambers can be a challenge particularly if you have groups of barristers undertaking different areas of law, with different funding schemes and vastly varying hourly rates. Trying to please each member of chambers is almost impossible and leads to negativity, delay in decision making and divisive behaviour. While there may be a huge amount of friendship between barristers within a set, getting agreement on major investment with competing objectives can be tricky, if not impossible. Add to the pot the issue of joint and several liabilities in a chambers constitution—when anyone is free to leave and join another chambers (for whatever reason)—means it can all too often end in tears.

It is refreshing to see that new and innovative business structures are developing. Chambers with a modern outlook have found ways to develop, agree and implement longer term strategies for moving their brands forward, holding freehold property and funding marketing initiatives. I do not consider chambers in this category to be traditional. Any chambers which can adapt and adopt a modern and efficient approach will thrive in the future, in my opinion.

Modern chambers

Modern chambers understand their staff are key to the success of the business, and invest in their environment, training and support in

the same way that many excellent businesses in other professions do. If a chambers wants to call itself a “business”, it needs to behave like a business and create value in its product. Many chambers still struggle with the fact they are a business or a collection of businesses where the barristers are a single entity within the group. Are barristers in a sole proprietorship role within chambers or is chambers a partnership, corporation or co-operative? Wikipedia says that barristers in chambers “operate fraternally”. What does that mean to a solicitor, public access client or potential investor? A description, I suspect, that sits a million miles away from the terminology of business in the commercial sector.

At Clerksroom we re-structured in 2001 and became a normal commercial company with shareholders and business aims and objectives. We are profit-driven and our barristers remain self-employed in independent practice. The very fact that we are profit-driven benefits our members because we allow them to keep 88% of their ever increasing income. Brand issues are simplified because the company and its staff strive to protect the brand and its value at all times. Quality of advice by a barrister in any chambers must be a given, not part of a marketing pitch. Our structure enables us to concentrate on adding value in areas that traditional chambers cannot, simply by virtue of the fact that we are unfettered by constitutions and chambers meetings.

Benefits of a clear commercial structure

Why does a chambers with a clear commercial structure benefit a law firm, in-house legal team or public body? The benefits of using a commercially engineered organisation can be found in many areas. Simple features like providing a national service saves clients time and money in not having to contact a range of chambers with varying service levels and different approaches. We provide a consistent approach in dealing with fees,

booking policies, complaints and other key service level criteria. We can ensure this through our commercial decision-making and accountability processes in chambers that are unlike no other. Centralised clerking helps us to achieve this consistency, something which is not always the case with multi-centred chambers. Another important benefit is that our travel costs are much lower because barristers are either working from home locally, or taking a view as to what can be recovered.

Ambitions & goals

What ambitions and goals should a modern chambers be aiming for in these changing times? Most barristers’ chambers will look to respond to client demand for a greater focus, by producing specialist teams. They will aim to streamline their administrative processes and explore the benefits of automation to reduce overheads whilst providing better service. They will also aim to address the quality and frequency of training and CPD for client firms, and delivering this in-house. Quality, innovation and efficiency is the key to attracting new business in the post-Jackson era. At Clerksroom our business development plan has a clear focus on fast- and multi-track claims in England & Wales in addition to being a leading mediation provider.

Something we’re incredibly proud of is the hugely positive reaction to our model from alternative business structures and new entrants—also engineered for the new legal and client era, such as the BGL Group (Compare The Market)—which form our biggest client pool. These new structures and entities are (quite rightly) very demanding, national clients so we work in new ways to meet their demands.

Our national presence, quality service, 24/7 opening and non-geographically limited location are the keys to our success. Our structure and service delivery are the direct result of listening to clients’ needs and being able to respond and deliver effectively and meaningfully. This is what chambers need to invest in if barristers want to retain their share of the market. How can you innovate unless you take the time to listen to clients and then make an effort to deliver to their needs, rather than simply your own?

Reforms and procurement pressures dictate that capacity, fees, availability—as well as the “hygiene” points of quality, professionalism and customer care—are the real head turners for chambers’ clients. These are the conditions that, when applied (or not) will dictate which chambers will survive and thrive and those that won’t.

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Stephen Ward is managing director & company secretary of Clerksroom (ward@clerksroom.com; www.clerksroom.com)

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