

## INTRODUCTION – PRACTICE MANAGEMENT

The qualification criteria, learning outcomes and evidence of competency stated in this schedule sets out:

- the level of competency, knowledge and understanding required to run a business which provides a legal service, having consideration for rules and regulations, both professional and legislative.
- the elements required to evidence that level of competency, knowledge and understanding.
- the level of competency required in the relevant skills for this area of practice –what it means to be part of a profession, CILEx regulations, management of a legal entity and business acumen.
- the elements required to evidence the required level of competence for these relevant skills.
- a statement of the study and work-based experience that demonstrates that an applicant has attained the required level of competence, knowledge and understanding in all the required elements.

Certification of practice management will ensure that the applicant has:

- met the application requirements.
- an appropriate level of suitability to manage a practice.
- an appropriate level of knowledge and appreciation of the key features both financial and non-financial of practice management to include the ability to deal with risk, have a strategy, make informed business decisions, manage and motivate others, the benefits of IT and the external and internal forces which will ultimately will effect an organisation's ability to succeed.
- the ability and skill to advance the organisation through the creation a strategy appropriate to the market sector the organisation wishes to target to include the use of a business plan, marketing plan, corporate social responsibility policy and other appropriate associated documents which may be needed to support the organisations strategy.
- the ability and skill to manage a client's expectations appropriately not just at the outset of a case but throughout the life of the retainer relationship.
- the ability and skill to read and interpret the firm's accounts in addition to any supporting budgets, cash flows, management accounts and ad hoc reports pertaining to the firm's profitability and financial position.
- the ability and skill to perform the tasks required to evaluate the benefits of IT and the need for good project management.
- the ability and experience to the ability, demonstrate a level of experience, knowledge and understanding of professional conduct and regulation contained in the relevant conduct rule and other law and regulations, including government legislation, and where these may impact and be able to apply them in context.

	<b>Learning Outcome</b> An applicant seeking practice rights must:	<b>Supporting Evidence</b> The applicant will need to provide evidence of:
<b>QUALIFICATION CRITERIA</b> <ul style="list-style-type: none"> <li>• KNOWLEDGE</li> <li>• UNDERSTANDING</li> <li>• EXPERIENCE</li> <li>• SKILLS</li> </ul>	<ul style="list-style-type: none"> <li>• Has sufficient practical knowledge, understanding, experience and skills – note these are different depending of the role of the applicant</li> </ul>	Demonstrate they meet the outcomes set out below by: <ul style="list-style-type: none"> <li>• attendance on a course, <b>or</b></li> <li>• practical experience</li> </ul> The outcomes are split into the following levels: <ul style="list-style-type: none"> <li>• Level 1 - mandatory for all applicants</li> <li>• Level 2a - mandatory for both the HOLP and the HOFA</li> <li>• Level 2b - mandatory for Head of Legal Practice (HOLP)</li> <li>• Level 2c - mandatory for Head of Finance and Administration (HOFA)</li> </ul>
<b>Element 1</b>  BEING PART OF A PROFESSION	EXTERNAL INFLUENCES  <b>Demonstrate knowledge, understanding and application of the current legal market and legal entities which may be created to provide a legal service</b>	LEVEL 1 <ul style="list-style-type: none"> <li>• Knowledge and understanding of the types of structure through which a legal entity may be formed</li> <li>• Knowledge and understanding of those able to regulate reserved legal activities</li> <li>• Understanding that the structure and regulation of legal entities and activities may change and be able to identify these changes</li> <li>• Knowledge and understanding of a business plan, taking into account recent and current changes to the legal services market</li> <li>• Knowledge, understanding and ability to comply with a complaints procedure in line with LeO guidelines</li> </ul> LEVEL 2a <ul style="list-style-type: none"> <li>• Ability to prepare a business plan, taking into account recent</li> </ul>





	<p><b>compliant</b></p>	<p>updates throughout the life of the file</p> <ul style="list-style-type: none"> <li>• Knowledge, understanding of identification, documentation and dealing appropriately with potential conflicts of interests both at the outset and throughout a retainer relationship</li> <li>• Knowledge and understanding of situations which may give rise to an undertaking and the implications of giving an undertaking</li> <li>• Knowledge and understanding of situations which would result in a breach of the equality and diversity code</li> </ul> <p>LEVEL 2a</p> <ul style="list-style-type: none"> <li>• Knowledge, understanding and demonstration of good internal governance</li> <li>• Knowledge, understanding and application of systems, procedures and reporting to monitor compliance</li> <li>• Application of monitoring equality and diversity, both in the workplace and in the selection of external resources</li> </ul> <p>LEVEL 2b</p> <ul style="list-style-type: none"> <li>• Knowledge, understanding and implementation of procedures to review and test systems put in place to meet the outcomes of the CILEx practice rules (including management of undertakings, cost information, file reviews, client care, referral arrangements and conflicts of interest)</li> <li>• Ability to identify when a fee earner has undertaken work in the absence of sufficient resources and outside their competence</li> <li>• Ability to draft policies which promote equality and diversity</li> <li>• Ability to draft appropriate safeguards for the issuing of undertakings and the consequences of not fulfilling the created obligation</li> <li>• Knowledge and understanding of the difference between an introduction and a referral</li> <li>• Knowledge, understanding and ability to draft an outsourcing policy</li> </ul>
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	<p><b>and appropriate application of risk management</b></p> <p>CONTINGENCY PLANNING</p> <p><b>Demonstrate knowledge, understanding and application of basic contingency planning</b></p> <p>PEOPLE MANAGEMENT</p> <p><b>Demonstrate knowledge, understanding and application of good supervision; including appropriate management, motivation and delegation</b></p>	<ul style="list-style-type: none"> <li>• Ability to identify examples of risks and to identify how these risks can be managed</li> </ul> <p>LEVEL 2a</p> <ul style="list-style-type: none"> <li>• Ability to respond to risks</li> <li>• Knowledge and understanding of collection, review, evaluation and management of risk</li> <li>• Ability to produce a risk management policy</li> <li>• Knowledge, understanding and implementation of appropriate supervision</li> <li>• Knowledge and understanding of the principles supporting delegation</li> </ul> <p>LEVEL 2b</p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of the key contents of an effective contingency plan, and the need for regular review</li> <li>• Ability to draft a contingency plan</li> <li>• Ability to test a contingency plan</li> </ul> <p>LEVEL 1</p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of the negative effects of poor management</li> <li>• Ability to manage and motivate others</li> </ul> <p>LEVEL 2a</p> <ul style="list-style-type: none"> <li>• Ability to identify the link between low motivation and low production</li> <li>• Knowledge, understanding and application of procedures to manage and motivate</li> <li>• Ability to use specific, measurable, achievable, relative, time bound objectives to delegate</li> <li>• Ability to encourage a culture of continuous improvement</li> </ul>
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	<p>PROJECT MANAGEMENT</p> <p><b>Demonstrate knowledge, understanding and application of planning, control, managing and evaluating a project successfully</b></p> <p>INFORMATION TECHNOLOGY (IT)</p> <p><b>Demonstrate knowledge, understanding and application of IT in a legal environment</b></p>	<p>LEVEL 2a</p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of the need for a project plan and the elements which should be included in the plan</li> <li>• Ability to apply these elements to allow for successful project management</li> <li>• Ability to evaluate the success of the project</li> </ul> <p>LEVEL 1</p> <ul style="list-style-type: none"> <li>• Knowledge, understanding and application of bespoke third party software to complete prescribed electronic applications/submissions</li> </ul> <p>LEVEL 2a</p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of the use of IT in monitoring compliance and understand its advantages, including as a time saving device</li> </ul>
<p><b>Element 4</b></p> <p>BUSINESS ACUMEN</p>	<p>STRATEGY</p> <p><b>Demonstrate knowledge, understanding and appropriate application of strategy and the use of a business plan to underpin that strategy</b></p>	<p>LEVEL 1</p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of a strategy</li> <li>• Ability to perform an analysis which identifies the strengths, weaknesses, opportunities and threats (SWOT analysis) of/to the business</li> <li>• Knowledge and understanding of how a competitive advantage arises and how a firm can differentiate themselves from competitors</li> </ul> <p>LEVEL 2b</p> <ul style="list-style-type: none"> <li>• implementation and creation of strategy</li> <li>• Knowledge, understanding and application of likely trends evident following changes to internal and external influences and use these to identify a firm's current market position</li> <li>• Knowledge understanding and application of the critical success factors (CSF) of a business and use these to identify the factors which are likely to be critical to the success of the</li> </ul>



		<p>LEVEL 2c</p> <ul style="list-style-type: none"><li>• Knowledge and understanding of and ability to differentiate between fixed and variable costs and direct and indirect costs</li><li>• Knowledge and understanding of the use of appropriate ratios and formulae to ascertain an organisation's overall profitability and department profitability</li><li>• Ability to calculate 2 ratios to assist in ascertaining overall profitability</li><li>• Ability to use appropriate formulae to ascertain a department's profitability</li><li>• Knowledge and understanding of what is meant by direct, indirect, fixed and variable costs</li><li>• Knowledge and understanding of what is meant by inefficiencies and how processes can be measured for value</li><li>• Ability to identify inefficiencies which would lead to a loss of profit</li></ul>
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