



CASE STUDY: Law Firm Client Adoption Process

Business Challenge

A medium sized law firm sought help to streamline and improve the efficiency of its “new client” adoption process. The process was extremely time consuming but had to be completed before a client could be officially represented by the law firm. Furthermore, the creation of a clear audit trail for the process (as required by the Law Society) was difficult to track due to the manual nature of the process.

Conducting lengthy checks can impede a firm’s ability to act swiftly for their client and may result in losing business to rival firms, whilst failure to comply with Law Society and/or money-laundering regulations or conduct thorough checks could be greatly damaging to the firm’s reputation. Thus, improving the “new client” adoption process to make it quicker, clearer and more thorough was a critical priority of this law firm. In parallel, the firm expected to achieve worthwhile economies.

Current Process

The due-diligence undertaken when evaluating new clients includes conducting money laundering, conflict of interest and credit-worthiness checks. Conducted as a manual process, these checks could take between 3-7 days.

So as not to lose potential clients during the due-diligence period, the law firm often began working with clients before the process had been completed. This had necessitated the creation of ‘dummy’ accounts, which were then ‘activated’ when official clearance was given to work with a client.



However, the transfer of information from the ‘dummy’ account to a real one utilised significant resources, and relevant information was not always transferred, thereby creating potential regulatory issues in the event of an audit.

Furthermore, the due-diligence process itself was difficult due to the many different sources that had to be accessed and cross-checked. For instance, evaluation for potential conflicts of interest entailed emailing all the firm’s partners. This created significant risk of error if, for example, a partner was unable for any reason to check their email.

A further effect of this inefficient process was the inability to undertake adequate credit-worthiness checks. This resulted in the generation of material amounts of bad debts.

Business Solution with Workstream

Upon meeting with Workstream representatives, the firm realised that the new client process could be made far more efficient and thorough, thereby saving valuable resources, safeguarding their reputation and fulfilling their regulatory requirements

A Workstream business analyst worked extensively with the firm to understand and capture the relevant processes. The result was a web-based interface established within the firm’s systems which would be used by the ‘Fee Earners’ (FE) when introducing new clients / adding new work for existing clients.

Step 1: To begin a New Client Approval Process, the FE logs onto the web-based user interface using a browser, and begins a ‘New Client’ form. The process begins with the details for the client and all other relevant parties entered into the web-based interface. Workstream has integrated its solution with the firm’s existing systems, so if



there is a match with either the client's or and other relevant party details and those already on the system, this is brought to the FE's attention immediately within the online process.

Step 2: The next stage involves the creation of a 'Risk Assessment' form which will already be pre-populated with the outcome of the previous 'Conflict of Interest' check; the remaining information will be completed by the FE and addresses issues such as credit worthiness.

Upon submission of this form, the Workstream process calculates whether this client is a low, medium or high-risk undertaking. This risk grading enables the firm to initiate appropriate sign-off procedures. **Step 2a:** Concurrently with this process, a 'Conflict of Interest' email is also sent to all users within the firm, allowing them to also add input into the judgement process. [see cover mail] Any replies will be sent directly to the FE who originated the form.

Step 3: For new clients, a 'Money Laundering' check will also be initiated. This involves taking photocopies of appropriate identification for later attachment to the document management system. Workstream has included the ability to record the fact that all the appropriate checks have indeed been performed. Since the information will be stored on-line, the transfer of accounts from 'dummy' accounts to real ones will not result in the loss of information.

The Workstream solution has been designed to generate a full audit trail of workflow activity via the Workstream report generation facility.



Workstream also has the ability to show processes currently under way and their status, and appropriately populated standard form letters (such as engagement letters) can be generated at any stage using Workstream's Print Manager facility.

Business Benefits

The law firm has seen major benefits from the adoption of Workstream's solution, particularly securing a quicker and more accurate/reliable process. Most notably, automating and streamlining the process has created **significant time savings**. This has been made possible due to the implementation of straight-through processing in which collating, checking and transferring information during the due-diligence process is carried out far more efficiently than in the manual process that preceded it. It is also easier to keep track of the time spent conducting due-diligence, resulting in **greater billable hours** and thus revenues, with savings currently estimated at 0.25/0.5 hours per client / case.

As **compliance with existing regulations** is facilitated by the automated prompts and creation of the **audit trail**, the firm also experiences reduced reputation and penalty risk.

The firm has also been able to **greatly reduce bad debt risk** through the utilisation of Workstream's credit-check capabilities.

Finally, less tangible but just as important, implementation of the Workstream system has resulted in **noticeable improvement in compliance behaviour** within the firm due the better tracking, monitoring and evaluation of the entire new-client adoption process.