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Welcome to the winter edition of the Newsletter for 2008. WOW - another year that has flown past so quickly and what a rollercoaster year this has been!



Chain Matrix on Hold

The Land Registry has written off £15m spent on developing its “chain matrix” online tracking system. Designed to track the progress of conveyancing transactions the system has now been put on indefinite hold.

The Registry’s spokeswoman said that the sum represented the cost of developing its e-conveyancing strategy, to which it remained committed, and only £4.6m had gone on the chain matrix prototype.

“The Land Registry has written off £15m spent on developing its “chain matrix” online tracking system”.

Other Land Registry News

The Land Registry has dropped controversial plans requiring conveyancers to confirm that they have verified the identity of any disponent and disponent of land. The plan was to change forms AP1 and FR1 to include these confirmations but nearly 60% of

respondents to the consultation opposed the move.



ILCA Executive Council Statement Re: Client Accounts.

As you are all aware of the current credit crunch, and now the entire banking crisis that is happening, you may well be concerned about your Client Accounts and where you stand if you lose any of their monies. The ILCA Executive Council discussed, in-depth, this topic at their meeting on the 4th October, 2008.

Mark Stobbs, director of Legal Policy at the Law Society Gazette said that, “*Unfortunately we are not able to advise our members on what action to take concerning their firms’ bank accounts*”. They can only advise them of information given by their own banks and insurers. If a bank account is held by a solicitor on behalf of a client and the bank goes bust, it is going to be the client’s problem rather than the solicitor. This is more a matter for the financial regulators. A client could sue a solicitor for loss only if a solicitor had been negligent with their choice of bank.

The Financial Services Compensation Scheme is administered by the FSA and they would determine whether a particular person was eligible to claim. The FSCS has said, “*As long as the solicitor had informed their bank that they were depositing money from multiple clients into a single account, each client would benefit from the maximum protection (£50,000 from 7 October, 2008)*”.

The ILCA recommends that each firm writes to their bank informing them of the holding of multiple client deposits in their General Client Account and keeps a copy of this letter for their records, they would also recommend that each firm requests written confirmation from their bank that they are authorised deposit taker to ensure they are covered by the scheme.

“Solicitors should write to their bank informing them of the holding of multiple client deposits in their General Client Account!”

For further information please refer to the FSCS website at:

www.fscs.org.uk/consumer/faqs/Deposit_claims_FAQs

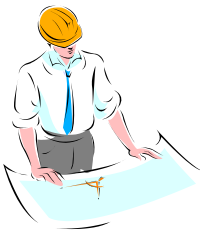


The latest from the e-conveyancing frontline

With the Land Registry reporting the number of homes sold in June this year was 80% down on the 2007 figures (down from 105,000 to 17,681) how is the e-conveyancing software market faring?

The market in an unbalanced position for although conveyancing work is down, the volume of e-conveyancing work is actually on the increase as more firms gear up for the abolition of bar-coded paper SDLT forms. Modestly, while it is the independent High Street firms that are taking a more severe beating.

Data also suggests that not all law firms are being hit with equal difficulty with the firms that have a volume business or belong to panels suffering relatively modestly, while it is the independent High Street firms that are taking a more severe beating.



No Dispute - Thea Limited Solicitors

Recently established practice Thea Limited of 218 Strand, London has selected Professional Technology's Quaestor for Windows back-office system for their accounting and time recording functions.

The firm's principal, Mr Peter Webster, setup Thea to offer legal services to clients who provide or buy professional, technological or industrial services. The practice has particular expertise in the areas of construction and engineering contract law and civil litigation and alternative dispute resolution. Mr Webster has particular expertise in dispute resolution and mediation for both the private and public sectors in the UK and Middle East.

The practice selected Quaestor for Windows for its ease of use and its unique pricing which makes it affordable to smaller practices whilst providing all of the features available to much larger concerns. Quaestor for Windows will be used within the practice to provide back-office functions and to form the basis of a practice wide client and matter database. The system also gives the practice the option of implementing Professional Technology's Seriatim Master Class case management system in the future which will utilise the same databases to extend the functionality of the system and to provide case management and document production for all departments.

More information on Thea Limited can be found at www.thea.ltd.uk.

"Mr Webster has particular expertise in dispute resolution and mediation for both the private and public sectors in the UK and Middle East"



Weathering the Storm

A recent article in the Times' Law section by Tony Williams, principal with Jomati Consulting but previously a managing partner with Clifford Chance and of Andersen Legal, highlights the importance of an integrated policy for IT if firms want to survive in the present economic climate.

This was perfect timing as we were in the midst preparing our own article on this topic which comes up every time the economy starts to decline. Mr Williams says:-

The public may believe that lawyers thrive in bad as well as good times. But it is becoming clear that some smaller firms will not survive the turmoil of the downturn.

Smaller firms with a bedrock of residential and second-tier commercial property conveyancing face many challenges. Fewer transactions and the unavailability of bank debt means 50 per cent less activity. As, in the short term, costs are fixed, this effectively leaves them operating at a loss. Redundancy costs, initially, increase the losses as they try to adjust their headcount to reflect business levels.

A tight market shows starkly the well-managed firms and those that tightly control costs and their work in progress and debtors. In such a market, clients will take advantage of a firm's poor billing and credit control by challenging invoices and delaying payment, soon reducing cash flow to a trickle. Law firms, too, often treat work in progress and debtors as the equivalent of cash, but they cannot be used to pay wages or rent.

With this confluence of pressures, firms can also expect more scrutiny from the Solicitors Regulation Authority (SRA). There have been a record number of interventions this year. If the SRA is not seen effectively to supervise firms, the newly established Legal Services Board will be on its case. Firms must be scrupulous in their dealings with the SRA and their handling of client money if they are to avoid compounding their difficulties.

Most importantly, Mr Williams finishes his article by saying:-

Law is still a massively unconsolidated industry and many firms have underinvested in IT, recruitment, training, marketing, internal systems and their brand.

Although many firms are focused on short-term survival, they must be prepared for the increasingly changing, client-focused and more competitive legal market that lies ahead. If they are not, the smaller firms that manage to survive the economic downturn risk being swept aside by the tsunami of new and invigorated competition unleashed by the Legal Services Act.

"Case management provides a huge productivity boost by enabling fee earners to produce much more work!"

As we have said, this all ties in very nicely with our own advice in these trying times. We know from the last major recession that the firms that survived the best were those who had implemented the controls, and IT infrastructure to manage those controls, that are essential to ensure the practice's continued well being. Although it seems counter-intuitive, now is exactly the time that you ought to be investing in IT so that your practice can maximise its efficiency and implement the financial controls that it needs to survive in a market where fee income will be under pressure.

In the back-office you need to implement accounting and time recording systems that allow you to exert a high degree of control over your finances. A solid time recording system ensures that you maximise billable time whilst providing analysis of where your non-billable time is being spent. A comprehensive accounting solution allows you to have up to the minute analysis of your position and enables you to keep a tight rein on debtors and, thus, ensure a healthy cash flow.

At the front of your business, you need to look at productivity aids such as case management and document production systems. Whether you decide to shed staff or not, your fee earners have to be as efficient as possible in order to maximise the profit from any transaction.

Case management provides a huge productivity boost by enabling fee earners to produce much more work and by "up skilling" support staff so that they can perform tasks that they would otherwise be unqualified to undertake.

After 22 years of providing IT solutions to solicitors, Professional Technology is perfectly placed to help you with either your back or front-office requirements:-

Our *Quaestor for Windows* back-office system is easy to use but offers extensive reporting and control features. Most importantly in these times, it is very competitively priced with a 500 active matter system starting at just £450 per annum (and this price includes all maintenance fixes and new releases of the software).

Even more attractive when cash is at a premium, our *Seriatim Master Class* case management system can be installed for absolutely no up-front cost other than the training of your staff to use it. A fully flexible and comprehensive case management and document production system, the program is charged on a usage basis so if you do not use it you do not pay a penny.

You can see the full article by Tony Williams at <http://business.timesonline.co.uk/tol/business/law/article5041316.ece>

“Seriatim Master Class Case Management System can be installed for absolutely no up-front cost other than the training of your staff to use it!”

News in Brief



Back in November, 2005, Elizabeth Richford Joined Professional Technology to take on the role of Receptionist whilst working towards an NVQ level II in Business Administration under the supervision of JHP Training. As you know from an earlier edition of our Newsletter, Elizabeth's NVQ was verified on the 18th May, 2006 and we announced that she passed with flying colours.

Elizabeth then joined Professional Technology on a permanent basis. Elizabeth worked full time with us at Professional Technology until September 19th of this year. She has now moved on to new pastures and we wish her well in her new job.

Other News

We would like to take this opportunity to wish Dr. Mike Hughes, senior developer for our software, a speedy recovery as, back in September, he broke his ankle. Mike has this past couple of weeks been hobbling in to the office on his crutches to write the next version of the Quaestor for Windows and Seriatim Master Class which will be due for release early next year. We will, of course, be keeping you all posted on this.





CHRISTMAS CLOSING

Please note that we will be closed between:-

5:00pm Tuesday 23rd December 2008

and

9:00am Monday 5th January 2009

- If you need an operation code whilst we are closed, the old DOS Quaestor system will accept 10 zeros and you can just skip the code on Quaestor for Windows or Seriatim Master Class.
- In January 2009 don't forget, when you open Quaestor, to set the date to 31st December 2008 if you need to complete postings for December 2008.

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