



THE LAW FIRM COACH



Improving Your Firm Results

Impastato's Restaurant, Metairie
July 18, 2024

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Key Issues

- **Overview:**
 - Understand the Firm Culture
 - Finance – Money is not all but profit is imperative to pay attorneys, staff, rent & technology
 - Human Resources – How to Hire, Train / Mentor, Motivate and Retain the Best
 - Technology – Efficiency requires Technology (and that is expensive)
 - Firm Governance, Strategic Planning, & Succession Planning
 - Marketing – What do Clients want, and getting repeat business
 - Lease Space.



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Financial – Measuring Success

Key Performance Indicators (KPI) – You need data to make Objective Decisions

- What you measure, you reward (objectively and subjectively). Opposite is also true
So look at your incentives (usually bonus system)
- Attorney Working Receipts, Client Origination, Profit per Partner / per Attorney
- Profit by Practice Area / Department, by Office (approximate as precision can / will be to the firm's detriment)
- Results to Budget, to Prior Year (Budgeting is an important topic by itself)
- Overhead over time
- Comparisons to other firms – ALA Survey.



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Working With Business Partners

- Improve Financial Results with Business Partners
- CPAs can be invaluable with reviewing and assisting with:
 - Financial & Accounting Computer System Analysis
 - Compensation plans
 - Tax Strategies
 - Financial Review & Cost Management (Budgets / Profit Forecasts / Payroll)
 - Technologies for Efficiencies
 - Succession Planning
 - Document Management / Case Management / Project Management Systems
 - Leasing
- Vendors – Your Business Partners (example: Insurance brokers, Copier vendors & Tech consultants).



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Trust Accounting

- The Office of Disciplinary Counsel (ODC) can and will remove a law license for flaunting the rules
- Quarterly 3-Way Bank Reconciliation is a requirement:
 - 1) Bank Statement Balance (after IOLTA Interest)
 - 2) Detailed Client Register (list of clients, transactions and balances for each client)
 - 3) Book Balance (general ledger account / financial statement balance)
- Court Refunds:
 - 1) Refund to the client,
 - 2) If client owes the firm than can be firm funds, deposit funds in Operating Acct., or
 - 3) Send funds to La. Bar Foundation after one year if client Unidentified or 2 years if Unclaimed
- In Doubt? Suggest you deposit into Trust with notations and handle accordingly.



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Financial Systems

Systems

- Financial Systems
- Document Management Systems
- Case Management Systems
- Client Relationship Systems
- Project Management
- Internal Control.



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Human Resources

HR Decisions often influenced by Unconscious Cognitive Biases

- Anchoring Holding on when data no longer supports conclusion
- Loss Aversion / Pain Bias Emphasis on Pain of losing is stronger than desire for success
- Endowment Effect Feeling a higher value than justified
- Overconfidence More confident than justified - not prevalent in HR at firms
- Confirmation Bias Favor opinions & facts that support yours
- Herd Behavior / Precedent Others do it, so it must be correct or the best decision
Opposite, People fear doing things with no precedent
- Recency Bias Hold onto events that occurred recently.



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Decision Processes

Objective Process:

- Study the Issue
- Devise Alternative Solutions
- Decide Most Favorable
- Implement Solution
- Reevaluate, variance of Actual to Plan, is the deviation acceptable

Subjective Process:

- Event + Advice + Your Reaction = Outcome
- Easily Reversible Decision, Difficult to Reverse or Very Difficult
- Helpful to get Advice from trusted source / ALA members.



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Hire, Train/Mentor, Motivate, Retain & Evaluate

- Compensation & Benefits Plans – Compare firm to ALA Survey
- U.S. Employers salaries increased 3.6% in Q1 2024 (per Mercer)
 - Need to compensate to retain good employees so look at the market
- But Employee expectations were higher with inflation at 5% thru May (CPI City Average) leading to Job Hopping
 - Employee expectations need to be managed
- Health Insurance up 6.5% in 2023 to \$8,435 / \$23,968 family / employees contributing 5.6% / 7.72%, are your benefits comparable to others.



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Hire, Train/Mentor, Motivate, Retain & Evaluate

- What do Attorneys and Staff Want (in order according to numerous surveys):
 - Opportunities, Growth / Training, Player in Successful Firm, Meaningful Work
 - Treated with Respect and to be part of the Team
 - Compensation & Benefits – not necessarily top but competitive
 - Work Life Balance / Remote Work
 - Flexibility in Schedule
- Performance Reviews for Attorneys, Paralegals & Staff
 - 360 reviews
 - Meeting with employee.



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Hire, Train/Mentor, Motivate, Retain & Evaluate

- 401K Trends & Fiduciary Responsibilities
- Payroll Systems – Cloud, Auto Deposits, Employee Access to their information
- Payroll & HR Recordkeeping
 - Payroll records, 401K records, Employee Performance records & Health records
- Meetings – keep efficient with agendas and on time / no wasted time
- Recruiting – LinkedIn, InDeed, Zip, Recruiters, Word of Mouth, employees
- Technologies to help HR (AI to “post” HR Manual, automated switchboards, meeting schedulers.



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Technology

- Change Management – ability to grasp new technologies
- Security – 2-Factor Authentication, Authorized IP addresses
- AI for In-house Document Search, RFPs, Engagement Letters, Research
- Hosted Cloud or Internal Cloud or combination
- All-In-One solutions: efficiencies but not best of each
- Technology Support
- Financial (Time & Billing) (integrated solutions)
- Document Management (IManage, Net Documents, or Part of Financial)
- Secure Document Collaboration / Client Portal (affordable)
- Technologies to help HR (AI to “post” HR Manual, automated switchboards, meeting schedulers).



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Firm Planning and Are Results as Planned

- Tax Planning (tax structure & opportunities)
- Strategic Planning (Strength, Weaknesses, Opportunities & Threats)
- Growth Plan, Client driven or part of Strategic Plan
- Technology Implementation Plan, what systems and when
- Succession Plan, Future Leaders / Committees (do the Key people know the plan)
- Disaster Recovery Plan / Business Continuity Plan.



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Marketing

- Market Planning (what are your Goals)
- Managing Client Expectations
- In-house or outside PR & Advertising consultants
- Client Relationship software
- Website
- Social Media
- Advertising
- Client Feedback – client surveys.



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Leasing

- Re-evaluating Office Space Needed
- Office Space Leasing - Consultants
- Equipment Leasing (like copiers)
- Taxes on leases (parking tax, property tax and tax on leased property)
- Office Space Operating Costs evaluation to Contract.



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We're done!

■ Questions????

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