



Successful Law Firm Management

Compiled from the Avrio Advocati open forum

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INTRODUCTION TO THE FORUM BOOK

Welcome to this booklet on law firm management. This booklet has been compiled through the Avrio Law Firm Management Open Forum. This forum began in 2012 and has completed two sessions. This forum is a space for members of Avrio Advocati to share their experience, cultural differences and best practices within their law firms.

From these open discussions the following articles have been produced. Much of the information has been taken directly from members discussions. Occasionally relevant information is also added from sources found on the internet. This information is referenced in the text for the reader to investigate further if they want to.

The aim of this publication is to give insight into the different practices that exist within our group. It is an on-going publication and it will be added to after each forum takes place.

We welcome your comments and thoughts on this publication.



CHAPTER ONE
WORKING FROM HOME

FLEXIBLE AND HOME WORKING PRACTICES

Flexible working means: Working on a project basis, rather than having set hours such as 8am-5pm. An experienced lawyer understands how long most common projects will take to complete, e.g. a lease, a contract, drafting papers. Time based projects simply have a deadline and the lawyer is expected to meet that deadline. It does not matter whether this is completed in the middle of the night or during traditional working hours.

Home working means: a person is generally expected to be available by phone or email during the normal working day; however their work station is at their home rather than the office. They usually expect to use an office laptop or log on remotely to the office desktop.

★ We took this poll of our lawyers:
How many now work from home?
A: 54%

*Just over half who worked from home were partners,
but everyone in those firms had the ability, if
it was requested.*

ISSUES RELATING TO HOME WORKING

It can be difficult to simply trust a worker, especially someone who is not an equity partner. However many people can be just as productive outside the office if not more so in some cases.

Trust issues can be resolved with technology. Using “presence” software you can see if someone is at their computer. It will also show you if they are active or inactive. This type of software allows you to chat in real time with the worker and even share their screen where necessary, e.g. for collaboration. see Windows Live Messenger or Yahoo! Messenger. If you require a secure service you may have to purchase a specific program with security built in.

This type of software can be used on any device, but as long as the person is working it should not matter whether they are drafting documents at their computer in the study or on an iPad in a coffee shop.

★ Take a look at this research

*In a study by Stanford University call centre employees who volunteered to WFH were randomly assigned to work from home or in the office for 9 months. Home working led to a 22% performance increase.
Home workers also reported improved work satisfaction and experienced less Turnover.*

www.stanford.edu/~nbloom/WFH.pdf

SUPPORT ISSUES

For junior lawyers experiencing the process of supervision is very important and should not be diluted. This does make it difficult for junior lawyers to work from home. However, there are many projects that junior lawyers can do without direct supervision. Much drafting can be done by a junior lawyer and then sent to a senior for review. Additions and deletions can be clearly signposted using “track changes” in Microsoft word. Even better is to use a program such as Google Docs where a junior lawyer can watch changes being made in real time. Annotations to the changes can provide explanations to the junior where needed. For more intricate problems, regular meetings can be scheduled and the project can be broken down into smaller tasks that juniors can do alone.

It is important that working from home does not coincide with important training dates or meetings where less experienced staff are given training. This type of activity should be scheduled at various times during the working month and notified well in advance to allow planning for child care for example.

IT support is crucial to allow flexible and home working. It can be reasonably priced or even free. However in a law firm, client confidentiality must be paramount. It may be necessary to invest in secure software that ensures client information is always protected.



There are some excellent video conferencing packages available. Try the following: Microsoft Lync, Gotomeeting, Skype, WebEx

ADVANTAGES

If you have open plan offices then working from home can give concentration and privacy for those at home. It can also result in less noise in the office as there are fewer workers there. This type of arrangement can support a firm's green agenda - why does a worker need to commute to an office for something that they can do at home. This reduces the stress on the transport system. A person can actually get a lot done in different hours of the day. Much of the social chat is removed. Efficiency is improved in many cases because there are fewer distractions. Lawyers are increasingly expected to work later in the day as well as weekends. This is very disruptive to the family life of lawyers. Many will not put up with it for more than a few years before they burnout or move to a less pressured firm. The ability to work from home can help respond to pressures of the job and therefore retain talent.

There can be cost savings for the firm if the workplace is managed well. Using hot desking or shared space means the firm can clearly save money. This is especially the case in smaller firms because if everyone works from home one day per week then it means less space is needed. A firm can even move to virtual offices and only rent meeting rooms when needed. There are some buildings that rent space by the hour or day. More office space like this is becoming available in big cities.

Once you open up to the possibilities of flexible working you can enter into new markets. For example you can take work from a NYC lawyer so that it can be done in a different time zone to them and it is ready for them when they get into work in the morning - this is an interesting concept that one of our members is currently engaged with.

The huge advance of the email into modern life means people rarely put pen to paper any more. A typical view of a partner's day shows about 2 letters but upwards of 60 emails. Therefore this type of input really suits home and flexi working.

DISADVANTAGES TO WORKING FROM HOME

The trust issues are very difficult to overcome for some managers. The people who are salaried have a different investment in the business than an owner and the owner is prepared to invest more time in the business.

As a firm you can lose the collaborative approach to working and learning. As you cannot just go to a desk of a senior person and talk about a job face to face.

It can become compulsive to work from home. Working from home can be disastrous as the work is never left "at the office". Staff may need to be given advice on how to separate home and work life successfully. Senior partners should ensure that staff are getting appropriate time away even at home.

Some people can suffer from a bad conscience, leading to overwhelming feelings of guilt. This is because they are normally at their desk at 9.00 but at home they may not start until 10am. However, they are often more efficient. Sometimes they may need to be reminded of this to reduce the stress or guilt they feel about transitioning from normal working hours to flexible time.

If you have a policy where you allow one associate to work from home but others have to work 5 days a week in the office it can cause tension. It can be hard to keep an objective policy as every worker is different.

Constant email contact can be distracting and can waste time on issues that can be dealt with in a few minutes if someone walks to the desk to talk to you. Solve this by using instant chat rather than email.

MANAGING HOME WORKING

It is important to find the right time to start a worker on home working. Our lawyers were agreed that all new workers need some time in the office when they first start. Ideally this should be around 3-6 months. It is important to have an objectively justifiable policy in this regard.

It can be difficult to manage meetings if many of your staff work from home. Collaboration is very important in the workplace and it can inform and progress cases quicker than one person working alone. So to make sure collaboration happens regularly it is important to designate one day or one morning a week for internal meetings. Ideally all members of staff who are relevant to the project should attend this meeting in person. However if you have excellent technology in place there would be no reason why someone could not dial in on video conferencing software. This is particularly helpful for working parents, those who are travelling to meet clients and during inclement weather.

If the idea of completely flexible working patterns does not suit your firm you can offer a designated working from home day to all staff. This does not need to be the same day for everyone.

★ *Here is a tip to help you remember important items when you are at home without access to your work diary – Record a message on your phone send it to a secretary. They can type it and enter it as a calendar entry or send it as an email right back to you.*

AVRIO TOP TIPS

Trust can be gained in small amounts; if a child is ill then it is important to tell the parent that they can go home. But if they say that they will work from home then the work must be checked against the deadline.

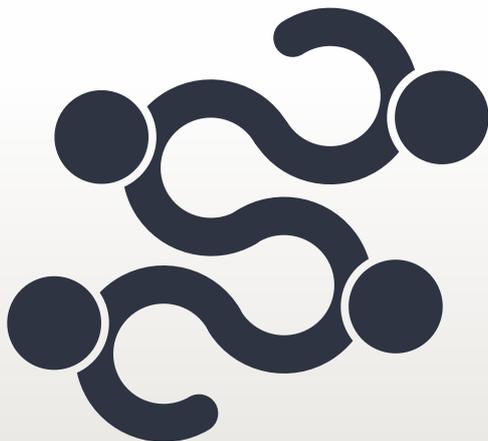
Flexibility is the key, to prescribe that one fixed day a week as a working from home day is usually too imposing. There are some people who work very well on their own and they need the time to think. It should be done on a fair basis. It may be better to say that any days can be home working days except 2 mornings per week. Then encourage as much or as little as you wish around this rule.

If you do choose a designated home day then it should not be Monday or Friday as that can often be holiday time and a lot of people are not in the office anyway. So there cannot be phone calls made into the office by those working from home, or that the office may not be officially staffed.

IT needed: PC/laptop, scanner, secure server connection, cloud computing, telephone, instant chat, good broad band connection.

Instant chat can help solve some problems because it means that a discussion can be had in immediate time without referring to email.

Video Skype or video conferencing programs are also very useful - some are free applications that can go on any PC - Just make sure you are dressed!



CHAPTER TWO
PARTNERSHIPS

PARTNERSHIPS: FROM SALARIED LAWYER TO PARTNER

Jurisdictional differences

Here are some comments about the different views of partnerships from our members:

Brazil

Here Partnership is seen as a lifetime status. You have to work very hard to get to this status. In Brazil you would not go outside the firm. You focus on giving the promotions to internal candidates that you train up.

England

It is difficult to find the perfect partner – some are too old some too young. It is rare to find the right specialisms within the firm. Usually the firm finds an area that it wants to develop and it goes looking for a partner. If the firm gets so big that it has so many partners then bringing a new partner in does not have much of an effect. In England someone has to buy in to the firm by contributing capital to the current account. In England in tough times equity partners have also been ejected and taken down to salaried partners

Sweden

There are always two lawyers put up for any job, one partner and one junior. It is the same in the UK. The partner is the supervisor. The junior does all the day to day work and then there is just 10 minutes per hour partner time. This is added value to the client. They do not want a partner doing the grunt work and charging hundreds per hour for their time. The client wants to see that a partner is there behind the junior making sure there are no mistakes. So the ratio of juniors to partners should be about 1:4, in a medium sized firm.

★ *Our England member is Thomas Eggar LLP contact them by email through Martin.Cross@thomaseggar.com*

Our Brazilian member is Dantas Lee & Brock (DLBCA) contact them by email through guilherme.dantas@dlbca.com.br

Our Swedish member is Advokattfirman Wagenius & Partner contact them by email through

christer.wagenius@wagenius.com

WHY BRING IN PARTNERS?

- The firm can charge more for seniority
- They can bring new clients with them or attract new clients with their reputation
- They can keep business
- It looks better to clients
- Commitment - the best winner is an owner. There is evidence that if someone has a stake in the business they will work harder.
- Retirement – older partners in a small firm will need to retire and it is important to have succession planning.
- Mergers – you can merge a small firm with a larger one. The only payment should be capital as above. You can bring clients and benefit from their clients. It brings new areas of law, the firm grows up and it can do more varied work.
- Understanding the client. A reason to bring in a new partner can be the age relationship to the client. Clients relate well to a person who is the same age as them. This will depend on your client demographic. If you deal with mainly older business people then they may feel uncomfortable dealing with a 30 something partner. Conversely as the equity partner gets older it is important to bring in new equity partners to match the clients age group so it is a generational issue too.
- It is important not to give the public the impression that you are just making up partners to simply charge more however.

★ *Be aware of any age discrimination legislation when hiring a new partner. You must be able to objectively justify your decisions in states where there is equality legislation.*

MANAGING EXPECTATIONS

When joining the partnership do attitudes change? If they do change then does it matter?

Yes it is likely that they will relax their working hours to be more flexible. They may take time off during the working week, but this does not matter if they are working more at evening and weekends. It becomes task orientated rather than 9-5.

So as long as they get the work done then it does not matter where or when they do it. This is the case if they are paid on a percentage basis. So if they do badly because they are not working enough hours then they do not get paid much. If they work all the time then they will get more profit. It can be like a marriage. You have to trust the other person or people to work and to work enough. You have to respect them and look at what they are adding. They may be adding other things to the firm that need to be recognised.

What if equity partner is not earning enough in fees? There should always be a monitoring system.

When underperformance is noted then there is a discussion and training. There could be good reasons for this, perhaps they are good at bringing in business for others or doing presentations, writing articles, etc. It must be remembered that it is not all about money. But other partners can get upset if they are all taking an equal share and some are not doing equal chargeable legal work. It is very important to remember that a law firm is a band. Do not penalise someone because they cannot do the tough complex legal work, if they are excellent at bringing in new clients.

- ★ *A law firm is a band – you can't expect everyone to play the drums or you don't have a band. Some people are finders (find clients), some are minders (they look after existing client relationships but can't get new ones), some are grinders (they are good at turning the wheels of the work but cannot relate to people – they stay in the office all the time and do the documents). You should aim for a good mixture of people as your fellow partners.*

ISSUES AND CONCERNS WITH A PARTNER.

It is important to check the “fit” of a new partner before signing them up. Make sure their work ethic is similar to yours and your existing partners. Consider their references carefully. If you are taking them on because of their client list, ensure that these clients can also be assisted by others in the firm. As you do not want to be heavily reliant on one person to carry an entire department. For example if all their clients are based in the maritime industry would this fit with your existing offering? Should you also hire an associate and a secretary at the same time to assist your new partner in this specialist field.

Sometimes you need to expel a partner. It is important to have rules that cover this in the initial contract otherwise you may have to pay a lot of financial contribution.

You must have rules on bad conduct. What conduct is unacceptable to the firm? How is that conduct reported? What processes are there to give the partner a fair hearing before expulsion?

If the partnership agreement is too complicated it can be a nightmare – if there are such complicated rules such as only some own property and only some share in profit then it can cause problems and whole sections of the partnership can just leave because the contract is not favourable to them. Sometimes it is better to just have equal shares in property, profits and losses, especially in a small firm.

★ *You can design a partnership so there are difference classes of shares. So original owners can take a larger share of profit to reflect the fact that they started the firm and brought goodwill to the whole firm and newer partners do not do this. The simplest way is of course all equal shares, but this may not work if you have many partners.*

MANAGING PEOPLE

Attitudes to partnership can vary across the generations. In particular the Y Generation can demonstrate a different view and work ethic to X generation or Boomers. The Y gen are people born after 1980-1982. They have a very different attitude to working towards promotions. They see the X generation working long hours, late at night to be a partner or as an existing partner and they say they do not want this.

It can be very difficult to get these people to take partnerships in the traditional firms. This can be a problem. A firm who wants young talent may have to think creatively and offer non-traditional routes to partnership or flexible working agreements.

When managing lawyers and partners together there can be discrepancies between the two types of worker. Some people do not see both the benefits and disadvantages – so they complain. They see partners just taking long lunches, but they do not see the weekend work and evening work. This needs to be managed internally with the people in lower status or other partners.

This can be talked through in management meetings and the top management can make it clear to the whole firm that you can either work flexible or you can work like a salaried partner e.g. 9am-6pm. But either way the work must be done. This can help with any complaints about different working practices. You can also produce chargeable hour sheets. These show how many hours each is doing. Make these public in the firm so everyone can see how much the partners are working.



For a good overview of generational issues look at Tomorrow Today - a generational consultancy company.