

**NCPA's 39th ANNUAL MEETING & SEMINAR**  
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# **Law Office Administration**

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Alicia Lewis is the Firm Administrator and Controller for Anderson Jones, PLLC, managing all business and financial aspects of the firm. As a North Carolina Certified Paralegal, she has extensive experience in various aspects of law, legal pleadings and research. Prior to forming Anderson Jones, PLLC with Andy Anderson and Todd Jones in 2003, Alicia worked as a paralegal in two mid-sized law firms.

Alicia serves as Secretary for the American Subcontractors Association of the Carolinas' Triangle chapter, and is a member of the North Carolina Bar Association (NCBA). With the NCBA, Alicia is a member of the Paralegal Division, Small Firm & Technology Section and the Construction Law Section, where she serves as the Paralegal Division liaison. Also, Alicia currently serves on the Greater Raleigh Chamber of Commerce Professional Women's Task Force. Her role on this task force helps to further the goal of the Chamber Executive Women's Luncheon series to bring nationally recognized speakers to the Triangle to address the unique challenges women in management face in today's business environment. She is a member of the Junior League of Raleigh where she volunteers with community non-profit agencies serving women and children in Wake County. She is also a member of various trade associations that support the construction industry.

## Law Firm Management

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### **Introduction**

When the terms “lawyer” or “law firm” are mentioned most people associate these nouns with rules and laws, courthouses, case arguments, or the last time they had a speeding ticket and sought out an attorney to handle their issue. “Business” isn’t typically the first thing to come to mind but the truth is a lawyer engaged in the practice of law is as much a business as any other type of company. Law firms must be organized and smart about how they conduct business because just as in life, “Those who fail to plan, plan to fail.”

In his famous assertion, Heraclitus of Ephesus, a Greek philosopher, said that “Life is Flux” (Panta Rhei in Greek, meaning everything or all things change). ([https://www.ancient.eu/Heraclitus\\_of\\_Ephesos](https://www.ancient.eu/Heraclitus_of_Ephesos)) The legal industry is a testament to that idea as it has and continues to evolve at a rapid pace. If today’s law firms want to be successful, they must adapt. While keeping up with changes in technology, the economy, politics, relationships, and life seasons can make your head spin, there are progressive tactics legal professionals can employ to run their law offices efficiently.

### **Firm Structure – What do those letters mean?**

Due to the sensitive nature of legal business and the general public who lawyers, paralegals and staff serve it’s important that anyone in the legal industry begin by ensuring their offices follow the rules and regulations set forth by the North Carolina State Bar.

The North Carolina State Bar was created in 1933 by the North Carolina General Assembly as the government agency responsible for the regulation of the legal profession in North Carolina. The State Bar currently regulates over 28,000

licensed lawyers. Protection of the public and protection of the system of justice are the objectives of regulation. ([www.ncbar.gov/about-us/who-we-are](http://www.ncbar.gov/about-us/who-we-are))

Once you have a thorough understanding of the rules and regulations of the North Carolina State Bar pertaining to the practice of law, decisions must be made regarding the firm structure. It's important to consult with a tax professional in the beginning to know what type of organization is best for your situation. Common types of law firm structures in North Carolina are:

#### Sole proprietorship / Solo Practitioner

- One lawyer practices alone and assumes all assets, profits and liabilities in his / her personal name
- Can practice under an assumed or trade name after filing the appropriate paperwork with the local county government offices

#### General partnership

- Two or more lawyers who share ownership, assets, profits and liabilities in their personal names;
- All partners have authority to manage the business aspects of the firm (unless otherwise stated by partnership agreement)

#### Registered Limited Liability Partnerships (LLP)

- Two or more lawyers who partner with one another, but no partner is liable to any creditor of the law firm nor is any partner liable for any negligence on the part of any other partner. The LLP is taxed as a partnership while keeping the liability protection of a corporation.
- Are required to register with the State Bar prior to filing Articles of Organization with NC Secretary of State

#### Professional Corporations / Associations (PC / PA)

- A Corporation is owned by its shareholders and managed by a board of directors (including the required professional "licensees") elected and acting under authority of the Articles of Incorporation and Bylaws of the corporation.
- Professional licensees are personally liable for malpractice in providing professional services. A shareholder, director, or officer of a professional corporation is not individually liable for the malpractice of another shareholder, director, or officer unless the services are provided under his or her supervision or direction or direct involvement.

- The corporation is taxed on its income. Shareholders are taxed on dividends and other distributions received from the corporation (double taxation).
- Are required to register with the State Bar prior to filing Articles of Organization with NC Secretary of State

#### Professional Limited Liability Company (PLLC)

- A limited liability company (LLC) is formed by lawyers who will provide professional legal services. LLCs in general are businesses registered with the state that consist of one or more people, called “members” who own the business. Like other LLCs, PLLC Members have no personal liability except to the extent of their capital contributions.
- Are required to register with the State Bar prior to filing Articles of Organization with NC Secretary of State

*(North Carolina Secretary of State; NC Bar Association “North Carolina Small Law Office Resource Manual”, “Law Firm Organization” by Malvern F. King, Jr.)*

### **Human Resources**

One of the first employees a lawyer hires, is most likely a paralegal. A paralegal can wear many hats in a law firm or legal department setting. In 2004, the North Carolina State Bar approved, and the North Carolina Supreme Court adopted the Plan for Certification of Paralegals. According to the NC State Bar, the voluntary program has assisted the development of paralegal standards, raised the profile of the paralegal profession, and standardized the expectations of the public and other legal professionals. “As multi-skilled professionals, paralegals have a diverse knowledge base and must practice effective interpersonal communication skills to maintain collaborative relationships within the legal team. Paralegals, like lawyers, continue to be held accountable to high ethical and professional standards.” (<https://www.nccertifiedparalegal.gov/about-us/plan-for-certification>)

Law firms in North Carolina must abide by the same federal and state employment laws as other businesses. These laws vary based on the number of employees the law firm employs. It’s important to be familiar with the laws that apply to your law firm in order to be compliant and a responsible employer.

### **Employment Search, Resumes and Interviewing**

The Association of Legal Administrators recently released the results of their 2018 Annual Compensation and Benefits Survey. The report featured input from over 9,000 legal industry professionals from over 900 United States law firms. One staggering finding was a significant increase in staff (non-attorney) turnover—which rose from approximately 43% to 54%—at U.S. law firms from 2017 to 2018. Firms at both ends of the size spectrum were particularly affected.

At organizations with 200 or more attorneys, staff turnover nearly doubled, moving from 16% in 2017 to 31% in 2018. Firms with less than 10 attorneys experienced a massive 131% increase, with staff turnover escalating from 68% to 158%. (*Association of Legal Administrators 2018 Compensation and Benefits Survey Executive Summary*)

Whether the increases in staff turnover are caused by technology advancements, law firms downsizing staff to attorney ratios or simple employment changes, knowing how to look for your first or next job and being prepared for that process will benefit you in this competitive market.

If you've recently completed a paralegal studies program and are taking the North Carolina Certified Paralegal Exam or are an established paralegal looking for a career change, you've probably thought about your next steps and job search. Luckily there are several avenues to look for employment in a law firm.

- Online job search engines
- Legal industry association job boards
- College job boards
- Classifieds / Print advertisements
- Social media
- Law Firm websites
- Recruiting / staffing agencies
- Word of Mouth and Networking

Resumes are still relevant and paramount in today's job search. You want to craft a resume that is professional, attractive and accurately describes your skills and experiences. Have a trusted friend or family member examine your resume or hire a resume review service to assist you. They may discover typos you are overlooking or have suggestions for improvement. Even one error can destroy your chances at a job you may very well be a great fit for so review, review and review!

In addition to a solid resume many employers will search online to learn more about the candidates who have applied for their job opening. You should make personal social media accounts private and create a professional LinkedIn account that highlights your experiences and abilities. Employers today want well-rounded individuals who will reflect and improve upon the company's culture, values and mission. Consider your resume and online professional profiles as personal marketing tools and make sure each reflects the positive ways you can contribute to the organization.

When applying for a job advertisement, make sure you pay attention to the details of the listing. If it calls for a cover letter and resume, don't simply send your

resume. Tailor your cover letter and resume to the job for which you are applying and emphasize your relevant skills. Addressing each requirement of the advertisement is essential. If you can't follow the instructions in the job listing, the employer may not have confidence that you can execute the duties of the job.

After you've received an invitation to interview keep these tips in mind:

- Keep all communication with the potential employer professional
- Research the law firm or company you are interviewing with thoroughly
- Prepare for common interview questions
- Arrive to the interview early
- If a phone / online interview, make sure you have a clear connection, and no distractions
- Come dressed professionally for in-person or video interviews
- Maintain a professional, positive and upbeat attitude
- Speak clearly and confidently on why you are the right candidate for the job
- Bring extra copies of your resume and copies of personal and professional references
- Be prepared with specific examples of your work
- Be respectful
- Be prepared to ask your own questions about the job or company
- Be honest
- Ask about next steps and the hiring timeline
- Follow up with a personalized thank you note either by email or mail

## **Goal Setting**

Lawyers and paralegals alike are often so caught up in the everyday aspects of practicing law they lose sight of and lack focused goals for managing the business. The journey starts by creating a roadmap establishing goals and creating small benchmarks to arrive at your desired destination and helping your law firm or law organization progress toward the future.

Merriam-Webster defines a goal as *“the object of a person's ambition or effort; an aim or desired result”*. Long term and short term goal setting is of the utmost importance if you want to grow personally or professionally. I prefer to look at the big picture and then break that down into smaller, short term items to achieve my larger goal.

One popular technique of goal setting is known as the S.M.A.R.T. method.

## **Specific**

- Goal needs to specifically say what you are trying to achieve. The more precise you are in labeling your objective, the better you are able to elaborate and create actionable tasks to be successful.

### Measureable

- Goal should be measureable so you can evaluate your progress and stay motivated. Define important criteria so you will have a clear understanding of how you know when your goal is accomplished.

### Achievable / Actionable

- Goal must be realistic and attainable. It can be a challenge but shouldn't be impossible. What steps do you need to take to make this goal a reality?

### Relevant

- Goal needs to be relevant and consistent with your broader goals. Is the timing right for this goal?

### Time-Based

- Goal should have a target deadline and date assigned. Be sure you are setting realistic timeframes to complete the tasks needed. Keep yourself accountable or enlist a trusted individual to help you stay the course for your timeline. It's wise to set smaller benchmarks prior to the final deadline to measure and make sure you are on track to attain your goal. This is also helpful with motivation to complete the goal.

Incorporating goal setting within your law firm annually is a good practice that allows management, lawyers, paralegals and staff to be on the same page. Be sure to check in a few times throughout the year to evaluate progress and modify as needed. Good leaders have a plan and having a clear understanding of personal, mutual and business goals helps collaboration on all levels.

### **Finances and Accounting**

Making money and a living is one of the biggest reasons someone starts or buys into a business. If a firm wants to thrive, grow and be successful they must be knowledgeable and cognizant of the office's finances. If income and expenses aren't tracked closely by an organized financial system it's easy to lose control. Many lawyers find this process daunting but it is absolutely necessary. Financial



documents are helpful to determine the health status of the law firm and helps management plan for the future of the practice.

## **Budgeting**

Budgeting and forecasting are essential to the law firm's business. Realistic, attainable goals should be set at the beginning of the firm's fiscal year and the format simple. A budget is purely an estimate of income and expenses for a period of time with categories. It tells where you are and a planning tool for where you want to be at the end of the time period. The budget also needs to be reviewed frequently to see how close the business is meeting estimates and make adjustments as needed. Having a budget forces the owner(s) of the firm to plan rather than having money control the future and decisions.

## **Pricing and Fee Structures**

The typical law firm provides services through hourly fees, contingency fees, flat fees and pro bono or a combination of two or more of these structures. Each business will have a unique formula to determine the fees charged and what percentage of their business will accept which type of financial arrangement. These decisions will be made based on the practice area, the location of the services offered and prospective clients.

The recent trend has been moving towards clients requiring flat fee or alternative fee arrangements (AFA). Large companies such as Microsoft and GlaxoSmithKline are abandoning the transactional model in favor of AFAs. According to David Howard, Microsoft's deputy general counsel, Microsoft specifically is aiming to move 90 percent of the company's legal work to such arrangements by the end of this year. In the article titled, *Microsoft Shifts From Paying Outside Lawyers by the Hour* by Elizabeth Olsen, Microsoft hopes this arrangement will encourage more interaction and engagement between their lawyers and key advisors. (*Microsoft Shifts From Paying Outside Lawyers by the Hour, New York Times, Elizabeth Olsen, 8/3/17*) Law firms of all sizes should monitor these practices and adjust their fee agreements accordingly to stay competitive and relevant.

## **Profit & Loss**

The profit and loss (P&L) statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year. The P&L statement is synonymous with the income statement. These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both. Some refer to the P&L statement as a statement of profit and loss, income statement, statement of operations, statement of financial results or income, earnings statement or expense statement. (<https://www.investopedia.com/terms/p/plstatement.asp>)

## **Balance Sheet**

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

(<https://www.investopedia.com/terms/b/balancesheet.asp>)

## **Collections and Timekeeper Productivity**

A Collections report tells how much money the firm has brought in and can be broken down by working and originating timekeepers to report the productivity of each lawyer, paralegal or staff member. These reports can help a law firm determine where efficiencies are working and where improvements can be made.

## **Accounts Receivables (A/R)**

An accounts receivable aging is a report that lists unpaid client invoices by date ranges. The aging report is the primary tool to determine which invoices are overdue for payment. A typical aging report lists invoices in 30-day "buckets" up to 121+ days old. (<https://www.accountingtools.com/articles/what-is-accounts-receivable-aging.html>)

## **Accounts Payable**

An accounts payable aging report shows the balances you owe to your vendors. The debts consist of inventory, supplies, and services you buy to operate your business. The aging of accounts payable tracks who your creditors are, how much you owe, and how long you've owed debts.

(<https://www.patriotsoftware.com/accounting/training/blog/accounting-payable-aging-report-sample>)

## **Trust Accounting**

According to the North Carolina State Bar's Lawyer's Trust Account Handbook, *"On a daily basis, a lawyer in private practice will receive, hold, and disburse money that belongs to the lawyer's clients and to third parties in conjunction with the representation of clients. Millions of dollars flow through the hands of lawyers while serving clients—making the handling of client funds one of the most significant fiduciary obligations of lawyers to their clients. To reduce the possibility of theft, misappropriation, or mishandling of client funds, the North Carolina State Bar established trust accounting standards in Rule 1.15 of the Rules of Professional Conduct, and implemented a program of random audits of lawyers' trust accounts."*

The North Carolina State Bar Plan for Interest on Lawyers' Trust Accounts ("IOLTA") was established by the North Carolina State Bar and the North Carolina Supreme Court to generate income from lawyers' trust accounts in order to fund programs for the public's benefit.

Any funds that are entrusted to a lawyer have very strict safekeeping and recordkeeping requirements. The North Carolina State Bar requires a monthly reconciliation, a three-way reconciliation and a random quarterly review.

## **Office Processes**

### **Client Intake**

Customer service, whether catering to new potential clients or long-established clients, should always be your law firm's number one goal. First impressions are everything and as related to prospective clients, the stakes couldn't be higher. Today's clients are web savvy, sophisticated and thanks to "Dr. Google" have many lawyers competing for their business. How you initially interact with clients in the first few minutes can make or break the relationship and probability of the potential client choosing to retain your services. For this and risk management reasons, your law practice should have clearly written intake forms and procedures.

When drafting a client intake form you need to carefully think through the pertinent information needed to determine if you are the appropriate lawyer to assist the client and if expectations can be met. No intake form is alike and each should be tailored to your practice area.

The form should include at least these basic items:

1. Personal information (name of prospective client, any other names they are known by, contact information including telephone number, address, email address, which of these forms of communication they prefer, and what time is most convenient to contact)
2. Names of ALL parties involved
3. Brief description of the issue
4. What does the prospective client hope to accomplish and consider a successful resolution
5. How the prospective client found the law firm.

This form should be available to any employee of the firm answering telephone calls as well as on your firm's website.

There are also several freelance paralegals or virtual receptionist options such as Ruby Receptionists, Back Office Betties, LexReception and Answer1 who can professionally handle your intake needs if you are a solo practitioner who doesn't

have time to handle inbound calls or if your firm desires that task to be outsourced. Several of these services also offer bilingual assistants which could expand your client base.

Whoever is answering your telephone needs to be polite, friendly, speak clearly, and portray a positive upbeat attitude. Nobody wants to talk to someone who makes them feel unwelcome or as if they are inconveniencing the person they reached out to for assistance. They will certainly take their business elsewhere and your reputation could suffer.

Another important thing to communicate is to let the client know when to expect a return call or email. Best practice is the sooner the better but definitely within 24 hours of the initial contact. If you are unable to contact the prospective client back within 24 hours, it's a good idea to contact the individual and let them know you haven't forgotten about them and communicate when you are able to get in touch. Most people understand and appreciate this information as long as it is clearly communicated. Then you must return the call when you say you will.

## **Conflict Checks**

After a prospective client contacts your firm the very first thing that should be performed is a conflict of interest check.

### *Rule 1.7 Conflict of Interest: Current Clients*

*(a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:*

*(1) the representation of one client will be directly adverse to another client; or*

*(2) the representation of one or more clients may be materially limited by the lawyer's responsibilities to another client, a former client, or a third person, or by a personal interest of the lawyer.*

### *North Carolina Rules of Professional Conduct*

There are serious consequences to a lawyer's license if they represent parties who are opposed to each other or if representation will be limited by the lawyer's responsibilities to another client.

A reliable computer system or another form of office circulation is vital for the conflict checks process. It's also crucial for the employee entering the data in the conflicts database to enter the information accurately. If a name is misspelled or omitted that could cause an inadvertent issue at a later date. If a conflict is discovered you must immediately let the prospective client know you are unable

to represent them due to a conflict of interest and not pass on any other information provided to your office.

## **Engagement Agreements**

Once your conflict of interest check has been performed and there are no conflicts, you need to enter into an Engagement Agreement. Some assume a formal Engagement Agreement will offend the client but if drafted and presented in the right way, it's more than just a document where everyone agrees to pay the lawyer. An Engagement Agreement protects the lawyer and the client equally.

An Engagement Agreement should include:

1. Name of party / parties being represented
2. Scope of work to be performed
3. Firm's matter name and file number
4. Type of fee structure the legal work will be performed under and any applicable rates and / or percentages for each employee assigned to the file
5. How expenses incurred throughout representation will be handled
6. The firm's billing procedures, collection terms and methods of payment accepted
7. Client's responsibilities
8. Attorney and Law Firm's responsibilities
9. Procedures for termination of services by either party
10. Fee dispute resolution information
11. Signature and date of client
12. Signature and date of representative of law firm

## **Client Information Sheet**

A client information sheet is a resource that summarizes the information related to the client, matter, fee agreement, conflicts of interest, attorney and paralegal assignment. It is a central location to find any details related to a law firm's representation of a client's matter. This form should be saved electronically or in a paper file in the same place for every matter. That way there is no question as to where the information can be found when needed and saves time by not looking in several locations for a telephone number or fee agreement. This form should also include any important deadlines or statute of limitations which should then be added to a central calendar or docket control system.

## **File Setup**

The law firm should have a consistent electronic and / or paper system for case files. You have to think through your workflows to design processes and procedures for your individual firm. One size doesn't always fit all.

In an alphabetical system files are setup with the client / company's name followed by a "matter name" established in the Engagement Agreement. These names need to match to keep consistency.

In a numerical system each client is assigned a main number and then a decimal followed by ascending numbers for each matter.

Color coded file systems are used by some firms to indicate the type of practice area the file contains.

*("North Carolina Small Law Office Resource Manual", "Manual Office Systems" by Michael W. Bertics)*

In a paperless office it's important to set up folders and label the documents uniformly. The beginning of the title should include the year, month and day (ex. 20180412) followed by a brief description of the document (ex. 20180412 Letter to Opposing Counsel). In an office with multiple people working in your system everyone needs to be trained to label all documents the same.

### **Master Active Case List and Attorney Case List**

A Master Active Case list is useful to keep track of how many active files the firm is currently working on. Master active case lists should show the file number, file name (client or company name), matter name and which attorney(s) and paralegal(s) are responsible for the file. This is convenient when a staff member is processing incoming and outgoing mail and can quickly identify which members to direct the information.

An Attorney Case list is a tool to help an attorney keep track of the different files he or she are working on at a given time. It can also be beneficial in the paralegal and attorney relationship. If this list is kept up to date attorneys and paralegals can use this resource to facilitate and communicate frequently on the status of all files and indicate action items and deadlines.

This system can be manual or automated through a case management program.

### **File Closing and Storage**

When a matter concludes you will need a process to close out the file and prepare for storage. The first step is to draft a disengagement or confirmation of conclusion of matter letter that communicates to the client that the matter has finished, we are returning original documents and our file storage policy. This is also a good opportunity to thank the client for choosing your firm and include a survey if desired.

Closing File procedures should include:

- Ensure that all final dismissals have been filed with the appropriate courts if applicable
- Return original case materials to client making sure the law firm retains a copy (if your office is paperless, you shouldn't have the need for this conversation!)
- Pull all file materials, notebooks, etc.
- Color coded sticker added to paper file to indicate the matter is closed
- Remove from Master Case List and Attorney Case List
- If case needs to be reviewed or a judgment renewed, add deadline to firm's calendar or docketing system and include the individual responsible for following up
- Update Client Information Sheet to indicate the date the file was closed
- Place file in storage (Most files must be kept for six (6) years according to the North Carolina State Bar rules. If paperless, retain an electronic copy of the file for the same amount of time.)
- Update date in firm's calendar or docketing system to destroy files once six (6) year time period has expired

## **Vendor Relationships**

Vendors are essential to your law firm's success and should be treated as such. When searching for services it's a good practice to obtain three (3) quotes to compare and make sure you are securing the best price and service for the law firm's hard earned dollars. When evaluating quotes it's not always the cheapest option that you should choose but rather assess the level of customer service and quality of product each vendor offers. Developing relationships with partners who can collaborate with you on projects and also mutually refer clients will be a large asset to your law firm.

## **Marketing**

There are many ways to market your law firm today. The key is to focus on who your clients are, what their top problems are, how you can solve those problems and the best ways to reach those looking for your services.

## **Networking**

Word of mouth and personal referrals are one of the best ways to market your law firm. This is not limited to attorneys. Paralegals should also be included in the marketing plan. Joining professional or community and volunteer organizations are great ways to meet other people especially paralegals who practice in your practice area as well as other practice areas. It's always great when you have other professionals you can turn to with questions or to bounce ideas off of instead of trying to figure things out yourself. Inevitably prospective clients will come to

your office and either due to a conflict or a matter that is outside of your office's practice area you'll need a referral. If you've developed those relationships you will have several referral sources.

### **Email marketing**

If you choose to communicate with your clients via email such as a monthly / quarterly newsletter there are several email marketing tools in the marketplace. Some include MailChimp, Constant Contact and GetResponse.

### **Websites**

A website has been known as your law firm's welcome mat to the world. Before a client reaches out and contacts you they will most certainly run a quick Google search and peruse your site. You want to make sure your website is up to date, attractive, contains relevant information about who you are and what services you provide and gives the client clear calls to action for ways to contact the firm. If your web presence looks outdated, clients may mistakenly think you aren't up to the task of their matter. With most people using their smartphone on a more regular basis, websites should also be designed to be mobile friendly.

### **Blogs**

Content marketing is another piece of the marketing puzzle. A few years ago attorneys associated blogs with lengthy white papers and articles. Today that's not the case. Blogs need to contain relevant information that answer key questions, phrases and provide information your potential clients are searching for and potentially turning to you for assistance. Blogs should be posted regularly, at least one to two times a week. If you find there isn't time to regularly draft blogs, there are professionals that you can outsource these posts.

In addition to the written blog, video blogs (otherwise known as "vlogs") have become increasingly important. Not only does your video need to be high quality, but it needs to be searchable by text and voice commands. Search engines have complex, frequently changing algorithms and law firms need to stay up to date on how to keep their web sites relevant.

### **Social Media**

Social media is a powerful and essential tool in today's marketing landscape. Your law firm should evaluate where your clients obtain information and structure your social media plan around those outlets. You don't have to be on all platforms, but you should be on the ones that best suit your law firm and clients. It should be designed in a manner that projects a professional image of the firm. When clients are looking for law firms they will look at your website and social



media platforms. If the applications' appearance and content are outdated or unattractive clients will move on to the next search result.

Popular platforms include:

- Facebook
- LinkedIn
- Twitter
- YouTube
- Instagram
- Snapchat
- Reddit
- Quora
- Avvo

As with any other type of printed marketing, your firm will need to include a phrase that lets the reader know the information published is for general information and should not be construed as formal legal advice or the formation of a clientele relationship. The goal is to get potential clients to take that next step of contacting you when searching for a law firm or to remember your firm when a legal matter arises.

## **Technology**

In an article titled "When Should You Upgrade Your Technology" Allison Shields notes there are several triggers that are indicators of when it's time to upgrade your technology. If any of these sound familiar, now is probably the time. (*When Should You Upgrade Your Technology? Allison C. Shield, Law Practice Magazine, January / February 2019*)

- Spending too much time troubleshooting or constantly calling the IT department
- Current technology is creating a bottleneck
- Too many steps or clicks to accomplish a task
- Multiple complaints from users
- Compromising client confidentiality or data security

When choosing new technology, it's important to get the right products that will be utilized and make your office more efficient. Carefully consider all options, take advantage of live demonstrations and trial subscriptions before committing. Once implemented always backup (this includes cloud software and document storage)!

## **Wellness**

Working in a law firm can be rewarding but often is very demanding, stressful, and mentally and emotionally draining. Depending on the practice area your law firm focuses on, many times, clients are looking to your firm to help resolve a high stress situation. A lot of attorneys and paralegals go to work in a law firm to help others and make a difference in someone else's life. The road to get there isn't always easy though and it's important to take care of yourselves and co-workers. If you are depleted, you won't be able to be effective for the clients seeking your firm's services.

### **Tips to Boost Your Mental Health**

- Get adequate sleep
- Exercise (find an accountability partner!)
- Take small breaks throughout the day and step away from your desk
- Use mindfulness apps such as Headspace, Calm, Breathe, The Mindfulness App, Mindfulness Daily, Mindfulness Coach, 10% Happier
- Show others kindness and practice forgiveness
- Establish professional and personal boundaries
- Don't be afraid to ask for help

*Focus on only what you can do and only do those things.*

### **Conclusion**

Running a law firm is challenging and rewarding. With careful planning and strategy execution your law firm can be successful in business and in your relationships with the community and people you serve. Figure out what works for your circumstances and office, consult an attorney (!) and go for it.

# Law Firm Management

North Carolina Paralegal Association  
39th Annual Meeting & Seminar

April 12, 2019

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 Alicia-Lewis-NC

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#NCPAAskAlicia

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## 21<sup>st</sup> Century Law



Change is the only constant.  
—Heraclitus

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NORTH CAROLINA  
STATE BAR

\* "...Every lawyer is responsible for observance of the Rules of Professional Conduct. A lawyer should also aid in securing their observance by other lawyers. Neglect of these responsibilities compromises the independence of the profession and the public interest which it serves." – [16] Preamble, North Carolina Rules of Professional Conduct

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The diagram consists of five overlapping light blue circles arranged in a pentagonal pattern. Each circle contains text describing a different business structure:

- Sole Proprietorship / Solo Practitioner** (top-left circle)
- Registered Limited Liability Partnerships (LLP)** (top-middle circle)
- Professional Limited Liability Company (PLLC)** (top-right circle)
- General partnership** (bottom-left circle)
- Professional Corporations / Associations (PC/PA)** (bottom-right circle)

[illegible]

## A close-up photograph of a person's hand writing the word "PLANNING" in bold, black capital letters on a white page of a spiral-bound notebook. The word is underlined. To the left of the word, there is a diagram showing a flow from "C" to "A" to "B" to "C", with "A" and "B" each having a list of items below them. The notebook is resting on a red and black patterned surface.

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Common North Carolina Employment Law		
Law	Description	Employed Employees
Discrimination Based on Age or Sex	Publicly discriminate against employees who have reached 40	All
Discrimination Based on Race or National Origin	Employers cannot discriminate or retaliate from employees who are of a particular race or national origin	All
Equal Employment Opportunity Act	Prohibits an employer from discriminating on the basis of race, ethnicity, sex, religion, age, or disability	11 or more employees
Harassment (Sexual Harassment)	Prohibits an employer who has created the Harassment of an employee or an employee who has been sexually harassed or treated, or who is about to be treated, in a prevailing regulatory because harassment, as required under the law, to take any action to prevent or remedy and to defend the employee's liability	All
Salary Discrimination	Employees have been paid less for any job or are working as long as a part-time	All
Military Service Discrimination	Prohibits discrimination on the basis of National Service and those who have been in the military	All
Payroll with Deductions	Payroll discrimination based on disability	11 or more employees
Retaliation (Employee Retaliation)	Employers may not retaliate against employees who engage in protected activities or who have been subjected to an adverse action, including any investigation, investigation, or discipline, on the basis of protected activities	All
Wage and Hour Act	Establishes minimum wage requirements, overtime, overtime including overtime wage, employee age requirements, overtime	All

By: Christine Mayhew / Kayla Russell – Anderson Jones, PLLC

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Online Job Search Engines



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Legal Industry Association Job Boards



Welcome To The  
NORTH CAROLINA  
PARALEGAL ASSOCIATION WEBSITE

North Carolina Paralegal Association Career Center

<https://www.ncparalegal.org/career-center>



<https://www.nala.org/career-center>

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College Career Centers / Job Boards



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Colleges and Universities in North Carolina that offer paralegal/legal assistant degree programs

<https://www.paralegal411.org/schools/north-carolina/> & National Center for Education Statistics College Navigator

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Classifieds /  
Print  
Advertisements

- Legal Industry Newspapers / Magazines
- Local Regional Newspapers
- Local Business Newspapers

IN NORTH CAROLINA

## LAWYERS WEEKLY

**PARALEGAL/ SECRETARY**

Paralegal/Secretary needed in Raleigh  
litigation/defense firm.

Provide legal research and  
writing and bookkeeping for  
litigation/defense firm.  
Burrus, Spivey & Associates, LLP  
P.O. Box 6000  
Greensboro, NC 27402  
jphillips@burrus.com

**Legal Assistant**  
Must be a recent graduate  
of a law school or college.

Must be a recent graduate of a law school or college.  
Must be a recent graduate of a law school or college.  
Must be a recent graduate of a law school or college.  
Must be a recent graduate of a law school or college.

**Family Law Paralegal**

Seeking an experienced family law paralegal with current  
experience in family law. The ideal candidate will  
be detail oriented, able to work in a fast paced  
environment and possess excellent organizational  
and time management skills.  
Please send resume to  
law@burrus.com

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Social Media /  
LinkedIn



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Law Firm and  
Company  
Websites



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## Recruiting / Staffing Agencies\*



\*Not endorsements

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## Word of Mouth / Networking

If you want to go fast, go alone.  
If you want to go far,  
go with others.

African Proverb



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## Resume Tips

No typos or grammatical errors	Professional font, text to email and self-update	Use a professional email address
Include current contact information	Use present experience that is relevant to the job you are seeking	Include URLs to social media sites and professional blogs
Tailor your resume to the job description		Have someone else proofread

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The Interview

Step 1: Preparation (Research, Interview Questions, Interviewer's Role)

Step 2: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 3: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 4: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 5: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 6: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 7: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 8: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 9: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

Step 10: Interviewing (Establish Rapport, Ask Questions, Listen, Take Notes)

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Goal Setting

**SMART**  
METHOD

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SPECIFIC

Goal needs to specifically say what you are trying to achieve.

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MEASUREABLE

Define specific criteria for measuring progress toward the accomplishment of each goal you set so that you can measure and keep track of your progress.

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Achievable

How realistic or achievable is the goal, based on other constraints?

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Relevant

Your goal must be relevant with other goals established and fits with your immediate and long-term plans.

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Time-Based

Determine  
the time  
deadline for  
accomplishing  
your goal.

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Finance and  
Accounting



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Budgeting

A budget is purely an estimate of income and expenses for a period of time with grouped classifications.

Spend less money than you bring in!

Be prepared to make adjustments and use your history to plan.

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**Pricing and Fee Structures**

- Hourly
- Contingency
- Flat Fee
- Alternate Fee Agreements
- Pro Bono

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**Profit & Loss**

The profit and loss (P&L) statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year.

Also referred to as an Income Statement

Income Statement	Income Statement	Income Statement
For the period 2/1/2019 to 2/28/2019	Page 2 For the period 3/1/2019 to 3/31/2019	Page 3 For the period 4/1/2019 to 4/30/2019
Income	TOTAL PAYROLL EXPENSES	Software Costs
For Honor:	Services	Printing
Non-Cash Expense Income	Other Contract Services	Equipment Repair
Interest Income	TOTAL SERVICES	Rent
<b>TOTAL INCOME</b>	Insurance	ADP Payroll Fees
Expenses		Credit Card Processing Fees
Start Salaries		Accounting Fees
		Advertising & Promotion

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**Balance Sheet**

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

<https://www.irs.gov/efile/efile-prepare-balance-sheet.aspx>

ASSETS = LIABILITIES + OWNER'S EQUITY	
BALANCE SHEET	
<b>ASSETS</b> - MONIES AND RESOURCES OWNED BY THE COMPANY	<b>LIABILITIES</b> - DEBTS OF THE COMPANY
	<b>OWNER'S EQUITY</b> - CONTRIBUTION OF OWNER AND PROFIT RESERVE
<b>TOTAL ASSETS:</b>	<b>TOTAL LIABILITIES AND OWNER'S EQUITY:</b>

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### Collections / Timekeeper Productivity

A Collections report tells how much money the firm has brought in and can be broken down by working and originating timekeepers to report the productivity of each lawyer, paralegal or staff member.

Can help a law firm determine where efficiencies are working and where improvements can be made.

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### Accounts Receivable

An Accounts Receivable report details how much money a law firm / company is owed.

Best practice is to not allow accounts to age too – much – intervene early.

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### Accounts Payable

An accounts payable aging report shows the balances you owe to your vendors. The debts consist of inventory, supplies, and services you buy to operate your business. The aging of accounts payable tracks who your creditors are, how much you owe, and how long you've owed debts.

(Compare these patterns to your own company's aging of accounts payable to see if yours is healthy or not.)

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## Trust Accounting / IOLTA

Any funds that are entrusted to a lawyer have very strict safekeeping and recordkeeping requirements.

- The North Carolina State Bar requires:
  - Monthly Reconciliation
  - Three-way Reconciliation
  - Random Quarterly Review

The North Carolina State Bar Plan for Interest on Lawyers' Trust Accounts ("IOLTA") was established by the North Carolina State Bar and the North Carolina Supreme Court to generate income from lawyers' trust accounts in order to fund programs for the public's benefit.

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graph LR
    A[Lawyer's IOLTA Trust Account] -- "Bank Pays Interest-less Bankwide Service Charge" --> B[Funds to NC IOLTA Program]
    B -- "Grants for Legal Services to the Indigent and Improvement of Administration of Justice" --> C[ ]
          
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## Office Processes

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## Client Intake and Service

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## Client Intake Form

Personal Information

- Full name of prospective client and any other names they are known by
- Contact information including:
  - Telephone numbers
  - Physical address
  - Email Address
- Social Security Numbers or License Details (if your practice area requires this information) – Make sure you are following rules to protect sensitive information
- Which form of communication is preferred
- What timeframe is convenient to contact them

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## Client Intake Form

- Names of ALL opposing parties involved
- Brief description of the issue
- What does the prospective client hope to accomplish and consider a successful resolution?
- How the prospective client found the law firm.

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## Conflict Checks – Current Clients

Rule 1.7 Conflict of Interest: Current Clients

(a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if:

- (1) the representation of one client will be directly adverse to another client; or
- (2) the representation of one or more clients may be materially limited by the lawyer's responsibilities to another client, a former client, or a third person, or by a personal interest of the lawyer.

(b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if:

- (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
- (2) the representation is not prohibited by law;
- (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and
- (4) each affected client gives informed consent, confirmed in writing.

North Carolina Rules of Professional Conduct

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### Conflict Checks – Prospective Clients

**Rule 1.18 Duties to Prospective Client**

(a) A person who consults with a lawyer about the possibility of forming a client-lawyer relationship with respect to a matter is a prospective client.

(b) Even when no client-lawyer relationship ensues, a lawyer who has learned information from a prospective client shall not use or reveal that information, except as Rule 1.9 would permit with respect to information of a former client.

(c) A lawyer subject to paragraph (b) shall not represent a client with interests materially adverse to those of a prospective client in the same or a substantially related matter if the lawyer received information from the prospective client that could be significantly harmful to that person in the matter, except as provided in paragraph (d). If a lawyer is disqualified from representation under this paragraph, no lawyer in a firm with which that lawyer is associated may knowingly undertake or continue representation in such a matter, except as provided in paragraph (d).

(d) Representation is permissible if both the affected client and the prospective client have given informed consent, confirmed in writing, or:

- (1) the disqualified lawyer is timely screened from any participation in the matter; and
- (2) written notice is promptly given to the prospective client.

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### Engagement Agreements

Name of party/ parties being represented
Scope of work to be performed
Firm's matter name and file number
Type of fees, time and expenses, with the person's time and any applicable rates and fee percentages, as each employee, accrued to the file.
How expenses incurred throughout representation will be handled
The firm's billing procedures, including the time and method of payment accepted
Client's responsibilities
Attorney and law firm's responsibilities
Preconditions for termination of services by either party
Dispute resolution information
Signature and date of client
Signature and date of representative of law firm

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### File Organization

Late 1990s

2000s

Present / Future

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**Case Lists**

**Master Active Case List**

- Useful to keep track of how many active files the firm is currently working on
- Should include: file number, file name (client or company name), matter name and which attorney(s) and paralegal(s) are responsible for the file

**Attorney Active Case List**

- Tool to help an attorney keep track of the different files she or he are working on at a given time
- Assists with communication between attorneys and paralegals

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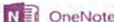

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**Productivity**

**Task Management**

- Schedule tasks rather than operating from email or memory
- Helps you to organize your day and focus on the daily important tasks
- Reduces stress

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**File Closing and Storage**

*Upon completion of a client's matter, the file must be retained and stored for six (6) years*

- Ensure that all final dismissals have been filed with the appropriate courts if applicable
- Return original case materials to client making sure the law firm retains a copy of your office's paperless, you shouldn't have the need for this conversation!
- Put all file materials, note books, etc.
- Color coded sticker added to paper file to indicate the matter is closed
- Remove from Master Case List and Attorney Case List
- If expedient to be reviewed, the document reviewed, and then with firm's expense or docketing system add indicate the individual reason for the following case
- Update Client Information Sheet to indicate the date the file was closed
- Place in storage (Most files must be retained six (6) years according to the North Carolina State Bar rules. (If paperless, retain an electronic copy of the file for the same amount of time).
- Update date in firm's calendar or docketing system to destroy files once six (6) year time period has expired

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## Vendor Relationships



- Vendors are people too! Treat them as such.
- Always obtain 3 quotes when researching services / products
- Consider all factors when making decisions

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## Marketing




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## Technology

### Signs it's time to upgrade your technology

- Spending too much time troubleshooting or constantly calling the IT department
- Current technology is creating a bottleneck
- Too many steps or clicks to accomplish a task
- Multiple complaints from users
- Compromising client confidentiality or data security



When Should You Upgrade Your Technology? Allison C. Shield, Law Practice Magazine, January / February 2013

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# Thank you!

Alicia W. Lewis  
Firm Administrator / Controller  
Anderson Jones, PLLC  
(919) 277-2541  
[ALewis@andersonandjones.com](mailto:ALewis@andersonandjones.com)

 Alicia Lewis-NC  
 @AliciaLewisNC

## Law Firm Management

North Carolina  
Paralegal Association  
39th Annual Meeting  
& Seminar  
April 12, 2019

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