

## **How to Set Up a Small, Efficient Law Practice.**

*Diane L. Drain*, Counselor and Attorney at Law, August 2004<sup>1</sup>

Quality of life issues are inseparable from a lawyer's decision to go solo. If these issues are not your driving force for going solo, they will certainly come to the forefront as you begin your practice. If you are a recent or soon-to-be law school graduate who is unable to find a job - a situation too common today - your need for economic security, or at least the ability to pay your bills, may propel you toward hanging out your own shingle. If you have been practicing for a few years in a mid-to-large-size firm and are looking for more control and flexibility in your career, then moving to your own firm may be a good option. If you are an experienced practitioner, you have likely achieved economic security. You may be driven more by the need for additional professional development or the need for an increased sense of purpose - the feeling that you are making a contribution. Under any of these scenarios, it is likely that one or more quality of life issues will move you toward thinking about, then diving into, a solo practice. My experience has been that opening one's own practice can be both personally and professionally rewarding and economically advantageous.

Depending upon your circumstances, a solo practice also has a way of bringing quality-of-life issues into sharp focus on a daily basis. Being responsible for every facet of a practice can leave one with feelings ranging from extreme satisfaction and joy to fear and anxiety -- sometimes all in the same day. This chapter will serve as a blueprint as you consider opening your own office. It will also act as a guidepost as you take action to implement your decision to take this important step to independence and self-satisfaction.

### **MAKING A CHANGE IN YOUR PRACTICE**

Before moving from your existing situation, you should first determine what style of practice best suits your professional, philosophical and emotional needs. You are more likely to be productive, and therefore more efficient, if you are comfortable in the style of practice that you have chosen. Do not shy away from alternative practice styles just because they are different. Do not let the naysayers dissuade you from trying something creative.

The American workplace is changing. Goals that were considered highly respected business goals yesterday are not held to that same level of respect today. In deciding whether you want to change your current situation, you must first clearly understand your own goals. These goals may be best defined by reliving some of the dreams that you have, or have had, regarding your future. The first step in defining your goals is to describe, in writing, your definitions of success, respect, security and responsibility. Next, analyze your long-term needs, those of your family and those of your business relations. The following questions may help you in defining your goals and analyzing the style of practice for which you may be best suited. Your answers must be unqualifiedly truthful.

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**A VERY IMPORTANT NOTE FROM A READER:** *I have carefully read the articles from your site several times and greatly appreciate the brutal honesty of your comments. I am finding that I am not devoting nearly enough time or attention to practice/money management and I have to face some brutal realities about my own basic instincts on money. At the moment, I am motivating myself with Sark's mantra, "Embrace Abundance", which I am interpreting to mean that I must honestly embrace and manage the abundance which results from my work, rather than trying to ignore it, be embarrassed about it, play it down.*

*I am mentioning all this because I thought it might be interesting to you in your workshop. Although Amicus and other management systems and software may be very helpful, sometimes the problem is not in what we know but what we will. Particularly for women, we must empower ourselves in our professions and that requires accepting both power and money as attributes of success. Jennifer Lantrip", jlantrip@worldnet.att.net.*

**What is success?** Do you define it in terms of money, power, reputation, family relationship, community involvement or something else? Draw a pie chart and place each of these items into a separate area, making the size of each area proportionate to its importance to you. Include any others that are also important to you. Use your own descriptions so this chart becomes meaningful for you.

**What are your own specific needs:** time, money, emotional commitment to family, and work?

**What are the specific needs of your family:** time, money, emotional commitment?

**How do you picture your future?** Examine the next five, ten, twenty, thirty and fifty years. Create a picture in your mind of your surroundings and your involvement in your family, profession and community. Build on that picture so that each successive time period adds additional pieces of the puzzle until the ultimate picture is complete. It is usually easier to begin by visualizing one of the later periods and then work backwards.

**What do you need to accomplish each year to create the picture you have for these various stages in your life?** Hint: Never reject an option just because it does not fit your A five-year goal. Also, be willing to reanalyze your long-term goals to determine if you have changed your ultimate picture. But do not be so flexible that your goals become wishes and dreams with no chance of becoming reality.

**If one of your goals is to be your own boss, answer these additional questions:**

- Are you able to be a boss? Why?
- Are you willing to be a boss? Why?
- List the attributes of a good boss/manager. Now list your attributes as a boss/ manager. Where are the deficiencies? Is it possible to supplement those deficiencies with other resources? For example, you can hire a bookkeeper if you cannot or will not balance your checkbook.
- Ask others whom you respect to describe their perceptions of a good boss/ manager. What are some of their ideas of a bad boss/manager? Compare your list with theirs. Have you ever been your own boss? If so, did you and/or your family like you during that period?
- How much staff assistance do you and your area of practice require?
- How much peer interaction do you and your area of practice require?

- What resources do you and clients deem necessary? Which of those resources are merely luxuries and could be supplemented with alternative resources? Can you afford to purchase the resources that you and your clients deem necessary?

**If one of your goals is to be a solo practitioner, then answer the following questions:**

- Are you capable of handling a multitude of tasks at one time?
- Are you challenged by and do you take pride in multiple tasking?
- Are you willing to compromise billable time for management time? (Hint: most solos will tell you that they spend at least 50 percent of their time managing their practice. This is time that they cannot spend billing hours.)

**Consider the type of office that you need:**

- What type of office location do you require (need, not want)?
- What type of office location do your clients require?
- Do you require a formal, multi-lawyer office setting, or is the option of an office-sharing or executive suite a possibility?
- Would a home office<sup>1</sup> be a possibility? A home office can either be a supplement to a downtown office, or it can be your only office.

For the second year running, research shows that independent professionals are happier with their work situations than professionals in a traditional work environment. The survey revealed that 70 percent of the independent professionals are very satisfied with their work, as compared to just over 50 percent of those professionals employed in a traditional work environment. Nine out of ten of the independent professionals say they work independently by choice, not because they were victims of downsizing or other circumstances. <http://www.aquent.com/>.

**Business Etiquette:** Basic office management tips from “Ask Heloise”<sup>2</sup> We believe the operation of a law office has some special ranking in the overall hierarchy of business structures. How wrong we are. Here are some very basic tips that will help any practitioner get and keep clients:

- (1) Put yourself in your client’s place. Would you use your business?
- (2) Is clients treated with respect, and are their comments or complaints evaluated?
- (3) Are directories or other signs easy to see? Easy to understand?
- (4) What about the person who answers the phone? Are they well trained, levelheaded, knowledgeable and personable? This is often the only contact potential clients have when deciding to use your business.
- (5) Drive past your business. Can you see the sign? What about parking, maintenance, traffic congestion? Use the public entrance. What is your perception? As a friend/relative who has never been to your office to make the same critique.
- (6) Involve your staff or employees in decisions when possible.
- (7) Assign duties based on abilities and interest when possible.
- (8) Treat employees the way that you would want to be treated.

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<sup>2</sup> *Hints from Heloise*, The Connection, by June Hayes, April 2001.

## SETTING UP A SMALL OFFICE

The considerations in setting up a solo office are the same as setting up a multiple-lawyer firm, except you may be the sole decision-maker. All equipment, file setup and staffing requirements must be determined. These decisions will be influenced by the physical size of your office, your monetary constraints, the requirements of your clients and/or the demands of your particular area of law.

You must make a commitment to establish a firm foundation for the startup and continued operation of your law office. The following diagram identifies the basic building blocks for every organization, including law offices.

Without a firm infrastructure your office will never be able to support the items above it. As to the support issue - one of the most universal shortages is the law firm's commitment to train and support on the items that the firm uses (e.g.: software, procedures and policies).

### I. OFFICE OPTIONS:

**Your requirements.** There are several options when you look for office space. Don't be shy about letting your fellow lawyers know that you are looking for space. At the Arizona State Bar Solo Sections MCLE luncheon, at least two such announcements are made each month, along with announcements of rental space. Some practitioners have been lucky enough to work Sweat equity deals for their office space. That is, the other lawyers in the office need part-time work, but would rather avoid the overhead of hiring a full-time associate. They rent out an extra office in exchange for a specified amount of work per month.

- *Purchasing property.* Carefully investigate the location, the parking facilities and the security. What tax advantages will you realize by purchasing rather than leasing?
- *Renting or leasing property.* Many existing law firms will rent extra offices. This space may or may not include secretarial space, use of the firm library, and other facilities. Take into consideration issues about confidentiality for both the existing firm and your new firm (including telephonic and file privacy). Client's needs and expectations should be considered when choosing the appropriate setting for your new firm.
- *Renting an executive suite may be an option.* This office can be your main office, or one of several that you have on your letterhead. In addition, you may choose to use your home office as a satellite to your primary office. With this option, you pay a flat monthly rate depending on your needs. Your choices include having all your calls answered by their receptionist, using their address as your office address for mail and deliveries, and using their copy machine, fax machine and/or conference room.
- *Shared Office Space:* You may now post or search for shared office space at [Offices2share.com](http://Offices2share.com)<sup>TM</sup>, the only online site with a large nationwide database exclusively for the shared office space market. According to an article written by the New York Law Journal, Lawyers are now discovering another viable alternative to the traditional leasing of office space. The article reads in part: "...As Manhattan leases run out and rents are raised to dizzying heights, lawyers are being pushed out in lieu of higher-paying tenants, often the well-financed Internet companies... A viable alternative for small firms and solo practitioners... is to find a share in a larger law firm with extra space to lend. A random telephone survey of more than 150 law firms in New York City found that 25 percent of

those polled inhabit shared office space. The survey was conducted by [www.Offices2share.com](http://www.Offices2share.com), 1.888.850.3440.

- *Office Suites*: Here are notes from two friends in Phoenix who has set up separate office share suites:

(1) The best advice I can give is to see all of them because they are all different. Find out what's included in the base rent and what is extra. I came across one that included ten "free" hours of staff support. In other words, that's built into the rent whether you use it or not. The suite I am in charges \$5 per six-minute "unit" of staff time for clerical duties.

The phone package is also important. It should include the instrument, voice mail and conferencing ability. All of the suites I visited charge separately for this. Some include a second line for data, others charge extra. I have a speakerphone package, T-1 Internet connection plus a separate line for fax for which I pay a total of \$285/month. Also, conference rooms are very important. How do they look? What audio/visual facilities do they have? How many are there and what size? How many people use them? Finally, ask how many hours of conference room time is included in base rent. They all have a set number, after which you are charged for additional hours. R.C.

(2) Here are notes on my new office space (2003 information): 8655 East Via de Ventura, Suite G-200; Scottsdale, AZ 85258; Image Package (includes 4 hours - 10 hours conference room - phone number and address are these standalone - \$45/hour; phone: \$150/mo, includes voice mail; \$200/mo phone, voice mail/ mailing address; \$375 - phone/voice mail, mail, 4 hours conference room; \$385 all above, plus 10 hours of conference room; plus office space if you later decide to move (office windows, and other spaces). J.G.

- *Office in your home*. The home office is back. Offices or stores with adjoining living quarters have been part of the business world for hundreds of years. Thanks to technology these home offices are now back. Through the use of technology it is now possible for a home-based practitioner to compete with a large firm, control their overhead and offer their clients quality work for reasonable prices.

A home office allows the lawyer to make better use of their time. But there are several other issues that go beyond the bounds of this article regarding the proper care and feeding of a home office. For more information see *How to Set up a Law Office in Conjunction with Your Home*, by Diane L. Drain, at <http://www.legalresourcegroup.com.com>.

**Clients' expectations.** Your choice of location or style of practice may be dictated in large part by your current or prospective clients. Many of my clients are large, commercial lenders, a good number of which are out-of-state. Therefore, I usually meet them in their offices or communicate with them by telephone, e-mail and/or fax. Clients like these would have little influence over the type of office you choose because they will probably never visit their lawyers office. Therefore, an executive suite or home-based office may be a good alternative. In fact, these options may permit the lawyer to be available during unusual hours. In a profession where our clients are spread throughout the world, a more flexible work schedule may be very appealing to clients in varying time zones.

## II. EQUIPMENT<sup>2</sup>

**(1) Computer.** Buy the most powerful computer you can afford. Your best investment is to purchase the largest hard drives and the most amount of RAM that you can afford. Make certain that your computer can be easily upgraded. You also need a CD or DVD/CD read/writer, and the fastest fax/modem. Unless your tech guarantees quality, stay away from motherboards that have the video and audio (some times the network) cards built on board. The box that houses your computer should be a mid or full sized tower. Always buy brand names and find a local computer company that will build and repair your units on site. I do not recommend buying any ready-made units that must be sent back to the manufacturer for repairs. Dell has a great "on-site" service agreement. Having said that, my preference is to have a local tech build my computer and guarantees a short repair time.

You must be willing to dedicate the time necessary to learn to operate your new computer. Having just spent a great deal of money for both the hardware and software, you need to be able to use the resources you have purchased. The more efficient you are on your computer, the greater advantage you will have over your fellow lawyers who are still not sure how to turn on their computers.

**Office policies:** Policies need to be in place regarding the use of the office equipment and supplies. Each office may have unique issues, therefore those policies need to be careful throughout, put in writing and honored by all. One such policy may include whether or not the computers stay on all the time. This is a question that all tech support has been asked and each person has his or her own answer. Whatever your office elects to do remember the following: your computers store all the information in your office. Without properly protecting that information your office could be seriously impacted. Two major points must be considered: (1) power surges and (2) invasion of your electronic information.

If a computer is left on and a brownout or power spike hits then your computer's hard drive, motherboard and peripherals may suffer irreparable damage. One way to protect from this type of damage is through the use of a UPS or "uninterruptible power supply". A UPS provides instantaneous battery power backup and filters out power spikes. A power surge protector or strip does not offer protections against major power surges, only momentary interruptions. Make sure to read the manufacturer's warnings and guarantees regarding the type of equipment that can be attached to the UPS.

Secondly, security must be instituted to protect your electronic information from outside invasion. Later in this article you will find more specifics on this issue.

Another issue that comes up regularly is whether or not to purchase upgrades of your existing software. This is the same question that you must answer annually when you receive notice from the legal research publications that the update is now available. Most likely your decision to purchase is based on the value that the publication has brought to your firm. This is the same analysis that you should use in deciding whether or not to upgrade your software. I do not suggest that you purchase each and every upgrade. Certainly, if this program is useful to your firm, you will need to commit to keeping the program upgraded with each major revision.

**Backup.** All information on your computer must be backed up on a regular basis, preferably daily. Plan on your computer "crashing" at least once a year. If you have properly backed up all

the information on your computer, it will be a fairly painless process to get your office up and running again.

The question that you should ask yourself is how long will this take (equates to how long you can afford to have you office shutdown) and how much information are you willing to lose (equates to how much time are you willing to commit to duplicating the information)? There are three basic backup issues. The first is saving information as it is produced. The second is creating a system that will save all your data. And the third is rebuilding your harddrive so that all data and software is in the same format that it was before the unfortunate crash.

There are several different ways to back up your work. The first is to back up your work product as you type. Good word processing programs have internal commands to accomplish this. I recommend setting your automatic backup for at least every 5 to 10 minutes. What this means is that you will only have to retype a maximum of 10 minutes worth of work if the electricity goes off or the word processing program fails. This type of back up, however, affects only your files or data - not your software programs.

The second and more important option is to back up your software and your files. The most foolproof option is to use an internal or external hard drive that creates a mirror of your server's hard drive. You can accomplish this mirroring by using Windows NT Server to copy all information simultaneously to two hard drives as the information is being created. If you do not have Windows NT then you can accomplish this mirroring by using a software program called *Norton's Ghost*. There are several other programs that create mirrors, but it has been my experience that *Ghost* is the best for this purpose. You will need to set office procedures that require mirroring at certain times of the day or week. If you do not have mirroring working at all times, then you will need to use a second software package that backs up automatically at a predetermined time – I recommend Second Copy [www.centered.com](http://www.centered.com). *Ghost* is not designed to work automatically but does the best job making an identical copy of your data and programs, including all hidden files and operating system commands. Whereas, Second Copy works automatically at pre-set times and makes reliable copies of your data and programs. I also recommend Go Back [www.goback.com](http://www.goback.com) (by Symantec) as a program that allows you to reset your computer to some earlier date. This would work in case of a virus or the installation of some software that you then decide you want off you computer. Easy to use and virtually seamless in its ability to rebuild your hard drive to an earlier time or date.

A third method is a timed backup; scheduled for the end of each workday using magnetic tapes. The failure rate for these tapes is almost fifty percent and the tapes degrade in just 6 months. Therefore, I do not recommend these be your only form of backup. As with Second Copy, the tape backups can be scheduled to automatically back up at certain times of the day and/or week. This will save you or your staff the task of remembering to back up regularly. Of course, your computer needs to be turned on in order for the automatic backup to work. If possible, match the size of the tape backup to the size of your hard drive. But given the size of the current hard drives that may be very expensive.

The least efficient and most time-consuming option is to back up your data files on individual disks, using a single disk at a time. Avoid this practice if at all possible, but it is certainly preferable to no backup at all.

Using the Internet as a depository for your data is a possibility. Check with PC Magazine for their recommendations. Cost is either based upon the amount of information stored or a monthly amount for a given number of users. Microsoft offers 100 mg of free space: see - <http://officeupdate.microsoft.com/services/service.asp?sid=2.1>. This type of on-line storage is still experimental so do your homework first. Ask questions about security, and make backup plans should the company you are storing your data with goes under. For more discussion and suggestions see **On-line Document Management**: Electronically further in this article.

**(2) Software.** Do not experiment with different packages (too expensive in time and money). Ask friends and qualified experts for their suggestions of legal software packages that work for small firms. Take the time for formal training for both you and your staff. This training will reduce your downtime by 500 percent or more and will decrease the frustration levels for everyone in the office. Many software programs are available, but few are designed specifically for the law office. Determine what you are trying to accomplish before investing in the software.

There are several software programs available, but few are designed specifically for the law office. It is important that you determine what you are trying to accomplish before investing in any software. At the very least you will need the following types of software:

***Disk operating systems.*** This is the program that tells your computer how to think. The options includes, but are not limited to: Windows 98, Windows 2000, Windows NT, XP, Unix, Linux, and OS-2. For the small firm I recommend starting in Windows 2000 Pro. Make sure that all software you purchase is compatible with your operating system. If ironclad security is important – talk to the techs at other firms that have your same concerns.

If you are buying a new computer, it will most likely come pre-loaded with an operating system and other pre-loaded software. If you are considering updating your operating system I suggest you have someone experienced with the new operating system to load it for you. Make the change on a Friday night and expect that you and your technician will need to spend most of the weekend getting all the computer instructions formatted for the firm's specific needs. Without exception, always back up your entire hard drive before attempting to load or change any software or operating systems on your computer.

***Office management software.*** You will hear these programs called personal information managers, or PIM's. The purpose of these programs is to combine all functions of your calendar, docket, conflict checks, timekeeping, "to do" lists, and file information into one central location. Many of the programs provide some, but not all, of these integrated functions.

I have been using *Amicus Attorney Pro* for several years and find that all the information I need to properly manage my law office is easily accessible. Data entry need only be made once, and all information is cross-referenced into other locations. I am pleased with *Amicus* because a lawyer designed it, therefore it looks and acts like a law firm, not a sales office. It uses icons that all attorneys will recognize: file folder, telephone, calendar, contact list, call center and time clock. The program thinks like a very thorough lawyer and uses terms that I understand. This is compared to other programs in which I was required to learn the programmer's definitions, rather than the programmer using mine. Most important, it is very user friendly and does not take any experience to use the program efficiently.

Of course, the more that you use it the more information you will be able to gather from several internal sources. *Amicus's* major competitor is *Time Matters for Windows*. If you enjoy customizing your software to reflect your unique style then *Time Matters* may be for you. For the non-computer technician it is visually overwhelming and takes a great deal of time to "tweak" to fit a particular style of practice. Investigate before you buy.

**Time management packages.** If your office management software does not have a built in time-keeping function, then you will need a method to keep track of your time. Even if you are billing your clients by flat fees, or contingent fees, most courts are now requiring evidence of the total time you actually spent on this file. *Timeslips* is a product many attorneys use throughout the U.S., but it has become unnecessary. I have found that using my PIM - *Amicus Attorney* <http://www.amicusattorney.com> and my bookkeeping program - *PC Law* <http://www.pclaw.com> I no longer need *Timeslips*. All of my timekeeping is done in *Amicus* and then almost effortlessly imported into *PC Law* for billing and accounting purposes.

**Accounting software.** Another software package that you will need is an accounting package. It is important to make sure that your office management and/or timekeeping programs talk to your accounting program, or it will be necessary to input information separately into each program. DO NOT RELY ON THE SOFTWARE SALESPERSON'S REPRESENTATION THAT THESE TWO PROGRAMS WORK. There are several accounting packages available with links to different office management or timekeeping programs. Some of these links work and some fail miserably. I use *PC Law*, which merges with *Amicus Attorney* very well. In fact, *PC Law* automatically numbers each new file so that I cannot open two client files with the same number. *PC Law* produces two different versions of the same software package. *PC Law*, which accommodates 10,000 new client numbers, and *PC Law*, which accommodates 3,500 clients. *PC Law* prepares the bills, prints pre-bills, and does all accounting functions, including multiple trust accounts, trial and final balances and produces very detailed management reports.

**Word-processing.** The word processor is the program that you use to draft your legal documents and correspondence. Most of these programs are very "user friendly," but do require training in order to use them to their full advantage. There are software "suites" available, which combine word processing, spreadsheet, data manager, and perhaps desktop publishing, into one package. These suites are easy to install and all the programs are designed to work together. Microsoft's *Word* and Corel's *WordPerfect* are the two leaders of this type of software.

When choosing your word processing software, look for the following:

- User friendly
- Universal use among other law firms
- Spell checker and other amenities
- Data manager package (depends on the level of sophistication that you wish to achieve).
- MOST IMPORTANTLY - WHAT IS THE REST OF THE LEGAL COMMUNITY USING. Most law firms are converting to Word and most of the court systems are now using Word. With the future of on-line filing a few short months away, this will be the most important consideration when choosing a word processor.
- **Exciting new trends:** Using hypertext links to cases from briefs and pleadings or documents, which ultimately forces everyone to be very careful and accurate

with their citations. It also allows everyone, including the judiciary to locate references in the click of a mouse tail.

**Document Assembly:** *Amicus* and *Time Matters* both have some elements of a built-in document assembly system. They will permit you to create letters, memos, faxes, and pleadings, all with the touch of a few buttons. The documents are stored in your word processor, just like all the other documents that were created there. The most valuable full document assembly program for the small to medium sized firm is *HotDocs*. This program will store an unlimited amount of information about each file. It works in conjunction with *Amicus* and creates all the documents that you need. It recalls the prior answers about specific questions (e.g.: client name, case number, date of accident) and merges that information into the new documents, retaining all new information. The use of the document assembly program permits the lawyer to edit one master document (e.g.: reflect statutory changes) and all documents created from that date forward with include that new statutory provision. The centralized library of forms will permit anyone in the office to draft the proper form that has been approved by the lawyers. In addition, everyone will be assured that the form being used is in compliance with the rules and regulations.

**Document Manager:** Each office must have a procedure that dictates exactly how all information is stored. The firm can use one program designed for this purpose. This type of program is called a document manager. *Worldox* is an example. This program controls the location of all documents, who can access the information and indexes the changes in each document. A feature of *Worldox* is an online document manager. This would allow attorneys to work with client documents anywhere, anytime. The program acts as the firm's in-house file service, securely behind its firewall. The program permits access to documents by anyone with the correct security information. Remote users with proper security clearance can search for documents via the Internet, and view them, edit and store back to the designated location. Clients can be given access to specific documents, based on security clearance.

A second, less expensive option, is to have a specific location in the office server for storage of all files. It is important that everyone in the office store the work related documents in the assigned location. Different programs have different extensions (*Word* - *.doc*, *HotDocs* - *.ans*, *WinFax Pro* - *.fxd*, *Paperport* - *.max* and *Bankruptcy 2003* - *.bkp*). When any document is stored the extension must be included in the name of the document.

**On-line Document Management:** Electronically control and access your documents. Most of these services either assist you in converting your documents into electronic format and then preparing them for secure transfer or for trial. *WorldDox.com* purports to offer easy access to your documents over the Internet from anywhere and at anytime. You can search, view, download and upload files using simple, intuitive, customizable HTML-based web pages. *1stlegal.com* (case/matter management, global repository litigation support, office and docketing system and secure document delivery. Question – what happens to your data stored in someone else's site? Is insurance available? Should you store on two different sites? Questions to be answered in the future.

**Application Service Providers “ASP”:** What is an Application Service Provider? These are companies (virtual) that rent software from their web site to third party users (you). This eliminates the need to buy and maintain software the law office. Typically, an ASP offers those that subscribe to their services software from many developers.

The benefits are obvious – you can access your office information at anytime, from anywhere, on any computer. You no longer need to spend hours and dollars installing, integrating and maintaining the latest version of each software package used by your firm. Worrying about fire or theft destroying your data are now at an end. Or are they? If this all sounds too good true – you could be right.

Before committing to use an ASP consider the following: what is their security? What are the policies of your malpractice carrier? What happens to your data if the ASP goes out of business? What type of connections are you going to need to access the data? Do you want to be the guinea pig on this new idea? Perhaps the more conservative will wait until the dust settles to see what the ethics police come up with.

**Litigation software:** Simple case manager software should give you the ability to list parties, witnesses and documents. To these you need to be able to define your basic legal theories, causes of action, facts and elements that tie each to your parties, witnesses and documents. It is necessary that the software help you set graduated levels that define favorable and unfavorable issues. One example of software that will assist in this process is *Case Map*. Mike Arkfeld (author of *The Digital Practice of Law*, 5<sup>th</sup> edition) suggested that you couple *Case Map* with *Time Map*. *Time Map* creates a list of chronological events. It generates position fact boxes above the dates of events and creates a proportional time scale. Mike also suggests a full-text program for deposition called *e-transcript* ([www.reallegal.com](http://www.reallegal.com)). Court reporters can deliver the transcript in this format for little, if any, charge. Using this software you can open, view and print portions of the transcript.

For more expensive programs see two very strong programs called *TrialDirector* and *DocumentDirector* at [www.indatacorp.com](http://www.indatacorp.com). These are fully integrated document management and courtroom presentation programs.

**Document Numbering** - Bates stamping is necessary when preparing documents for trial. An inexpensive program for assigning numbers after scanning is Infothek 2000 Scan ([www.informatik.com](http://www.informatik.com)).

**Voice Recognition:** *Dragon Naturally Speaking* is a good program. The problem with voice recognition is the time that it takes to train yourself and your computer to learn to work together. Influences like back ground noise can make this program completely unusable. Talk to others for their recommendations. Do not take the salesperson's recommendations seriously.

**Virus Checking:** If you have a computer you must have virus protection software. This program needs to work whether you remember to use it or not. The standard programs used by most are Norton Anti-Virus [www.symantec.com](http://www.symantec.com) and McAfee [www.mcafee.com](http://www.mcafee.com). Another good program is sophos at [www.sophos.com](http://www.sophos.com). A package of multiple programs, which help to protect your computer, is Norton SystemWorks Pro. It contains Norton Utilities that is great for keeping your hard drive tuned and working well. For one price you get a virus program, a good utilities program and Norton's Ghost. Do not use CleanSweep. These programs are not luxuries; they are absolute necessities – in fact, in my opinion, it is malpractice to run a law office without the use of virus protection. You should also consider requiring your clients to use this form of protection.

**E-Mail** - Organizing and controlling your mail is of great importance to your firm (and your malpractice carrier). The same control must be applied to your electronic mail. My favorite is *Eudora Pro*. This software can be free (if you do not mind banners), or a non-banner version is very inexpensive ([www.eudora.com](http://www.eudora.com)). If you use Microsoft's *Outlook* - take a look at a program for adding automation your e-mail MailMachine [www.4officeautomation.com/MailMachine](http://www.4officeautomation.com/MailMachine) which operates. MailMachine automates responds to your e-mail.

- PocketMail is compatible with virtually every phone on the planet, including cordless and corded home phones, digital PBX office phones, cellular and public payphones and palm held units. (<http://www.pocketmail.com/>).
- Going on vacation - or extended leave? Want your computer to respond similar to your voice mail message? Use your browser to inform the senders of e-mail of your extended plans. Thanks to Diane Ellis at the Arizona State Bar - here's how you do it in Netscape. In the browser, type in the name/number of the e-mail server at the URL line at the top. You will get a login box that requires user name and e-mail password (at the Bar, this is set up to accept employee number rather than name). The next screen that appears is Server Account Management for (user name). Click on Vacation Message. Type in the message you want to use, click on the box for "Check this box to send vacation notices to correspondents," then click on the Change button. The vacation reply begins immediately. To take it off upon return, go back into Server Account Management through the same process, remove the check from the box for "Check this box to send vacation..." and click on the Change button.
- How to avoid unwanted mail – do not respond to inquiries. The sender may be sending e-mails to a list of addresses and responses tell the sender that the address is active. If you have e-mail that is unacceptable (porno sites, ect). Create a filter and send that e-mail automatically to Trash. You do this by highlighting the objectionable message (in Eudora – go to Special/create filter) then set the criteria for messages that will automatically be trashed.
- Legal issues related to the use of e-mail: According to the ABA Advisory Opinion 99-413: (1) there is a reasonable expectation of privacy in e-mail, (2) lawyers need not encrypt e-mail automatically; (3) client confidences, regardless of the medium used to transmit those confidences, are susceptible to interception/disclosure; (4) Lawyers should discuss the dangers inherent in any communication and reach agreement on how to communicate. Albert Barsocchini suggests that each firm establish policies similar to the following: (1) require that all outgoing sensitive messages be send by using a digital courier just like you would use a real courier. (2) Place confidentiality notices on all outgoing messages, as you do with faxes. (3) Insist that messages always be drafted with care and thought in lights of the business setting (4) Prohibit message forwarding, without the express permission of the sender (5) Specifically prohibit inappropriate material (6) Advise employees that the employer monitors office messaging use (7) Make sure all messaging clients are password protected to prevent unauthorized access and alteration of any third Party e-mail message (9) Encourage employees to immediately report unauthorized or inappropriate use of messaging systems by third parties (10) Mandate the use of

encryption for sensitive communications and provide periodic training. Albert Barsocchini, The Lawtek Group LLC.

**INTERNET:** Just like your physical address for the office each person/computer on the Internet has its own address called a URL (e.g.: <http://www.microsoft.com>). URL is an acronym for Uniform Resource Locator. It is the technical term for what's commonly known as an "Internet address" or "Web site address." A URL specifies the unique location of a file or a collection of files on the World Wide Web. Another term that you will see at the beginning of most web addresses is "HTTP" which stands for *Hypertext Transfer Protocol*. This is the Internet protocol that allows World Wide Web browsers to retrieve information from Web servers at the designated web site.

The Internet can be used for two primary purposes: (1) accessing information from other web sites, and (2) distributing information from your own web site. The first is described further in this article under the description of a law office Library. The second is a tool for marketing your firm, organizing information, and communicating either within your office, or with the rest of the world.

In order to develop your own web site you will need to have a web host. See <http://www.etrnmall.com> for several different hosts. Ask others who they are using. Decide what you need in a web host before setting up your web site. I have been happy with [www.olm.net](http://www.olm.net) as my webhoster. In the past I have used [www.webhosting.com](http://www.webhosting.com) and [www.readyhosting.com](http://www.readyhosting.com). I was not happy with their services in that my site was off-line quite often. Also, take a look at [www.DellHost.com](http://www.DellHost.com) that will help you set up your site, provide free software and offer very good resources as your web site grows.

You will also need to determine what you "name" will be on the web. Once you have decided on a name you will need to register it so that no one else can use it and so that others can find you on the Internet. To register domain names: [www.godaddy.com](http://www.godaddy.com) (I use); [www.directnic.com](http://www.directnic.com) (\$15 for one year); [www.123domains.com](http://www.123domains.com), [www.internic.com](http://www.internic.com), [www.networksolutions.com](http://www.networksolutions.com) (\$70 for 2 years) and many, many more.

**WEB PAGE DESIGN:** Once you have elected a host for your web site you will need to design your web pages. One option is using your word processor. If your word processor has a "Save as HTML" option then it can be used to design your web page. Microsoft Word 2000 is a good program for developing a simple web site. For other options see [www.lawyers.com/faq/intro.htm](http://www.lawyers.com/faq/intro.htm) or [www.legaldomain.com](http://www.legaldomain.com), or [www.networksolutions.com](http://www.networksolutions.com) (for \$9.95 per month they will provide you with a simple web site and space on their server (note – Network Solution's tech support is very poor).

The best software specifically designed for beginners to build their own web pages is *Front Page* (Microsoft.com/frontpage), combine it with *PhotoDraw* (Microsoft.com/photodraw). See my web site as an example [www.DianeDrain.com](http://www.DianeDrain.com). When I designed my original site I had no idea what I was doing. The current site is a fourth generation and has grown exponentially. Looking back, I would have used someone with experience to set up the site and then learned to edit it. I spent over 3 weeks of late after-work hours to complete the project and will be adding to it forever. For the pros web designers two packages stand out: Macromedia's *Dreamweaver* ([www.macromedia.com](http://www.macromedia.com)) and Adobe's *GoLive* ([www.adobe.com](http://www.adobe.com)).

Wondering about what you can link to your web page and whether or not you need permission from the author? See "Establishing the right links to conduct e-commerce" can be found at <http://www.trinidadlaw.com> a site which is devoted to "E-commerce and the Law".

**KEEPING TRACK OF YOUR FAVORITES ON THE WEB:** Bookmark your favorite sites in order to reduce the amount of unnecessary time spent trying to back tracking. Internet Explorer: go to Favorites, Organize Favorites, add the favorite web site – making sure to use a name that you can recognize. Netscape – go to Bookmarks, Edit, File, new folder. Which ever browser that you use make sure to set up folders for generic filing of each group of web sites. Other options: freeware and shareware to organize your favorite addresses on the Web: [tucows.interwrx.com/bookmark95.html](http://tucows.interwrx.com/bookmark95.html) or [www.urlorg.com](http://www.urlorg.com). A third party can keep track of your favorites and your travels on the Web: <http://www.backflip.com/>.

**MISCELLANEOUS SOFTWARE:** How do you make copies of the information on your computer?

- Is your clock correct: <http://atomtime.com> or Thinking Man Software's freeware program, Dimension 4 <http://www.thinkman.com/~thinkman/>
- Use the key "print screen" and paste to your word processor or use a free software program called PrintKey at <http://www.geocities.com/~gigaman/>
- Copying Clips: Save and manipulate your "clips" in many useful ways. Try *ClipMate* and *ClipCache* because with both programs you can categorize or group clippings in an Explorer-like tree. The size and number of clips are virtually unlimited. The programs are especially useful for quickly grabbing and storing text from online sources. They will also capture your screen and save it as a .bmp file. This feature will often save you from having to write down all the details from a Windows error message box. *ClipMate* is available at: [www.thornsoft.com](http://www.thornsoft.com) 1.2mb download. *ClipCache* can be found at: [www.xrayz.co.uk](http://www.xrayz.co.uk) 9k download. Both programs, like *Cliptraker*, are shareware and cost only \$20.
- Video Streaming: Want to view video clips from the Internet - go to [www.realplayer.com](http://www.realplayer.com) for free software. They also sell upgrades which will allow you to receive music, make phone calls and create a system manager for your Internet downloads.
- Editing PDF files? - If you send the complete URL of the PDF file to [pdf2txt@adobe.com](mailto:pdf2txt@adobe.com) you will get a return email with the complete text in the file in a few minutes.
- Software for the Palm Pilot: <http://www.memoware.com> (just two among many choices are the Federal Rules of Civil Procedures and the Bankruptcy Code). See also [www.digitalawyer/pilot.htm](http://www.digitalawyer/pilot.htm) for the Bankruptcy Code, Rules and jurisdictional provisions. Other sites for Palm docs are: [www.romingerlegal.com](http://www.romingerlegal.com); [www.palmgear.com](http://www.palmgear.com); [www.pdajd.com](http://www.pdajd.com). Make sure that you download a "reader" for so that you can decipher this data with your hand held device. Go to - <http://www.memoware.com/mw-helpf.htm>, The reader that I have chosen is QED at <http://www.visionary2000.com/qed/>.
- Deposition software: IDep, L.L.C. (I-DEP.com). will deliver live video, two-way audio and court reporter transcript, right to any desktop or laptop PC. All in one place, as it happens anywhere, anytime.

- **PASSWORDS:** use [www.passkeeper.com](http://www.passkeeper.com) to create a database in your computer of all passwords.
- Tired of pop-up windows, background images and cookies: visit [www.Intermute.com](http://www.Intermute.com) or [www.WebWasher.com](http://www.WebWasher.com) for software that blocks these and more.
- Secure your entire time on-line in the Internet – try a program called safeweb.com ([www.safeweb.com](http://www.safeweb.com)). It professes to add the strength of the secured financial transactions to your entire time on the web.

### **(3) OTHER OFFICE EQUIPMENT:**

**Printer.** A laser printer is the best investment for a law office. Many pros recommend the HP series of printers and my experience supports their recommendation. Before buying a printer, investigate the costs of the toner cartridges, drum, and other items that must be periodically replaced. The costs of these items vary among manufacturers and could make an inexpensive printer very expensive to operate. Other features that you may want are a single sheet feeder, single or double paper trays, and an envelope feeder. I avoided investing in the more expensive color printer for the reason that I rarely need color printing. If you intend on doing some marketing or client projects that will require color printing, then investigate the HP series of color printers, but keep the additional costs of the color toner cartridges in mind.

**Copier.** First analyze your office requirements. If you need quantity production of multi-page documents, then an automatic document feeder with a collator is a necessity. On the other hand, if you require only a few copies per day, then a desktop copier may be sufficient. Also, your financial resources may limit your choices as you first start out. If so, use the local copy services while you decide what copier to purchase. For several years I relied on a used copier, with all the bells and whistles, which cost me a fraction of the original cost. In order to service this copier I purchased an annual maintenance agreement that provided for unlimited service calls. My only other costs were paper, toner and a drum.

After your finances stabilize consider purchasing a unit with a built-in document feeder, multiple trays for various sizes of paper, reduction/enlargement capabilities, a color option and also work with photographs and transparencies. Make sure that you investigate the costs of maintenance and operation, including the costs of the toner and drum.

**Scanner.** What you use it for and the volume you intend to scan dictate the size of a scanner. For simple use try the Visioneer Strobe Pro. You must hand-feed each document, but it is very fast and the footprint is approximately 2" X 12". Your needs may dictate the use of a scanner with an automatic document feeder (ADF).

**Facsimile machine.** There are two options for a fax machine. The first is a freestanding machine. Make sure that your machine includes a memory feature (if it runs out of paper, then it automatically holds the images until the paper tray is refilled) and broadcast faxing capabilities.

**Combination: copier/scanner/fax/printer:** Be careful about currently using a 4-in-1 unit, if this will be your only fax, printer, or copier. This type of unit is great as a "backup" for other equipment. The problem with relying on a 4-in-1 as your sole fax or copier is that if it breaks down your entire office will be at a standstill. In order to save space on my desk I use a Canon unit : Multipass MP 730. This unit can act as a backup if any standalone unit goes on the fritz.

Other options you may wish to include in your fax machine are a built-in answering machine, a built-in converter from regular phone to fax (important if the incoming lines are limited), and a broadcast feature if you are mass faxing documents.

Most of the computers that are manufactured today include an internal fax/modem, which is a board located the computer. Many types are available and are usually combined in a modem/fax module. You need to make a decision as to whether you want your computer to be accessible by those outside your office, even for the limited purposes of sending and/or receiving faxes. There are security devices that protect most systems from "hacking", but I have been told that if a good hacker wants into my system, he will get in, at least if my computer is turned on and I have a fax/modem up and running, but the faxes are forwarded by the printer and are automatically printed after receipt.

**Modem/DSL.** The standard speed for a modem is 56K. Again, there are two types of modems, external and internal. An external modem attaches to the back of your computer's central processing unit and usually sits on top of or next to your computer case. An internal fax/modem board is located inside your computer. Both allow for documents to be faxed directly to and from your computer, assuming that your computer is turned on. The modem will also allow you to access information worldwide (Internet, bulletin boards, and court records are just a few examples).

You will need software for your modem and fax. Windows 95 and 98 are pre-packaged with some software for these purposes, or you may decide to invest in other programs, such as *Pro-Comm* or *PC Anywhere*. Personally, I have been pleased with *PCAnywhere*, which incidentally is also used by the United States Bankruptcy Court, District of Arizona.

Consider a DSL line. This is an open phone line with 24/7 access to the Internet. This type of line will permit transfer of data at speeds far greater than the 56k modems (you will hear many advertisements for these services). The DSL line will also permit the use of the same line for exchange of data and telephonic use. In other words, you can download your e-mail while talking on the same phone line. I have used a DSL for many years and it has become a basic for the operation of our office. The time required to set up the hardware and software was frustrating, but once set up the system works without any maintenance.

If you are going to use a DSL then you need to have two levels of protection. First, the computer that is your "DSL server" will need software called a firewall, which acts to protect your computers from attack, by outsiders. I currently use Zone Alarm [www.zonealarm.com](http://www.zonealarm.com). I have used Atguard [www.atguard.com](http://www.atguard.com). Second you will need software that permits other users to access your DSL line. This software is called a "proxy server". I use Wingate [www.deerfield/wingate.com](http://www.deerfield/wingate.com). Again, the use of a DSL line will change how you practice law. I urge you to dedicate time in setting up the DSL line for your entire office and tying in your web site for everyone's use.

**Telephones and telephone lines.** There are as many different telephone choices as there are long distance providers. It is advisable to stay with a manufacturer that has a good reputation. At a minimum, you will want a two- or three-line phone with speaker, hold, conferencing, mute and "do not disturb" features.

You will also need a minimum of two telephone lines. The first line is dedicated as your main office line. The second line can be used partially by or dedicated completely to the fax and modem. Typically, a fax machine has a built-in telephone. If necessary, that line can be used for outgoing calls when the other lines are busy. This would also be a good choice for your DSL line.

You should also include voice messaging or some similar service on your main office line. Incoming calls are automatically forwarded to your voice mail after a set number of rings, or in case that line is busy. Do not use call waiting on your primary office line. It is far too distracting for you and your callers and does not give the professional image that you will want to create.

The proper use of your voice mail will leverage the time that both you and your staff spend answering calls. To get the most out of your voice mail: (1) keep your message updated daily. Gives your clients the confidence that you are attending to matters, albeit you are obviously very busy. (2) Encourage your callers to leave a detailed message, including the best time to return calls. This will end the frustration of "telephone tag". (3) Offer the use of the "urgent" feature on your voice mail should your caller be so inclined. (4) Use additional lines for automated information that can be retrieved by the called when the needs arises. For example: my voice mail message gives the address of our web site for status of trustee's sale and bankruptcy information. This has cut out 90 percent of the status calls; this equates to one day per week of one staff member's time.

Depending on your preference, you may decide to use a speakerphone. Personally, I find a speakerphone objectionable, and I believe most clients share my opinion. If you are too busy to pick up the phone to talk directly to your clients, your clients may decide to find another lawyer who is willing to treat them with more respect. Certainly, there is an issue about confidentiality, especially in an office where other clients and lawyers who are not members of your firm are apt to be in the hallways and can overhear your conversation with your client or hear confidential information.

To reduce your chiropractic bills, you may want to invest in an ear loop attachment for the phone. This device is extremely helpful in eliminating the stiff neck suffered while holding the phone between your chin and shoulder. It also frees your hands and allows you to type or write comfortably. The person on the other end of the phone can rarely tell whether you are using an ear loop or the regular handset.

**Typewriters.** For us old timers, a typewriter is still a necessity. Buy a used typewriter, rather than a new machine. I suggest a Selectric III, self-correcting.

**Postage.** Postage machines must be leased - most for \$30++ per month. If you chose to purchase individual stamps, make sure that you have several different denominations. Many larger grocery stores have their own post offices. To simplify your life, you can grocery shop, deliver your certified for mailing, pick up stamps, and drop off your laundry, all at the same time. We use Internet postage called [www.stamps.com](http://www.stamps.com). It is very simple to use and does not require the purchase of any hardware. Continuing access to the Internet is required in order to use your postage software. Another program is e-postage ([www.seikosmart.com](http://www.seikosmart.com)). The timesaving is in the production of multiple envelopes and purchase of the postage. Plus, you do not have the monthly expense of a postage machine.

### **III. PERSONNEL**

**1. Employees.** You need to decide whether you want the additional responsibility of having employees. Factors to consider are: (1) the training and supervision that will be necessary to get these employees to a point of being self-sufficient and profitable, (2) whether you have the space to accommodate them, (3) whether they can work full- or part-time from their homes, and (4) whether part-time employees will accommodate your needs. Your imagination is the only limit to the possibilities.

Do not forget the additional legal obligations you have as an employer, such as making payroll, paying taxes and providing a safe working environment.

Being an employer carries a new burden that you probably have not had in the past. You are responsible for their security and their happiness. Make sure that you have periodic reviews (at least annually, quarterly for new employees). After the review is complete, or whenever you have a discussion with the employee make sure that you end your discussion with three questions:

- (1) Do you feel that I heard you?
- (2) Do you feel that I understood your issues?
- (3) What else would you like to ask or say to me?

Great client service begins with your employees. You must first be good to your employees who will in turn be good to your clients. Strive to listen, understand and show your employees the respect that they deserve. In turn they will respect you and your clients.

Make the commitment to familiarize staff with the ethical rules governing all lawyers. What applies to us also applies to them - confidentiality, privacy and ethical rules.

**2. Contract labor.** There are several types of contract labor available today. Contract research assistants, legal assistants and secretaries can be used on a one-time or ongoing basis, depending on your needs. Look to your county and state bar publications for advertisements, or talk to fellow practitioners for referrals.

In addition to your office staff, it may be necessary to contract with a delivery and process servicing company. Train your staff to consolidate deliveries and other errands by having them use your delivery service. This will reduce your staff's time out of the office and make the work flow more efficient. Another option is hiring a part-time runner to handle your office administration errands, court filings and deliveries.

### **IV. OFFICE POLICIES REGARDING MISCELLANEOUS MATTERS:**

**1. Mail/e-mail.** This may be a difficult issue when you are first opening your office. What physical address should you use? Do not change your address too often; otherwise you appear to be transient. As you are deciding how to set up your practice it is very important that your mail address and phone numbers remain the same for several years.

One option is to rent space from an existing law firm and use its address for your mail and deliveries. This rental may be limited to mail and delivery use only. It may be expanded to hourly use of the conference room and a per use charge of the firm's copier, fax, and other equipment.

Another option is to use a private mailbox service. Use its street address on all correspondence and for all your deliveries and pickups. All mail is delivered directly to it with twenty-four-hour availability for pickup. It takes your deliveries, provides you with stamps and certified mail, and may have notary services available. The mailbox service can even accept service (if so instructed). It may also have secretarial services and delivery services available.

A third option is to use a United States Post Office (P.O.) box and either pick up your mail each day or have your mail forwarded to your office. Forwarding will slow down your mail delivery and is usually not as appealing as the private mailboxes described above.

For your e-mail address: use the one provided by the Arizona State Bar. That address is your name. For example: mine is [Diane.Drain@azbar.org](mailto:Diane.Drain@azbar.org). You can either use the State Bar or a service provide (IP) to collect your mail from the azbar.org address.

**2. KNOWLEDGE MANAGEMENT:** is understanding an organization's internal processes and information flow systems; and to develop approaches that facilitate them. Firms try to retain this knowledge in the event that the attorney should leave the firm. Presently firms are focusing on collaborating knowledge and sharing environments for the storage, access and distribution of that knowledge. The firm cultures are changing to online, electronic cultures with people learning how to work together and share information in this virtual world.

The Internet provides the basis for the development of this new virtual law office. Clients expect immediate access to information. Marketing expertise will either make or break today's firms. Law Firms must develop a strong knowledge management platform using the Internet. It is possible to focus on a law firm's traditional legal services and to strengthen the internal workings of the firm.

Create a team of lawyers to lead this effort to develop the Internet basis. Determine the needs of all the lawyers in the firm and design a program that will address these needs. Do the same for your clients. Remember "if you build it, they will come".

Web page - feed video, audio and transcripts combined with video and audio to anywhere in the world. This will permit anyone, anywhere to access this information. Share information in trial conferences, depositions, and/or use for demonstration to the jury. House all documents in a secure storage on your web page. Each client should have his or her own security code and access privileges.

**3. Library.** The size and type of your library is a personal choice, and is usually dictated by the availability of funds and your areas of practice. I recommend you purchase a few select treatises and formbooks focused on your primary areas of practice. If possible, try to convert most of your library to CD and DVD. CD and DVD are not only convenient and portable, but they are the future for the storage of the written word. Selections that every library should contain, or you should have access to, are: (1) your state's statutes, a source for case law, other state and federal statutes, and court rules for your state and federal and administrative courts and a good set of legal forms. Some companies, like *Lexis* and *WestLaw*, occasionally have promotional sales in which they offer creative incentives to new practitioners and solos. Beware of the search engine used by any of these software providers, it must be easy to use. I have been told that

Versus Law has a very inexpensive monthly service, but make sure they offer the resources that you need for your practice area(s).

Other publications that are available and may replace or supplement those set forth above are the *Michie* desk versions of the state statutes, which are inexpensive and saves space, but you sacrifice the annotations (ask about their new annotation service), specialty publications, and legal encyclopedias. Before investing a great deal of money in books that must be maintained annually, talk to the other practitioners near your office. Most fellow lawyers are willing to share their library with you at little or no cost. It has been my experience that most solo and small firm practitioners are willing to share their time and facilities with other practitioners. As a solo you may find that you have more access to trading information, advice, and clients than you ever had in the larger firm.

The Internet has become a very popular place for research. The Arizona Revised Statutes are on-line for no charge (<http://www.azleg.state.az.us>), Cornell University Law School allows you to access US Supreme Court cases and the Federal code, just to name a few (<http://law.cornell.edu>). I find that an Internet site: [www.findlaw.com](http://www.findlaw.com) is the best place to start when searching for any legal based information. Most of this information is free and some is fee based. I recommend an ABA publication *The Lawyer's Guide to the Internet*, by Burgess Allison (312-988-5522).

My favorite site for any information, including legal, is [www.google.com](http://www.google.com). Google is a search engine that has magically brought together information from all over the world. I have found case law, statutory references and electronic discussion lists by just putting in a specific term. For example – search Google for "non-dischargeability" – a term used in bankruptcy. The results are 4,300 hits – all ranked by level of relevance. Normally the first 10 to 20 hits will answer your question or lead you to a resource for further research. This service is free.

Other valuable Internet resources are electronic discussion groups (fna listservs) or use-nets. There are at least 25,000 list serves sharing information on everything that you can image. Some are general discussion groups, others are specific discussion groups on limited issues. I belong to several electronic discussion groups dealing with both my practice area (bankruptcy) and law office administration. You can find these groups through others and through the Internet. Mr. Allison's *Lawyer's Guide* will help. This is probably the most practical resource that I have at this time. In the bankruptcy arena there has been a bill pending before Congress for the last three sessions. My electronic discussion groups permit me to monitor the current status of the bill and present substantive and procedural questions of bankruptcy law. Within a few hours of asking a question there are several replies; many with case citations, others with practical tips. Make sure to check with both the State Bar and the American Bar Association for specific electronic discussion groups in your area of practice. One general list serve that you might want to look at is <http://www.llrx.com>. This site sends a weekly e-mail message that contains an index of technology and law related articles. For a good article on how a law firm uses the Internet and the resources that are available see <http://www.llrx.com/features/smart.htm>. Pay particular attention to the description of e-bots Intelligent robot software "E-Bots" which searches specific pages or sites on the Internet, watches for updates or new additions to those pages and then notifies notify those who have subscribed to the automated notification service that there is relevant new information.

In order to have access to this huge resource center you will need an access port to the Internet. This access port is called an Internet service provider "ISP". There are private ISPs and companies such as AOL. My preference is a private provider in that AOL limits the sites that you can reach and the type of information that you can download. If you are concerned about your staff accessing inappropriate sites then limit their access by security levels. The charge is approximately twenty dollars a month for an ISP. I pay approximately \$35.00 for my DSL line. In addition to the legal resources, the Internet provides easy access to an international mail service called electronic mail or "e-mail". I can send mail anywhere in the world for only the monthly cost of my Internet service.

You may also use your Internet service to place long distance calls. If you are away from your office talk to your Internet provider to obtain a list of their local phone numbers for each city in the nation.

**4. Supplies.** Shop at discount supply houses and purchase in bulk. There are several paper manufacturers and distributors that will give smaller companies a good price if you buy in minimal quantities. For local purchases - place your order over the phone and use your delivery service to pick up the items. For Internet purchases - deliveries will be made directly to your address. Buy several items at once - do not waste your time running to the store for one pen. Always keep backup supplies. I use Corporate Express, a local company, and Quill, a mail order company, for my office supplies. They deliver within 24-48 hours, and their prices are very competitive with the local discount houses. There are more and more Internet services available - go to [www.buy.com](http://www.buy.com) or [www.cnet.com](http://www.cnet.com) as a start.

Inventory the items that you constantly use and determine whether some of them could be reused or recycled, such as toner and developer for your printers and copy machines. Consider having your existing cartridges refilled, but be aware that you may have some problems with these cartridges once they have been refilled "too much." Unfortunately, no one knows when "too much" is. Always keep at least one extra toner on hand so you are prepared for the unexpected. Again, Quill, the mail order company, offers refills by mail with a fast turn around time.

## **V. MARKETING/SECURITY/ENCRYPTION**

### **1. Security, Firewalls and Encryption:**

The following is a discussion from the Solosez listserv regarding firewalls and security: *"While I do not profess to be an expert, you can find more than you may want to know at Steve Gibson's web site. Steve Gibson, the creator of SpinRight, a disk recovery program used for years, now has a free Internet security test on his website. You should check your computer at [www.grc.com](http://www.grc.com) using the Shields Up test to determine if you have set up Windows networking properly. Gibson explains it far better than I could. But you need to make sure that your networking client is not bound to the TCP/IP protocol. If the Windows Networking Client is bound to TCP/IP on your computer, Gibson's site will tell you your name and the group you belong to. Gibson's site has an excellent discussion of how the Windows default networking installation leaves you vulnerable to hacking while connected to the Internet. (except that he tells you that IPX is unnecessary - which is not true if you connect to a Novell Network). <http://w.grc.com/su-bondage.htm> Essentially the Internet protocol, TCP/IP, should not be bound to Windows Networking Client (or the Novell Client). Windows automatically binds the networking clients to*

*TCP/IP and will give you a misleading message when you unbind the client that may make you think it has to be bound to TCP/IP for the protocol to work, which is not true). You can print out detailed instructions on how and why you should unbind the client.*

*The second step you can take is to run a firewall on your computer. For personal use, ZoneAlarm is free and is available at [www.zonealarm.com](http://www.zonealarm.com). Gibson recommends that program at the moment and gives far more detailed reasons than I could. Gibson also has a good discussion of other firewall programs. I use BlackIce Defender on my laptop (because I bought it in November 1999 before I had heard of ZoneAlarm) and I use ZoneAlarm at the office. He also reviews Norton and others.*

*I am not affiliated with Gibson in any way. However I do find his site helpful, if a little over dramatic. I can tell you that you will hear many different opinions. Mine is to run a firewall as its better to be safe than sorry.” William Woods White <[wwwhite@mindspring.com](mailto:wwwhite@mindspring.com)>*

#### Miscellaneous Security Suggestions:

- The airport thieves are getting more sophisticated. Consider using a tiny alarm (\$50, [www.a2zsolutions.com](http://www.a2zsolutions.com)), which emits an ear-busting shriek if you are separated from your computer by more than 40 feet.
- *Windows 2000 Professional* is a good way to encrypt your documents so that a thief will not be able to read them. Another good encryption program is *Pretty Good Privacy* or *Encrypted Magic Folders* (\$61, [www.pc-magic.com](http://www.pc-magic.com)).
- James Bond look out - try Compaq's Biometrics ID device (\$179, [www.compaq.com](http://www.compaq.com)), which uses your fingerprint as your password. Uses a standard PC card slot; works with all notebooks with PC card slots.

**ENCRYPTION:** Another way to distinguish your firm from all the others is to provide a unique service; offer a Client Update newsletter. You do not need to spend your time writing this letter – subscribe to a basic newsletter published by the ABA’s General Practice and Solo and Small Firm Section (<http://www.abanet.org>). Another option is to have a unique signature on your e-mail. Dennis Wickham's firm appends the following quote to outgoing e-mail messages ([www.scwm.com](http://www.scwm.com)):

*This message was sent unencrypted. This firm has the ability to exchange encrypted email at no cost to our clients. If you are interested in obtaining this service please send email to [mis@scwm.com](mailto:mis@scwm.com). If you have clients who are technically sophisticated, or would LIKE to have clients who are technically sophisticated, one of the best things you can do is give them the option to use encryption. Corporate espionage is real. Sophisticated businesses know they are targets, and they are likely to be much more comfortable with a law firm that understands this and gives them the option for secure e-mail when needed.*

**E-MAIL CONFIDENTIALITY Footer/Disclaimer.** Do you have disclaimers on your e-mail and on your web site? These are some examples from various web sites:

*Privileged and/or confidential information may be contained in this message (including any attachments hereto). If you are not the addressee indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone. In such case, you should destroy and delete this message and any*

*copies or printouts you may have made, and notify us immediately. Please note that E-Mail communication does not guarantee transferability, integrity and confidentiality of the contents hereto. If you do not or your employer does not consent to E-Mail messages of this kind, please advise us immediately. Opinions, conclusions and other information expressed in this message are not given or endorsed without subsequent written confirmation independent of this message.*

*This electronic mail message and any attachment is confidential and may contain privileged information. This message is intended only for the use of the individual or individuals named above. If you (the reader) are not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that you may not use, copy or disclose to anyone the message or any information contained (including file attachments) in the message. If you have received this message in error, please advise the sender by reply e-mail @fclaw.com, and delete the message from your system.*

The encryption features in word processors (and spreadsheets, and PK Zip, etc.) are very weak, mainly because the sellers of such programs don't want to deal with angry complaints from users who have lost passwords. For example, a company named AccessData in Utah advertises its "key recovery" software for such programs in word processing magazines: <http://www.accessdata.com>. Law enforcement is another AccessData customer pool. This company also advertises that it has a software product *Secure Clean* that can completely clean your hard drive.

Security: antivirus - to increase the ability of your anti-virus program click on the Heuristics button (Norton Utilities -see the Scanner tab, under Options). Make sure that Enable Bloodhound Virus Detections Technology is checked. You can drag the pointer to increase your virus protection against viruses that are either unknown or difficult to detect. Then click on the advanced button on the Scanner tab and enable those options that you want. Scanning your documents may take a little longer in increase this protection, but that is nothing compared to rebuilding your system once a virus hits (it is not if you will get a virus it is when will you get one).

**2. Marketing:** Marketing comes in two forms – software and hard marketing. Examples of hard marketing would be bill boards and TV ads. Soft marketing would include web sites, teaching, public speaking, writing for professional/community publications and volunteering.

In the last few years I have been pleasantly surprised by the number of new clients who find me through my web site ([www.DianeDrain.com](http://www.DianeDrain.com)). As of this writing approximately 45 percent of my new clients are finding me because of my web site. I use that site for many purposes: marketing, resource center, statutory notice center and education for potential clients. I recommend that every firm have a presence on the Internet. Clients expect their lawyers to be technically literate and a web site is one way to exhibit that literacy. Make sure to include the necessary disclaimers on your site.

The Fennemore, Craig firm in Phoenix, Arizona ramped up their web page in anticipation of a rush by creditors seeking information about the Boston Market Bankruptcy (see:

<http://www.fennemorecraig.com>). The following is a quote about their web site explaining the process that they went through in developing web site that has become a great marketing tool.

*Kathy Reece, Heide Rose (the firm's director of marketing) and I created the site. We used Microsoft FrontPage 2000, Paintshop Pro, and one of the existing Web site pages as a template for designing the new page. Links from the Fennemore Craig home page were added to direct creditors to the committee page.*

*Initially, the updates were to be in Adobe Acrobat format only, but it quickly became apparent that a generic text or html version of the same information was needed lot those creditors who may not have the ability to download and use this format. We use Adobe Acrobat as the primary document type for distributing information.*

*Links to free viewer software for the Adobe Acrobat and MS Word document types are included for visitors to the site who wish to view, download, or print forms that could not be reproduced in a text-only format.*

*In addition to tile Web site, we created a private mailing list (listserv) using a free service called ListBot, which available on the Interact. Creditors who visit the official committee page can subscribe or unsubscribe from the mailing list at any time. When updates are posted to the page they are also sent to all of the current subscribers of the committee list in a text-only format that does not require any additional software to view. Using the free ListBot service eliminated the need for someone within the firm to dedicate his/her time and resources to manage the list for the duration of the project.*

*The site also includes a link to the Bankruptcy Court docket, which allows creditors to check and review documents and pleadings filed with the court. Creditors who need more information can click on "Questions?" and send an e-mail directly to counsel Reece for a response (with the official committee co-chair Steve Culp copied on the c-mail message).*

*The results have been better than we imagined. The firm and the committee have been able to distribute the "Official Committee Updates" to the majority of the creditors without incurring dramatic additional costs in time or resources to the firm or the committee.*

*The success of this project has prompted other practice areas to consider using the Web in similar ways to better serve the clients and the firm. (Article by Dean Seiveno, IS Director for Fennemore Craig, Law Technology News, May, 2000.*

In an age when everyone is competing for clients, how do you distinguish your firm from another? WEB SITES DO BRING IN NEW BUSINESS - Dramatic new research findings released at the Legal Marketing Association conference show that in-house counsel and corporate executives do indeed use the Web to search for law firms to hire. "Here's huge news: nearly two-thirds of buyers surveyed have gone online to locate outside legal counsel. More than one-third surf the Web for legal services weekly or more often - proving that - virtually - it's a whole new marketing world out there," said Mark T. Greene, Managing Director of FGI Customer Research. <http://www.lawmarketing.com/news/newsindex.cfm>.

## **VI. OFFICE MANAGEMENT**

Managing your office is a skill that can either make or break a lawyer and the firm. It is not unusual for lawyers to be ill-equipped to deal with conflicts inherent in operating a business, collecting accounts receivable, acting as referee in disagreements between staff, suppliers and/or other lawyers in the office, and all the other various daily management issues that plague every office manager or solo. Many times, the office manager or managing lawyer is in a no win situation. Decisions must be made which will affect someone in a negative manner. It is not unusual that the office manager is faced with a dilemma: a decision which must be made that will affect the financial health of some or all of the lawyers in the firm, but will mean the continued existence of the firm as a whole. The office manager may decide to take the path of least resistance (looking to protect one's job), but which, in the long run, leads to the demise of the firm. These dilemmas are found in every firm of every size.

Another dilemma that the solo or office manager is faced with is spending money on soft costs, such as the education of self and staff. Educating staff and lawyers is an obligation of the office manager/managing partner. Such education increases efficiency, evidences the firm's willingness to invest in those who are maintaining the firm, and increases pride in the person receiving the education. This expense will be returned to the firm several times over by way of loyalty and productivity.

Loyalty is a word that has been lost in much of the business world, including the practice of law. No longer are secretaries, associates, or even partners remaining with a firm for their entire career. Instead, many firms view their employees (including all lawyers) as tools for managing a business. These tools are replaceable if they become obsolete, or dysfunctional, or if a new tool is perceived to be brighter. As part of your decision on what style of law to practice, it is important that you critically analyze your principles of loyalty, respect, and honesty when it comes to others in your prospective firm. If you are contemplating setting up practice with other lawyers, then it is essential that you interview your prospective partners to determine their priorities and theories of loyalty, respect and honesty. If their principles vary greatly from yours, your relationship will likely have a short honeymoon. Most certainly, this type of relationship will be full of gusts and gales and the lawyers and staff alike will be forced to live in an environment that will be extremely unpleasant. More importantly, your clients will be affected by this negative situation. Be very careful about your choices.

## **1. Client Management**

Here is good advice on client management:

*Assuming most lawyers are relatively equal in legal skill and competence, the lawyer who is perceived to be superior by his or her clients will be the most successful. An important part of creating this perception is keeping your clients informed and involved. Routinely call your clients; let them know the status of their matter and what you are doing. Send copies of everything to your clients, and always ask for their comments where appropriate. It is essential that clients see the effort being made on their behalf.<sup>3</sup>*

At the outset of the relationship, discuss both client and lawyer responsibilities. Define procedures you use for billing, return of phone calls, copying of documents, notification of hearings, and other attorney-client interactions. Define your expectations of clients and their responsibilities to you and their cases. Carefully define the limits of your representation for each client. Put these limits in writing.

The number one complaint from most clients is that the lawyer fails to communicate. Establish procedures for both you and your staff that will eliminate that problem. Return client calls within twelve to twenty-four hours. Or, if you are unavailable, have your staff return your calls. If you do not have staff, leave a detailed message on your voice mail informing your callers of your availability.

Provide your clients with copies of all documents that pertain to their files. Even though you may feel that everything is under control, your clients cannot read your mind and need to see evidence that work is actually being done on their files.

Most importantly, listen to your clients. Your expectations of a good result are not necessarily the same as theirs. Find out what they expect and what they believe a successful result to be. You may be surprised that their idea of successful results is not the same as yours.

Ask your clients to “grade” your performance. Attached as an addendum to this article is my template “thank you” letter and my grade card. It takes real fortitude to send something like this to your clients. I guarantee you will learn a great deal about your client’s view of your office, your procedures and your performance. I recommend the use of the grade card for everyone – no matter how long you have been in practice. How about carrying this theory one step further and ask your staff to grade the firm’s attorneys?

You cannot possibly make every client happy. There are times you need to cut your losses early and get out when a relationship begins to degenerate. Learn to recognize these potential clients and say NO. If a client has totally unreasonable expectations and will not revise his or her ideas after your counsel, this client will never be happy with any results you obtain. In addition, these clients are almost always the ones that do not pay their bills. (HINT: if the potential client shares with you his or her horror stories about several other bad lawyers they have hired in the past, he or she probably a three-time loser. The operative word here is *several* lawyers. If a client is complaining only about his or her last lawyer, that may not be a clue that this client is a problem.)<sup>4</sup>

## **2. Time Management**

Your time is your financial security. Learn to make the best use of your time by establishing time management procedures. The following are several methods to make the best use of your time (this list is certainly not exhaustive). Try scheduling meetings during two or three days each week. Coordinate your client meetings with your other hearing dates and outside meetings, such as continuing legal education seminars and bar luncheons. You will be more productive if you are not interrupted every few hours to meet a client or go to a hearing. In addition, you will be less tempted to leave a project currently on your desk to begin working on the new client's file. Set aside at least one day each week as a workday. Do not see any clients and accept only necessary phone calls. Use this day to produce the work that demands uninterrupted privacy (usually work that is new or very complicated).

If you are both a lawyer and a secretary, then time management becomes even more crucial. As a lawyer, your work demands attention to detail, but a secretary's work demands attention to minute detail and follow-through scheduling for calendaring, docketing, notification, document production, and coordination of runners, lawyers, other staff, and clients. Until you have mastered this ability to juggle several things at once you must keep distractions to a minimum.

### 3. Telephone Management

Take control of your telephone. For one week, keep track of the time you are actually spending on the phone each day. You may be amazed at how long that three-minute call really took. To manage your time, you need to learn to manage your phone. Some of the following ideas may or may not be possible, depending on your type of practice and staffing.

If possible, designate specific time periods during the day in which you will be available to take telephone calls, perhaps three hours in the morning and two hours in the afternoon. Make all your calls during these times. Have your staff suggest to the caller that you will be re-turning calls at a specific time. Either you or your staff must make certain that those calls are returned during that specified time. I realize that not everyone has the luxury of putting their phone on do not disturb for one to two hours at a time, but if you will learn to do so, you will find that your work product is better and your stress level decreased.

When your staff takes calls, encourage them to reply to as many of the caller's inquiries as possible and that they are permitted by our ethical rules to answer (*e.g.*, dates of events or receipt of documents). If the caller requires more information than your staff is qualified to provide, then ask the staff member to set a telephonic appointment for you and the caller. Design methods to remind you of that telephonic conference (*e.g.*, calendar the call as though it is a meeting). Use your calendar alarm to remind you to call at the appointed time. Make sure that you and your staff documents each call in the client file, including subject, date and time. This will provide you with a complete diary of all communications. Amicus Attorney will coordinate all of these in quick, simple steps.

If a call is a miscellaneous or an informational call, keep the detailed message of each call and file it for later referral. Before I found the Amicus Attorney, I used a daily desk file and sorter that is divided into alphabetical order. Every six months all the notes were re-moved, kept in alphabetical order, and placed in a file for storage. These notes allowed me to track prior referrals that had not resulted in clients, or prior calls that I did not take as clients but referred to other lawyers. This is very important when a potential client calls six months later and decides to retain you, but you do not recall your discussion or the suggestions that you gave. When meeting with clients, do not take telephone calls or allow staff to interrupt. Your clients consider this to be rude and good evidence to them that their business is not as important as your other clients, such as that telephone call you are taking in the middle of their story about their hit-and-run accident. Of course, it is appropriate to explain to your client, at the beginning of the meeting, that you are waiting for a specific call and will need to break to take that call. I use Caller ID on my office phone so that I can tell who is calling and whether I need to interrupt my meeting with the client.

Use your voice mail as a message center for both you and your callers. Encourage the caller to leave a detailed message, describing their inquiry and a good time for you to return their call. This information will give you sufficient specifics to provide a prompt and complete reply. Using this method, you will save time for both you and your client. I retrieve the calls (during my telephone periods), pull the file, find the answer to the question, and call or fax a reply. This is a very efficient use of my time and adds a sense of control to my day. I change the message each day to reflect my current schedule. If I am going to be out of the office for more than twenty-four hours, I

request that the callers leave a number where I can reach them in the evening, if their call is urgent and cannot wait until I am back in the office.

#### **4. Mail Management**

Organizing the mail is a task that should be designated to one individual and should be done at one or two specific times each day. This would include culling through the faxes and e-mails. All incoming mail must be date stamped. Other than letters, most original documents should be stamped on the back of the document, or on a separate "stickie" attached to the document. A "client copy" should be made of all mail pertaining to a client file and an envelope attached with the client's address. Stamp the original correspondence with "client copy sent (date)." Give the entire package to the supervising attorney for review before the documents are sent to the client.

I suggest that each person in the firm have access to Internet mail (e-mail). I have reduced my long distance bills approximately \$150 to \$200 per month by using e-mail rather than my long distance carrier. All information sent by e-mail must be controlled in the same method that you control any other type of mail. The future is near when all minute entries and pleadings will be forwarded by e-mail, therefore now is the time to establish systems that will allow everyone in the office to track this information.

The mail contains specific information that is very important to the attorney and the status of each file. If there is no procedure in place to manage that information then deadlines and hearings will be missed. Designate one person to calendar and docket all hearings, responses, replies, and deadlines. Use a yellow high lighter to indicate that the dates, times, or events have been calendared, with each highlighted area being initialed by the person making the entries. The use of this high lighter and initialing will make it easier for all other readers to be secure that the appropriate calendaring and docketing has taken place. Another option is a stamp with blanks for several items listed including calendar, docket, client copy sent, reply necessary, etc. The blanks are initialed and dated to indicate that each action has been completed.

#### **5. Calendaring and Docketing Management**

These are the most important tasks in managing a law office. Missing a hearing or forgetting to deliver documents to opposing counsel in a timely manner is what every attorney fears. The smaller firms will find that there is a prejudice about missing these dates. The large firm attorney's failure is seen as understandable error excused by the unwieldy size of the firm whereas, the smaller firm attorney is seen as incompetent and greedy in that he obviously has taken too many clients and is not managing his or her desk well.

Always calendar events or deadlines immediately upon the receipt or completion of a document that needs follow up or has a time restriction. Make certain that the person who is assigned this responsibility fully understands the importance of what may appear to be a very mundane task. Do not let your staff or lawyers become lazy about this procedure - it will be the death of your practice if you do. Always calendar expected responses from your clients and opposing counsel or the expected return of documents (orders from the court, etc.). Attorneys' offices have become so inundated with paper that it is very difficult to keep an accurate account of all documents. Learn to use your office management program to facilitate this task.

It is important that each office keeps at least two separate calendars and docketing systems. I suggest both a computer and hand-entry system. If possible, it is also important that a person other than the one whom made the original entry checks each entry. One option for calendaring and docketing is using a computer program. This may be a program that is specifically designed for law office calendaring or you may design your own program through another personal information manager. Whatever you use, make sure that each person understands how the software works and understands the program's significance to the smooth operation of the law office. If you carry your calendar with you, make sure that some procedures are followed to transfer new information from the hand calendar to the office computer calendar, and vice versa. I use blue tabs that are placed next to each new entry I make in my personal calendar. These tabs are then removed once the calendar on my office computer has been updated. At least once a month, make a copy of the time manager and keep it in a secure place until the next month. This is an extra insurance policy if your briefcase or purse containing your time manager is stolen at the same time that your office computer crashes. As additional insurance, you always have your computer tape backup.

"To do" lists should be made an integral part of your calendaring system. If a project is not completed one day, your software program should retain the project on a running "to do" list until it is completed. *Amicus Attorney* provides for allocation of priorities to the "to do" lists, including an entry for "do someday." Every morning *Amicus* also reviews each file in its database and compiles a daily list of "to do" items, printed out in order of their assigned priority. As the date for completion moves closer for that "to do", it is automatically moved up on the priority list.

A convenient tool with any good computer calendar programs is an alarm system that can be set in advance to warn you of scheduled events. You should be able to set the advance alarm for any given period of time prior to the scheduled event. The best alarm will interrupt you even when you are working on documents in another software program on your computer.

## **6) File Management**

While a file is on your desk, plan all the events that need to be accomplished in order for that matter to be brought to an end, or at least to reach a specific level. Calendar (in your computer to do list) advance reminder notes for all deadlines and hearings and for anticipated responses and reminders for future work. *Amicus Attorney* has a great precedent feature which allows you to build a database of linked events so that when one event happens (the filing of a complaint), all subsequent events are automatically calendared (twenty-day answer period, default time, disclosure date, etc.). If you do not have a software program that automatically organizes this information for you, then take the necessary time to think through all the work yet to be accomplished. It is wise to do this while the particular file is still fresh in your mind. If you follow this procedure, there will be fewer mistakes, you will forget fewer items, and you will be able to close this file in a timelier manner.

Do not forget to send a thank-you letter to your client when you send the final bill at the completion of the work. Always bill timely. Clients are not impressed when they receive a bill six to eight months after the work has been completed. You will find such tardy billing is very difficult, if not impossible, to collect.

**A. File setup.** Before you open your doors to the first client you need to decide the type of filing system your office will use. There are a variety of filing systems. The most widely used systems usually fall within one of the following styles:

- *File by client name.* Active files are alphabetized by client name and filed using that name.
- *File by adversary name.*
- *File by number.* This is the most common method to keep track of new files. Each client is assigned a sequential master client number. Each new matter is then assigned a sub-set of the original client number, or its own unique matter number. I use the latter. Each new client is assigned a sequential master client number and, as a new matter is opened, it is assigned a unique matter number. Each matter number begins with the year the file is opened, followed by five digits. For example, the first new matter opened in 1996 was assigned matter number 9600001. This matter was for client number 222, therefore the file number assigned was 222/9600001. The 222 is the unique client number which was assigned when this client first retained our office. Client 222 could have hundreds or thousands of separate matter numbers, but the original client number will never change. Once the file is closed, it is filed sequentially by the matter number, not alphabetically. Each closed box is labeled with the matter numbers inside and a master list is kept in both the computer and at the storage site of all matter numbers and the assigned box.

Within each client file should be separate folders or backers, each labeled for that particular matter file. How should these folders or backers be labeled? I include the client name, adversary name, and client/matter number on every folder or backer, along with the name of the folder or backer (pleadings, schedules, diary, correspondence). Inevitably, you will find a misplaced file folder or backer in another file. It is obvious that this is misfiled because the client name and number is not the same as the others in that file. The number of folders or backers is a personal choice, but keeping several separate ones in each file makes handling large files much easier. You simply pull the separate file or backer, work from that information, and refile the backer when you are finished. Should you need only part of the file at a meeting or a hearing, you can pull the separate folders or backers, attend your meeting or hearing, and replace them when you return. Because the correct file information is on each folder or backer, it will become virtually impossible to misfile it.

**B. Filing.** A nasty job, but someone has to do it. Without exception, filing must be done every day. Using a filing box to stack documents until someone has the time to put them in their proper file will lead to lost time in searching for specific documents, lost documents and the appearance of incompetence.

**C. Management information reports.** Many clients require monthly status reports and may have specific forms that they require you to use. Inquire of each client as to his or her expectations and requirements before you establish a general procedure for that particular client. You will also find that many of these same clients have specific forms for bills. Be familiar with these requirements.

**D. Inventory of pending matters.** It is important that a general office procedure be established to ensure every file is reviewed on a periodic basis. Ideally, that would be each month, perhaps in conjunction with the billing at the end or beginning of each month. Create a list of all matters that are pending, have hearings set, have documents to be prepared, are awaiting client/adversary response, and are awaiting time limitations to run. Also create a miscellaneous category. Use your

computer program to accomplish this rather time-consuming project. Amicus Attorney keeps this type of inventory with each file and can prepare reports at any time.

**E. Maintenance of closed files.** The question is always asked - How long to I have to keep my client's files? At the conclusion of your representation send all clients a letter notifying them of their right to retrieve documents that have not already been provided to them. In the same letter notify the clients of your intent to destroy the file after a given period of time. Check your state's ethics opinions to determine the required/suggested retention period. Arizona lawyers must look to ER 1.15(a) that provides for a five-year retention period after concluding representation. Also make sure that your retainer agreement sets forth your retention policies.

Despite your retention policy consider permanent retention of your retainer agreement, written correspondence notifying clients of your intention to destroy the files and an index of documents that were destroyed.

## **7) Document Management**

Use the PaperPort software to scan documents in your case management (Amicus) program. The scanned documents are saved in the .max format (proprietary to PaperPort). PaperPort has the ability to convert .max files into many different formats. In order to save the scanned documents in a different format (.pdf or .tiff) drag the documents to the Acrobat link on the PaperPort toolbar and save as the appropriate name. Or select the desired documents and export to a temp file, then select .tiff or .pdf.

Inventory documents by using the autotext in the footer of each document. Auto text is inserted by: going to "view" menu and select 'header and footer'. Click on 'footer' and insert a identifier that reflects the drafter, the version, and the date. Make sure that everyone in the office follows this procedure with every document created.

## **8) Timekeeping Management**

Regardless of the type of legal services you provide, you need to design a system to keep a record of all the time you spend on each client file, separated by each particular matter. Many of my clients are on a flat fee basis, but I still keep separate time entries for all events in each file. Amicus Attorney makes this a breeze. In the days before this software program, I designed a communication log. This log was included in every file. Entries were made for all work performed and of each meeting or phone call, including a detailed description of the conversation and any future notations. There will be times when a client or the court requests an itemization of fees and costs several months after the work has been completed. Without the communication log or a good time-keeping system, I would not be able to reconstruct my time accurately.

You can use either a computer timekeeping system or a manual log. Whichever method you choose, make sure each file is fully documented to its completion. Then, keep all records for a minimum of three years.

There are several computerized timekeeping programs on the market. Again, ask your friends for their suggestions. *PC Law*, *Timeslips*, and *Time Matters for Windows* are just a few on the market. Talk to the manufacturers and request a demo disk. The program you choose should use the same terms that you use in your practice. The program should not make you conform to its expectations

of how to practice law, but exactly the opposite. I have found that programs truly designed by lawyers, for lawyers, are the best law office programs. As I stated above, *Timeslips* has outlived its usefulness if you use a good data management and accounting program: (e.g. *Amicus Attorney* or *Time Matters* and *PC Law*.)

If you are still trying to practice law without the aid of a computer, you need to invest in a hand-entry time sheet. Even though hand-entry systems are still in use, they may not be very practical. Only you can decide. Make certain that the system you choose works for you, your clients and your staff.

## **9) Accounting Management**

You will need an accounting system that, at the very least, includes client accounts, separate trust accounts, a general account, a payroll account, accounts payable, accounts receivable (probably your client accounts) and capital accounts. Many software accounting programs are available for this purpose: *PC Law* and *Quicken* are just a few.

The general ledger reflects all monies in and out of the general checking account. Make sure that you identify the expenditure as related to each client file and the purpose of each expenditure or deposit. Your software program should automatically post each entry to each separate client file. This will assure that each client file is properly charged for all costs related to that file. Your new software program will soon pay for itself in recapturing lost costs.

The accounts payable is a ledger of all bills you need to pay, including the names and addresses of each company. Closely scrutinize the statements that are being paid. Very creative staff has been known to create statements for fictitious companies.

In my days before *PC Law*, I used a simple system to keep track of most of the costs incurred on a client's behalf. Each file contained a separate backer or folder entitled Bills/Receipts. A copy of each bill or statement, including a copy of the check for payment is attached to the backer or folder. All staff in my office followed this system. Hopefully, it reduced the money lost as a result of neglecting to bill a client for advances and costs incurred on client matters.

As a matter of policy and professionalism, the following procedure was established to control spending within my firm. Whenever a client check is received, that file is pulled, a copy of the check is made and all bills related to that file are paid immediately. Then, office overhead is paid before the lawyer receives any salary.

A separate account or chart is kept for all accounts receivable. These are the fees owed by each client, costs advanced, monies received and write-offs, if any. It is very difficult for lawyers to make demand on their own clients for payment. Each lawyer must establish his or her business procedures for making such demands and follow through with the necessary collection activity. Keep in mind that many malpractice claims are brought immediately after a lawyer commences collection actions against the client. Perhaps establishing a procedure whereby the lawyer requires up-front retainers, which are replenished as they are used, is a better way to manage client's accounts receivable.

If you have employees, a payroll account will be necessary. Payroll records need to be kept for each employee, including copies of driver's licenses, and/or Social Security cards. For contract

labor, you will need to file the appropriate 1099 forms at the end of the year. Therefore, you must obtain the contractor's Social Security numbers or employer tax identification numbers prior to issuing any checks.

**TRUST ACCOUNTS:** Pursuant to Arizona Supreme Court Rule 4, each lawyer who receives client funds in Arizona or in connection with representation of clients in Arizona must maintain an interest-bearing trust account to pool client funds of minimal amounts. These trust accounts are referred to as IOLTA accounts.

In order to set up an IOLTA account:

- Direct the bank to assign the Arizona Bar Foundation's tax identification number 95-3351710 to the account.
- Make sure that your bank realizes that all interest from this account is to be paid to the Arizona Bar Foundation.
- Complete the enrollment form that you can obtain from the Arizona State Bar Foundation.

What are the IOLTA funds used for? The Arizona Bar Foundation provides legal services to the poor and disadvantaged and assists in educating the public about the law. If you are not an Arizona lawyer, be sure to check with your state bar association regarding your trust account requirements, if any.

It will be necessary to keep a ledger that identifies all monies deposited on behalf of each client (a good computer program can accomplish this for you). You may elect to have several trust accounts, a different one for each of your larger and repetitive clients.

Be aware that the Bank is required to report ANY overdraft to the State Bar. The ethics rules now permit you to keep a small amount in your trust account to cover bank charges. For more information contact the LOMAP department at the Arizona State Bar.

## **ALWAYS BE WELL ORGANIZED**

*The organization of your files creates an image. A well-organized file makes you appear well organized in other matters. Looking organized not only creates a favorable impression, it may help you to obtain a favorable settlement because the other lawyer or party feels intimidated.<sup>5</sup>*

One method to becoming organized is to anticipate any future needs both for tomorrow and next week. Decide what documents must be prepared for that hearing on Monday morning and what steps you must take to be prepared. Use your calendar or your computer to do list to remind you of items before they become emergencies. If you have staff, establish specific levels of responsibility and procedures for follow-up communication so that the status of each file is easily determined.

Keep your desk clear of distracting work. Have three boxes for incoming mail: (1) urgent/ important, (2) normal, and (3) reading. Make a list of things to do in order of priority. Revise that list as you work through your day, adding new items and deleting completed ones. Again, your law office management software program should accomplish this for you on a daily basis.

Avoid nuisance problems, such as running out of stamps or toner for the copy machine. These minor problems can shut down your office as easily as major problems can. Designate one person to be responsible to keep track of all necessary office supplies. Plan ahead, keep extra supplies handy and always have a list of the items that are running low. One morning/afternoon every two to three weeks someone can be designated to pick up everything needed for the office for the next three to four weeks. If, as the only person in your one-lawyer office, you are the responsible person, then the best use of your time is for an office supply house to deliver supplies and for a delivery service to run any errands that you have (including picking up extra postage for the machine).

## **HOW TO BE YOUR OWN SECRETARY**

Before you decide to be your own secretary, you must first investigate just what a legal secretary's responsibilities are and determine whether or not you are willing to dedicate the necessary time to become proficient as your own secretary. You must be more than just familiar with your computer. You must be willing to dedicate the time to become efficient. Otherwise, you will cost yourself more in time that equates to money in the long run than you will save up front by not hiring a secretary. You must be willing to do menial tasks such as typing letters, addressing envelopes, and photocopying and mass-producing documents. If you are not willing to do anything necessary to satisfy your clients' needs, including all menial tasks, then you should re-main in an environment where you have others do such tasks. You need to expand your knowledge by learning something new every day. Your word processing program has many timesaving devices, but if you do not know that such devices exist, you are wasting your time and your clients' money. Schedule at least one education seminar a year to learn about the new software available for lawyers. Do not buy the software immediately, unless you are willing to take the time to become minimally familiar with the program sometime in the next two weeks. (NOTE: Find an expert or guru who knows your computer like you know the back of your hand. This person can be the best investment you make when trying to keep up with the in-formation glut we are experiencing. To find this person, talk to the teachers in the computer classes at your local high schools or junior colleges and ask them for the name of their brightest student.)

To define the duties of a legal secretary, you must first understand the entirety of that individual's role in a law office. Before you leave your present situation, take the best legal secretary you or your friends know to lunch. Ask that secretary to provide you with a full list of his or her duties. I guarantee that you will be amazed at what they are responsible for. In fact, the most important place a new lawyer can spend his or her money would be in hiring an experienced legal secretary, even if that secretary initially earns more than the new lawyer.

The following are just a few of the daily responsibilities a good legal secretary has:

- Prioritize the day's work; then prioritize the week's work.
- Review all mail, deliveries, e-mail and faxes.
- Order items/documents that will be necessary to prepare future work.
- Prepare the necessary documents, correct copies, prepare necessary checks for filing fees, copy all parties, calendar response times, check conflicts, review accounts payable, review client bills for accuracy (spelling and math), supervise delivery, process serving, and certified mail.
- Anticipate client and lawyer needs before they are even aware such needs exist.

- Answer phones and return calls for lawyers to reduce their workload and help make the lawyer appear organized and efficient.
- Organize work, files, and the office so that anyone can find anything whenever needed.
- Always be willing to take the blame for whatever happens, regardless of who did it and whose responsibility it was.

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## **SOME FINAL THOUGHTS**

These suggestions reflect my experience in either establishing and being part of several different sizes and styles of firms: from a solo practice to a supervising lawyer in a medium-sized firm with staff of eight to ten, to training law clerks in a firm of 100+ lawyers. The majority of these suggestions will be applicable no matter what the size of your firm. Personally, I have found that I love solo practice. But I urge you to evaluate your personality and social needs before you commit to practicing as a solo. For some, this will be a very rewarding experience, but only for individuals who are comfortable working alone, without constant social exchange, and without last minute backup usually available in a more communal environment.

If you decide to try the solo or small firm life, then join as many state and county bar sections as you can make time for. Become very active in a select few of these organizations and build your contacts and reputation through these efforts. Meet others who are in the same situation you are in and make arrangements to cover for vacation and unforeseen double scheduling of court calendars. Do not be shy about calling people in your areas of practice and offering to exchange coverage for double calendaring. You will be pleasantly surprised about how many practitioners are willing to assist in both procedural and practical matters; all you need to do is ask. If you believe you are alone, it is only because you have chosen to be.

It is my opinion, and that of many modern business experts, that more and more professionals are returning to a less austere and formal setting for their businesses. But at all times you must remember: Your clients expect a professional environment. Therefore, keep your office and files well organized, dress appropriately for your meeting or court hearings, and make sure that you have the necessary privacy throughout the entire meeting, including turning off the telephone.

Most importantly, talk to everyone you know regarding whatever changes you are contemplating. Someone out there has tried every style of practice you could conceive of. Learning about their successes and failures will save you time, energy and money. Trust in yourself. If you act, look, and talk like a successful professional, you will become one.

If you have any questions please feel free to call me anytime (602) 246-7106. Also you are invited to visit my website for additional information about practicing law.

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## **ENDNOTES**

1. For more detailed information on setting up a home office, or what I call an on-site office, see my article entitled *Creating an Ideal Law Practice in Conjunction with Your Home*, chapter 26, *Life, Law and the Pursuit of Balance*, Diane L. Drain, Jeffrey Simmons Editor, MCBA, 1996.\

2. The office equipment and services listed are merely suggestions and do not attempt to represent more than the author's opinion. These suggestions will not be perfect for everyone in every situation. See also Chapter 15, *Life, Law, and the Pursuit of Balance, Technology and the Quality of Life*, and Chapter 16, *Life, Law, and the Pursuit of Balance. Tips for the Computerized Lawyer*, for additional suggestions on how to computerize your law practice.
3. J. Keith George, *You Can't Succeed by Winning*, in *FLYING SOLO: A SURVIVAL GUIDE FOR THE SOLO LAWYER* (Joel P. Bennett ed., 2d ed. 1994).
4. See Chapter 18, *Life, Law and the Pursuit of Balance, Little Things Mean A Lot: Communicating Tips from a Client's Perspective*, for further discussion on communication with clients.
5. Kenneth C. Wolfe, *Scare Your Opponent with Paperwork*, in *FLYING SOLO*, *supra* note 3.

THANK YOU LETTER AND GRADE CARD

«TodayDate»

«ContactName»

«ContactCompanyName»

«ContactStreet»

«ContactCity», «ContactState» «ContactZip»

REGARDING: Legal Services

OUR FILE NUMBER: «FileClientID»/«FileMatterID»

«ContactSalutation»:

Now that your case has come to a close I want to take a moment to say "thank you". I fully realize that this situation was not easy for you. It is my hope that that I was able to light your path through the morass of legal issues in such a way that you were comfortable making the decisions that I asked you to make. Certainly the situation that you just went through is one that is very difficult to prepare for ahead of time. But you handled the challenges well. I appreciate your candor and timely response to all of my requests for information. You made my job much easier.

My office policy is to keep all client files for a minimum of one year. At the end of that period I have your authority to destroy all documents in your file, unless you instruct otherwise. Throughout the time that I have been representing you I have been sending you copies of most of the documents, correspondence and pleadings that I received. During our time together you may have given me documents that you would now like to have returned. Please contact me to make arrangements to pick up these documents otherwise I will assume that you have no interest in preserving them.

Finally, I would appreciate your taking a few minutes and answer the following questions. I read every response on this "report card" and your replies help in establishing office policies and procedures. Please feel free to make any suggestions; especially ones that you feel will help me offer better services to my new clients. You may sign the report card, if you would like, but it is not necessary. Use the enclosed self, addressed stamped envelope to return your response. If you would like to write a more lengthy reply then feel free to send that along also.

Thank you very much for taking your time to help me be a better lawyer and counselor. As always, if you ever need any assistance please feel free to call.

Sincerely,

Diane L. Drain  
Attorney and Counselor at Law

DLD/db  
Enclosure

## REPORT CARD

Rank the services that you received from both me and my staff from **A to F** (A - excellent and F - failure). Feel free to make any comments in response to any question. If you feel that a bad grade is earned, then please state the circumstances and what we could have done to make the situation better.)

What type of legal matter did you seek legal assistance for? \_\_\_\_\_

- 1) \_\_\_\_\_ I was comfortable that Diane understood my problem.
- 2) \_\_\_\_\_ I felt that Diane cared about my situation and really wanted to help.
- 3) \_\_\_\_\_ I felt that Diane was capable of handling the legal issues involved with my problem.
- 4) \_\_\_\_\_ If I had to make a decision I felt that I was first given an opportunity to ask questions.
- 5) \_\_\_\_\_ I felt that I could ask Diane questions and that she would take the time to answer those questions so that I fully understood the answers.
- 6) \_\_\_\_\_ I felt that I normally understood the status of my case and what to expect next.
- 7) \_\_\_\_\_ I realize that Diane was the only lawyer in her firm, but she was able to keep me informed about my case whenever I had questions.
- 8) \_\_\_\_\_ My calls were usually returned within reasonable time after leaving a phone message.
- 9) \_\_\_\_\_ I felt that I was treated professionally.
- 10) \_\_\_\_\_ I felt that I was treated with respect.
- 11) \_\_\_\_\_ I felt that my case was attended to diligently.
- 12) \_\_\_\_\_ I felt that my case was attended to ethically.
- 13) \_\_\_\_\_ I felt that the fee I paid was reasonable and I received a valuable service for that fee.
- 14) \_\_\_\_\_ I felt that I was fully informed what my fees would be before I retained Diane.
- 15) \_\_\_\_\_ I would be comfortable giving Diane's name to someone else who needs legal help.
- 16) \_\_\_\_\_ The overall grade for the help that I received from both Diane and her staff.

NOTES: \_\_\_\_\_

Again, thanks for your time in completing this report card. Your comments, both negative and positive, are very important to me and I appreciate your being as sincere as you wish.