

## Financial Management and Profitability

### Description

### Challenge

A successful 30-partner legal firm facing financial difficulties due to increased competition and greater time-scales on returns contacted Kaplan with a need for a financial awareness program.

The firm needed to make changes, but the tension between partners was halting progression.

### Action

A 2-day program on financial awareness was delivered. It took the format of a business simulation, including five business conversations that required action each day. The business simulation focused on building the financial management skills of the delegates and allowed them to better understand the nuances of effective working capital management.

The simulation allowed for full and frank discussions to take place between the partners and provided the platform to put forward views and debate processes and future developments.

### Results

The simulation provided the opportunity for the partners to understand each other's approaches and thought processes. The program gave delegates a better understanding of the need to drive profits and cash flow.

The financial management of the practice became much sharper, with due focus given to cash flow with the understanding that profits need to be reinvested into the business to allow it to grow.

Within a year, the financial difficulties had been overturned, and the firm acquired another practice that faced similar challenges. This was successfully turned around and the business grew by 70% in two years.

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