Law Office Technology & Management August 2000 Newsletter Articles

I started to write this article four months ago. At that time I was going to begin it "My father died this week …" and write about the importance of having time to spend with your family. I didn't write my article then, so I'm doing it now. In many ways, I think this goal is what this section is all about. We want to make our offices more efficient and deliver better services to our clients through the use of technology and proper management. As attorneys, we all know the value of a well-organized, well-staffed, and well-trained office. If your office fits that description, you have time to take your children to their ball games, go to your doctor for your annual physicals, eat lunch with your spouse, and come home at a decent hour to spend time with your family. If your office does not fit that description, you know what it is like to hear about how well (or poorly) your children played at their ball games, to feel bad and not know why, to hear your spouse complain that you never take him/her to lunch and you get the telephone calls at 6:00 or 6:30 in the evening asking you to leave your office and come home - now …

If your office is well-managed; if your computers have well-designed, non-buggy software; if your staff is trained to use the software to its maximum potential, then you don't have to think about these matters everyday. You don't have to deal with daily glitches and problems that mysteriously appear. You don't get to know your software vendor's tech support personnel by their first names. You actually get to spend your time talking with clients and doing legal work instead of becoming your office's computer troubleshooter and information manager. Our goal in this section is to provide you with the information to become better managers of your time and your office to allow you to do other things in your life besides practicing law and managing your office. If, as a result of better management, you receive an additional 15 minutes of time a day to spend with your family and do the things you really want to do, over the next thirty years (that most of us will practice law before we retire), you will have over three months of time to do what you want to do - just from saving 15 minutes a day.

Over the next year we will try to provide you with the information to help you make knowledgeable choices about your law office management and available technology to assist your delivery of legal services to your clients. If you make the best use of the available management skills and technology your practice will improve, your clients will be more satisfied with your actions and your family will actually have a resident in-house attorney - not someone who only exists on the phone or is glimpsed in between mad dashes somewhere else.

Our last issue discussed the imporantance of your filing system and the planning involved behind it. Now, we look at the steps necessary to set an excellent filing system in place.
Here are the steps you should take:
Step one. Assemble all of the files for each client together so you can assign the file numbers to them. Arrange the various matters for each client in the order you opened the files.
Step two. Assign your client numbers. When assigning the numbers, do not skip any numbers. Do not try to arrange your clients in any particular order, alphabetical or otherwise, to assign the numbers. It will waste considerable time and it may cause confusion in the long run.

Step three. Assign the matter number in chronological order for each client.

Step four. Prepare a log and list each client's name and the client number. You can then set up a method of manually keeping track of how many of the decimal numbers for matters have been used for each client, until you get the computer installed. Once you convert to the new computerized system, you will no longer have to manually track the decimals. At the same time you are inputting the client data, you will also be asked for the matters you wish to assign to that client. This data should be handy, so have an abbreviation on your card under each matter number for what that matter concerns so you can identify it readily. For example, if matter number ".1" is a will, then assign 214.1 as follows: .1 Will - John. If you have prepared a will for the wife, assign: .2 Will - Mary. This way you can look on the computer printout and tell instantly which file you want. If you represent a married couple for their general affairs (perhaps the word "matters" would be better than the word "affairs", but you know what I mean), it is probably desirable to put both of them under one client number unless there are some compelling reasons to the contrary. Most estate planning is done using the same basic information for both the husband and wife. Their wills should be in separate matter files, but the overall client number will be the same. This means the records will be filed together, and at a glance you can tell all of the work you have done for those particular clients. Some of the work may be joint; other may be separate. Nevertheless, you will find it a great convenience if you assign them the same number.

Step five. Put the new number on your file folders and furnish each of the lawyers and legal assistants, as well as the bookkeeper, a copy of the assigned numbers. All of the card file tickler files in the office should simply have a single line drawn through the old number and the new number put beside it.

Step six. Have your staff make a list showing the old file number and the new file number for every active file. This way, references in correspondence to the old numbers can easily be checked to determine the file referred to. While the staff members are physically changing the file numbers, they should check your card file or other client list to make sure the information on that master list is the latest and most up to date information about each client. You will then be able to use that information to input your data to the computer, rather than having to physically pull each file a second time. You can arrange the cards by client number when your staff is ready to type the information into the computer.

It is essential that you be able to find the client information by reference to the number, so you must maintain a list showing the number and the client which goes with that number. Your log of file openings for each client should suffice initially. Once the data is computerized, you can simply have the list presented periodically for distribution throughout the office.

Step seven. Renumber all of your client accounts receivable cards or pages. Line through the old number so it is still readable, and write or type in the new number nearby.

When you convert to the computer, you should not install transactions prior to the conversion date. Convert your account balances as of the last day of the month prior to conversion of your system. Therefore, you will need to prepare storage for your accounts receivable cards to refer to them for a while, because on the date of conversion you will simply show a balance forward, and the history of billing or payment of that client will not be in the computer records.

Step 8. Preparing your financial records. Most of the computerized systems allow very little flexibility in the accounting systems. Some of the ones designed for small to medium size law offices use the accounting system recommended by Dr. Strong in his monograph on accounting systems for lawyers, which was referred to in Part 1 of this article. This accounting system has proved very satisfactory both in theory and in practice.

If you do not already use a chart of accounts, make your plans to convert to one at the earliest possible time. I am not aware of any computerized system that does not use account numbers, and if you have not already converted to those, you need to have that done well in advance.

The accounting system recommended by Dr. Strong is a valuable asset to your office whether you are using a manual system or a computerized system. It will enable you to produce records you have not had before, even if you do not ever use a computer. However, you need to implement that system before the arrival of your computer system.

The first step is to go over the list of accounts with your in-house bookkeeper to get suggestions about the proposed chart of accounts. Those proposed by Dr. Strong are admittedly suggestions and some of them may not be necessary in your firm. In almost every commercial system, there are certain accounts that are already provided, and while you may add accounts, there are some you cannot take away. Learn what these are and set up your chart of accounts accordingly. If you have an outside accountant, go over the proposed chart of accounts with that person.

Choose a cutoff date such as the end of a calendar or fiscal year, and convert your entire accounting system over to the new chart of accounts. If you wait until you get your new computer system installed to do this, the result will be chaos. If you have a good manual system, your computer will enable you to use that system efficiently and at far greater speed than you ever imagined. On the other hand, if you have a poor system with a lot of built in mistakes, it can also multiply those mistakes faster than you ever imagined.

Step 9. Have the bugs worked out of your accounting system before you convert. The time required will depend on the efficiency of your staff and your own willingness to spend a little time helping the in-house bookkeeper make the initial decisions about what goes in what account. There is a helpful description of the various accounts in the monograph by Dr. Strong which was previously described. Nevertheless, new things will arise from time to time, and you need to be prepared to advise your bookkeeper what should or should not be charged to certain accounts.

After you have converted to your new accounting system, make sure that all of your books are in total balance, that your accounts receivables are included in the general ledger, that your client advances are included in the general ledger, and that your trust funds are fully accounted for. The trust funds should not be integrated into the general ledger prior to the conversion to the computer. The commercial software systems which enable you to integrate your trust accounts into the general ledger have some safeguards built in so you will not commingle the accounts. Most manual systems do not contain those safeguards.

Step 10. Preparing your tickler system. Most computerized systems have a docket control or tickler system included. This can be one of the most useful systems you can put on your computer, and if you already have a good tickler system, it will probably require the least preparation. It is likely that you will continue to maintain the manual system in addition to your computerized system for such things as filing deadlines, answer deadlines, appeal deadlines, and other similar critical times.

Most of the computerized docket or tickler systems are very similar to the manual systems. Their advantages are their speed and their ability to store items for years in advance (such as the life of a judgment). Prepare to input the tickler files by putting the file number (client plus matter number) on each tickler card or sheet, along with the name of the client, the attorney responsible for the action, and the action required.

Some lawyers keep a file of all of the wills they have prepared, and once each year a tickler tells the staff to write a letter to the client reminding the client of the anniversary of the will and asking the client to review the will and see if any changes need to be made. Many lawyers have found this to be a very good business developer. The staff should go through all of the wills and make sure that you already have a tickler for the anniversary of each one and, if not, make one at that time. If you do not go through the files and secure this information prior to trying to put it on the computer, you will waste valuable computer time while the operator stops to procure a file and find the relevant date.

Many lawyers also send letters to their clients on their birthdays and their wedding anniversaries. The computerized tickler is the ideal way to handle this. While your staff is going through the wills to make sure that you have the will date written down for anniversary purposes, have them jot down the client's birthday, the spouse's birthday, and their wedding anniversary, all of which you should have in your file if you prepared a will. This means that one time through the files will be sufficient. Prepare a simple form so the staff can jot down this data. Once this is done, every time a will is prepared or revised, the tickler should be revised or updated with the birthdays and anniversaries as an essential part of the will filing system.

Although most tickler systems do not require a client number to operate the system, I suggest strongly that you put the client number and the matter number on the tickler cards and also on the computer tickler. If the matter is a will, it is not necessary to go back and assign a client or matter number to that will to put that reminder in the tickler system. Just leave the numbers blank and if the client ever comes in to have the will redone as the result of your notice, you can assign the client a matter number at that time. Do not take the time to try to renumber the old will unless it is necessary.

When you tick the will anniversaries, it is a good idea to assign all of those in the first fifteen days of the month to be called up on one particular day and all of those in the remainder of the month to be called up on a particular day. The reason is that your word processor operator can more efficiently send out a group of these reminders at one time than having one or two come in every day, which necessitates calling up the form, inserting the data for one client, and then printing it. Computers and word processors thrive on mass production and volume, and this is one way to achieve it. You are now ready to enter your tickler information on your computer system and it should require very little time with this data already assembled. A good operator could probably enter this in less than one day and have the system working by the following day.

Preparing your document retrieval system. There is an excellent monograph, Retrieval Systems for Lawyers, published by the American Bar Association Section on Legal Economics (now Section on Law Practice Management), on retrieval systems, also written by Dr. Kline Strong. If you do not already have a document retrieval system, you will do well to set up a manual one according to Dr. Strong's suggestions. We found that the only major change that we had to make was in our classification system. We worked out a simplified system of document classification using 66 categories.

If you already have a system, make sure that the retrieval system software you are getting is compatible with the system you already have. If the computerized system is satisfactory to you, then you will be well advised to convert your method to that system. This might be a good time to dispose of some of your obsolete materials anyway because you do not want to take the time to put materials into the document retrieval system that you will never use again.

To be continued . . . part 3 looks at preparing your personnel and office for the new system.

Orientation and Training: The employee's first days in a new position can set the tone for the remainder of his or her employment with the firm. It is a good idea to e-mail everyone in the firm, a few days in advance of a new employee's arrival, informing them that a new employee is joining the firm, giving a bit of background on the employee and encouraging them to make the new employee feel welcome. Prepare his or her work space – be sure it is cleaned, organized and stocked with appropriate office supplies and forms. Set up in advance of his or her arrival access to your computer system, copier and call accounting system.

It is a good idea for an administrative staff person, secretary or paralegal to greet the new employee on his or her first day. The "greeter" can show the new employee to his or her work area and then provide a tour of the office, making appropriate introductions. Allowing the staff to take the new employee to lunch is another welcoming gesture that allows for the relationship between the new employee and the support staff to quickly form.

After the completion of new employee forms, the new staff member should be educated on the firm's computer system and software programs as well as office procedures and practices. A day or two dedicated to this type of orientation will enable the new employee to hit the ground running. Assigning another staff member to the new employee to assist with questions that may arise helps to overcome the new employee's reluctance to ask questions and seek assistance.

Firm Culture

Although it is true for all firms, it is often most true that the small firm, struggling to compete salary dollar for salary dollar with the larger firms, must provide something more than salary to successfully hire and maintain good employees. The firm's work environment and culture can be a deciding factor in a candidate's decision to accept the employment offer from the small firm.

A firm culture which allows for staff input regarding how the firm can improve certain practices or procedures and which allows them to participate in the implementation of changes in these areas will result in the development of a sense of "ownership" of the firm and its future. Such a sense of ownership creates loyalty resulting in low turnover; but, more importantly, it motivates the staff to work at peak performance, to take pride in the quality of their work product and to be generous in their availability to assist others during periods of heavy workload. They feel they are part of a professional team and their actions and work product will express that level of professionalism.

The firm's location, interior design, furnishings and level of automation can all be additional selling points to prospective employees as well. Other aspects of firm culture that can assist in selling the firm to a prospective employee may include such things as the firm's dress code policy — does your firm have a Casual Friday policy? The types of activities the firm engages in within and outside the office can be attractive to a prospective employee as well; e.g., firm-wide participation in a city or county sports league such as softball or basketball, a summer picnic for firm employees and families, an annual Christmas party, monthly birthday celebrations for firm employees and monthly firm "add-a-dish" or catered luncheons. These activities serve to create a "family" atmosphere among the staff that becomes hard to maintain in larger firms.

Lawyer's Role

Lawyers who respect the contribution of those that support them can serve to solidify the employee-firm relationship as well. Although it is important that the staff under- stand that they work for the firm, the professional relationship that develops between the support staff and the attorney(s) with whom they work directly is of vital importance to the staff's loyalty to the firm. Therefore, attorneys can show respect for their support staff by setting the example in the

areas they most appreciate in their support staff; i.e., work quality, work ethic, organizational skills; and, most importantly, integrity in dealing with clients, other counsel, and members of the firm. Many attorneys long for the "right"' secretary or paralegal to come along. As much consideration should be given to whether the attorney and/or the firm is the "right" kind of employer to employ and keep the "right" employees.

Conclusion

The hiring and orientation process is the key to getting the right employee in the door. The firm's culture and the professional relationships that develop thereafter can solidify the employee-firm relationship and serve to reduce the chance of losing that staff member to another firm.

In the last issue we discussed using Web-based fax systems such as www.efax.com to receive faxes directly into your Internet e-mail in-box. (Also, check out www.faxcube.com for a similar system – both sites offer features and upgrades to handle a wide variety of faxing needs.) Interesting stuff, but how does one learn about and keep up with the many new developments and technologies, such as e-faxing, that can enhance one's law practice? In this issue we'll look at one very helpful resource – e-mail discussion groups or "listservs" that focus on legal technology.

The first of these listservs that we'll discuss is the ABA's Lawtech discussion group, dealing with "legal related technology used in law practices and courts." This list is the regular meeting place for a number of technology consultants, law firm information technology managers, and practicing attorneys from firms of all sizes who discuss, criticize and review new hardware and software products and releases and a wide range of law office technology issues. Much of the dialog on the list is between posters with various questions about best choices for hardware and software solutions and responders weighing in with their experiences about what works and what doesn't.

The daily volume on the list ranges from approximately 5 to 15 messages, however, "lurkers" (those more interested in receiving than sending messages to the list) can subscribe in "digest" mode which allows all of the day's messages to be received in a batch to reduce interruptions during the day. To subscribe to the list, go to the Lawtech archives site at http://mail.abanet.org/archives/lawtech.html (where you can also search the archives of the list and manage your subscription) or send an e-mail to listserv@abanet.org with the message "subscribe lawtech" in the body of the message.

Another informative discussion group is found at www.technolawyer.com. Technolawyer abandoned the listserv format a couple of years ago in favor of a more "topic oriented" presentation format, consisting of presentations by both the Technolawyer staff and "peers" in the legal community. Among the regular weekly features of the Technolawyer list are "TechnoRelease Tuesdays" which keeps listmembers informed of new software releases, patches and upgrades. Another feature is the annual Technolawyer "@" awards which recognize the best legal software packages in various categories as determined by the voting of the members of the Technolawyer on-line community.

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I hope that you find these lists informative and helpful. A few of the topics may seem a bit arcane and esoteric at first, but more often than not, you'll find that whatever particular technology question or problem you may be faced with, others have been down that road and are eager to share their experiences and solutions.