



Do You Know Your Biggest Workflow Issues?

Identifying and amending problems can mean the difference between your firm being profitable — or falling short of its goals.



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Six years ago, the file-sharing process at Dorsey & Whitney LLP's Palo Alto, California, office wasn't as efficient as partner Terence M. Kelly would've liked it to be.

Clients had to wait for someone at the firm to pull a file, copy or scan it, and fax or email it, which sometimes proved problematic if the recipients' server wouldn't accept large files.

Because the firm caters to clients around the world, time difference was also an issue. Clients who requested an item outside of normal business hours had to wait until the office was open again to receive it. To provide easier access to information, the office decided to implement a simple cloud-based document storage system. Now, files can be retrieved and shared in a matter of minutes.

"Staff members love the system," Kelly says. "You don't have to dig through paper files, and you know where to look for things. And you're able to share information and access it remotely if you're on the road, which is fantastic."

Law firms that are experiencing workflow issues can employ several tools and techniques to prevent procedural setbacks from having a damaging effect on productivity and profitability.

With increased pressure from clients to offer more efficient services — 93 percent of law firm leaders think a focus on improved practice efficiency will be a permanent trend, according to Altman Weil's 2016 Law Firms in Transition survey — a number of firms are beginning to re-examine and revise workflow processes like document management.

The payoff, according to Liam Brown, Founder and Executive Chairman of legal industry consultancy Elevate Services, can be significant.

"It's not uncommon to be able to squeeze out 25 to 35 percent of the cost of a process by applying a workflow approach," Brown says. "If you're competing in the marketplace, suddenly you're able to price something at 20 percent less than you were historically able to — that's a competitive advantage."

CORRECTING PROCESS CONCERNS

Workflow weaknesses, according to Brown, have cropped up at firms because of the way they've grown.

"For the most part, processes inside law firms developed idiosyncratically, without any real design," Brown says.

"People made it up as they've gone along. It's like running a bakery; if you make bread based on what the baker before you designed, then that's all you know."

But several tools and techniques can prevent procedural setbacks from having a damaging effect on productivity and productivity and profitability. Industry members are addressing several of the most common concerns in these ways:

Consolidating services to increase output. Having employees or an external supplier be responsible for certain tasks, such as word processing, can potentially help improve workflow, according to Stephen Cole, Director of Client Technology and Strategy at legal business process consulting company Mattern & Associates.

"Law firms have realized having middle and back office operations in a centralized location, whether it's a firm office

with a lower cost of labor or a third-party outsourcing provider, can offer standardized services to all users and expanded hours," Cole says.

Restructuring responsibilities to prevent redundancies.

Erin Levine, Chief Executive Officer and Managing Attorney at Levine Family Law Group, finds having an attorney manage younger associates cuts into the attorney's profitability and makes the associates feel micromanaged.

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Instead, firm members now gather twice a week for lunch to discuss difficult cases, and two managing attorneys are available to answer questions on an as-needed basis.

"It's a whole lot more profitable and efficient than having someone stand over [younger associates] day and night," Levine says. "Our Yelp reviews have changed over time. Now people refer to us as a team in a way they didn't before — they've bought into the idea of getting more value for their money. We've gotten more reviews and more referrals."

The Emeryville, California-based law firm has also transitioned its top paralegal into a new case manager role to track hearing dates and other case-related deadlines so attorneys can focus on legal work.

"We're a family law firm, so we have a really high-volume practice that's very deadline-driven," she says. "It was taking up a lot of attorneys' time that could be billable. That has changed [productivity] dramatically for us."

Instituting policies to ensure consistency. Cole has found, in his work with law firms, that client records can exist in multiple iterations and locations — for example, in a document management system, a separate file sharing

system, on attorneys' home computer hard drives, and in paper format.

An information governance policy that includes a standardized system for naming files may help make retrieval faster and prevent incorrect documents from circulating.

"[That type of] inefficient workflow is leading to lower productivity — not being able to find documents, whether that's paper or electronic," Cole says. "It's very difficult for users to determine which document they should be working on."

Streamlining and improving processes through automation. Time-tracking and billing software, which 82 percent of ABA TechReport respondents said was available at their firm, can help improve efficiency and increase firms' chances of being paid if their clients' e-billing tools tend to reject items unless they follow stringent billing guidelines.

To help one law firm successfully submit bills that adhered to a number of clients' varying guidelines, Elevate built a software tool that compares time entries against customers' e-billing rules when lawyers enter them, with a dashboard that lets attorneys identify which documents they don't need to review.

"Lawyers can select items and say, 'These are all correct,'" Brown says. "But, because it involves a high-profile client or the client is picky about billing guidelines, they can pick other ones to focus on."

Roughly 80 percent of the invoices can now be approved without changes being sent back and forth between the attorney and the firm's billing department.

"By bringing in technology, they found they could create an online way of approving these things so they don't spend \$3,000 a year on shipping invoices around the world to get approval," Brown says. "That reduced work for the billing department, and the customer doesn't reject so many bills, so lawyers are happier and bills get paid on time."

Auditing operations to identify points where processes can be improved, such as an ineffective billing step, and implementing software or practices to correct the issue can help firms delegate resources internally — and may help them win favor with both pre-existing and potential clients.

"Without a methodology, it's just not good enough anymore to say, 'Trust me, I'm an AmLaw 100 firm and hire really smart attorneys,'" Brown says. "Law firms' customers don't want to hear that. They want to know you've actually got a process in place." ■

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