

**GUIDE TO LAW FIRM MANAGEMENT**  
**BEST PRACTICES**  
*Ideas For Managing Your Practice*

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Olmstead & Associates  
LEGAL MANAGEMENT CONSULTANTS

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Olmstead & Associates is a practice management, marketing, and technology consulting firm that works with law and other professional service firms ranging in size from 100 professionals to firms with solo practitioners. The firm, founded in 1984 and based out of St. Louis, Missouri, serves clients across the United States assisting them with implementing change and improving operational and financial performance, management, leadership, client development and marketing.

Clients benefit from a results-orientated team approach to consulting engagements where focus is on implementing change and improvements rather than simply providing advisory services. Olmstead & Associates partners with clients and serves as a member of the clients management team and functions as an advisor, coach, teacher, and facilitator. Coaching programs provides attorneys and staff with one-on-one as well as group coaching to help them get “unstuck” and move forward on initiatives, reinventing both themselves and their law practices.

The firm’s consultants and staff have extensive backgrounds in law firm strategy and marketing, management, administration, organizational behavior and development, human resources, technology and accounting.



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## Introduction

The 21<sup>st</sup> century is presenting law firms with new challenges. The general business economy is in turmoil and law firms are facing new risks and uncertainties. Clients are no longer tolerating arrogance and mediocre services. Clients are holding law firms to higher service standards. In order to prosper in the 21<sup>st</sup> century, law firms are going to have to drastically change their models for conducting business. Organizational performance, effectiveness, and leadership must rise to higher standards. General management, problem solving, and action taking skills must be enhanced. Firms will have to improve their overall marketing initiatives. This will require that many firms improve their overall management effectiveness and use every management tool available. Law firms will need to identify “best management practices” that can be employed to enhance management effectiveness.

***The following trends are continuing to present firm management with even more challenges:***

- Competition is intensifying and becoming more severe. Since law firms are sellers of legal services and buyers of legal talent they must compete effectively in both markets.
- Convergence and reconsolidation of legal work is continuing. Institutional clients are using fewer law firms.
- Insurance Defense firms are continuing to struggle. Many are closing their doors, merging with other firms, and reinventing their practices.
- Law firms are merging at an increasing rate, especially in New York, San Francisco and Chicago.
- While entry level associate attorney hiring is still strong, lateral hiring is outpacing entry level hiring.
- Intellectual property is still the hottest practice area and the primary target for firms looking for merger candidates.
- More law firms are implementing sophisticated branding campaigns. In a recent survey conducted by the Legal Marketing Association, fifty-one percent of the respondents reported that they had conducted comprehensive branding campaigns. Of those law firms that had not conducted a comprehensive branding campaign, more than one-half indicated that they planned to start one within the next twelve months. Many of these firms have shortened their firm name and adopted sophisticated identity programs.
- While the MDP issue is up in the air, especially since Enron, law firms are not sitting back. Ancillary businesses are being formed at an increasing rate. Examples include areas such as insurance planning, employee relations, finance and trade, healthcare, government affairs, strategic planning, technology, human resources, and wealth management.
- More firms have strategic business and marketing plans. In a recent survey conducted by the Legal Marketing Association, fifty-nine percent reported that their firms have a written strategic plan and fifty-five percent reported that they have a written marketing plan.

As the profit squeeze, competition, and the maturing marketplace for legal services continues, law firms must be on top of every opportunity and aware of every threat to survive in the changing 2000s and beyond. As markets change; approaches to the delivery of legal services must change as well. This will require strong and effective law firm management. Lawyers and administrators and other management professionals will need to continue to sharpen their management skills.

Managing partners, executive directors, legal administrators, marketing directors, and practice group leaders express common concerns regarding the lack of benchmark data and general information on “best practices.” Law firm management needs answers to questions such as:

- How are we doing financially?
- Is our attorney/staff ratio in line with comparable firms?
- Should and how do we offer new practice areas?
- Are our billing rates competitive with other firms?
- Is our partner compensation in line with comparable firms?
- Are we paying competitive salaries to our management and staff professionals?
- How do we maximize client loyalty and the amount of business from each client?
- Should and how do we open a new office?
- What lawyers should we recruit as lateral hires?
- How do we position the firm in the market to most effectively compete for desired business?
- Which marketing tactics will be the most effective?

The Law Office Management Review Checklist provides attorneys and law firm administrators with an assessment tool designed to outline management best practices and identify the firm's strong areas as well as areas needing improvement. The Law Office Management Review Checklist will provide attorneys and law firm administrators with the following benefits:

- An overall management self-assessment scale with guidelines on interpretation of results. This self-assessment scale (on a 1-5 rating scale), which focuses on the broader "management issues" asks the respondent to respond to questions which rates the firm in the following areas considered to be the Cornerstones of Successful Law Firms:
  - **Partner Relations**
  - **Firm Management and Leadership**
  - **Firm Administration**
  - **Partner Compensation**
  - **Marketing and Planning**
- Short and easy to use general operational management and administration checklist designed to outline best management and administrative practices and identify "red flags" with simple YES/NO/NA responses in the following areas:
  - **Governance & Structure**
  - **Image**
  - **Long Range Planning**
  - **Marketing, Business Development & Client Relations**
    - Market Research
    - Market Planning
    - Pricing & Fee Setting
    - Practice Management
    - Client Relations
  - **Business Organization**
  - **Business Operations**
    - Technology Deployment
    - Purchasing

Library  
Supplies  
File Opening/Closing  
Docket Control and Scheduling  
Conflict of Interest

- **Financial**

Bookkeeping and Accounting  
Client Trust Accounts  
Cash Management  
Financial Management & Budgeting  
Cost Control  
Controlling Operations  
Property and Equipment  
Accounts Payable and Liabilities  
Raising Money  
Credit and Collections  
Dealing with Banks  
Cost of Money  
Special Financial Tools  
Financial Performance

- **Human Resources**

Handling Associates  
Hiring  
Salary Administration  
Training  
Motivating  
Communications and Policies

- **Administration**

General  
Work Flow and Process  
Insurance  
Problem Solving  
Decision Making

- Brief, quick, easy to use self-assessment scale and checklist which can be used to organize information regarding the law firm's present management practices.
- Provides the firm's management team with a tool which can be used to compare existing practices with industry best practices.

- Completed checklists can be used to assist in formulating corrective action plans designed to streamline the firm's present management practices.
- Annual updates to the checklist reflecting new ideas and changes in law firm best practices.

## How to Use the Management Review Checklist

The Management Review Checklist is a management review tool designed to be used by the law firm's management team to access the following:

- How the firm rates in the five firm management areas considered to be the cornerstones of successful law firms. These areas are key to the long-term survival and health of the firm and are often referred to as the "management concerns" of the firm. This rating is accomplished by completing the overall management self-assessment scale.
- Is the firm aware of and taking advantage of some of the law firm management best practices that are being used by successful law firms? This analysis is accomplished by completing the short and easy to use general operational management and administration checklist designed to outline best management and administrative practices and identify "red flags" with simple YES/NO/NA responses.

The Management Review Checklist is designed to be completed by firm management which could involve the Executive Committee, Managing Partner, Administrator or other personnel with firm management responsibility.

The following sequence of activities is recommended:

- Appoint someone to complete the review.
- Complete the Overall Law Office Management Self-Assessment Scale and the Detail Operational and Management Review Checklist.
- Take notes and note ideas and improvement areas as you complete the checklist.
- Prepare a report of findings and recommendations.
- Present the report to the appropriate governing body in a meeting.
- Based upon decisions made in the meeting, prepare an action plan with both specific responsibilities and completion timetables identified. Accountability should be designed into the plan.
- Implement the plan.
- Follow-up and review.



## Overall Law Office Management Self-Assessment Scale

### Scale Completion Instructions

This self-assessment scale rates firm management in the five areas considered to be the cornerstones of successful law firms. These areas are key to the long-term survival and health of the firm and are often referred to as the “management concerns” of the firm.

Rate the firm in each of the five category areas by assigning a numeric rating according to the following scale:

- 1 – Poor
- 2 – Fair
- 3 – Good
- 4 – Very Good
- 5 – Excellent

### I. Partner Relations

This area deals with the overall partnership culture of the firm and the relationships that exist among the partners in the firm.

A. Partners have a high level of trust for each other	1	2	3	4	5
B. Partners like and respect each other.	1	2	3	4	5
C. Partners “talk” and communicate with each other on sensitive issues.	1	2	3	4	5
D. The firm deals with unproductive partners.	1	2	3	4	5
E. The firm has a program in place for retirement funding.	1	2	3	4	5
F. Partners are accountable to each other.					
G. Partners put the firm first rather than themselves.					
<b>Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### II. Firm Management and Leadership

This area deals with the overall leadership and management of the firm which focuses on the “management issues” and not the administrative or operational areas of the firm:

A. Quality of leadership skills. Do people in firm management positions have leadership skills? For example, people with the following skills:	1	2	3	4	5
1. Fostering a firm vision.					
2. Provide purpose, passion and meaning.					
3. Firm-first attitude.					
4. Fosters and builds consensus.					
5. Communication and interpersonal skills.					

6. Trusted and respected.					
7. Seizes opportunities and creative.					
8. Creates developmental opportunities for others.					
9. Bias toward action, is courageous and takes risks.					
B. Are the best managers managing the firm?	1	2	3	4	5
C. Accountable?	1	2	3	4	5
D. Is the firm doing a good job of associate development & retention?	1	2	3	4	5
E. Is the firm doing a good job of staff development & retention?	1	2	3	4	5
F. Is the firm doing a good job of partner development & retention?	1	2	3	4	5
<b>Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**III. Firm Administration**

This area deals with the operational or administrative areas of the firm and is concerned with all other areas not considered to be strategic in nature. Typically, these areas are the responsibility of an administrator or office manager.

A. Quality of delegation of administrative duties to non-attorney office staff?	1	2	3	4	5
B. Quality of non-attorney management skills?	1	2	3	4	5
C. Quality of administrative management?	1	2	3	4	5
<b>Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**IV. Partner Compensation**

This area deals with both attitudes toward the amount of total compensation and the process, or the system, used to determine compensation.

A. Overall satisfaction of partners with current amount of compensation.	1	2	3	4	5
B. Overall satisfaction of partners with the system used to determine compensation.	1	2	3	4	5
C. Effectiveness in measuring “total contribution” of partners.	1	2	3	4	5
D. Effectiveness in encouraging behaviors that the firm is seeking to develop and reward.	1	2	3	4	5
E. System is aligned with the firm’s business strategies, culture & personality	1	2	3	4	5
F. System is perceived as fair by firm partners.	1	2	3	4	5
G. System is simple and understood by partners in the firm.	1	2	3	4	5
H. Rules are followed and applied in a consistent manner from partner to partner and from year to year.	1	2	3	4	5

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I. Partners making compensation decisions are trusted and respected.	1	2	3	4	5
J. System reinforces a “firm first” attitude.	1	2	3	4	5
<b>Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### V. Marketing and Planning

This is concerned with both long range planning and marketing program and activities of the firm. In addition, quality of client service is addressed as well.

A. Quality of the firm’s long range plan.	1	2	3	4	5
B. Appropriateness of the firm’s vision, mission, and goals.	1	2	3	4	5
C. Effectiveness of the firm’s strategic or business plan.	1	2	3	4	5
D. Effectiveness of the firm’s client feedback system.	1	2	3	4	5
E. Client satisfaction with firm’s services and processes.	1	2	3	4	5
F. Effectiveness of the firm’s action plans.	1	2	3	4	5
G. Quality of the firm’s marketing infrastructure:	1	2	3	4	5
1. Marketing plans for firm, practice groups, and individual attorneys.					
2. Marketing coordinator.					
3. Integrated firm identity plan that insures consistency in all external communications collateral materials such as letterhead, business cards, web sites, powerpoint presentations, brochures, newsletters, press releases, media kits, seminar handout, etc.					
4. Quality collateral materials listed above.					
5. Content driven web site.					
6. Contact database of clients, referral sources, target and prospective clients, media sources, etc.					
7. Capabilities content such as articles, case studies, recent verdicts, that demonstrate the unique capabilities of the firm.					
H. Effectiveness of the firm’s marketing plan.	1	2	3	4	5
I. Quality of the firm’s marketing program.	1	2	3	4	5
J. Firm’s innovation ability.	1	2	3	4	5
<b>Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Total Average Score</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### Interpretation of Results

Upon completion of overall rating in each of the individual categories, total the scores in the category area and divide by the total number of items in the category to determine an average score for the category. Then total the average category scores in each of the categories and divide by five to determine your total average score. Review your scores and use these to determine where you stand using the following interpretation guide:

**Score of 2.5 or below**

Results in a significant deficiency that needs to be addressed and developed.

**Score between 2.5 & 3.5**

Scores within this range are average and indicates mediocre performance. Improvement is warranted.

**Score 3.5 to 5**

Scores within this range indicates that the firm members perceive that the firm is performing well and that firm leadership should be mentoring others in the firm who are deficient in their performance.

## Detail Operational and Management Review Checklist

### Checklist Completion Instructions

This operational and management review checklist is designed to help the firm identify whether it is aware of and taking advantage of some of the law firm management best practices that are being used by successful law firms. This analysis is accomplished by completing the short and easy to use general operational management and administration checklist designed to outline best management and administrative practices and identify “red flags” with simple YES/NO/NA responses.

Respond to each of the following questions with a YES/NO/NA response. At the conclusion of each section, total your answers for YES/NO/NA. Calculate a grand total for all sections at the end of the checklist.

	YES	NO	NA
<b>I. Governance</b>			
A. Does the firm have a firm governance plan that identifies and outlines decisions/responsibilities for the full partnership at large, the executive committee, the managing partner, and the administrator/office manager?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Does the present structure seem appropriate for your firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Are partners accountable to each other and to the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Does the firm have adequate leadership and direction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Does the compensation system fit the firms culture, structure, and goals and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Have separate job descriptions been prepared and adopted for the partners, the executive committee, managing partner, and the firm administrator?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Is the firm properly delegating administrative tasks to an office manager or other staff member(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Does the firm have an effective internal and external communications program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Have boundaries and roles been established for the partners, executive committee, managing partner, and the firm administrator?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Is there speedy decision making?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| K. Do issues get confronted and dealt with?          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| L. Is there clear accountability and responsibility? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Total Number of Yes Responses                        | _____                    |                          |                          |
| Total Number of No Responses                         |                          | _____                    |                          |
| Total Number of NA Responses                         |                          |                          | _____                    |

**II. Firm Image**

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| A. Has the firm identified it's mission, goals, philosophies, purpose and image that it desires to portray? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Does the firm have a firm identity plan?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Is the desired image presented through a consistent representation of the following:                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1. Quality of work product.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Consistent high level of client service as reported by the client.                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Quality of collateral marketing materials.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Web site.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Personnel.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Office facilities.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Presentation and informational materials.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Behaviors and ethical practices of attorneys in the firm.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Total Number of Yes Responses   | _____                    |                          |                          |
| Total Number of No Responses  |                          | _____                    |                          |
| Total Number of NA Responses  |                          |                          | _____                    |

**III. Long Range Planning**

- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| A. Does the firm have a complete and up-to-date strategic/business plan which includes:                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1. One-year and three-year projections.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Executive Summary.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Business Development and Marketing Plan.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Service Delivery Plan.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Administrative Expense Plan.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Organization Plan.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Staffing Plan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Financial Plan.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| a. Pro Forma Fee Projection by type of service and by client.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Pro Forma Income Statement and Balance Sheet.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Budgets   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Pro Forma Cash Flow Statements.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Total Revenue Dollars and charged hours.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Data on Accounts Receivable, Work-in-Progress, Hours (billable and non-billable), and write-offs and write-downs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

	YES	NO	NA
B. Has the firm analyzed the practice, client sources, trends in the community and the firm; the firm's strengths and weaknesses, the opportunities available for the firm, and of how the firm is perceived by the clients and potential clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Have general goals, long-term and short-term objectives been formulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Has the business grown at least above the rate of inflation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Has the firm met its growth, income, and profit goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____

**IV. Marketing, Business Development & Client Relations**

**A. Market Research.**

1. Has the firm identified target markets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the firm identified a specific marketing niche?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Can the firm differentiate their service from their competitors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the firm identified client wants/needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Do you know how your clients perceive your services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm solicit feedback from clients via client surveys or focus groups?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the firm have a client council or advisory board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Has the firm taken advantage of market potential?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Has the competition been analyzed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**B. Marketing Infrastructure**

1. Does the firm have a business and marketing plan for the firm, practice groups and individual attorneys?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is someone assigned to coordinate the marketing activities of the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm have a firm identity plan that is used consistently in all external communication collateral materials such as letterhead, businesscards, web sites, powerpoint presentations, brochures, newsletters, press releases, media kits, seminar handout, etc? This plan should be developed to differentiate and reflect the image of the firm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Quality collateral marketing materials.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. A content driven web site. The web site should be database driven to facilitate easy updating.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	YES	NO	NA
6. A contact database of clients, referral sources, target and prospective clients, media sources, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Content such as articles, case studies, recent verdicts, etc. that demonstrates the unique capabilities of the firm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Market Planning</b>			
1. Does the firm's marketing plan provide for an action/implementation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm have a marketing budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm's marketing plan provide for the following four marketing strategies in the marketing mix?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Service Planning.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Delivery Strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Promotional Strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Pricing Strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Which of the following promotional vehicles does the firm's plan employ?			
a. Networking and relationship building by individual attorneys.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Client feedback and follow-up on action items.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Firm sponsored seminars.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Client industry association events.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Newsletters & Quality collateral materials.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Personal Selling/Presentations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Advertising.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Promotions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Public Relations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the firm spend 2% or more of the firm's gross fees on marketing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm maintain a contact database?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Has the firm developed an adequate marketing mix?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the firm's marketing plan provide for adequate diversification?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the firm's marketing plan provide for adequate resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Do all firm attorneys submit annual personal marketing plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Do all practice groups submit marketing plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the firm have an effective marketing training program in place for attorneys and staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the firm have an effective client service training program in place for attorneys and staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Pricing and Fee Setting</b>			
1. Does the firm review fee structures annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
2. Are fees in line with what other firms are charging?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is your fee structure based upon your cost structure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Have you conducted fee sensitivity studies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the firm employing value or alternative billing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Has the firm considered other methods of packaging and pricing a particular set of services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Has the firm taken an innovative approach to alternative pricing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>E. Practice Management</b>			
1. Is client service a priority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there a rational balance between serving your client's needs and good business practice?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the firm managing the flow of work within the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the firm put quality control systems in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are paralegals being used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are practice systems being used and developed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the firm's equipment up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Have standardized forms, checklists and procedural guides been developed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Has an appropriate work product retrieval system been developed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Is the firm's organizational structure appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is the appropriate CLE program in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Are attorneys and staff appropriately trained and supervised?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Is the level of specialization appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Business Development</b>			
1. Are your business development efforts and practices satisfactory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are attorneys and staff properly directed in their firm marketing responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are new client prospects quickly followed-up?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has a new client prospect screening system been formulated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Has the firm developed appropriate handout materials such as business cards, brochures, folders, etc.? What is the appearance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Do you establish individual business development goals for the attorneys?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Do you adequately support and reward business development efforts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are the attorneys trained in marketing and the art of sales presentations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Client Relations</b>			
1. Does the firm do an annual legal checkup of its continuing clients affairs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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	YES	NO	NA
2. Is there a procedure to deal with client complaints?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is there a procedure to test the attitude of clients toward the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is each lawyer of the firm knowledgeable as to the firm's range of services offered and able to discuss these service opportunities with both clients and potential clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the firm have a policy to send clients a copy of all documents, letters, etc., to project effort?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. With respect to existing clients, does the firm's practice development require the partners to maintain contact with key executives of business clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is a procedure in effect for periodic review of:			
a. Corporate Minutes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Wills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Other legal documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Do the lawyers of the firm:			
a. Make "house calls?"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Visit the client's place of business to understand his/her business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Go with the client to the scene of the accident in personal injury and workers' compensation cases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Do the firm lawyers take telephone calls with the the client in the office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Is the office clean and neat, and does it reveal a friendly atmosphere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Are telephone calls and other client inquiries to the firm promptly answered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____
<b>V. Business Organization</b>			
A. Does the firm's legal form or organization suit the business?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Is the firm's fiscal year its natural business year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____
<b>VI. Business Operations</b>			
<b>A. Technology Deployment</b>			
1. Does the firm have a long range technology plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Have attorneys and staff been properly trained on equipment and software?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm have someone responsible for keeping abreast of new technological developments and changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
4. Is the firm making full use of it's technology investment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the firm staying up with client demands for technology deployment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the firm using			
a. Word processing software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Billing software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. General ledger.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Accounts payable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Trust accounting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Document management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Case management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Litigation support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Voice recognition.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Palm devices.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Docket control.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Conflict of Interest.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Marketing/relationship software.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. On-line legal research.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Internet.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p. Intranet.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
q. Extranet.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
r. Web site.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
s. E-mail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
t. Application Service Providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the firm have an ongoing technology training program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the firm have access to qualified outside technical expertise and relationships with qualified professionals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the firm have adequate in-house support expertise?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Is the firm up to date in technology?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the firm have an up-to-date phone and voice mail system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. Purchasing</b>			
1. Are reputable, competitive vendors used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you have a purchasing program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Library</b>			
1. Does the firm have central library purchasing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm conduct an annual review of the firm library?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the firm using CD Rom and computer technology?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	YES	NO	NA
4. Is the firm using on-line research?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the firm's library adequate for it's needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Supplies</b>			
1. Does the firm know what the inventory turnover is?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you established rational reordering policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>E. File Opening/Closing</b>			
Does the firm have an adequate system for opening and closing client files?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Docket Control and Scheduling</b>			
Does the firm have an adequate docket control system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Conflict of Interest</b>			
Does the firm have an adequate system for checking conflicts of interest?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____
<b>VII. Financial</b>			
<b>A. Bookkeeping and Accounting</b>			
1. Does the client have a formalized descriptive chart of accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are the categories in the chart of accounts meaningful for management purposes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the client have a standard entry journal for monthly recurring entries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the general ledger chart of accounts arranged for ease in preparing monthly statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are you using a computerized billing, general ledger, accounts payable, and trust accounting system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are records easy to come by?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Can you get information when when you need it?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Do you receive monthly financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Do you receive annual financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Are bank accounts reconciled on a monthly basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is the Bank reconciled back to the computer general ledger cash account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the firm have a report distribution schedule?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Are reports accurate and distributed on time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. Client Trust Accounts</b>			
1. Does the firm have a separate bank account for client trust funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Has firm management and staff been trained in proper client trust account practices and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
3. Is firm management and staff aware of the types of transactions that require trust accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the firm have a copy of their state's rules and ethical guidelines regarding trust accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Has firm management and staff studied these rules?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm maintain, either manual or on computer, a written client trust ledger for each client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the firm maintain, either manual or on computer, a written journal for each trust bank account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the firm receive and maintain all bank statements and cancelled checks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are trust bank accounts reconciled on a monthly basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Are retainers and unearned fees deposited in the trust account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Are Personal Injury settlements deposited in the trust account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the firm utilize a computerized trust accounting system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Do all firm personnel understand your state's IOLTA trust account rules?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Cash Management</b>			
1. Does management get a daily cash balance report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are formal cash projections prepared and coordinated with forecasts and budgets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you receiving maximum cash discounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is cash managed effectively by taking cash discounts, by reducing bank loans, or by utilizing the cash for investments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are all bank accounts necessary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are receipts deposited promptly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Are your methods of financing the most economical under the circumstances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Financial Management &amp; Budgeting</b>			
1. Does the firm forecast, by levels of staff required, its total chargeable time requirement necessary to service existing clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm recruit staff on the basis of the requirements determined by the forecast of total chargeable time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm prepare a budget of salary and all other costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the firm develop its billing rates on the basis of its budgeted costs plus desired remuneration of partners and associates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are internal-use financial statements prepared:			
a. Monthly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. At some other interval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
6. Are financial statements compared with:			
a. Prior periods?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Budgets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. For internal purposes, are financial statements prepared on a total accrual basis, including valuing the work in process at standard billing rates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Do the financial statements or other firm records, provide the following information:			
a. Income by type of service or engagement. (e.g., Estates, Real Estate, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Billing adjustments, favorable and unfavorable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Billing adjustments identified by individual partner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Analysis of nonchargeable time of each individual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Comparison of chargeable and other hours to standard by individual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are work-in-process records maintained on a current basis for each client showing:			
a. Chargeable time by individual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Extension of chargeable time at standard billing rates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Disbursements recoverable from client?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the firm have a policy regarding charges for:			
a. Clerical time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Travel time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Billing time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the firm have a policy regarding fees charged to charitable and other nonprofit organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does a firm have a policy regarding progress billings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Is there a procedure whereby work in progress is analyzed according to age?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Are time and expense reports used as a basis for billing the firm's services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Are time reports required for nonprofessional staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Are time reports required to be submitted:			
a. Weekly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Semimonthly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Monthly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Are time and expense reports designed to facilitate:			
a. Accounting for all reportable time (chargeable and non-chargeable)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Prompt periodic preparation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
c. Ease of recording in the firm's records?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Preparation of payroll?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Ease of accounting for, and reimbursement of, expenses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Segregation of chargeable time into major billing classifications (e.g., Real Estate, Estates, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Computer processing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Do attorneys and other timekeepers enter their time directly into a computer system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Do the standard billing rates, as reflected in the work in progress, vary according to the nature of the work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. If one rate is used for all services, varying only by the level of staff engaged, are adjustments made at the time of billing to account for a higher rate with respect to specialty areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Are standard billing rates reviewed and revised regularly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. On fixed fee engagements, is the time spent regularly compared to the fee to determine what increases, if any, should be suggested?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Are billings prepared promptly at the end of an interim, year end or completion of file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Are major billing adjustments reviewed by a partner other than the one responsible for the file and its billing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Is the firm using, or experimenting with, alternative billing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Do bills present sufficient descriptive detail of the services performed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Is there a policy regarding discussion of fees with clients prior to billing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. New Clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Established Clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Does the firm use engagement letters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Are receivable statements prepared and sent regularly with respect to unpaid balances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Are the firm's accounts receivable reviewed regularly as to age?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Are significant delinquent accounts reviewed periodically by a partner or partners other than the one responsible for the file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Does the firm have an administrative staff member responsible for accounts receivable follow-up?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Does the firm have a billing committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Is there a review of specific performance of individual partners, for example:			
a. Contribution to profit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Collection and billing practice relative to the firm's norms and policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Does the firm use a cash flow budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Does the firm use deviation analysis monthly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. Are capital equipment purchases budgeted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	YES	NO	NA
<b>E. Cost Control</b>			
1. Are cost items managed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are high cost items treated separately?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Controlling Operations</b>			
1. Are formal operations forecasts and budgets prepared for the next year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are longer range forecasts also made?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are budgets used effectively to control operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are monthly or quarterly budget variances analyzed, and is corrective action taken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the firm stay abreast of new technology products and services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Property and Equipment</b>			
1. Are capital expenditures budgeted and are purchase alternatives properly evaluated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are physical controls over fixed assets adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are fixed assets records adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is a periodic fixed assets inventory taken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is equipment kept in good repair through regular maintenance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is all equipment effectively utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Are depreciation and capitalization policies reasonable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are facilities and equipment adequate to meet production demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>H. Accounts Payable and Liabilities</b>			
1. Is trade credit being used as a source of financing, if appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is long-term financing (should refinancing be considered)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are payroll, payroll tax and employees' earnings records adequate and efficient?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is leasing being used as a major source of financing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are vendors bills being paid on a proper time frame? (Not too soon and not too late)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are vendor invoices entered into the accounts payable computer system immediately upon receipt?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Are vendors paid from invoice as opposed to statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are invoices matched up to packing slips and properly approved prior to payment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are 1099s filed each year where required?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Are check requests used to support requested checks when no invoice exists and are they properly approved?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
<b>I. Raising Money</b>			
1. Has the firm been successful in raising partner capital when it was needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are the firm's credit lines adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>J. Credit and Collection</b>			
1. Does the firm know its credit and collections costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the current policy successful?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm review its credit and collections policies regularly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the firm have a receivables management policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>K. Dealing with Banks</b>			
1. Is the firm's relationship with its lead banker open and friendly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm have access to more than one source of financing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>L. Cost of Money</b>			
1. Does the firm compare the cost of money (interest points) with your profit ratios)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are interest rates and loan conditions appropriate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>M. Specific Financial Tools</b>			
Does the firm know and use:			
1. Break-even analysis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Cash flow projections and analysis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Monthly and Profit and Loss Statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Balance Sheets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratio analysis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Legal industry financial & other ratios?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Tax planning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>N. Financial Performance</b>			
1. Does the firm, on an annual basis, compare its performance against law firm industry benchmarks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm receive and analyze law firm industry economic surveys?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the firm's financial and operating performance within industry benchmarks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the firm satisfied with its performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the firm's performance improving each year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the firm's current performance within the goals and budget for the year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____



	YES	NO	NA
<b>VIII. Human Resources</b>			
<b>A. Handling Associates</b>			
1. Does the firm have an associate development plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you believe that the firm is effectively recruiting high quality associates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the firm doing a good job of retaining high quality associates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are associates required to develop career plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the associate compensation system designed to reinforce achieving firm objectives as well as individual objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the associate compensation plan working?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Do the associates prepare annual business and marketing plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are associates trained in the business of law and in management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are associates trained in client service skills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the firm have an effective mentoring program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the firm have associate performance guidelines?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the firm have, in writing, an associate career progression program and what the requirements are to “make partner?”	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the firm conduct associate satisfaction surveys?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the firm’s culture encourage a balanced work and family life?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Does the firm have a performance management system which consists of a three step process which includes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(1) performance planning, a process carried out jointly by associate and partner;			
(2) performance coaching, an ongoing formal and informal interaction; and			
(3) performance review, an activity that emphasizes development needs and provides a final rating?			
16. Does the firm have an in-house CLE program for associates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Is the firm’s budget for CLE for associates adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Is the associate compensation program achieving desired outcomes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Does the firm have an associate recruiting marketing program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. Hiring—General Office</b>			
1. Has the right mix of people been hired?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the firm hire from a pool of qualified applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm maintain a file of qualified applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are there formal hiring and firing policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are hirings and firings documented in accordance with the policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm use qualified employment agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the firm properly screen employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the firm check out all references?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
<b>C. Salary Administration</b>			
1. Are personnel policies regarding holidays, vacation, compensation, and fringe benefits documented and communicated to employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are wages and salaries competitive?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is overtime controlled by the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are there pension and profit-sharing plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are performance reviews and evaluations performed and are they conducted on schedule?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm have a performance management system which consist of a three step process which includes:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(1) performance planning, a process carried out jointly by employee and manager;			
(2) performance coaching, an ongoing formal and informal interaction; and			
(3) performance review, an activity that emphasizes development needs and provides a final rating?			
7. Do employees prepare annual personal plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Training</b>			
1. Are the firm's employees suitably trained for their jobs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are training programs in effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. In addition to legal areas, are staff trained in the following areas:			
- Communications.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Time management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Marketing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Client service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Speaking and writing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>E. Motivating</b>			
1. Do the employees appear to enjoy what they are doing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the office morale high?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the firm environment express a concern for employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are staff treated as team members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are employees treated fairly and in a consistent manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is communication good in the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is there harmony in the office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the firm have weekly staff meetings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the firm measure attorney and staff turnover and compare against industry benchmarks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
<b>F. Communications and Policies</b>			
1. Is the firm delegating as much as it should?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the delegation as complete as it could be?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How often are we interrupted with new ideas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are the people with growth potential placed where they have the best potential to grow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Do the staff really know what they are trying to accomplish?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the firm maintain an open door policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the firm have an attitude problem?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Is credit given when it is earned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the firm have a staff manual setting out administrative policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. If the firm does not have a staff manual, are administrative policies and procedures communicated to staff in some written form?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is the staff manual, or other written document, given to each staff member?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Is there a procedure for the prompt updating of the administrative manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the firm have established policies regarding:			
a. Relations with clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Objectivity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Confidentiality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Investments and other financial dealings with clients?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Outside work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Overtime or bonus?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Salary review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Insurance coverage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Sick leave?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Continuing education and tuition reimbursements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Time off to attend various training and professional functions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Dues for professional and other organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Allowable expenses and reimbursement procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. Involvement in civic and other community organizations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Speeches, articles and books?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the firm have:			
a. A recruiting policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. An intelligence or aptitude testing policy for applicants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. An evaluation procedure with staff being made aware of the evaluation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Are staff members made aware of the firm policies and changes in policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Is there a procedure for feedback from staff to use knowledge and skills of all staff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
17. Are there staff social functions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Are staff errors handled in a way to improve performance and maintain respect for the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Is there group effort and cooperation in the firm on specific jobs and between departments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Are all professional staff aware of their role in the firm's development plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Does the firm have a policy encouraging partner and staff attendance at educational functions by paying or sharing tuition costs and allowing reasonable time off for attendance during working hours?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Does the firm have recruiting information and material?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Does the firm maintain a historical record on each employee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Is the size of the office adequate, modern and conducive to good employee morale?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____

**IX Administration**

**A. General**

- |  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| 1. Are office records and recordkeeping procedures adequate? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are all records, forms or form copies necessary?          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are forms and records designed for overall efficiency?    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the physical control over records adequate?            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the filing system adequate?                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are there any internal control weaknesses?                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the firm utilizing good legal counsel and CPAs?        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**B. Flow and Production of Work**

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 1. Does the firm have adequate modern equipment?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are there proper facilities for the storage and control of clients' files?           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do the file storage facilities provide adequate security from fire and theft?        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there retention and destruction policies for files?                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the scheduling of personnel the responsibility of as few individuals as possible? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Does the firm use a new matter/new client information form?                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are all of the firm lawyers advised of the acceptance of any new assignments?        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Does the firm have a central index of all files?                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. In the process of opening a file is:   |                          |                          |                          |

	YES	NO	NA
a. The file opened in the computer system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. A tickler created at this time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. A conflict created at this time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the filing system presently in use allow easy access and quick retrieval of client files?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is there a system for retrieving and systematically filing past work products from files?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the firm have written systems for producing substantive legal work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the firm employ the modern methods of word processing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Do all lawyers use dictation equipment? <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15. Do lawyers use computer word processing software?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Dictation Equipment:			
a. Is it adequate for the job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Do the lawyers know how to use it properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Are guidelines established for the method of organizing materials in files?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Are standard agreements, letters, checklists and other systems promptly updated, where appropriate, in light of changes resulting in the statute law, common law and other source?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Insurance</b>			
1. Does the firm use a good insurance manager outside the firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Is an annual review of insurance coverage made and is the coverage adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Does insurance coverage include product or service liability and business interruption insurance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is key-person life insurance coverage carried?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Problem Solving</b>			
Are there few unresolved problems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>E. Decision Making</b>			
Is there a chain of command?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Government Regulations</b>			
Is the firm aware of local, state, and federal regulations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Leadership</b>			
Do you actually take charge of the firm and its employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>H. Developing Subordinates</b>			
Is there a ready successor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>I. Dealing with Professionals</b>			
1. Do you have and use an accountant, attorney and business consultant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO	NA
2. Do you use outside advisors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Number of Yes Responses	_____		
Total Number of No Responses		_____	
Total Number of NA Responses			_____
<b>Grand Total Number of Yes Responses</b>	_____		
<b>Total Number of No Responses</b>		_____	
<b>Total Number of NA Responses</b>			_____

**Interpretation of Results**

Upon totaling the number of YES/NO/NA responses for each section and completing the calculation of the grand total, review the response totals and use these to determine whether the firm is aware of and taking advantage of some law firm management best practices that are being used by successful law firms. A high count of YES responses would indicate that the firm is aware of and taking advantage of law firm management best practices.

Taken together, the Detail Operational and Management Review Checklist and the Law Office Management Self-Assessment Scale, provide attorneys and law firm administrators with an assessment tool designed to outline management best practices and identify the firm’s strong areas as well as areas needing improvement. The Self-Assessment Scale focuses on the broader “management issues” and provides ratings in areas considered to be the Cornerstones of Successful Law Firms. The Detail Operational and Management Review Checklist focuses on general operational management and administration issues and is designed to outline best management and administrative practices and identify “red flags” with simple YES/NO/NA responses.

## Case Study

**The Case of the Law Firm That Was Unable to Act**

By John W. Olmstead, MBA, Ph.D, CMC

**Introduction**

The Managing Partner of what we shall call “Smith and Jones,” approached us concerning assisting the firm in improving its organizational effectiveness. The Managing Partner and several of the other younger partners in the firm were unhappy with the firm’s ability to make and implement decisions, current level of organizational efficiency and effectiveness, existing compensation system, and the financial performance of the firm. We were advised that if changes weren’t made, some of the members of the firm might eventually leave. We worked with the firm on a change management engagement focusing on some of the broader questions related to organizational change and readiness of the firm’s members.

**Background**

The law firm was an old line firm, the largest in a small mid-western town of approximately 40,000 people. There were only three other firms in town close in size. All other firms were in the three to five attorney size. The firm is approximately 60 years old. The firm has a total of eleven attorneys nine of which were partners and two were associate attorneys. The age breakdown of the four top partners was as follows: 83, 60, 55, and 43 respectively.

The remainder of the partners were in their thirties. Approximately 50 percent of the firm's practice was insurance defense work and the remainder consisted of general business and corporate representation. The firm was a well connected group of local attorneys respected in the local business community and legal community both locally and throughout the state. The firm had an excellent base of existing clients and a solid reputation in both the insurance defense and business law related fields.

The firm was a small firm in transition to a mid-sized firm with all of the inherent problems of growth. The firm has no management scheme or plan of action whatsoever. There was no long range plan, no overall goals, no production goals, no marketing plan, and no client service delivery plan. The firm was strong on ideas but weak on implementation. There was lack of management and structure and a general lack of leadership and focus. Communications was generally poor. The compensation system of both the professional staff and the support staff was not defined nor was it tied to goal attainment or performance. Formal evaluations were not conducted.

In 1990 the firm conducted a retreat which was facilitated by another law firm management consulting firm. Few results were attained. The retreat was the firm's first. It was poorly focused and had no follow-up. In late 1991 our firm was engaged to conduct a management, marketing, and quality review. We conducted on-site interviews, observed work processes and systems, and reviewed in-house documents. We presented a written report in a partner meeting consisting of all firm partners of our findings and recommendations. The report provided numerous specific recommendations ranging from firm management and governance, to practice management, financial management, staff restructuring, and utilization of computer technology.

The firm made some progress since 1991 on management initiatives. An up-to-date computer system was implemented. Additional accounting modules were added to the computer system. An office administrator was hired. However, very little action was taken in the more strategic areas that effect firm performance and the bottom line. No work had been done in the area of firm strategy, vision, and general leadership. The firm was still suffering from not having a goal, charted sense of direction, or management scheme. The firm still had problems with accountability and implementation. An attempt was made at forming practice teams and a few team meetings were held. However, interest waned and the teams were disbanded. Redesign of staff work processes had not been done and staff productivity was still too low and the staffing ratio too high. Paralegals were still not being utilized in a way that leveraged the practice. No action had been taken with regard to the development of automated expert practice systems. In addition no action had been taken with regard to developing an associate attorney evaluation and compensation system, staff evaluation and compensation system, and partner evaluation and compensation. Finally, very little action had been taken on improving firm profitability.

#### **Current Situation at Time of Recent Engagement**

In 1995 the managing partner left the firm and another partner assumed the responsibility for managing the firm. He also inherited all of the litigation cases from the departing partner which had to be managed in addition to his own cases. As a result of his workload the other members of the firm agreed to let him hire an office administrator. While the new office administrator was able to assist with the day to day firm operations, he failed to be able to assist the firm in areas of strategy, vision, and general leadership. He left the firm two years later voluntarily due to a general feeling of helplessness and failure. A replacement was hired and also left after a short period of time.

Financial performance worsened during the last six years. Partner earnings declined by 15% to 65% depending upon specific individual. Firm partners were working harder and earning less. The attorney compensation system was beginning to falter and attorneys were beginning to become dissatisfied. Some members were considering other employment options.

#### **Diagnosis**

Using the Management Review Checklist we focused on the 5 cornerstones of successful law firms. As we evaluated the compensation system for the partner/owners we observed that the system was basically a lock-step system

in which partners were rewarded based upon tenure and their compensation and partnership shares increased the longer they are with the firm. In essence they moved toward full partnership share status over time. The system had no direct relationship to productivity, profitability, or performance. In fact, some of the junior and lower compensated partners had higher levels of productivity, profitability and performance than some of the senior partners. Since economic performance was not at the appropriate and desired level, the pie was not what it should have been and many of the more productive and profitable junior partners were becoming frustrated with the present system. Systems for associate attorneys, paralegals, and support staff were also not defined. Performance assessments and evaluations were not conducted and there was no relationship between compensation and employee performance.

The firm was illustrative of a firm that had failed to incorporate motivational principles into formal mechanisms for reinforcing desired behaviors. Both job content and context needed work. A business strategy needed to be formulated and the firm's current culture assessed. Competencies for partners, associates, paralegals, and support staff needed to be developed. An appropriate reward and compensation system could be developed for each group. The firm was advised to consider implementing a performance management system and move away from the lock-step tenure based system of the past.

#### **Recommendation and Actions Taken**

Prior to tackling the reward and compensation system, we advised the firm to continue on its present course until it completed a change management program. The firm proceeded with a change management program. The first step was a two-day off site session intended to create a sense of urgency. At the conclusion of that session specific action items were identified and a plan was formulated for appropriate future action items and initiatives. Formulation of a business strategy, a cultural change initiative, and, appropriate change, and identification of required competencies were implemented prior to work on the reward and compensation system. Once plans for these areas were implemented, work commenced on the reward and compensation system which was integrated with the firm's business strategy, culture, and competency requirements.

## Management Resources for Improving Performance

#### **American Bar Association Publications**

<http://www.abanet.org/abapubs/home.html>

#### **ABA Law Practice Management Section**

<http://www.abanet.org/lpm/home.shtml>

#### **Association of Legal Administrators**

<http://www.alanet.org/>

#### **Legal Marketing Association**

<http://www.legalmarketing.org/>

#### **The Law Marketing Portal**

<http://www.lawmarketing.com/>



**West Publications**

<http://www.west.thomson.com/products/default.asp>

**The Lawyers Competitive Edge**

[http://www.west.thomson.com/products/16485766/product.asp\\_](http://www.west.thomson.com/products/16485766/product.asp_)

**Findlaw Lawyer Marketing Articles**

<http://www.marketing.lp.findlaw.com/articles>

**Institute of Management and Administration**

<http://www.ioma.com/>

**Law Firm Management Consultants**

<http://www.lawyermarketing.com/consult/index.html>

[http://www.hgexperts.com/hg/consultants\\_management.asp](http://www.hgexperts.com/hg/consultants_management.asp)

[http://www.martindale.com/xp/Martindale/Experts\\_and\\_Services/Search\\_Experts\\_and\\_Services/leg\\_s\\_earch.xml?st=OS](http://www.martindale.com/xp/Martindale/Experts_and_Services/Search_Experts_and_Services/leg_s_earch.xml?st=OS)

**Altman & Weil**

<http://www.altmanweil.com/>

**Hildebrandt International**

<http://www.hildebrandt.com/>

**Joel A. Rose & Associates, Inc.**

<http://www.joelarose.com>

**LawBiz Management Company**

<http://www.lawbiz.com/>

**Olmstead & Associates Legal Management Resource Center**

<http://www.olmsteadassoc.com/Resource/index.html>

**Practice Development Counsel**

<http://www.pdcounsel.com>

**American Management Association**

<http://www.amanet.org/index.htm>

**Center For Creative Leadership**

<http://www.ccl.org/index.shtml>

**American Marketing Association**

[http://www.marketingpower.com/live/welcome.php?Session\\_ID=0028322cf6b940fb2a8c75167b3929e0](http://www.marketingpower.com/live/welcome.php?Session_ID=0028322cf6b940fb2a8c75167b3929e0)

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## About The Author



*John W. Olmstead, MBA, Ph.D, CMC* is a Certified Management Consultant and president of Olmstead & Associates, a practice management, marketing, and technology consulting firm that works with law and other professional service firms ranging in size from 100 professionals to firms with solo practitioners. The firm, founded in 1984 and based out of St. Louis, Missouri serves clients across the United States assisting them with implementing change and improving operational and financial performance, management, leadership, client development and marketing.

Dr. Olmstead has over 34 years of experience working with law and other professional service firms. His assignments have ranged from marketing and strategic planning to other legal management engagements such as organizational change, firm governance, implementation of technology, financial management, staff development, partner compensation, and practice management. He has been a lecturer for the Association of Legal Administrators, Missouri Trial Attorneys, St. Louis Metropolitan Bar Association, IBM, Illinois State University, Illinois State Bar Association, Solo-Map CPA Association of St. Louis and many other state and local bar and other professional associations. He has authored numerous articles on law office management in local, regional, and national law office management publications. He is currently serving as Editor-In-Chief, West Group, *The Lawyers Competitive Edge: The Journal of Law Office Economics and Management*.

He received a B.A. from Park College, an MBA. in marketing and finance from Southern Illinois University, and a Ph.D from Century University in business administration with emphasis in marketing and organizational development. His doctoral dissertation "An Exploratory Approach for Addressing Leadership Characteristics in Law Firms Using the Case of a Voluntary Bar Association," introduced an approach for addressing leadership interpersonal characteristics and interpersonal preferences for leadership roles. He is an adjunct advisor with Century University. He is President of the Institute of Management Consultants - St. Louis Chapter. He is an associate member of the American and Illinois Bar Associations, a member of the Institute of Management Consultants, National Bureau of Certified Consultants and the Association of MBA Executives. He is also a member of the Legal Marketing Association and the Association of Psychological Type. He is currently serving as an advisory member on the Illinois State Bar Association Law Office Economics Section Council, on the Legal Marketing Association Research Committee, on the board of the Institute of Management Consultants - St. Louis Chapter, and on the Executive Advisory Board of the National Bureau of Certified Consultants.

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# Action Plan

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