20 WAYS TO IMPROVE THE FINANCES OF YOUR PRACTICE

The demands of individual files can make it a challenge to give your practice's finances the time and attention they need. Here are 20 ways you can make or save more money in your day-to-day work. Most are relatively simple and can be implemented at little or no cost. Some are new habits you develop when dealing with clients and billing, and some are new technologies you can incorporate into your practice. While not every item on the list will apply to every practice, we expect you will find at least a few ideas that will help improve your bottom line.

1 To save time and properly manage your trust account(s) you should use accounting software specifically designed for a law office (e.g., PCLaw®, ESILAW or Amicus® Accounting). Keeping trust records in generic accounting software will take you longer and make your records more prone to mistakes.

2 For more accurate and complete time dockets, use an electronic docketing program or app and enter your own time. Paper timesheets are error-prone and inefficient because they require double entry.

3 Enter your time dockets contemporaneously as you complete tasks throughout the day. Trying to create time entries for work done earlier in the day or in the more distant past will take more time and will likely not be very accurate or complete.

4 You are likely underestimating the time you spend on some tasks. Use the electronic stopwatch feature found in most billing programs to more accurately track the time you spend on individual tasks. Task-tracking apps or software (e.g., Chrometa) will monitor and capture the tasks you undertake on a smartphone or laptop and give you a summary of them that you can use to create time dockets.

5 At the end of each day spend a few minutes reviewing your dockets and make any necessary corrections or additions while things are still fresh in your mind. Update your to do list at the same time.

6 Many accounting and practice management software products can give you detailed reports that break down your time and billings by file, client, matter type, practice area, etc. Review these reports to better understand where your time is going and how profitable different areas of your practice are.

7 On the practicePRO website you can find a sample law firm budget spreadsheet. Use it to better understand and manage your firm's expenses.

8 Don't do accidental *pro bono* work. Make sure you get an adequate retainer agreement up front, replenish it when needed, and stop work if you aren't being paid (subject to meeting the requirements of the *Rules of Professional Conduct*). Some lawyers highlight in retainers or engagement letters the fact they will end the representation if fees are not being paid.

9 Keep the client informed of the ongoing costs of the work you are doing for them with regular billings. Consider billing monthly, and always send reporting letters and accounts when milestones are reached to report how the matter is progressing.

10 Stick to your fees. You deserve to be paid for the hard work you do. It is better to not do work and not get paid than to do work and not get paid. To encourage fewer write-downs and improve docketing habits, implement a process that a committee must review all WIP write-downs over $500.

11 To encourage faster payment on your accounts, give clients an automatic discount if they pay their bill within a certain short period of time after they receive it.

12 Most lawyers will have at least one client who is extremely demanding, and on some occasions, very difficult to deal with, for both you and your staff. This client will never be entirely happy with the work you do, and will often bicker about paying their fees. Often the extra time required to deal with them will be unbillable, and it will take away from the time you need to deal with other clients. Consider ending your relationship with this client (while complying with the *Rules of Professional Conduct*). You aren't collecting fees for all the time it takes to deal with them, and that time could be better spent serving other clients who will be more appreciative of your work.

13 Take advantage of one of the benefits of being a member of your local law association: legal research can be done for free by library staff.

14 Consider hiring freelance or virtual law clerks or assistants for short-term matters when you need help. By paying on an hourly or project basis you can get the help you need and avoid the long term cost and commitment of a permanent hire (but remember to consider conflicts, confidentiality and supervision issues).

15 Avoid long distance charges for yourself and your clients by making long distance calls using programs such as Skype™ or Google Voice™ from your tablet, desktop or smartphone.

16 While face-to-face meetings are appropriate for some things, you can reduce the time and expense of travel by having virtual meetings using tools such as WebEx®, GoToMeeting™ or FaceTime®. In addition to seeing and/or talking to other attendees on your tablet or desktop, these tools also let you share and even edit documents that all attendees can see on their own devices.

17 When booking flights, hotels, or car rentals, use meta-search websites like KAYAK™ or TripAdvisor™. They simultaneously search across multiple sites and can help you find less expensive options. Avoid problems and bad places to stay by looking at the reviews and comments these sites have from other travellers.

18 Consider implementing practice management software and/or taking your office paperless. Doing either or both of these things will require some work, an investment in technology and some changes to your internal processes. However, the cost of the technology for doing these things has never been cheaper (especially if you go with a cloud-based practice management solution) and the cost savings will be significant due to reduced technology expenditures and increased efficiencies. You will be able to work remotely and will likely have a far more robust and reliable backup of your firm data.

19 Considering making bigger changes as part of your long term goals? On the practicePRO website there is an outline of a business plan for a law firm. It includes a general description of the firm, a financial plan, a management plan, and a marketing plan. A business plan is your roadmap to the future – you can show it to banks, suppliers or others you may deal with when expanding or changing your firm.

20 Consider borrowing one of the many books on financial topics from the practicePRO Lending Library. These books are available for free loan to Ontario lawyers (see details online). Popular titles include *How to Draft Bills Clients Rush to Pay*, *Collecting Your Fee: Getting Paid from Intake to Invoice*, and *Winning Alternatives to the Billable Hour*. ■

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