

balance.

2018

LEGAL FINANCE SYSTEMS HIRING MARKET ANALYSIS





BALANCE RECRUITMENT

WHO WE ARE...



In May 2018 we celebrated our 10-year anniversary in business.



Our dedicated team of consultants have all been with the business for over 5 years.



We have achieved regular recognition from our peers within the recruitment industry, with over 10 awards received in both the Recruiter Awards for Excellence and the Global Recruiter Awards.



We have a combined 35+ years experience of working within and recruiting for the finance teams of law firms in London.



We cover transactional finance, qualified accounting, finance systems and executive management positions, with successful appointments ranging from Chief Financial Officer and Finance Director level through to Accounts Assistants and Revenue Assistants.



We are also the leading specialist recruiter for legal finance systems appointments, having helped with the vast majority of manager-level appointments in recent years, alongside team-based hires from senior to assistant levels.



We have a successful track record in recruiting for our clients worldwide, with appointments secured in Asia, mainland Europe and the Caribbean.



We produce and publish regular industry commentary and have been early-adopters on various social media channels, where we enjoy great levels of interaction with our community of contacts.



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INTRO:

Our 'Legal Finance Systems Hiring Market Analysis' returns for 2018, providing up to date analysis on the levels of supply & demand and reviewing the common challenges of hiring within this niche field.

As the leading recruiter within the legal finance systems market, we experience the challenge of resourcing for finance systems teams on a daily basis, and have seen demand continue to outstrip supply for many consecutive years – a trend which doesn't look likely to change any time soon.

Whilst we do not set out to find a miracle solution to the problem, we believe that knowledge of the wider market is vital to manage expectations when hiring within this field and can help firms to make more informed decisions over how to approach hiring when opportunities arise within their finance systems functions.

To help collate the data, we recently surveyed Finance Systems Managers and Finance Directors responsible for Finance Systems functions, from across the Top 100 law firms and had an exceptionally high level of response, including those from outside of London - thank you to all who contributed.

RESULTS:

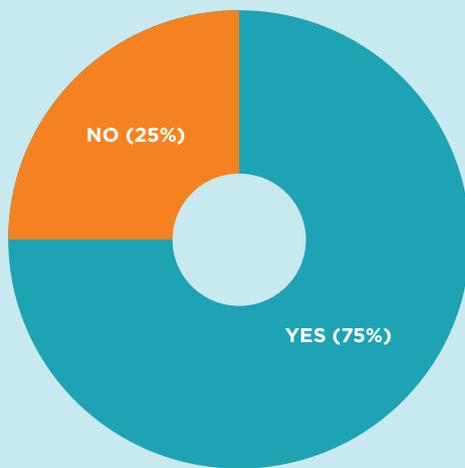


DEMAND FOR STAFF

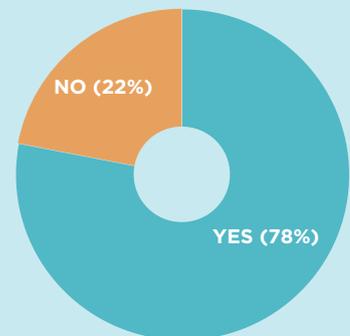
QUESTION 1

Have you hired in to your finance systems team during the last two years?

Overall



2018



2017

Top 20 Firms



Top 21-50 Firms

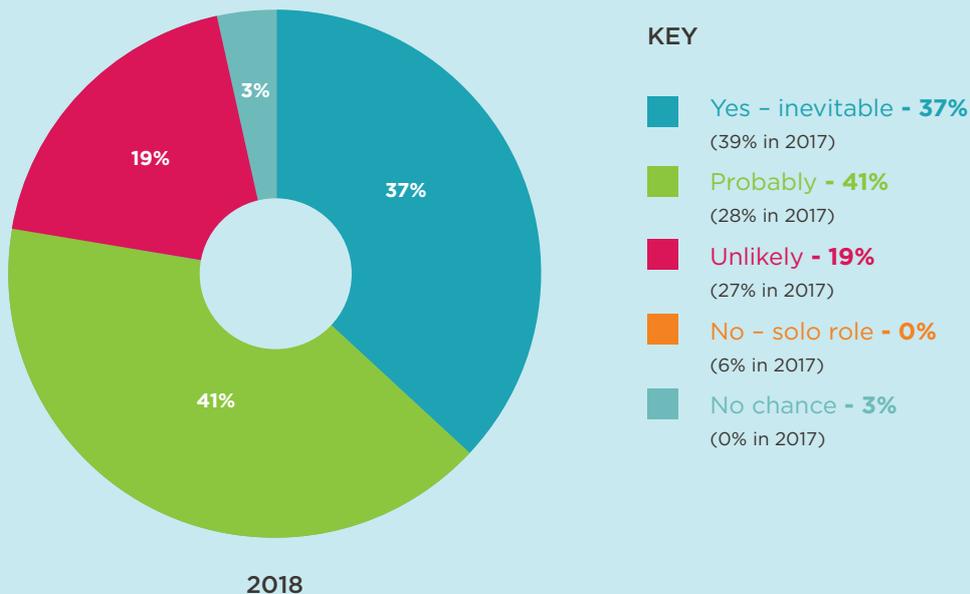


Top 51-100 Firms



QUESTION 2

Do you expect to see hires in the team over the next 12 months?



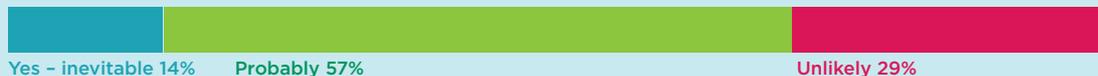
Top 20 Firms



Top 21-50 Firms



Top 51-100 Firms



QUESTION 3

When you or your team last hired, roughly how long did the recruitment process take, from starting the search to receiving acceptance on the offer?



Analysis of these figures by firm ranking highlighted that delays in hiring were more likely with larger firms, although not dramatically, with 78% of hires from Top 20 ranked firms taking between 1 to 3 months to reach offer stage, compared to 69% at Top 21-50 firms, and 70% at Top 51-100 firms.

QUESTION 4

If unable to identify a mid-level Finance Systems Analyst from within the legal sector, which of the following options would you consider to be your next-best to fill a vacancy in your team?

- 1 Someone working within legal finance, who's eager to move to in to finance systems - we'll train them up - 60%
- 2 A mid-level Finance Systems Analyst from a completely different industry - 31%
- 3 A more expensive daily rate contractor until we find someone - 6%
- 4 None of the above, we'll wait as long as it takes - 3%

QUESTION 5

Which of the following is the biggest challenge for you in fulfilling the objectives of your role?



'Changing and/or ever increasing expectations from the business' was by far away the biggest challenge from those within Top 20 firms with two thirds of respondents selecting this. Moving down the rankings the challenges became far more evenly split.

QUESTION 6

The main issues found when hiring for experienced finance systems staff - ranked in order

- 1 Lack of candidates with enough relevant technical experience - 56%
- 2 Lack of candidates with the right communication skills/attitude - 28%
- 3 Unjustified salary expectations of applicants - 6%
- 4 Losing candidates to counter offers - 6%
- 5 Losing candidates to competitor firms - 4%

There were no surprises here, with 'lack of candidates with enough relevant technical experience' again being the most common issue when hiring for experienced finance systems staff. The low percentages for 'unjustified salary expectations' and 'counter offers' here should not be mistaken as being minor issues however, as these are secondary problems that can only arise when suitably experienced candidates have been found. Our experience is that these issues often come hand-in-hand.



2018 LEGAL FINANCE SYSTEMS HIRING MARKET ANALYSIS

EXECUTIVE SUMMARY:

As with last year's report, the results of our survey highlight the ongoing challenges faced when hiring for experienced staff for finance systems functions across the legal sector. There was little change in the number of firms who'd hired within the prior 2 years, but an increase in the number of firms likely to hire within the next 12 months, rising from 67% last year to 78%.

The portion of firms experiencing long delays in appointing candidates also increased with only 19% of firms reaching offer stage inside a month, in comparison to 25% last year. This comes as no surprise to us, having seen several roles remain on the market for lengthy periods, particularly when specific systems knowledge is sought, or when hiring below "Senior" levels, where the talent pool is at its most stretched. Another factor here will be the prevalence of counter offers, often resulting in processes going back to the drawing board several weeks after coming to market.

We were interested to see such a clear outcome in the results when asking what the preferred alternative would be when unable to identify a mid-level Finance Systems Analyst from within the legal sector, with 60% of respondents preferring to train up someone from a finance role, and only 31% looking to experienced analysts from other industries. Our experience has actually been a reversal of these options, having seen more firms being open to considering individuals from other sectors, with some great success. We have been actively pursuing candidates from other industries in recent years, where salary levels are often far more reasonable and in line with practical experience, and we anticipate more firms looking this way with the legal market continuing to be squeezed.

The option of training up individuals from finance teams is a solution we feel makes a lot of sense, but despite the results echoing this, we have seen very few firms actually adopting this method. The benefit of this option goes beyond just speeding up the time to hire. Bringing junior level staff in to a team also creates opportunities to add to the responsibilities of existing teams, with training and mentoring tasks. This also allows more mobility within finance teams and improves overall firm retention rates.

As part of the survey we invited respondents to provide any additional thoughts/comments on the challenges of hiring for finance systems staff. Most cited the simple fact that there is a clear shortage of experienced talent across the market as their main issue. Others had experienced difficulties in identifying individuals who were willing to cover a broad enough spectrum of responsibilities (e.g. project work, but also some of the less exciting BAU/support tasks). Interestingly, more than one respondent commented that they'd recently changed their approach and had enjoyed more success through focusing on the aptitudes and potential of less experienced applicants, even if that involved a greater commitment to training and development.

With very few firms creating entry-level finance systems roles in recent years, we anticipate the current market conditions to remain and intensify for some time to come, with salaries continuing to grow at unsustainable rates and long delays when hiring requirements arise. Whilst we are starting to see more openness to considering alternatives to like-for-like hires from within the industry, this is still a minority of firms and there is a long way to go before these become commonplace.



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