LP:02: 60 Firm and Practice Management Tips in 60 Minutes

Presenters:

Bill Gibson
Law Office of K. William Gibson
bgibson@cnnw.net

Walt Karnstein
Kolisch Hartwell, P.C.
walt@khpatent.com

Natalie Kelly
Georgia Bar Association
natalie@gabar.org

Reba Nance
Colorado Bar Association
reban@cobar.org

Bill's Firm Management Tips (A Little of This And A Little Of That)

Tip #1 - Hiring

Think twice before hiring a friend or family member, even if they promise to work for less.

Tip #2 - Performance Reviews

Don't wait for performance review time to deal with performance issues. Make every day performance review day.

Tip #3 - Using Paralegals and Secretaries

Paralegals and secretaries will increase your productivity so long as you pay them well, treat them right and give them good feedback.

Tip #4 - Training

YOU are the training director. You need to know everyone's job and make sure that everyone gets the training needed to learn their jobs.

Tip #5 - Strategic Firm Management

If you have one or more partners, be sure that you agree on strategies, aspirations and goals.

Tip #6 - Office Space

Selection of office space is an important marketing decision.

Tip #7 - Whether/How to Advertise

Develop an advertising program that targets your market and doesn't bust your budget.

Tip #8 - Terminating Difficult Partners

Being partners doesn't mean that you are married. Don't stay too long in a bad relationship.

Tip #9 - Firing Problem Clients

You should fire a client or two every time you come back from vacation.

Tip #10 – Office Space

To save expenses, rent office space that includes telephone reception and try to get along without a secretary.

Tip #11 – Staying On Top of Your Mail

If you are away from the office, ask someone to scan all your mail and email it to you in PDF format.

Tip #12 – Free Is Good!

Don't buy any law books or publications that you can get online for free.

Tip #13 – Know When To Ask For Help

If your personal problems are hurting your practice, get some help.

Tip #14 – Don't Be Afraid To Try Something New

If you've been practicing for a while and it still isn't working, don't be afraid to make radical changes.

Tip #15 – Working For Friends (Or Not!)

Avoid doing free work for friends.

Walt's Firm Management Tips (Strategic Firm Management)

Tip #16 - Know Your Market

Firms often struggle with the question of how to best market themselves. Should they purchase expensive yellow page ads? Is a listing in Martindale-Hubbell an essential? How important is a website? The answers to these questions depend on your particular practice, and the clients you serve. Consider asking potential clients how they came to you or your firm. Record this information as part of your initial intake procedure and refer back to the information periodically to make sure that your marketing efforts are on track.

Tip #17 - Trust In Gold

Try color-coding your office checks and trust checks. This quick visual cue can help you to avoid writing a check on the wrong account. Firms also should imprint office checks with a designation such as "Office Account" and trust checks with a designation such as "Trust Account" to make the meaning of the color-coding clear.

Tip #18 - Automate and Integrate Billing

One of the most unpleasant parts of a lawyers' job is the recording of his/her time during the day. However, the process has been made somewhat easier with the introduction of electronic timekeeping products. Using these products, lawyers can actively record their time with easy links to other client information. One particularly useful tool allows users to track time spent on projects to date, which can provide for better budgeting of time.

Tip #19 - Consider a Medical Reimbursement Plan

Every year the cost of health insurance seems to increase, and the benefits seem to decrease. One way to combat this trend is for the firm to take on some of the risk. Choose a plan with a higher deductible, but reimburse employees the difference. Studies show that only a small percentage of employees reach their deductible in any given year. If the difference in cost is less than the expected cost of reimbursing employees, this could be a good deal.

Tip #20 - Plan for Growth, Then Review the Plan Annually

Does your firm have a growth plan? It's surprising how many firms don't. Although size of a modern firm can fluctuates significantly with the arrival and departure of lawyers and practice groups, even a rough guess can provide a basis for obtaining lease options that more correctly correspond to actual needs. Rather than waiting until lease options become available, review the plan every year to adjust the plan for changed circumstances. Build flexibility into the plan wherever possible.

Tip #21 - Have Staff Sign Confidentiality Agreements

While it won't guarantee that they won't discuss confidential matters, it will send a clear message that the firm takes confidentiality seriously. Be sure to include computer repair professionals and vendors that visit your office.

Tip #22 - Invest in Training

Lawyers often invest tens of thousands of dollars purchasing the latest and greatest software and equipment, only to fall far short of its potential due to a failure to invest in training. Spend the time and money to train people properly in how to make the new software or equipment a useful tool.

Tip #23 - Have an Annual Firm Retreat

It is almost impossible for a law firm to address strategic planning at weekly or monthly partnership meetings. There always seems to be something more pressing to address. Schedule an annual retreat with plenty of time to discuss the firm's future, and how to best get there. Make the retreat setting family friendly, with plenty of social interaction to encourage team-building.

Tip #24 - Update Your File Retention Policy

Every firm should have a written file retention policy in place that considers the filing system that they currently use. As firms change their filing systems, they should consider whether this might have any impact on file retention. Electronic filing systems, for example, can allow for much longer file retention without the cost of physical space. Even those of us who continue to work with paper in active files can establish a file retention policy whereby closed files are converted to electronic files for storage.

Tip #25 - Keep a Record of All New Contacts

Conflict checks should be performed in view of any entity that has contacted the firm, not just those that ultimately became established clients. Consider entering contact information for any person that you or others speak with in a contacts database, and searching that database as part of your regular conflict procedure.

Tip #26 - Explain Partnership Operation

Absent some clear explanation of the firm's operation, inaccurate information will spread. Consider scheduling periodic open meetings on administrative topics. Involve multiple partners. Make associates and staff participants in the decisions, rather than passive observers. Consider associates as "future partners" rather than as "employees".

Tip #27 - Fire Problem Clients

Most firms would withdraw from representation of a client that does not pay the bills, but how many of those firms would withdraw from representing a client that is slow to pay, or that treats lawyers and staff without respect? How much time is spent consoling these clients, and/or attempting to collect fees from these clients. How many of these clients ultimately become dissatisfied, and file baseless complaints against their attorneys. Most firms can't afford to represent these clients, and should withdraw from representing these clients.

Tip #28 - Make Meetings Productive by Setting an Agenda in Advance

Most of us dread firm meetings, considering them as a waste of our valuable time. They often seem unfocused, and rarely result in any substantive decision being made. One way to address this is to properly plan for meetings, even internal firm meetings. Prepare a written agenda, and distribute it in advance of the meeting. Create a record, and make sure to assign due dates as well as tasks.

Tip #29 - Create Form Files

Save time by not re-inventing the wheel. Each time you prepare a new type of document, or modify an existing document to address a substantially different issue, place the document or template in a forms file. By organizing these retained documents, and sharing them, lawyers in your office can have access to a variety of templates that will make their work more efficient.

Tip #30 - Outsource

Rather than pay your busy staff to complete large copy jobs, or other commodity tasks, consider outsourcing this work. The cost often is passed directly on to clients, and can free staff for other tasks more appropriate to their training and experience. Also consider using contract attorneys to address the ebbs and flows of work. By outsourcing, you can avoid overstaffing.

Natalie's Firm Management Tips (Human Resources)

Tip #31 - Job Descriptions

Have written job descriptions for every position in your firm including attorney positions. Use sample descriptions and adapt to the specific positions in your practice. Use legal-specific sample descriptions like those in The Essential Formbook: Comprehensive Management Tools for Lawyers, Volume II and include staff in the development process. Have staff draft a listing of the jobs they are doing. Do not include specifics about exemption status or other information that could discriminate against protected classes of employees. Do include language that requires workers to perform miscellaneous duties as required. Have all descriptions reviewed by an Employment Law lawyer.

Tip #32 - Employer Responsibilities - I

Do an internal HR compliance audit every quarter or every other quarter. Make sure your procedures are complying with requirements for interviewing, hiring, firing, records management and privacy. A good HR resource with a comprehensive self-audit questionnaire for small business is www.workforce.com.

Tip #33 - Employer Responsibilities - II

Turn to the government for help with compliance. Look at the following federal publications for guidance: http://www.irs.gov/businesses/small/index.html - IRS

Small Business Forms and Publications; www.business.gov – Federal Government site with specific resources from applicable federal regulatory agencies to help small businesses comply with all of the applicable federal laws and regulations.

Tip #34 - Understanding Your People

Don't ignore generational differences and adapt policies that fit all known classes in your firm. Understand what's important to all your employees from baby boomers to those who have grown up in a fast-paced technological age. Go to http://www.library.dal.ca/law/St-Johns/Pres/Tues17/Hartnett-Generational_Differences.pdf for a list generally defining various generations working in today's law offices.

Tip #35 - Hiring Strategies

When interviewing candidates, do not ask illegal questions that could lead to discrimination claims. Look for a match in skills and cultural fit in candidates. Let the candidates talk and you listen. Keep job candidate information confidential. Do background and reference checks for all possible new hires. Attempt to gain information about demonstrated skills, work habits, and work attitude when checking a candidate's references. Have a policy for problems that might arise from information learned during the hiring process.

Tip #36 - Discipline Strategies

When dealing with employee problems or policy violations, act timely and legally. Document steps taken include appropriate parties in discipline and consult those providing legal guidance. Fairness and consistency in discipline can help keep up employee morale. A good discipline system can even rehabilitate some problem employees who are performing but are having other issues.

Tip #37 - Performance Reviews

Use performance reviews to address ongoing issues with work and attitude not remedied by continuing discipline/counseling sessions. Having interactive reviews with staff doing self-evaluations can sometimes reveal miscommunications or misunderstandings about job performance expectations. Use the review to achieve work performance and production goals.

Tip #38 - Diversity Planning and Implementation

A great resource for both devising and implementing a diversity plan can be found at the Minority Corporate Counsel Association's website at http://www.mcca.com/site/data/magazine/coverstory/1003/diversityselfassessmen t1003.htm. This self-assessment tool allows firms to analyze their diversity efforts and tabulate a score for their efforts.

Tip #39 - Team Building Techniques

A myriad of programs exist to help firms build a team within their office. Sites like www.buildingyourteam.com and www.team-building-professionals.com/ provide tools to help co-workers work better together. You can promote good internal relations by managing in a fair and consistent manner and being as inclusive as you can with staff who work on particular matters.

Tip #40 – Training

Training is one of the best ways for lawyers to enjoy a return on their investment in human resources. If skills are lacking, you can invest in training to help your employees become more productive. Training is available from the very lowest level of skills needed for office computing to specialized training for legal-specific tools you may be using in your office.

Tip #41 - Staff Utilization

Learn to trust your decisions about having hired the right professionals for your practice. Delegate non-lawyers tasks and monitor the progress of assigned work. When you have a good paralegal or legal assistant, make sure you continue to provide regular feedback (good or bad) about their job performance. On a higher level, you should also make sure your associates are performing at desired levels. With additional support staff, you should make sure they have the skills required to perform their jobs, and that if not, you would provide appropriate training. Make sure you are also sensitive to authority and power balances in your office.

Tip #42 - Ethics Education

Do not think that ethics are only required by you. You should work to educate your staff about ethical behavior to help protect your law license. Check with your Bar association or legal disciplinary body to review all of the requirements. You are also able to keep up with the status of ethics via the comprehensive website, www.legalethics.com.

Tip #43 - Policies and Procedures Manual

Small law offices are generally the biggest culprits when it comes to having a guidebook for the operation of their offices. Regardless of firm size you need to have a written policies and procedures manual that covers everything from how technology is to be used to how much sick and vacation time is afforded employees. Law office specific manuals are available from the ABA LPM Section.

Tip #44 - Motivation Techniques

Ask employees what they want early on and focus on what you can reasonably deliver in terms of perks or benefits. Benefits and perks that speak to the needs of staff can help with staff retention. Money is not the only way to compensate employees and many would be very happy just to receive a sincere, “Thank you.” Be creative and monitor if what you decide to provide as benefits or perks is working for you and your employees.

Tip #45 - Terminations and Former Employees

If you seem to be having a chronic problem with losing employees, analyze the cost of turnover in your office with a cost of turnover calculator available at www.workforce.com. Unlike some calculators, you are able to both enter and analyze information that includes the direct and indirect costs of turnover in your law office.

Reba’s Firm Management Tips (Client Satisfaction/Management)

Tip #46 - Set the Groundwork for a Good Working Relationship

Talk about the client’s expectations and yours in the initial client interview. Ask them what result they are looking for and what they realistically expect will happen. In the event they don’t get everything they want, ask them what they can live with. Keep a written record of their responses so everyone in your office has access to it. Ask them about potential “skeletons” in their closet. “Even if you think they are untrue, what statements might the other side make that would harm your case?” Keep this in a field in your practice management software so you can refer to it when appropriate. Ask them what method of communication they prefer - fax, phone, e-mail, etc.

Technology solution: Create a client intake sheet that lists information regarding the client, including, name, address, etc. This sheet can be easily customized using practice management software, or your word processing program. By including a special field for “client expectation” you can make sure that their expectations are in line with yours and avoid potential problems down the road. If they are expecting a settlement of $1,000,000 and you don’t think the case is worth more than $150,000 you can be sure their unrealistic expectation will cause a problem at some point. Likewise, create a field for “skeletons” so you track that information as well. In this way, you can avoid surprises later (at trial, for instance) and be better prepared to handle bumps in your client’s case.

Tip #47 - Tell Them What to Expect – Give Them a “Road Map” of Their Case

Clients are generally uninformed about the legal process. You can go a long way toward reducing their fear of the unknown by creating a road map of their case. Particular areas of law typically follow a predictable time line. If you are handling bankruptcies, for instance, you know that the case begins with the initial meeting with the client, and ends with the wrap-up with the client and culling the file for off-site storage. Along the way, the case has to be filed, the final discharge is accomplished, and a myriad of tasks occur in between. All of these can be laid out and shared with the client. In this way, the client knows what to expect, and you make sure that all steps are covered, along with a deadline for completion. Nothing falls through the cracks, and the client is prepared to assist you when appropriate because they've been given a "heads up."

Technology solution: Use the feature in practice management software which will allow you to "chain" events in a case. You can then take each of the steps and assign a deadline. These deadlines can be "chained" by one step being linked through a time line to another step.

Tip #48 - Make Sure Things Don't Slip Through the Cracks – Use "Inactivity Watch"

Make sure cases don't languish. Practice management software has a feature which can alert you when a case hasn't been touched within a certain period of time. What better way to ensure that you don't let a case languish! This feature can also alert you so you can generate a "Nothing's Happening" letter to the client.

Technology solution: Learn to use the more advanced features of your software, such as "Inactivity Watch." Using features like this will go a long way toward reducing stress caused by "Now what am I forgetting!"

Tip #49 - Encourage Your Client to Actively Participate in Their Case

This will give them a sense of inclusion and empowerment. Forward copies of letters to them, etc. Ask their advice. Make sure they are informed of major events in their case. Fostering a "team" attitude will help them to see how hard you're working for them – and that you respect and value them as individuals.

Technology solution: Send copies of correspondence and documents to your client. Contact them regularly to solicit their comments.

Tip #50 - Keep Track of Your Practice Areas and What Percentage of Clients Fall Into Each

One attorney I know limits family law to no more than 50% of his practice. He has found over the years that family law is particularly stressful, and he wants to be sure he is diversifying his practice and not accepting too many stressful family law clients.

Technology solution: Software programs can help you to track the percentage of cases in each area of practice. This can be particularly good information to have it you want to increase or decrease concentration in a particular practice area.

Tip #51 - Avoid Using Legalese

Clients much prefer when lawyers refrain from speaking legalese. This doesn't mean that the lawyer has to "dummy down" their explanations. Watch out for phrases such as "enclosed herewith please find" - or "party of the first part" - etc.

Technology solution: Go back and look at all your forms. Many of us have pet phrases. Use the "search and replace" feature to find and delete that language. The grammar features of word processing programs will also let you know if you are using sentences that are too long, making them less readable.

Tip #52 - Use Voice Mail Appropriately

Make the most of voice mail. Clients don't like to talk to a machine. When you can, answer the phone yourself. If you can't, clients may prefer to leave a message on voice mail rather than playing telephone tag. Return those messages promptly. Change the greeting – ideally on a daily basis. Whenever possible, tell them how to reach a live person. Tell them how to skip the recorded message and simply leave their message, if they're a frequent caller.

Technology solution: Get a voice mail system that allows you to check messages remotely, including one that gives you the ability to check the time and date that messages were left, and to easily change your voice mail greeting. Consider changing your voice message daily. It can show clients that you are on top of your practice. If you do put on a new message every day, it's critical that you update it *every* day.

Tip #53 - Keep Your Promises

Make a commitment to do something, and then do it! Clients will respect you more if you under promise and over produce. The only way to do that is to keep track of what you've promised you'll do and by when you've promised you'd do it.

Technology solution: Learn to use the features of your practice management software – including "tasks" "to do" lists, "reminders," etc. Have one point of entry for everything – ideally through practice management software or something like Outlook. Write everything down when you think of it. Take one night each week to review everything you have to do. If you have written everything down, and you review your lists regularly, you'll soon find that you won't have to apologize to clients nearly as often!

Tip #54 – "Paper" Your Clients - Keep Them Informed

Don't wait for clients to call and ask how things are progressing. Regularly send copies of relevant documents to your client. Respond to e-mails with an "I'll check on this tomorrow" - or "I'm waiting to hear back from John Smith." You may not have the answer yet, but the client knows you're on top of it, and you're making progress.

Technology solution: Create a simple "plain vanilla" transmittal letter that can be generated automatically. By using document assembly programs, or practice management software, you can easily and quickly draft a letter (or e-mail) that you can use to transmit copies of documents, pleadings, etc. The client will be much happier to pay the bill if they know you've been working hard for them.

Tip #55 - Let Clients Know You Care About Them Personally

You may make a note of their birthday, the fact that they mentioned that their spouse was going in for surgery, or that their child had applied to a specific college. You can use technology to flag that so that the next time you call them (or they call you) – you can remember to ask for an update about their family. Send clients cards and notes on holidays and birthdays.

Technology solution: Enter their birthday into your calendar as a recurring event. Then enter a reminder exactly one week before their birthday so you have time to purchase a card and get it into the mail. Just two entries in your calendar and you'll never forget their birthday again.

Tip #56 - Use a "Secret Shopper" To See How Potential Clients Are Treated

You probably have no clue how potential clients are treated when they contact your office. Have you heard of a "secret shopper?" Occasionally have a friend call up your office and pretend to be a potential client.

Technology solution: Have a friend or family member contact your firm by telephone or by e-mail to see how your staff handles inquiries from potential clients. Is the phone answered after a minimum number of rings? Was the receptionist friendly and professional? If your friend was asked whether they could be put on hold, did the receptionist give the friend time to respond? If they were put on hold, how long did it take your staff member to get back to the caller? If the friend asked for legal advice, did the receptionist give it? Occasional use of a "secret shopper" is a great way of ensuring that you are portraying the image you want to portray.

Tip #57 - Always Send a "Non-Engagement" Letter

Don't get yourself into a situation where you get a phone call from someone claiming to be a client, but you don't recognize their name and you have no clue who they are! Every time you get a phone call or see someone in the office, take down the pertinent information on a new client contact sheet. Always send a follow-up letter to those people you do not intend to represent. Keep these "ding" letters alphabetically (or electronically!) in a file virtually forever.

Technology solution: Create an electronic form that you can pull up every time you interview a potential client on the phone or in your office. You can fill out the form as you talk with the client. If need be, you can later search the non-engagement letters because you have them all available in electronic form!

Tip #58 - Conduct Regular Case Reviews

Regularly meet with staff to discuss the status of all cases. This can help to ensure deadlines (and even cases) don't fall through the cracks. Additionally, staff will have a heads up about projects that need to be accomplished during the upcoming week. Let staff help you help clients – the more they know, the more they can assist you.

Technology solution: Have a weekly meeting that is on everyone's calendar. Everyone should bring their calendar and compare deadlines, appointments, etc.

Tip #59 - Take Credit Cards – Clients Love Them!

This can be win-win situation for you and your clients. Clients going through a divorce, for instance, can be hard pressed to have even one more thing on their plate. Instead of having to handle all the emotional difficulties, and also figure out how to take out a loan or borrow money from relatives for a retainer, allow them to "charge it." That way, they can pay it all off when the divorce is over and you get your money up front, minus the credit card fees. Be sure to follow any applicable ethics rules.

Technology solution: Make sure you keep accurate records of how much is deposited into your trust and that the appropriate credit card fees are also taken out of the appropriate account. Using trust accounting software can make this much easier and ensure that you are complying with the ethics opinions and rules of professional conduct in your particular state or province.

Tip #60 - Make Sure Everyone In Your Office Can Update Clients At a Moment's Notice

If you use practice management software, you can answer your client's questions at a moment's notice. Your client may call to see if documents were received, or if your request for an extension of time was granted. Instead of having to wait because the person who knows the answer is out of the office, make sure everyone makes notes in the file of everything that happens. That way, when the client calls, you can quickly go into the file, use the "Communications Management" feature in your software, and be able to update them on the status. Clients expect you know everything that is happening on their case and can give them a report. If you have everything in front of you, you can!

Technology solution: Make sure everyone uses practice management software to keep track of developments in the case.