

# **MANAGING YOUR PRACTICE: SYSTEMS THAT WORK**

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**DEVELOPING, GROWING AND MANAGING YOUR LAW PRACTICE  
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## **Introduction**

The secret to managing your practice is to use your time wisely and to develop and utilize systems in your practice which will alleviate the stress often associated with practice management.

Where does one begin?

We have been asked to offer advice on 5 of the greatest issues in practice management:

1. time management;
2. e-mail management;
3. paper management (and using technology to reduce your paper);
4. dealing with difficult clients; and
5. collecting your accounts receivable.

Carol Curtis is a well known “expert” on the issue of Dealing with Difficult Clients. Unfortunately, she was not available to attend the program in person; however, she has made a significant contribution to the materials in your binder and has provided several papers on this issue. I will defer to her entirely on this topic. Similarly, my esteemed co-speaker, Dan Pinnington is a well known “expert” on the area of paper management and use of technology in practice. I will defer to him and his writing on this issue.

This paper and my presentation will address strategy and systems in practice management. I will share with you my own in the areas of time, email and paper management and the collection on accounts receivable, as well as providing suggestions designed to help you develop systems that will work for your own practice.

One fundamental thing however which cannot be taught, and which stems from one’s own inherent personality, is that procrastination is your greatest enemy – do things as soon as possible and never leave anything to the 11<sup>th</sup> hour. I will not touch on this issue again – it is a personality hurdle and if you are afflicted with it, you will need to address that on your own; it is outside the scope of this lecture.

## **1. Time Management**

Assuming that procrastination is not your issue and you are not simply leaving everything to the last minute and scrambling as part of who you are, and even if that does describe you to a tee, you must develop a system that allows you to maximize your own productivity and manage your time wisely.

Depending upon the nature of your practice, dividing up portions of the week to provide you with predictability in your schedule will allow you to allocate time to the various competing projects with greater ease.

For example:

1. If you are an estates lawyer, you could only see new clients on Tuesdays and Thursdays and leave yourself Wednesdays and Fridays for drafting and Mondays to meet with clients for execution of documents.
2. If you are a litigation lawyer, you could schedule discoveries and court appearances on Tuesdays, Wednesdays and Thursdays. On Mondays you could do all the follow-up with opposing counsel and clients, which is needed and make it your “telephone call” day. Other calls can be returned between 8:00 a.m. and 9:00 a.m. before court/discovery. Fridays you can leave for drafting and preparation as required. New clients can be seen on Fridays or any Tuesday, Wednesday or Thursday you are not in court/discovery. Trial times will always be an exception.

These may be lofty aspirations for a very junior lawyer with little if any control over his or her life; however, keep it in mind and try to segregate your week as best will suit your personal needs and fit your practice needs to give you predictability. This will assist you to know when matters should be diarized for follow-up and how far in advance you need to start preparing for or drafting something based upon the time allocation in the week.

This is also where client communication is very important. Tell your clients how it is best to reach you (phone or email) and when. I encourage that you set realistic expectations for your clients from the beginning. Even if you have a Blackberry, there is no reason to respond to a non-urgent message from a client at 10:00 at night. I make a practice of telling my clients that the best time to reach me is between 8:30 a.m. and 9:30 a.m. on any given day of the week. I know that I will never be in court or discovery, rarely see clients at that time, and am always in the office by then and already settled in with my coffee and breakfast.

If you cannot divide up your week, divide up your day. Do not check your email/voicemail every instant a message is received; you will never accomplish anything that needs to get done. Check in between tasks. If the task is large, check every 2 hours, and return the calls or messages then. The person will still be left with the impression that you respond promptly but will not come to expect an immediate response to each message. You will clear up your messages and not let them build up by responding promptly and have the satisfaction of deleting them from the “inbox”.

I diarize the largest number of small matters for follow-up on Monday. When messages are left and I do not reach the person I had to follow-up with, I re-diarize it for Wednesday. This means that Tuesday is always a good day for drafting, scheduling appearances and meeting new clients. Fridays I try to never be in court as it is a good wind-up day to finish things off and you can avoid the judge or master who is dying to leave early to beat the traffic up to his or her cottage.

As is apparent, you should not need to dedicate substantial time in any day or week determining what needs to be done or the priority with which it must be done, that should be done whenever you diarize a task. ALL TASKS ON EVERY FILE SHOULD ALWAYS BE DIARIZED – this means with a start date. It also means that where something will not be accomplished in one day, that several diary reminders should be input into your tickler system to remind you that it should be in progress.

For example: To prepare a Statement of Defence

- 1) I will diarize a start date for when I will start preparing it based upon the existing tasks I need to undertake before the Defence is due. I will know that a draft will need to go to the client at least 10 days before it is due to give adequate time for feedback and revisions. I will also know that if either the client or I will be on holidays at any time during that 10 day period, this will need to be even longer.
- 2) I will then diarize a reminder date for 7 days before the Defence is due.
- 3) I will also diarize the day before the Defence is due; and
- 4) I will then diarize the day the Defence is actually due. All will be done as soon as it is known that a Defence is required.
- 5) After the draft is sent to the client, I will also diarize 2 days later to have received comments from the client on the Defence. If there is no response, I will call the client and follow-up.

If at any stage you do not finish the task on the date it is diarized for, do not mark it complete but instead move it to the day on which you next expect you have time to complete the task.

This diary system will help. There is no magic software, Microsoft Outlook will do the trick but many legal practice management programs are superior in their functionality. Whatever program you have, be sure you use it!

Utilize your assistant to “assist” you in this task. Do not place absolute reliance on your assistant; however; no matter how perfect they are, they cannot be perfect all the time; there may be days where they are absent, and at the end of the day, you will need to answer for any mistakes. Having your assistant perform these tasks, and then just checking them, will still save you a great deal of time, and act as a double-check on you.

In order to allow you to double check with ease, I strongly recommend that you maintain at all times an open file list (including both active and inactive matters). This can act as a checklist to go through mentally when verifying that everything is appropriately diarized and all files are moving forward as they should.

## **Work/Life Balance**

It is trite to say that everyone requires a work/life balance; there are programs devoted entirely to that (for those who have time to attend of course). But there are a few simple things you can do which should be obvious but bear repeating.

1. Do not waste 3 hours a day commuting. Move.
2. Do not take 2 hour lunches every day unless you have the time to work later in the evening.
3. Do be receptive to working from home if it means that you have time in between to see your family (be it elderly parents, spouse, partner or child).
4. Do schedule in personal activities which will act as stress relief such as an exercise routine or a weekly movie night and stick with it. I mean it, SCHEDULE them.
5. Do ensure that you get the sleep you require. Lack of sleep is a primary source of stress in and of itself.

## **2. Email Management**

Email overload! You can only hope that you are at a firm where you have an “IT Person” who will put all the right filters on your email so you do not get completely flooded with garbage. Goodness knows there is enough which is actually work related.

Email has become a primary method of communication with clients, colleagues and opposing counsel. Almost everyone has a “Blackberry” type devise. Do not be a slave to it, but recognize what it can offer you. You have the opportunity to have a window into your office at any time of any day – given almost everything comes in by email now. You can ascertain if there is anything urgent requiring attention or not. Deal with non-urgent matters at your predetermined time for responding to emails.

There is no need to become a slave to the email; but a prompt response is required and that window is much smaller than it was in decades past; however, it is not minutes, it is still hours and I suggest outside of your established working hours, barring an emergency, it is the next business day. Make it your policy.

Those devices do all turn off; and they also can sit in the “silent” mode encouraging you only to check it when you have time to respond.

So as not to lose track of all of those communications, I recommend that you “bcc” yourself on all emails which you send. That is the copy you can save (as it will also contain any message you are responding to). Email can be saved in many ways electronically or it can be printed out in hard copy – or both. Determine what your practice requires and develop a system and use it.

My system for email management varies from file to file depending on the level of email flow. Some are saved in a folder specific “saved items” in outlook’s inbox, and others are printed for the file. If an email is very important, I will forward it to my assistant to save it properly in the directory associated with the file to which it relates.

Ensure that when preparing documents even if in draft form, it is saved appropriately in the correct folder so that when the you are out of the office and your assistant or other colleague needs to make revisions, it is easily accessible, and the latest version is saved and there is no second guessing what the correct document is.

### **3. Paper Management**

There is no “to be filed” in my practice. Therefore, filing is never a month behind. When a client or opposing counsel calls and I pick up the file, the last thing that happened (be it correspondence, an email or a note of a telephone call) is in the file.

Is it magic? Does my assistant work 24 hours a, day 7 days a week at the miracle? No. It means that every time my assistant is typing a letter or sending a fax, I give the assistant the physical file. She returns it with the thing already filed. When I print an email for the file, I put in myself into the physical file. Every time. No exceptions. There is never any filing to be done. If I am unexpectedly away from the office and a client called, another lawyer could simply pick up the file and read it, even if it was after hours and my assistant was not around. I urge you all to try it.

How to deal with all the paper? I cannot say that I have any magic answers to that one. If you are going for a paperless office, like LawPro has, scan everything that comes in and urge opposing counsel and clients to deal with you electronically so all incoming documents, letters and so forth can be stored electronically. It will save you on filing cabinets and with today’s available technology, you should not really need to print anything (save and except certain documents for filing with the Court or to obtain original signatures.

If you do have a paperless office however, it will be very important to ensure that your electronic storage system is backed up appropriately. This would mean frequently, and ideally off-site. By utilizing off-site backup, you can avert disaster which would be associated with a fire or other organic damage to your server and back-up source concurrently.

Dan Pinnington will deal more substantively with the issue of how technology can assist you in this area and I refer you to his printed works on the subject matter also.

### **4. Dealing with Difficult Clients**

Carol Curtis has written extensively on this issue and I refer you to her writings, some of which have been reproduced in your material on this topic.

### **5. Collecting your Accounts Receivable**

When I was articling, I learned a very important lesson from a very senior member of the bar. One day, while working on one of his files, he came running to my office and announced “stop work on the X file immediately; they have not paid their last bill”. This was his ordinary

practice 31 days after a bill was sent. He would call the client and advise that no further work would be done until the account was paid. This lawyer, as I understand it, had no accounts receivable problems ever.

The “stop work” phenomenon is not as wide spread as perhaps it ought to be but generally speaking, happy clients pay their bills. Even clients in difficult financial times pay their lawyer’s bills as that is how they hope to keep others at bay even longer. Who will you have the most difficulty collecting from, difficult clients, which is the number one reason you should not accept their retainers to begin with.

My suggestions for success in collection on your billings is quite simple:

1. Do not act for difficult clients.
2. Require a retainer which will cover what you anticipate may be an average account, plus a further amount to have yourself removed as solicitor of record, if it is a litigation matter.
3. Retainers should act as “last months rent” and be placed into an interest bearing trust account (interest accruing to the client in the interim). The initial retainer is not drawn down until your final account on the matter and is increased when appropriate.
4. Each file for a client should have a separate retainer.
5. Bill frequently. The smaller the client, the more frequent the billing. It is much easier to find money to pay a small bill than a large one. Monthly is ideal if any work is done in a given month.
6. Review your list of accounts receivable frequently. See who is falling behind and if you speak to them mention it. You are not their friend, you are their lawyer; and they know they must pay for your services: this should not be a taboo topic. If the account falls to more than 90 days, be certain to personally call or write them a polite letter requesting payment within 10 days’ time or invite them to call you to discuss it. This affords them the opportunity to call you and ask if they can send a post-dated cheque or pay the bill over a couple of months as opposed to all at once.
7. Do not let bills mount and continue to work. You will never get paid.
8. Keep client expectations realistic in terms of what your services will cost and communicate frequently if there is an increase in costs beyond what was anticipated.
9. If you ever consider suing a client over an account, ask yourself first if your file is properly set up to defend against a negligence claim, as that is an all too frequent response from an unsatisfied client.
10. Keep the line of communication open with your clients; they will feel obligated to pay.

## **End Note**

Throughout your career, you will need to reinvent and modify the systems you develop as technology evolves and your practice develops. Be open to change but ensure that you develop a system which works for you.

### **“10 Quick Tips to Help You Sleep at Night”**

While seemingly a summary of the above, these are the tips which I have offered new lawyers (or those who simply are stressed out and have no practice management system which is working for them) for years. Some of it may be paranoia, but paranoia never kept anyone up at night.

1. Keep a file list
  - (a) suggested sample format is below
  - (b) check it weekly/ update it monthly
2. Keep a calendar to mark all appointments and a backup
  - (a) electronic versions can be backed up nightly
  - (b) paper versions of the electronic backups are advisable
  - (c) assistants also sometimes keep a backup
3. After you write a letter or prepare a document, immediately diarize the next step
  - (a) if you send a letter to a client for instructions, diarize a few days later to call the client
  - (b) if you schedule something, diarize a date to prepare
  - (c) run through your task list and cross-reference it against your file list regularly to ensure that no files are lost track of
4. Keep your docket sheet handy
  - (a) lost time is frustrating and causes you to spend more time trying to recollect what you did
  - (b) docket immediately after performing the task
  - (c) keep dockets at home as you may work from home from time to time
5. Manage your email
  - (a) file important messages once responded to so that they may be located in the future (either electronically or a printed copy)
  - (b) respond to emails as soon as practical, a long list is overwhelming and prompt responses convey organization
6. Respond to all inquiries
  - (a) prompt responses convey a sense of responsibility and organization
  - (b) keep notes of conversations so there is some way to later recollect what was discussed

7. Treat staff with respect and dignity
  - (a) the way you treat those around you will be appreciated and will earn you willing assistance when you need it, and you will need it
8. Spend time to get to know who you are working with and how they can help you when you need it
  - (a) your co-workers are your best resources, find out who knows what
  - (b) ask for precedents from those assigning work and adapt them to the particular circumstances of the case
9. Strive to maintain your sanity, showcase your skills, and be at all times organized and in control of your practice.
10. Maintain a Life
  - (a) ensure that you schedule vacations into your calendar in advance or you will find that you never have time to take them
  - (b) make time in the office as productive as possible so you can leave at a reasonable hour
  - (c) remember that you have family and friends

SAMPLE FORMAT FILE LIST

Open File Status Report – as of

<b>File No.</b>	<b>Client</b>	<b>Re:</b>	<b>Status</b>
55555	John Smith	Company X	Statement of Defence being prepared, due July 30 <sup>th</sup>
555556	Company Y	Company Z	Mediation September 10thf