Is This Book for You?

If the tension between the actual practice of law and the administrative or business demands seems never ending, this guide is for you.

It is not easy to run a successful small law firm and be an effective lawyer. You frequently need to resolve the tension between the shoulds of timely billing, reviewing financial statements and cash flow, motivating employees, managing your cases, and actually doing the legal work for which you were trained. You are also aware of desirable business practices in such areas as human resources and marketing, for example, but you never seem to have enough time to address them, let alone implement them. By definition, your case deadlines always take precedence over those administrative headaches or desires. That is, until one of your employees quits without notice, or worse, you cannot meet payroll. Then and only then do you instantly become a firefighter and put out the cash flow or employee fire. The problem is, these fires typically arise when you can least address them. But you have no choice. Or do you?
Most attorneys hate the administrative part of the profession and avoid it until they are forced to face it. This is absolutely the wrong way to run a law firm.

This perspective will result in the continual sacrifice of your peace of mind, and it will cause you and others ongoing stress. How do you balance these competing demands—especially when your client deadlines are immovable and seem to follow one after the other with little room in between? Wouldn’t it be nice to plan your business strategy like you plan your case strategy? Without big-firm bureaucracy or expense, how do you avoid those small-firm problems like irregular cash flow, employee turnover, increasing accounts receivable, and collection challenges that seem to recur?

The answers to these questions are contained in this book. The systems described in this guide took years to develop and refine to reach the proper balance between what I previously had considered competing demands on my time. Before that, I had felt that investing more time into my cases might produce better results for my clients. And while this may have been true, I was falling behind on the business and administrative demands of my own firm.

I couldn’t do both effectively, could I?

Every time I encountered a problem that caused cash flow, employee, or collections challenges, for example, I began to realize that the decision-making process that got me into these messes was either nonexistent, flawed, or needed tweaking to avoid repeating the same problem.

I had to ask myself: What was the decision (or lack thereof) I had made before this happened that created this problem? Once I was honest with myself, or was helped to be honest by trusted staff or my spouse, I could identify the source of the problem and implement a policy or procedure that would prevent it from happening again, or at least reduce the likelihood of it happening again. I also realized that I didn’t have to reinvent the wheel when doing this. I could adopt systems or procedures used by other small firms that had worked for them.

For example, if I had a cash flow problem and had to borrow money from my line of credit, I looked into the past month’s work and tried to identify why all these hardworking employees (lawyers and legal assistants) did
not produce enough revenue to cover our overhead. Sometimes the answer was that we were working on a case for which we wouldn’t get paid until sometime in the future. Maybe we were waiting for the sale of an asset or a court ruling.

Or perhaps, the problem was much less specific and more common. For example, frequently we had depleted the retainers for several clients and had failed to call them to request replenishment of those retainers. Many times we had just continued working on a case or for a client who had stopped paying us long ago, and we either never noticed or even asked why. I ultimately realized that without someone (1) whose job description specifically called for them to keep an eye on retainers, and (2) whose calendar included scheduled calls to clients every billing cycle to get the retainers replenished, and (3) who reported to and met with the managing partner every billing cycle to make a decision as to the future handling of the case, we were bound to experience cash flow challenges again and again.

Once a problem arises, it’s already too late to change a policy or procedure that will address that particular problem. One can, however, make systemic policy or procedural changes to prevent this problem from recurring. These changes must be the result of carefully thinking one’s way through how each decision (or lack thereof) either supports or sabotages a good business practice or goal of the firm.

There is rarely a middle ground. Whether it’s a decision to accept a case or hire a specific employee, or any number of seemingly unimportant decisions during the life of the case, each decision or policy has a predictable result.

Without a system to guide your practice, it will be hard to avoid problems and work your way out of the morass you have created by practicing law ad hoc.

I found that creating and sticking to a system in each area of practice prevented most problems from recurring. Once carefully designed and implemented, these systems changed the nature of my practice and the attitude of every employee in my firm—including me—for the better.

I discovered that there is a symbiotic relationship between the pure practice of law and the administrative functions of planning for and running a law firm. That is, as the proper planning and systems were implemented, the
pure practice of law could be addressed with much less stress, and it usually resulted in much more profit. This was great news!

This guide, then, seeks to achieve the proper balance between and successful integration of these two worlds. Based on thirty years of law practice, from the perspective of both an employee and an owner/employer, this book identifies various areas where solo practitioners or small law firms typically fall short in valuing and systematizing the administrative areas of running a law practice—and where unclear, unconscious (or even improper) individual goals can sabotage long-term growth and success of the entire firm.

This guide is all about systems: how to design them, implement them, and stick to them. It will revolutionize your practice.

Once various elements of these systems are implemented, common, recurring problems such as increasing accounts receivables and employee turnover are minimized. Stress is decreased, while profits increase, and satisfied clients abound. It is important to note that you may not have the personnel available to implement every aspect of every system recommended in this guide. That is okay. Every time you implement just one small element, your practice will improve in a measurable way.

I divided the practice into several areas that could stand by themselves and for which changes could be implemented in varying degrees. Areas such as case management, timekeeping and billing, and human resources are traditional areas that needed addressing—and in my experience systematizing—so they can be conquered once and for all.

Although it is complete with forms useful to family law practice (which was my specialty), many of the forms can be adapted to fit your area of practice. I also anticipate that future editions will include specific forms that can be used for different areas of practice.

The timekeeping and billing chapter is adaptable for a practice of any size in any area that bills by the hour. If adopted, it should dramatically catapult your firm’s profitability, which will have a profound impact on the hours you work, the amount you are able to pay your employees, and the overall success of your firm. It can turn a struggling practice into a thriving, vital enterprise with benefits for employees and owners alike.
I am also sure that some of you reading this book may already have portions of your practice systematized to a point that works well for you. That’s great. You may want to ignore those portions of this book that don’t seem to apply to your firm’s systems, but I recommend you read the chapters anyway. You might pick up a useful tip or two to incorporate into your firm’s current system or learn how another firm handles these portions.

Finally, it should be noted that this book assumes that you already have a going concern and you desire to improve it. Hence, it is not really a book for start-ups. For those of you who are really starting from scratch and have no idea where to place your computer or photos on your desk, or what your hourly rate should be, I recommend Jay Foonberg’s *How to Start and Build a Law Practice*. He helped me thirty years ago when I was starting out and dreaming of someday owning my own practice. In its fifth edition as of this writing, it remains an outstanding and comprehensive tome for those contemplating starting and building a private practice.