



THE ONLY CONSTANT IS CHANGE

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The PA Bar Institute and the PA Bar Association Solo and Small Firm Practice Section cosponsored *The Law Practice Management and Development Institute* in historic Gettysburg on August 14–15, 2008. Over two very hectic, information-crammed days, approximately 200 solo to mid-size law firm attorneys were presented with a myriad of strategic solutions for every facet of the business side of their practice. From start-up through sun-setting of one's practice, there were relevant analyses and solutions, resources, and much food for thought.

Most of you know that I tend to be very optimistic. I am proud of the depth and breadth of information presented at this conference, and totally confident that each and every one who attended returned to their firms with some nuggets of information and fresh ideas which will make a positive impact on their practice.

Nonetheless, I can't help but wonder what the 99% of solo and small firm lawyers who did *not* attend are going to do to keep up with those who did. Meaning no disrespect to the 16,000+ solo and small firm members who didn't attend — you are after all very smart people — I worry that for many of you missing an educational opportunity like this leaves you at a distinct disadvantage. Eventually that disparity of knowledge will come home to roost.

I had my hands full at the *Institute*. I presented a session on “Word for Attorneys”, and a session on “Outlook for Attorneys.” Even though each session was merely an hour in length, each and every attorney walked away with some tips and tricks guaranteed to make their life easier and more efficient. I also presented two sessions on “Technology Tools – What to Buy and How Much to Spend”. However, my greatest challenge and honor was to co-present “Self-Auditing Your Law Firm” with Nancy Byerly Jones, who literally wrote the ABA book entitled “Easy Self-Audits for the Busy Law Office.”

Some of you may recall that back when Marvin Leiber was PBA President, we had a number of Educational Fairs across the state. They were a combination of CLE and barnstorming; the precursor of the Practice Management Institute. Nancy's book had just been published, and I was tremendously impressed with its

content. I contacted Nancy, and in short order I had the pleasure of inviting Nancy to co-present a session based on her book at those Educational Fairs.

We created a record-breaking four hour session back then covering best practices and offering practical solutions on every management topic including financial management, leadership, human resource management, technology, marketing, and office systems and procedures. We provided copies of her book to course registrants, and a wealth of supporting materials.

Fast forward almost a decade, and Nancy and I stood shoulder to shoulder at the podium once again. However this time we had only an hour to cover the topic. So we concentrated on the reasons it makes sense to self-audit ones firm, and explained how the process works best.

Some of the solos who attended questioned the relevance of a strategic self-audit for their practice. We admitted that audits are not necessary for all. For firms which have no turnover of staff, (or no staff at all), more than adequate profits, good quality of life for attorneys, have well thought out operational policies which enable them to run smoothly day-to-day, and for whom management problems get resolved and do not consistently reappear over time, a self-audit is an unnecessary exercise. Since so few attorneys can honestly say they fit this profile, it makes sense that virtually all attorneys, whether operating in a solo, small, or mid-size firm environment, should periodically go through a self-examination and candid assessment; the sole purpose of which is to formulate a strategic plan for incremental improvement. The good news is that it doesn't have to be highly time consuming or expensive.

I was approached by an attorney during a break between sessions later in the day. He spent a fair amount of time proudly telling me how well his practice ran, and why a self-audit was an unnecessary experience for him. He further went on to proudly announce that his technology needs are simple, and in fact he has been able to avoid virtually all of the technology initiatives covered by the many courses presented at the *Institute*. He was so sure of that fact, he chose to attend virtually none of the course offerings on technology.

Nothing seemed to have changed at this practice for several decades, he proclaimed, and that was a source of pride and comfort for him.

We spoke at length about many of his office procedures. Eventually we got down to reality. His day-to-day life wasn't all peaches and cream.



Although his firm had not changed in any significant way for several decades, the environment in which his firm operates daily has changed significantly. This became apparent when he spoke about problems getting his partner to consistently record and bill time; a problem which existed a decade before but which had no significant impact on cash flow. In today's more competitive marketplace with lower margin of profits for most firms, those same practices had become problematic.

Lack of strides in technology, he admitted, were costing him some clients. Clients were insisting and expecting that documents be produced faster and with greater efficiency. His turnaround time from the shared secretary was getting increasingly longer. He blamed the inefficiencies of his partner for the disproportionate use of secretarial resources. But I suspect that the increase in paper—written and electronic—outstripped their technological know-how to manage it.

He also related that many clients were insisting that documents be created in Word, in order to be compatible with their own software. His firm still drafted documents mostly from scratch, and continued to use WordPerfect because “the secretary rebelled when my partner and I told her we wanted to transition to Word.” They even resisted the transition to Windows so strongly, his firm was several generations behind in software. As a result, he could not take advantage of many of the available software tools to better handle the storage, retrieval and production of documents.

Another problematic area, he sighed, concerned the competition caused by expensive lawyer advertising in certain profitable practice areas, and increasing competition from name brand firms in other practice areas. Those big firms were encroaching on his “turf” by acquiring solo and small practices in his geographic area. Yes, he admitted, he was working harder for less return on his investment. And he saw no end in sight.

We discussed next his concern about the health of his only partner, and what that meant in terms of the continuation of the practice. How was he going to get out any of his sweat equity when it was time to stop practicing? They had no written partnership agreement, I found out. What would happen if his partner suddenly died or became incapacitated, I asked? Would he or his estate continue to share in the profits of the firm? He had no answer but admitted that he had spent many troubled hours contemplating those eventualities.



I questioned the ability to create the “next generation” at the firm. Unfortunately, the ability to hire and hold onto high-quality associates was a thing of the past, he lamented. The firm was no longer able to attract and retain the necessary talent.

What this attorney needed, desperately, was precisely the self-audit he rejected as unnecessary. It didn't matter if he had the best systems in place one or more decades ago. The simple fact is that the marketplace around him will continue to change and evolve. He can deny it. He can ignore it. But eventually, as he was loath to admit, those excellent practices, procedures and methods will no longer function as effectively as they once did.

In fact, the only thing you can count on—the only thing which is constant—is change. Change will inevitably happen around you, and to you. You cannot avoid it.

So, you have choices. One is to continue to play ostrich, and refuse to recognize the impact gradual changes around you will create. Eventually you will be forced to make course corrections reactively, which is what most attorneys and law firms do. Or, you can periodically make a detailed assessment of the marketplace and how your firm is functioning within it, even if only in one specific focus, and create a plan to proactively improve operations and realign to the “new normal.”

Want to take a guess which firm is more successful? Reactive? Proactive? Of course it's a no brainer. Lawyers who think strategically and act rather than react will always be more successful. Don't get caught up in “the devil you know is always better than the devil you don't” because that's just an excuse to put your head in the sand and ignore the need to make course corrections from time to time.

Yes, it does take occasional time and effort to think and act strategically. But you will always be better off controlling and charting your own course toward your individual vision of success.



Smart business people know that there is always room for incremental improvement. Don't let your future just reveal itself. Help to create the vision of success and then turn it into reality by creating your future. If you missed the course and don't know where to start, please call me. I can help.

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