

CASE STUDY

Quality systems

Managing partner Neil Turner and partner Mark Shulman discuss Cumberland Ellis' experience in obtaining ISO 9001 accreditation

KEY TAKEAWAY POINTS**1**

The ISO standard provides greater flexibility than Lexcel in terms of supervision and file management.

2

ISO 9001 is more likely to be familiar to potential clients and those awarding tenders than Lexcel.

3

ISO processes broadly reflect current practice rather than new ways of doing things and so will initially cause the least resistance in terms of buy-in.

Back in February 2009, we embarked upon a journey with a commitment to achieving a formal quality accreditation for Cumberland Ellis. Nearly two years later, that journey has resulted in the firm gaining full ISO 9001 accreditation. This article takes you on that journey and explains some of the key benefits of what having an ISO 9001 accreditation means to a central London law firm.

Why did we choose to go for an accredited kitemark, rather than just having internal quality benchmarks? And why choose the ISO 9001 standard, rather than Lexcel, which is specifically for law firms?

The principal driver for some sort of formal accreditation was that almost all public sector purchasers require their suppliers to hold a quality certification.

In addition to several specific business development benefits, there seemed to be potential financial benefits for organisations certified to ISO 9001 (the international quality management systems standard). There is evidence that certified organisations achieved superior returns on assets compared to otherwise similar organisations without certification.

The likely benefit from increased domestic market share – in addition to the internal benefits such as client satisfaction, better interdepartmental communications, more consistent work processes and better supplier partnerships – was perceived as far exceeding the initial investment that would be required.

While there is a significant overlap between Lexcel (the Law Society's practice management standard) and ISO 9001 requirements, we made the decision to go for ISO 9001 for three key reasons.

First, the Lexcel practice management standard is only awarded to solicitors. We felt that, in the

general market, there was an advantage in having a kitemark such as ISO 9001, which was more likely to be familiar to potential clients and those awarding tenders.

Second, we considered that ISO 9001 would give the firm greater flexibility in terms of its procedures and would initially cause the least resistance in terms of buy-in, because the ISO processes would broadly reflect current practice, rather than new ways of doing things.

For example, the Lexcel standard has a requirement for "regular, independent file reviews, of either the management of the file or its substantive legal content, or both". We preferred to have greater flexibility in terms of supervision and file management.

Thirdly, we had a good working relationship with trusted consultants who had themselves achieved ISO 9001 and had assisted others to do so. We felt that input from those consultants was likely to speed up the process of seeking accreditation, as they knew about the firm and the way in which we operated.

Partnership response

So how did the partnership respond to the suggestion of obtaining ISO accreditation? Initial responses at senior management level reflected concern and apprehension. Questions were raised about how much time would be needed across the firm, the likely costs, the amount of potential disruption to fee-earner time and how much more bureaucracy there would be to cope with.

These concerns were addressed through a presentation to the management board, which outlined the business case for seeking the accreditation. In summary, the benefits of ISO 9001 accreditation were perceived to be:

- improvements in both process and service quality;
- consistency and reduced risks in meeting regulatory requirements;
- increased client satisfaction levels;
- improved productivity;
- competitive advantage;
- enhancements to our existing quality systems;
- improved motivation and performance; and
- creating a business tool for continuous improvement.

Steps taken

The first phase was to prepare a quality policy. This was a relatively straightforward exercise and the final product was reduced to a single piece of paper. One immediate benefit was that it gave the firm something we could use for tendering exercises, even without the formal ISO accreditation.

The second phase was then to draw up procedures (known as processes under ISO) in the key areas which are required under the ISO standard. These processes (30 in all for our firm) covered key areas across the business (such as client relationships, finance, regulatory requirements, HR, marketing and IT) and were all contained in a single quality manual.

In our view, it was crucial that the processes reflected current practice within the firm. It would only be at a later stage that we would then develop these further as part of the ISO requirement of continuous improvement. Therefore, key stakeholders were involved in each of the processes as they were honed to their final form.

Having drawn up these processes, we then gave staff briefings across the firm in July 2010, so that everyone was aware of why we were seeking ISO 9001 accreditation and what was expected of everyone in terms of process compliance. This gradual rollout allowed all partners and staff to become familiar with the processes applicable to them and to ensure that case files were compliant.

In September 2010, we moved onto the next phase, which involved three things.

Reviewing management

First, we had our first management review, which was undertaken by the firm's management board. As the name of this

process implies, it involved a detailed review of how the firm had reached where it was at that point in terms of ISO preparations. The board also reviewed key performance indicators (KPIs) in various areas of operation, such as:

- complaints;
- client satisfaction feedback from surveys;
- chargeable time recorded; and
- HR performance in areas such as staff turnover and absences.



OBTAINING ISO 9001 ACCREDITATION

DO

- ✓ **Get buy-in from everyone involved – at every stage.** There is no point in presenting staff with a *fait accompli*. It will not work. The assessor will soon pick up if partners and staff do not understand what is going on and what they are expected to do.
- ✓ **Project plan.** This applies to every stage – from conception of the project to drafting the quality manual through to rolling out and implementing new processes. The lead-in time requires a project plan, as do the steps needed to maintain the accreditation (such as management reviews, reviewing and updating processes, and conducting internal audits).
- ✓ **Allow sufficient time.** Rome was not built in a day and neither can achieving ISO 9001 be done in short order. Without sufficient time, there will be insufficient buy-in, which could affect the viability of the entire process.

DON'T

- ✗ **Be tempted to reinvent the wheel.** We sought help from consultants, which enabled us to save a great deal of time (and therefore cost in terms of fee-earner down time).
- ✗ **Believe that ISO 9001 is a panacea.** While compliance with ISO 9001 processes will help to standardise tasks within the firm, these procedures are not a substitute for regulatory compliance. Steps will still need to be put into place to ensure that compliance and risk issues are fully managed.
- ✗ **Become complacent.** Achieving the accreditation is one thing. Maintaining it is another. There is still work to be done on a regular basis in terms of internal audits and reviewing goals, as part of the process of continuous improvement.

ISO 9001 IS USEFUL FOR:

- ✓ Achieving improvements in service quality to clients.
- ✓ Reducing risks in terms of regulatory requirements.
- ✓ Increasing client satisfaction levels.
- ✓ Providing a competitive advantage.
- ✓ Creating a business tool for continuous improvement.

Various medium-term goals were also set relating to matters such as how (if successful) the firm would capitalise on publicity relating to its accreditation. More immediate goals were also set to prevent what in ISO terminology are called non-conformances, i.e. not achieving the requirements of our ISO processes. So, for example, the management review considered improved target times for completing anti-money laundering documentation, as well as strategies for improving the recording of chargeable time by fee-earners.

As will be apparent from these sorts of KPIs, these are all areas which are central to the business of a law firm. The ISO 9001 process allows a structured methodology for addressing performance on a regular basis.

Assigning responsibility

Second, two partners were trained as internal ISO 9001 auditors. Internal audits take place between the external 'surveillance' audits, which occur every six months for a firm of our size.

One of these two internal auditors was appointed as the firm's ISO 9001 quality partner, with responsibility for coordinating and managing the quality system.

All other members of the management board were responsible for driving the quality programme.

Rehearsing internal audits

Third, we undertook 'dummy-run' internal audits of the new processes.

Our consultants helped with this process and these audits gave our newly-trained internal auditors an opportunity to practise their skills.

The work involved in this was considerable, having never undertaken the exercise before. The audits had to be planned and questions prepared to ensure that all aspects of the various processes were covered.

Upon completion of the audits, each had to be written up and the results collated into a master matrix, which reflected the picture of what had been done and what was yet needed to be completed.

These 'dummy-run' audits enabled us to take stock of whether there were any clear and present dangers of non-conformance, so that we could see where problem areas might be.

In fact, the audits told us rather more about the processes themselves than about the problems within the firm. We learned that a number of processes did not actually reflect current practice within the firm. This led to revisions to bring the processes in line with the Cumberland Ellis way of doing things – again a useful tool in terms of continuously reviewing the way we conduct our business.

The external assessment from Lloyd's Register Quality Assurance (LRQA) is in two parts.

Stage 1 took place in November 2010, when the external assessor spent a day reviewing all of our ISO 9001 paperwork to see whether our processes covered all of the standards that are required under the quality framework.

At that stage, no files were examined or other checks made for compliance with the processes. Stage 1 looked only at whether the firm's quality manual and other ISO preparations were sufficiently robust to address the ISO standard. The result of that Stage 1 audit was a recommendation to proceed to Stage 2.

Following this interim success, we held further staff briefings in early January 2011 to bring everyone up-to-date and to reemphasise what was needed in terms of compliance with our ISO processes.

The Stage 2 external audit took place later in January 2011. This took two days to complete. The assessor met with various partners and staff across the firm and reviewed 27 files. The result was the issuance of our draft certificate

of approval, pending final sign-off from the LRQA.

Impact on the firm

What did all of this mean for the firm?

The response from fee-earners and support staff was positive. Once it had been explained that the ISO 9001 processes were broadly meant to reflect our practices at the time (rather than requiring additional work), and after the perceived benefits of having the ISO accreditation were explained, the consensus moved to getting things ship-shape for our internal and external audits.

Feedback seemed to reflect a general view that there might be business benefits and that consistency of approach had certain advantages. All of the time which we had spent on giving internal briefings had paid off.

The external assessor commented in his final report: "There has been a significant amount of effort put into staff awareness regarding the objectives and implementation of ISO 9001-2008. This was checked and confirmed with staff during the interview process".

The initial concerns of the management board developed into an appreciation of the business benefits of maintaining ISO 9001. As a firm, we now feel better placed to improve and maintain client service. And, as regulation of the solicitors' profession continues to grow, so do the opportunities under ISO 9001 to use processes to reduce the risk of non-compliance.

We are very proud of having achieved ISO 9001, particularly because it is a standard which is recognised outside of our own area of business. The firm's management board is very pleased with the greater consistency which the processes have enabled everyone to achieve. And, with all of the processes freely available to everyone in the firm on our intranet, we now have standards to deal more easily with non-conformance.

The process was surprisingly painless for the majority, who were already conforming to the firm's existing systems. The fear of causing additional layers of bureaucracy never materialised.

NEILTURNER@CUMBERLANDELLIS.COM
MARKSHULMAN@CUMBERLANDELLIS.COM