



NEW YEAR RESOLUTIONS FOR YOUR LAW FIRM

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I spend a substantial amount of my time with PBA traveling around the state presenting seminars on various topics of law practice management. Although my messages are always well received, there is often a certain weariness which is evident upon the faces of those in attendance. And sometimes a brave soul raises a hand and asks, in a voice which clearly reveals exasperation, "How are we supposed to do this in addition to everything else we already do to manage our firms and meet client demands?"

Fair question. After all, no one is coming up to me after the seminar saying, "Ellen, I have too much free time on my hands. What can I do to fill it?" In fact, most of you who come up to me afterwards say there just aren't enough hours in the day as it is. Many of you are working harder than you ever have before, for a smaller return on that investment of time. And despite these facts, here I come to tell you that there are procedures to implement, plans to develop, and technology to learn.

There's only one solution. You must learn to work smarter instead of harder. You have to move from fire fighting to fire prevention. And you have to accept the fact that this will not happen overnight. I thought it might be helpful for each of you to start the new year out with some resolutions which can have you looking back at this time next year at the successful improvements you've made. And hopefully that will inspire you to make some more.

Let's start with something simple which is going to lay the psychological groundwork for this process. On your computer I'd like you to click on the START key. Select SETTINGS/CONTROL PANEL. Now double click on the DISPLAY icon. Select the tab for Screen Savers. Use the pull-down arrow under Screen Savers to display your choices. Select Marquee Display. Now click on the Settings button right next to it. In the dialog box there is a place to type the desired text. Type in "Change is a process — not an event!" Set the scroll speed to Slow. Click OK, then APPLY and OK. This simple change will remind you every day that improvements to your firm should be made in small steps. Now let's pick some resolutions.

Resolution #1: resolve to review your current stable of clients and select a few for termination. There are many valid reasons to fire clients. First and foremost is nonpayment. Lack of profitability is another. Perhaps the rate you negotiated, coupled with the types of services you cannot bill for, based on the client's demands, leaves you with

matters on which your effective hourly rate is so low you barely break even. Maybe the client nitpicks over every item on every bill, and it has gotten to the point where you regularly write off items before the bill even goes out.

Over time you may have come to really dislike the client, and find that you do not work well together. Or perhaps the client is abusive of your staff. Or, in rare instances, you find the client has deceived you.

The point of this exercise is to free up some time by firing problematic, unprofitable clients. Use that free time to find better quality clients. You will enjoy your practice more, have less stress, and ultimately be more profitable.

Resolution #2: resolve to design, write, and implement one of the following this year, with assistance from your PBA Law Practice Management Coordinator. Keep in mind that this will be a work-in-progress which you will improve over time. Therefore, it does not have to be perfect or fully comprehensive to begin implementation. (Pause and look at your screen saver.)

- § A records management plan
- § A disaster prevention and recovery plan
- § A strategic plan
- § A marketing plan

The very survival of your firm in the future may depend on development of a disaster prevention and recovery plan, or strategic plan. According to the Hartford Loss Control Group, 60 - 75% of all businesses have no disaster/contingency plans, and 50% of those businesses are closed within two years of a disaster. According to the U.S. Department of Labor, a majority of businesses which experience a major disaster are no longer in business within five years of the occurrence.

Without a strategic plan, your firm is placed in a reactive posture to marketplace pressures from client consolidations, industry downturns, and competitor encroachments. Playing catch-up is far less effective than taking the lead. Which do you suppose is more effective: working to cement client relationships and delight the client on an on-going basis by responding to and anticipating their needs, or trying to woo back the client after they have decided to switch to another firm?

Resolution #3: if you employ staff, resolve to make some improvements in the human resources arena by implementing at least two of the following strategies.

- § Create written performance evaluations and review with staff annually
- § Create job descriptions and review with applicable staff
- § Create an employee handbook
- § Provide educational opportunities for staff
- § Hold regular staff meetings



- § Conduct exit interviews
- § Provide clear training and instructions on the R.P.C. and your expectations
- § Create a window of time each day for your secretary to meet with you to review priorities and ask questions

Resolution #4: resolve to implement technological improvements to assist in automating at least two of the following areas.

- § Timekeeping and billing
- § General ledger accounting
- § Docketing and calendar management
- § Conflict checking
- § Management reporting on profitability of clients, practice areas, and attorneys
- § Tracking of work referred to the firm by referral sources
- § The firm mailing list(s)
- § Finding documents on the computer
- § Organizing the emails received

Resolution #5: resolve to implement better procedures to ensure you get paid for the work you do.

Ok, that's enough for one year. Don't forget to mark your calendar to look back next December at the progress you've made in 2004. I have a feeling you're going to be proud of yourself.

A version of this article originally appeared in the Winter 2004 edition of The Pennsylvania Bar Association Solo and Small Firm Section Newsletter

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