A Law Practice – From the Office to the Courthouse
Practical Considerations in Practice Management

By
Laura A. Calloway
Alabama State Bar
Practice Management Assistance Program

Most practice management advisors could write volumes about the myriad considerations in starting a new law practice or keeping an established one running well, but when I was asked to speak for only 30 minutes on the most practical information possible about practice management, several things stood out as being the most common yet pressing issues that lawyers should be address when attempting to manage an effective and profitable practice.

Computers

While a lawyer's greatest asset is undoubtedly his or her education, I never cease to be amazed at the number of lawyers who think that they can start and maintain a viable law practice without a certain minimum level of capital to purchase equipment and cover monthly expenses until the practice begins to generate a reliable level of cash flow and eventually starts to make a profit. A certain minimum level of "machinery" is needed to help turn the lawyer's intellectual capital into services which can be delivered to clients. The more efficiently the lawyer can turn his or her intellectual capital into services, the more profit he or she will make on each client transaction while, at the same time, keeping costs lower for the client and helping to generate client satisfaction that will generate more business from that client as well as good word-of-mouth advertising.

Most long-established law offices have evolved from manual typewriters through IBM Correcting Selectrics to personal computers with word processing software, usually Microsoft Word though many law firms still rely on WordPerfect. The truth is that computer equipment and word processing software for the law office have become commodities, and it doesn't really matter what you use as long as you use it to its fullest potential and it works for you and the clients with whom you exchange documents.

PCWorld (www.pcworld.com) offers both equipment reviews and a great series of "How-To" articles that lead you through the important questions to ask yourself when selecting computers or other electronic equipment for the home or office. The guides on buying desktop and laptop computers are usually updated each year before Christmas.

At this point I would recommend that any law firm that is thinking it will need to add or replace computers within the next 24 months go ahead and purchase either laptops or desktops and downgrade to the Windows 7 operating system while you still can. If you are still using computers that run WindowsXP you need to be aware that Microsoft will not support XP with upgrades, bug fixes and security patches after April 8, 2014. Windows 7 is much more versatile and offers many more features than XP, yet has been around long enough that it is much more stable than Windows 8. In addition, it's more similar in layout to XP, offering the average law firm a much easier learning curve.

I also suggest that law offices that are currently using older versions of the Microsoft Office suite go ahead and upgrade to Office 2010 while it is still available. This product will likely be supported for the next 10 years or so and can take both new firms and fairly-soon-to-retire lawyers well into the future as new ways of practicing law utilizing cloud computing develop. Beginning with Office 2013 and Office 365, Microsoft will be focusing more on renting, rather than selling, software and also on renting document storage space in the cloud as ways to ensure their continuing revenue stream. These trends may not match your need or desire to keep your data in-house, so upgrading now is the best way to ensure that you can continue to practice the way you are used to for several more years without security problems or product or equipment failures caused by out of date computers and software.

Hardware Trend: Multiple Monitors

The hardware trend that I think all law firms should have already adopted is dual monitors for almost every computer user in the office. As we move more and more to "paperless" practice, it becomes more and more important to be able to display and work with multiple "documents" at one time. In the past this meant a bigger desk surface on which to spread things out and now it means multiple monitors to avoid the need to open, minimize, maximize and otherwise manipulate multiple documents on one computer display screen.

Some people recommend that both monitors be the same brand, size, and shape, and that they be set to the same resolution. This seems to be easier on the eyes. I use a second monitor with my widescreen laptop, and I've found that it's nice to have one monitor with portrait orientation and one with landscape. That way no matter what type of document or program I'm working with, one of the monitors will be optimal for it.

Even with my laptop, I found adding a second monitor to be "plug and play" easy. Plug in the second monitor and then, in Windows XP, just click Start | Control Panel | Display and select the "Settings" tab in the Display Properties dialog box. You'll see a Display field with a drop down box. Select Multiple Monitors and then check the box beside "Extend my Windows desktop onto this monitor."   Click OK and you're done.   For more

detailed information on installing a second monitor on a computer with Windows XP go to: http://support.microsoft.com/kb/307873.

It's even easier to add a second monitor to a computer with Windows 7. After you plug in the second monitor and turn it on, just press the Windows key (It's that key with the Windows logos between the left Ctrl and Alt keys – the one you never use.) together with P. This will bring up a window with icons for options for how you want that second monitor to work. Click on the icon for Extend, and you're done.
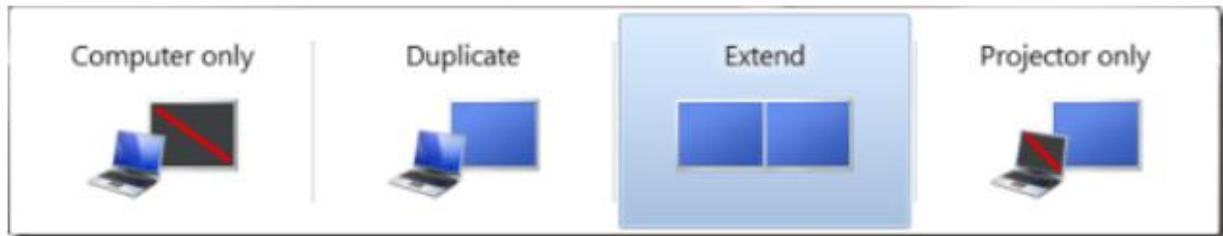
Or you can go the Control Panel route described above, just as you would for Windows XP. For more information on using a second monitor with Windows 7 see: http://windows.microsoft.com/en-us/windows7/work-and-play-better-with-multiple-monitors.

And now, apps such as Air Display (http://avatron.com/apps/air-display) (iPad, iPhone and Android) and iDisplay (http://www.getidisplay.com/) (Mac only) allow you to use a tablet or smartphone as a second monitor.

Software

As I previously mentioned, I don't think how you do your word processing is particularly important as long as it is efficient and suits your needs and those of your clients. That being said, I truly believe that any firm whose work is particularly document-intensive, such as estate planning, domestic relations or various types of transactional work should work to customize their word processing software to better take advantage of its document-generation capabilities or consider adopting full-fledged document generation software.

Both Word and WordPerfect have features that will allow you to quickly plug in substantial blocks of text whenever you type a few designated keystrokes. Versions of Word up to 2003 have Auto Correct. Word 2007 and 2010 introduced an additional feature called Building Blocks, which is part of Quick Parts, and allows users to create a library of regularly used text blocks for quick access. WordPerfect, at least since it became Windows-based, has always had QuickCorrect and QuickWords which perform, essentially, the same function. In addition, both Word and WordPerfect allow users to create macros, which can be as simple as a paragraph of variable information or as complex as an entire document with stop codes that allow you to move directly from one piece of variable information to another within the document. Finally, both Word

and WordPerfect allow you to create custom templates for documents which you produce regularly. Both macros and templates can be programmed to pull variable information, which is stored elsewhere on your computer such as in Outlook or in an Excel spreadsheet, to populate the document.

Setting up and using these advanced features of your word processing system are beyond the scope of this paper, however, there are lots of resources available to help you get started. The Practice Management Assistance Program library has copies of The Lawyer's Guide to Microsoft Word 2007 and The Lawyer's Guide to Microsoft Word 2010 available for checkout. In addition, Microsoft offers free training tutorials for all of the components of Microsoft Office at http://office.microsoft.com/en-us/support/training-FX101782702.aspx?redir=0. The tutorials, which are fast-paced and don't run over about 20 minutes each, are available for MS Office versions 2007 and 2010 and Office for Mac 2011.   For more information and help with document generation capabilities of WordPerfect see www.lynda.com or http://www.microcounsel.com/. The latter can also help you with the creation of custom macros and templates.

Software Trend 1: Document Generation

The Form Tool (www.theformtool.com) is, essentially, a Microsoft Word plug-in that allows simple, easy document generation from forms you create or documents you already use. It bills itself as "… the most user-friendly and powerful document assembly and forms creation software in the world." While I'm not sure it's the most powerful, I do agree that it's the easiest to implement and use that I've ever seen.

When you install The Forms Tool, it creates a new toolbar within Microsoft Word. In order to create a new fillable form, you just create a document or select an existing document with blanks and The Form Tool helps you to create a table at the bottom of the document for your variable information, such as names of parties, ages, and dates. You highlight areas of the document to add fields for the variable information, and then click a button on the toolbar to associate each field with the variable information in the box. Once you've associated each field with a piece of variable information, you save it and you're ready to produce documents. Whenever you want to produce, for example, a complaint, you simply pull up the saved form, fill in the variable information in the table at the foot of the document and click the "Fill" button, and all of the variable information will be pulled from the table and placed everywhere in the form that it belongs. If you make a mistake, you need only fix it once in the information table and repopulate the document with the corrected information throughout.

The Form Tool offers a free download and a Pro version for $89. It works with Word 2007 and later versions, and also with Word 2011 for Mac using Parallels or CrossOver.

Pathagoras (www.pathagoras.com), created by a practicing lawyer who was fed-up with complicated document generation software, is another document generation tool that works with Microsoft Word. It allows the user to take an existing document, easily select variable information within the document, and substitute other variables. In addition, it will allow the user to create a library from existing forms and easily select and assemble blocks of text into documents. Pathagoras is available for a 90 day free trial. A single user version is $379 and additional users in the same office pay $250 per seat. There is also a networked version for 3 users for $799 and volume pricing is available on request. Subscription pricing is also available, at $25 per month for a single user, or $120 for a single user for 6 months. The company offers a 30 day money back guarantee on all license purchases.

Software Trend 2: Practice Management Systems

The move to efiling is putting greater and greater pressure on current law practices to move more and more to "paperless" systems, and with this pressure it makes more and more sense to come up with systems to manage the whole "e-file" the way that paper manila and accordion folders once helped organize and manage lawyers' cases.

Practice management software is designed to bring all the electronic elements of a lawyer's case together in one place, by providing one convenient interface for contacts, conflict of interest checking, calendar and docket, to do lists, email, documents, time and billing and trust accounting information and, in the systems built by West and LexisNexis, legal research, too.

The most important aspect of these systems is that they streamline work processes in the law office by allowing information, such as address changes, to be made in only one place, yet be instantly available for all work functions – whether it's sending a bill or a drafting a letter. These systems also allow all of the information in the file to be available simultaneously to multiple users who need it, while allowing access to various levels of information concerning specific cases to be lock away from the prying eyes of those in the office who don't have a "need to know" in order to carry out their duties.

Security

It has always been important for lawyers to protect the confidentiality of the information created and maintained within their firms. That task has become more difficult as the computers on which confidential client information is stored have become connected to the internet. And the recent emergence of a new threat has served to highlight just how important it is for lawyers to maintain up to date firewalls and secure internal networks which are protected from hackers and other intruders who seek to penetrate the firm's IT system using unpatched vulnerabilities in hardware and software.

Reports of "ransomware" attacks around the country are increasing. These are attacks in which an intruder penetrates the firm's network and is then able to obtain access to client and other data, which they encrypt. The attackers usually leave a ransom note specifying how much money they are demanding in exchange for returning access to the data to the firm. These attacks have happened to many business owners, including lawyers. And it is obvious that a lawyer who has lost access to his or her data has lost his or her most valuable asset. And that doesn't even begin to take into account the potential damage to his or her reputation.

Security studies of this problem are just beginning to be done, but the early evidence is that many of these attacks are a result of what are called "drive by" attacks that use JavaScript code. The user of a computer visits an innocent website, such as a reputable news service, and is infected by malware in an ad on the site. The malicious ad automatically downloads the malware, and the user doesn't even have to click on the ad for this to take place. Attacks are also conducted by "spear-phishing" in which the perpetrator directs an email message with an innocent-looking, though malicious, link to a specific person within the firm. If the recipient can be fooled into clicking on the link, the firm's entire network can be compromised. And TechRepublic recently reported that a Dropbox exploit can be used to take over a firm's network if the perpetrator can gain access to only one computer which is used away from the office. See: http://www.techrepublic.com/blog/security/dropsmack-using-dropbox-to-steal-files-and-deliver-malware/9332.

The best way to avoid this type of problem is to make sure that your operating system and all other software that you use is patched as soon as the vendors release security updates, to use a good antivirus program, and to educate all your employees on the potential dangers and then limit the use of firm computers to legal business and instruct your staff to use their own devices for accessing any type of personal web surfing. And make sure that you create a daily, off-site/off-network backup and that you test your ability to restore from it frequently.

The attempts to gain access to valuable, confidential information in the future will only increase, as more and more law firms are targeted specifically because of the type of work they do and the kinds of information they hold in their files. If you're interested in what's know about attempts over the last year to penetrate business and industry computers systems, you will find this recent article on the annual Verizon report on hacking and intrusion for 2011 interesting:
http://bits.blogs.nytimes.com/2013/04/22/the-year-in-hacking-by-the-numbers/?src=rechp

Staffing

Often when I meet with lawyers who are thinking of starting a new practice, they ask whether they really need clerical help. After all, they point out, they are usually excellent typists, some of them having gained keyboarding skills and having become intimately familiar with the use of their family's home computer before they even started to grade school.

While I do all of my own typing and never was really good with a Dictaphone, I always encourage these lawyers to get away from a black and white analysis of "secretarial help vs. no secretarial help" and, instead, think about the types of tasks they will be doing and the best tools to accomplish each one. Because only a lawyer can practice law, any lawyer who performs non-lawyer functions within his or her firm is performing them at lawyers' rates, and is giving up the income that only he or she could otherwise be generating by practicing.

The two most important "jobs" in delivering legal services – which creates the most difficult balancing act, in my opinion – are producing good legal work while holding the client's hand and making him or her feel secure. As any practicing lawyer knows, this is difficult with one client and becomes exponentially more so the more clients you have. That's why, at this point, I encourage law firms to look for the right combination of people and services to handle these jobs. For example, the firm might better spend its money on one person to serve as a receptionist, phone answerer and client consoler and communications specialist, and also invest in document generation software or a dictation service that transcribes recorded dictation and emails it to the firm, rather than on two legal secretaries.

If you don't dictate enough to keep a full time typist employed, consider checking out these typing services. Legal Typist (www.legaltypist.com) offers service for a flat $99 set up fee and per line pricing for straight transcription.   Other jobs are done on an hourly basis from $35-$45 per hour depending on the task and technology involved. They work in Word, WordPerfect, Clio, TimeSlips, Onebox, My Case and a few other programs such as WordPress and Movable Type for their blogging clients. They also accept files through Dictamus (http://www.jotomi.com/dictamus) for their clients who use the iPhone and iPad. Another option is SpeakWrite at www.speakwrite.com. Their website currently indicates pricing of 1.5 cent per word for legal typing. General typing is 1.25 cents per word.

Another option to consider is a legal-specialized answering service rather than an in-house receptionist. Unlike general answering services, Ruby Receptionists (www.callruby.com) is a team of off-site receptionists providing companies of all sizes, and their customers, with a customized and personal experience. And unlike general answering services, they use integrated telephone software to know where you are and handle your calls the way you like, just like an on-site receptionist would. Not only do

they take message, but they can screen your calls, connect you to the ones you want to take and, if you're not available, provide callers with vital information such as descriptions of your services, directions to your office, and make sure you get your messages when you need them.

Options start at $229 per month for 100 receptionist minutes plus voicemail with email notification, unlimited talk time with callers who are connected, unlimited voicemail messages, and access to a member services web site that provides real time call reports. There is a one-time set up fee of $95. You can't begin to hire someone and provide benefits for that amount, and you never have to worry about them playing solitaire or surfing the 'net on your dime. Each "Ruby" has an average of seven years experience. They will provide you with references, and Alabama State Bar members receive an 8% discount and waiver of the one-time set up fee.

The most important thing to consider in deciding how to staff is the best and highest use of your own time.

Time Management

Lawyers are probably the world's biggest procrastinators, but in order to have a successful and enjoyable practice you must develop good habits for effectively managing your time and then stick to them. Three great tricks for effective time management are managing by the calendar, grouping similar tasks, and delegating effectively.

Manage by the Calendar

In addition to noting the final due date of important events such as statutes of limitations, filing deadlines, and hearing and trial dates, whenever an item is placed on the calendar the responsible party should also calendar at least three advance reminders of the event.

You can use your calendar to manage your work by not just creating ticklers for a particular day, but by actually scheduling appointments with your files on a specific day, at a specific time, for a specific length of time. If you set up two of these appointments, with sufficient blocks of time to actually do the work, you're much more likely to complete it on time on time and without stress, even if it turns out to be more complicated that you anticipated. Setting two work appointments for each important task, instead of just one, also helps you avoid the time crunches that unexpected client emergencies can otherwise cause.

Group Tasks for Efficiency

Many of us try to multi-task, but brain research has shown that we don't really work on multiple things at one time. Instead, we switch quickly from one to the other, and the older we get the more difficult that quick switching becomes, resulting in wasted time and frustration as we come back from an interruption and get back up to speed on whatever it was we were working on before we shifted our attention.

Instead of jumping from task to task all day long, try instead to structure your day to work on similar types of tasks during designated blocks of time. For example, set aside some time each day to take and return phone calls. This is much more effective if you let your clients know ahead of time this this is your practice and what time they will be most likely to find you available. Likewise, group tasks that require concentration, such as drafting letters or pleadings, together, and you'll find that you are much better able to concentrate, you'll build momentum, and you'll produce better work product in less time.

Delegate Effecftively

The inability to delegate effectively is a tremendously time-wasting habit. It's usually brought on by the attitude "if you want something done right you have to do it yourself." If you feel you have to personally review everything your staff does, you are either impossibly perfectionistic, have a poor staff, or both. If you cannot delegate work you will never be able to maximize your achievement through the efforts of other people. In other words, you are limited in your ability to leverage your talents.

There are lots of techniques for effective delegation, however, they all rest on the principle that any task in your office that can be done by someone else should be done by someone else. It goes without saying that you will need to hire capable staffers – whether full-time employees or outsourcing services – and spend the necessary time to properly explain what you want done. Then you will have to accept the fact that everyone is imperfect and mistakes will happen from time to time. Effective managers understand this and develop procedures to catch mistakes and allow time in their schedules to correct them. Mistakes, timely caught and corrected, can be extremely effective learning experiences for your staff members.

A final word on delegation. The word is delegate, not abdicate. Even if you have highly trained and responsible employees, remember that everyone is capable of making mistakes and missing deadlines. The most basic and obvious tasks can be overlooked when a situation is tense or time is tight. Develop a method of keeping track of all delegated tasks and when the results are due back on your desk. Then, set aside time once or twice before the item is due to check in with the staffer to make sure that the task is on track and that there are no problems that need your current input. All members of the legal services team should serve as backups for each other.

ASB Member Benefits

Alabama State Bar members have access to valuable educational programs and select discounts on products and services, to benefit both your practice and your work-life balance, as well as invaluable resources and information to enhance your professional success. As your partner in the profession, the Alabama State Bar encourages its members to take advantage of these benefits.

Here is an overview of your key member benefits:
http://www.alabar.org/members/member_benefits.cfm