

HOW TO SET UP SMALL, EFFICIENT OFFICE IN CONJUNCTION WITH YOUR HOME¹

By Diane L. Drain, Counselor and Attorney at Law, April, 2001

“The master in the art of living draws no sharp distinction between his labor and his leisure, his mind and his body, his work and his play, his education and his recreation.

He hardly knows which.

He simply pursues his vision of excellence through whatever he is doing and leaves others to determine whether he is working or playing.

To himself, he is always doing both.”

Michael Scott Karpovich

For the last forty or fifty years, the perception has been that the practice of law must be conducted from high-rise buildings, with plush entries, marble floors, and cherry wood paneling. The lawyers dress in expensive three-piece suits that cost more than three times the client's average monthly wage. Ironically, we have the audacity to wonder why are we no longer part of the community.

Over ten years ago I decided to reevaluate my basic principles for practicing law. The final result of this review was to open my own practice. This was a very expensive and scary prospect. I decided to quietly set up an office in my home. Why “quietly”? Because certainly no respectable lawyer could possibly be practicing out of a home, rather than a high-rise building, right? Wrong!! From the first day my office opened I realized that I could provide more efficient and cheaper service for my out-of-state clients than I had ever been able to offer before. My clients began to refer other clients, who referred other clients, and so on and so on. No one cared whether or not I was housed in an elaborate, marble embossed castle. I discovered that what my clients wanted was to be able to communicate with me, be involved in the management of their case, easily access the current status of their case, and feel that their money was being well spent. I was able to fulfill my clients' needs and they responded by sending more work.

My family became a very important part of my decision to set up my office in my home. I had just married a wonderful man been blessed with three brand new stepchildren. None of these new members to my home had been raised with the “absent parent” principal. If I was to make this marriage a success, and if I was to help these children through a very difficult time in their lives, then I would have to re-prioritize my life. My work could not be all consuming; somehow I had to balance it with my new family's needs. How do you give equal time to both groups? Aren't their needs in exact conflict with each other? After a great deal of soul searching I decided that the only answer was to move my work to my home. I told myself I would only be there for one year. That was almost eleven years ago and I have never regretted making this move for one minute.

This article is designed to help you analyze whether or not a home office is a practical solution for your life. Answer the questions below carefully and honestly before making your decision. Consult your family, your clients, and your community. What you are actually doing is similar to merging together several different companies: your profession, your family, your clients, your extended family, your neighbors, your community, and your personal goals and needs.

My office is a full-time, completely self-sustained law office that just happens to be on the same real property where my home is located. I have never looked at my practice as a “part-time” practice, but I

¹Law Office of D.L. Drain, 1702 West Camelback, Suite 264, Phoenix, Arizona 85015
Phone: 602.246.7106, Fax: 602.249-1969; E-mail: diane.drain@azbar.org
Copyright, revised 2000. This article may be reprinted only upon permission of the author.

believe that you can use the suggestions in this article to fit any alternative style of practice. I recommend reading of another article of mine entitled "How to Set Up a Small, Efficient Law Practice"². In that article you will see that the considerations and issues of practicing law, making decisions about technology, and client relationships is the same whether and however you practice law.

IS AN OFFICE IN OR NEXT TO MY HOME POSSIBLE?

According to *Link Resources*, 37 million people work at home. Of that number 10-million work full time from their homes. The average age of these workers is 41.2 years, with an income of \$58,400. Thirty-four percent have post-graduate degrees. Surprisingly, 54 percent are male and 46 percent female. AT&T employs approximately 35,000 telecommuters and IBM estimates a savings of approximately \$35,000,000 in overhead costs as a result of their telecommuting program. Telecommuting will soon become the primary method for conducting business and will allow home-based offices to grow in every profession.

Setting up an office anywhere has many challenges. Setting up an office in conjunction with your home has even more challenges. Before leaving your present situation in order to set up this alternative style of practice, you should first inventory each of your professional, philosophical, and emotional needs. Your final decision of where to set up your office should be made only after you have completed a thorough inventory.

Look at Your Professional Needs.

Do you require daily interaction with other professionals, whether staff, or other attorneys? If so, then a home office may not be the answer for you. Are you are unsure of your ability to perform in your chosen profession? If so, then you may need the daily interaction and mentoring that comes with being part of a firm. Will your clients support a home office? If not, then your choice may be to have a more traditional, downtown office. Another option is to find new clients that will support this style of practice.

What are your philosophical needs?

Do you believe that a quality work product can be produced from a home office? If not, then this is not your bag of tea. Have you decided that only a "real lawyer", resided in a high-rise building, can woo and win good clients? If so, then you need a high-rise building.

What are your emotional needs?

Do you need the environmental stress inherent in the traditional law firm environment? If so, a home office is not going to give you that adrenaline rush. Do you enjoy spending as much time as possible away from your family? If your answer is "yes", then a home office is definitely out of the question for you.

If you enjoy having control over your daily life, enjoy having your family as part of your day, then a home may be an answer to at least one of your dreams. I guarantee that your clients will appreciate the lower hourly rate you offer. They will also appreciate the timely response they receive when there are fewer levels of staff to go to reach their attorney.

An evening in the life of an attorney who practices at home:

It is now 5:45 p.m. on Wednesday evening, after a very long workday, and I am putting the final touches on this article. My daughter's homework has been checked and she is now practicing her flute, dinner is cooking, and the washing machine is running. After dinner, I will take both my daughter and her friend to karate, return to the office, and continue to work on this article until time to pick them up. A client is scheduled to arrive at 8:30 p.m., which will give me time to return home from karate, get baths started, and make sure the dinner dishes are put away.

It is now 9:39 p.m. My clients have just left, the children are all in bed, and my husband is due home shortly from his "Communication and the Law" class. Together, my husband (who is also my paralegal, office manager and process server) and I will finish duplicating the bankruptcy

² *Life, Law and the Pursuit of Balance: A Lawyer's Guide to Quality of Life*, by Diane L. Drain, Jeffrey Simmons, Editor, published by the Maricopa County Bar, in partnership with State Bar of Arizona Young Lawyers Division and the American Bar Association Young Lawyers Division, 1996.

documents for filing tomorrow. We will then sit on the floor in the family room and stuff the rest of the notices that my youngest daughter copied earlier that day.

If this sounds invasive of our home life, it really is not. I have found that this joining of profession and family allows the entire group to work as a unified community, rather than as separate individuals. It does force you to plan ahead and to organize everything in both family and work. There are no more guilty feelings because I missed someone's recital, or my husband had to go to parent-teacher meeting without me. There are no more guilty feelings that I really should be researching that deficiency issue a little more because I can work on it while my children are sleeping and my husband is finishing his own work or studying. I have found that the amount of TV time has been cut down substantially. Instead, we work as a family, talking about the day, joking, and sharing experiences. NOTE: make sure that everyone that works for you receives some type of salary. Children and spouses alike need to be rewarded for the time that they devote to your practice.

WILL A HOME OFFICE WORK FOR YOU?

A home based office can be either be a satellite of your traditional "downtown" office or it can be your sole office. In addition to those issues discussed above you must also consider the following:

1. **Your Family Situation** - Will your family tolerate your invasion of their privacy and what are their expectations of a "normal" home?
2. **The Geographical Location of Your Home** - Will your new office be convenient for your clients? Is it convenient for you (close to the courts or other necessary services)?
3. **The Physical Layout of Your Home** - Is your home's existing floor plan practical for an office, or will you need to remodel or add on?
4. **The Balance of Work and Home** - Are you able to balance the invasion of work into home and vice versa? Do you have the ability to mentally separate each so that you have a home and not a bed within your office?
5. **Security and Privacy** - Two issues that are often overlooked before setting up a home office are security and privacy. You need to deal with both of those issues in order to determine what, if anything, you can do to provide you, your family, and your client information with a secure and private environment.

I have instituted the following procedures:

- In order to protect my family's privacy and security my letterhead, business cards and telephone book advertising do not have my home address. Instead, I have a business address that is used for all mail, pickups, and deliveries.
- Outside the entrance to my office is a sign that reads "By Appointment Only".
- I inform my clients that I answer the office phone during normal business hours only. Of course, exceptions can be made depending on the circumstances.
- DO NOT give your clients your home phone number. In very special circumstances I will give my clients my pager number. My US West voice mail program has a feature that notifies my pager whenever a caller marks a message as urgent.
- I have a pickup/delivery box just outside the entrance to my office so that deliveries can be completed whether or not anyone is in the office. Clients are shown the box during their initial visit and encouraged to use it whenever they like, but reminded not to knock and expect to meet with me without calling in advance.
- I have a security alarm on the office and home doors. I keep my office entrance door locked, except when I expect a client. Whenever the office door opens, a loud chime announcing the arrival of a visitor. This chime also notifies the visitor that the office is protected by a security system.
- Most importantly, I carefully screen potential clients before meeting them at my on-site office address. There is no science to this screening process, just use your intuition and common sense. I normally talk to a potential client on the phone for at least 15 to 30 minutes before setting up the initial appointment. You may see this phone interview as a waste of time, but over the years it has proven to reduce the amount of time that I spend with potential clients who do not retain my services.
- AS additional security I have a Great Dane and Rottweiler that lay at the door between my office

and home. Any visitor entering the office cannot miss these animals. Their overwhelming size is an initial deterrent for that weirdo that pierced my telephone interview defense.

6. **Zoning** - Check the zoning restrictions for your property before investing any money in adding a new office. Most of the older residential zoning restrictions limit businesses in the home when there will be an increase in the neighborhood traffic. Some of the newer residential developments have absolute prohibitions against any home-based offices. In the future, as home based businesses become the norm, there will be increased demand that these limitations be relaxed or eliminated. For now, be sure that you are fully informed as to the restrictions and be willing to make changes if necessary.

SETTING UP A SMALL OFFICE IN CONJUNCTION WITH YOUR HOME

The considerations in setting a small office in conjunction with your home are the same as setting up a multiple attorney firm, except you are the sole decision-maker. All equipment, file setup, staffing requirements must be determined and 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.

OFFICE OPTIONS

Your Requirements - For a home office you will need a separate room/space dedicated to ONLY office equipment, furniture and files. This is not only to satisfy the requirements of the IRS, but will also assist you in practicing more efficiently and creating the professional image that is very important.

DESIGN: Design a layout for your desk and other work surfaces that satisfies your needs, based on the available space. Take into consideration the equipment that needs to be easily accessible, the necessary file space and whether or not you will be your own secretary. In addition, you need at least two client chairs (assuming you see clients in your home office).

PRIVACY: In order to insure privacy it is essential to have a door that separates your office from your home. The only exception to this requirement may be if you are the only occupant of your home, including pets. Assuming you have a family, they have the right to a normal home environment. The perception of a home is in conflict with our current perception of the typical office environment. Playful children, noisy dogs and clanging washing machines will disturb your meetings with clients and inhibit your ability to work efficiently. Most importantly, this distraction interferes with the image you are trying to create of a dedicated professional.

CONFIDENTIALITY: You have an obligation to protect and secure client confidentiality. This includes protecting client files from peeping eyes of others. Your office is not a place for personal visitors, or children at play. It is essential that you train each member of your family to honor the confidences of your work and respect your clients' information and documents. Receive personal visitors in your home, not in your office. Conversely, meet your clients in your office, not in your home. The office patio that I describe below is a perfect place to meet with clients when my office space is too restrictive.

SECURITY: In addition to the security alarm I mentioned earlier, and in order to enhance the security of my office, I have built a patio in front of the entry to my office. This adds a wonderful atrium and gives me a large conference room in a lovely garden setting. The lattice patio adds privacy to the entry of the office and limits visibility from the street. Therefore, a curious passerby cannot see into my office.

FILE STORAGE: Adequate file storage is a necessity. If storage in your home is limited then rent a convenient, air-conditioned 4 X 6 storage space. That rent will be additional overhead, but it is usually inexpensive. Now that computer storage is very inexpensive convert all closed files to computer images by the use of scanning and store the entire file on a CD or DVD.

Expectations of Clients - 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, out-of-state, lenders. Historically,

I met these clients at their local office, if they had one, or we limited our "meetings" to the telephone, e-mail and/or fax. For these clients, a home office is extremely convenient for them. In fact, most of them have come to prefer it because they can make arrangements for me to be available during hours that a traditional law office would be closed. In a profession where our clients are spread throughout the world, this more flexible work schedule is very appealing to clients. In fact most have come to expect easy and continuing access to their professionals, no matter where they are in the world.

The balance of my clients are professionals or referrals from other professionals. These people are typically self-employed and most have their own home-based offices. They enjoy the low stress environment I can offer in my home office. I can pull a court docket, draft their retainer agreement, make copies of their documents, and instruct my runner/process server, all while they are in my office to help with the instructions. Meetings during evening and weekend hours are easily arranged. Their travel time is greatly reduced, with little or no traffic problems. Most importantly, there are no parking problems. As part of your decision to make this change, talk to your clients. Take into consideration their legal needs and expectations. Balance their needs with your needs as a professional, and the expectations of your family.

EQUIPMENT³

Computer - Buy the most powerful computer you can afford. Always buy brand names and find a local computer company that will build and repair your units on site.

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 understand the resources you have before purchasing any new ones. The more efficient you are on your computer, the greater advantage you will have over your fellow lawyers who are still learning how to turn their computers on.

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 most important requirement is to back up your entire hard drive, that is, your software and your files. The most foolproof option is to use an internal or external hard drive that mirrors the working hard drive. You can accomplish this mirroring by using Windows NT Server to copy all information 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 tape backup for the days that Ghost is not going to be run.

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 down time by 500 percent or more and will decrease the frustration levels for everyone in the office.

The office equipment and services listed below 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. Technology changes hourly, therefore these suggestions are outdated the moment they were put on paper.

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 are Windows 98SE, Windows 2000, Windows ME, Unix, Linux, and OS-2. I highly recommend starting in Windows 98, second edition or making the change to it as soon as possible. I find this operating system to be very easy to use. Make sure that all software you purchase is Windows 98, 2000 and NT compatible.

If you are buying a new computer, it will most likely come pre-loaded with Win98, second edition. If you already have a computer, I suggest that you have someone experienced with Win98 load it for you. Make the change on a Friday night and expect that you, or an employee, will need to spend most of the weekend getting all the computer instructions formatted for your individual 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. Most important, it is very user friendly and does not take any experience to use the program efficiently. Of course, the more 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. This program has its own strengths, but also some serious weaknesses. For the non-computer technician it is visually overwhelming and take 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 a matter. *Timeslips* is a product many attorneys use throughout the U.S., but most find it difficult to master. I have found that using my PIM - *Amicus Attorney* and my bookkeeping program - *PC Law, Jr.* 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, Jr.*, 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, spread sheet, data manager, and perhaps desktop publishing, into one package.

These suites are easy to install and all the programs are designed to work together. *WordPerfect 9.0* is Word Perfect's version of this combined package and is a Windows product. The main competitor to *PerfectOffice* is Microsoft's, *Office 97 and Office 2000*. These suites contains *Word* (word processor), *Access* (database), *Outlook* (calendar and contact lists), *Power Point* (slide show presentation - great for the courtroom), and *Excel* (a spreadsheet). I was an avid *Word Perfect* user, but converted when they failed to move into Windows with a product that was as good as *Word*. When choosing your word processing software, look for the following:

- o User friendly
 - o Universal use among other law firms
 - o Spell checker and other amenities
 - o Data manager package (depends on the level of sophistication that you wish to achieve).
 - o 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.
- 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, pleadings, all with the touch of a few buttons. The documents are stored in your word processor. 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 you need. It recalls all the prior answers about specific questions (eg: 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 (eg: 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 system established that dictates exactly how all information is to be stored. One method is to use a software program called a Document Manager. One method is to use your various software programs and have files for each client in each program. For example: Client Ted Smith retains your office to represent him in a chapter 7 bankruptcy case. You need file folders in all your software that has information related to Mr. Smith's file. That would include Word, HotDocs, WinFax Pro, Eudora, Paperport and Bankruptcy 2000.

Another option is to use a Document Manager program, such as *Worldox*, to point to the physical location of all documents. This acts as a general index for each client and administrative file. A new 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.

Printer. A laser printer is the best investment for a law office. 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 for \$260, which provides for unlimited service calls. My only other costs are paper, toner and a drum. Now I have a Canon PC795 that has a built-in document feeder and two trays for various sizes of paper. It reduces and enlarges and also can work with photographs and transparencies. There are two ways to acquire a copier. The first is to purchase one. Perhaps a used copier, with an annual maintenance agreement would be a wise investment. The minimum "bells and whistles" for your new copier should be a document feeder, enlargement/reduction capacity, and the ability to produce both letter and legal sized documents. The second option is to lease a copier. Either way, investigate the costs of maintenance and operation, including the costs of the toner and drum.

Facsimile (Fax) Machine - There are two options for a fax machine. The first freestanding machine. Your needs and financial resources will dictate whether you purchase a plain paper or thermal fax paper machine. Until last year I was using the Sharp UX-1200R, an ink jet fax. It is a plain paper fax, with memory capacity (if it runs out of paper, then it automatically holds the images until the paper tray is refilled). It also has broadcast faxing capabilities. I paid the same amount for this machine as I did for my first fax machine seven years ago (approximately \$600). Your fax should include a built in cutter and automatic feeder (at least 12-15 pages). As I said in the earlier paragraph under "Printer" I am currently using a 4-in-1 unit. I do not recommend that type of unit if this will be your only fax, printer, or copier. If the 4-in-1 breaks down your entire office is at a standstill.

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.

The second type of fax "machine" is an internal fax, which is a board located inside your 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.

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 IV. Personally, I have been pleased with PCAnywhere 32, 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. 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.

Telephone(s) and Telephone Line(s) - There are as many different choices for telephones as there are long distance providers. It is advisable to stay with a manufacturer of your phone equipment that has a good reputation. At a minimum, you will want a 2 or 3 line phone with: speaker, hold, conferencing, mute and do not disturb features.

You will need a minimum of two different phone numbers. One number is dedicated as your main office

line. This number is listed as a business line and will be included in the yellow pages under the specific area that you choose. There will be an additional charge for this business line, but it is worth the extra few dollars to have a presence in the business section of your local telephone book. It is a good idea to put Caller ID on this line.

The second line should be your home line that can also be used for the fax/modem and as a second outgoing line (this would be ideal for the DSL line). Do not give this phone number to any of your clients, get a beeper instead. All personal calls should be restricted to this line. For security and privacy reasons you may decide not to have your personal phone number included in the personal section of the telephone book.

I have retained my maiden name; therefore we can list our home number under my married name and still retain our privacy.

Include Voice Messaging, or some similar service, on your main office line. Incoming calls will be automatically forwarded to your voice mail after a predetermined number of rings, or if the line is busy. Do not use call waiting on your office line, it is far too distracting for you and your callers and does not add to that professional image you are trying to create. Establish a habit of turning the ringer on the phone off during non-business hours, unless you have made special arrangements to receive late or weekend calls.

I have chosen to install a third line, which is dedicated to the fax/modem. There is also a phone on the fax machine that can be used as an additional outgoing line, if all the other lines are busy. Using this separate line I am able to leave my fax on 24 hours a day, seven days a week. This permits my clients, world wide, to fax me at their leisure. This also eliminates the necessity of using my computer as my fax, thereby opening my client information up to "hacking". Initially I wanted the DSL line installed on this phone number, but that number was not in the "range" where my phone company could offer DSL yet.

I have the main office line located in at least two places in my home. I have two three-line phones: one in the office, one in my husband's office. Line number one is the main office line, line number two is the home/DSL line, and line three is my husband's business. A fourth telephone line is the dedicated fax and modem line, which is answered only in my office by the fax machine. With the existing technology having four lines may be overkill, but these were installed before US West came up with its many services for small businesses. Call US West Small Business for assistance in setting up your phone system. They are very helpful and there is no charge for their services.

Depending on your preference, you may decide to use a speakerphone. Personally, I find a speakerphone objectionable and I believe that most clients agree with me. If you are too busy to pick up the phone to talk directly to your clients, then your clients may decide to find another attorney who is willing to treat them with more respect. In addition, many older clients have a very difficult time understanding someone using a speakerphone; the echo distorts the voice.

In order to reduce your chiropractic bills it would be wise to invest in an ear loop attachment as a replacement for the handset. 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. I have just invested in a unit called the Office Rover, from Hello Direct. It was expensive, but works very well. It is wireless, therefore I can move from my desk while talking on the phone.

Typewriters - For us "old timers," this is still a necessity, but buy a used typewriter, rather than purchasing a new machine. I suggest a Selectric III, self-correcting.

Stamp Machine - This may be a necessity if your office produces a lot of mail. These 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 are experimenting with Internet postage called E-Stamp. There is a piece of hardware attached to my workstation that is called a vault. I purchase a specific amount of postage via the Internet and download it into the vault. E-Stamp puts the stamp on at the same time the address is

being printed on the envelope. At this time I do not recommend this process for those just learning to use computers and the Internet. For the rest of you - make sure you understand that it will take more time to produce an envelope, but take only seconds to purchase postage.

PERSONNEL

1. **Employees** - Even if you are working from your on-site office, you will still find it necessary to consider the hiring of employees or outside labor. First, 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 your 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 home, 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.

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(ies). 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 workflow more efficient. Another option is hiring a part-time "runner" to handle your office administration errands, court filings, and deliveries.

For employees/contract labor working from home or another office use the modem/fax to exchange assignments, but be very careful who you allow to access your computer via a modem.

MISCELLANEOUS

1. **Mail** - This may be a difficult issue when you are first opening your office. What address do you use? As you decide where and how to practice, you may appear to be transient if you change your address too often. I do not recommend using your home address on your correspondence or business cards. This will make privacy and security more difficult. In addition, you may later move to an office outside your home and then regret the lack of privacy or security because your home address has made the public record. Not to mention your relationship with your mail carrier - if your office receives a great deal of mail they will most likely object to this increased burden.

One option for an address is to rent space from an existing law firm and use their address for your mail and deliveries. This rental may be limited only mail and delivery use, or it may be expanded to hourly use of the conference room and a per use charge of their copier, fax, and other equipment. You may then choose to use their conference room to meet clients or hold depositions, rather than your on-site office. The typical fee for rental of the conference room ranges from \$25.00 to \$50.00 per hour. The flat monthly fee for the mail services only ranges from \$50.00 to \$125.00.

Another option for your mail is to use a private mailbox. You will use their street address on all correspondence and for all your deliveries/pickups. All mail is delivered directly to them, with 24-hour availability for pickup. They take your deliveries and provide you with stamps, certified mail and may have notary services available. The mailbox staff can also accept service (if so instructed) and may also have secretarial services and delivery services available. Note that there is legislative move to require everyone using a private mailbox to include "PMB" on the letterhead.

A third option is to use a U.S. 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.

2. **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 form books 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 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).

Other valuable Internet resources are list serves 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 list serves 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 list serve permits 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 user groups in your area of practice.

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 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.

3. **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 or 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.

OFFICE MANAGEMENT

The management of your office is a skill that can either make or break an attorney and the firm. This is true whether you have an on-site office, or a traditional downtown office. It is not unusual for attorneys 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 attorneys in the office, and all the other various daily "management" issues that plague every office manager or solo. Many times, the attorney is in a "no win" situation. Decisions must be made which will effect someone in a negative manner. It is not unusual that the attorney is faced with a dilemma: a decision that must be made that will effect the attorney's own financial health, but will mean the continued existence of the firm as a whole. These dilemmas are found in firms of every size. Fortunately, in the small, solo firm these decisions do not have the political undertones that are usually found in a larger firm environment.

Another dilemma that the solo is faced with is spending money on soft costs, such as the education of self and staff. Education of the staff and attorneys 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 attorneys) as tools for managing a business. These tools are replaceable if they become obsolete, dysfunctional, or 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. This issue becomes very crucial in a solo office. One employee, usually the only employee, can break the entire firm because of bad or unsupervised decisions. It is essential that you interview your prospective employees in order 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 and both of you 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.

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. *You Can't Succeed by Winning*, J. Keith George, Los Osos, California (From Flying Solo, 2nd Edition)

At the outset of the relationship, discuss both client and attorney responsibilities. Define procedures you use for billing, return of phone calls, copying of documents, notification of hearings, and other client-attorney interactions. Define your expectations of the client and their responsibilities to you and their case. Carefully define the limits of your representation for each client. Put these limits in writing. It is very important to layout the ground rules for your on-site office. It is not permissible for clients to "just drop by". You should explain to them that you have assigned times for meetings every client, thereby assuring that these meetings are uninterrupted. Let them know that in special situations you can offer to be available during non-business hours and your clients will thank you for going out of your way. Explain the use of your pickup and delivery box and offer them the use at any time. Explain that you answer your telephones only during normal business hours, but are willing to set special hours for unusual circumstances if you are contacted ahead of time. Truthfully, there are times that I answer my phone on the weekends when I am working in the office, but that is rare.

No one is born with the knowledge of how to communicate, it must be taught. Few law schools have classes in communications, yet the number one complaint from most clients is that the attorney fails to communicate. In order to distinguish yourself among from other attorneys review the following suggestions and establish procedures to implement each suggestion by both you and your staff.

- ? Return client calls within 12-24 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 client 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. Ask your clients what they expect and what they believe is a successful result. You may be very surprised that their idea of a successful result is not the same as yours.

You cannot possibly make every client happy. There are times that 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 is a client that 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" attorneys they have hired in the past, this client is probably a "three time loser." The operative word here is several attorneys. If a client is complaining only about their last attorney, that may not be a clue that this client is a problem.)

TIME MANAGEMENT

Your time is your financial security. It is necessary to 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 CLE 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 in order to begin working on the new client's file. Set aside at least one day each week as a "work day." 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 wearing two hats that of an attorney and a secretary, then time management becomes even more crucial. As an attorney, 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, attorneys, other staff, and clients. Until you have mastered this ability to juggle several things at once you must keep distractions to a minimum.

TELEPHONE MANAGEMENT

Take control of your telephone. For one week keep track of the time that you are actually spending on the phone each day. You will be amazed at what a "3 minute" phone call actually takes. In order to manage your time you will 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 your staffing.

If possible, designating specific time periods 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. If you are unavailable, have your staff suggest to the caller that you will be returning 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 1-2 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. Have a method 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 document 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 these items in quick and simple steps.

If a call is a "miscellaneous or an informational" call, then keep the detailed message of each call and file these messages for later referral. Before I found the *Amicus Attorney* program I used a daily desk file and sorter that is divided into alphabetical order. Every 6 months all the notes were removed, kept in alphabetical order, and placed in a file for storage. These notes allowed me to track prior referrals that have not resulted in clients, or prior calls that I did not take as clients, but referred to other attorneys. 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 them.

Whenever meeting with clients, **DO NO 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 24 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.

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 email 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.

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 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.

FILE MANAGEMENT

While a file is on your desk, plan out 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 data base of linked events so that when one event happens (the filing of a complaint), all subsequent events are automatically calendared (20 day answer period, default time, disclosure date). 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.

1. **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, but the most widely used systems usually fall with one of the following styles:

? File by client name - the 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 subset 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 5 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 number is the unique client number that 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, and 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.

2. **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.

3. **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.

4. **Inventory of Pending Matters** - It is important that a general office procedure be established to insure that 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.

TIMEKEEPING SYSTEMS

Regardless of the type of legal services you provide you will need to design a system 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 each meeting or phone call, including a detailed description of the conversation and any future notations. There will be times that 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 timekeeping system, I would not be able to accurately reconstruct my time.

You can use either a computer timekeeping system or a manual log. Whichever method you choose make sure that 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 attorneys, for attorneys, are the best law office programs.

If you are still trying to practice law without the aid of a computer, then 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.

ACCOUNTING SYSTEMS

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, Jr*, *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. In a very short time, your new software program will pay for itself in capturing 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 members have been know to falsify statements for fictitious companies.

In the 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". Copies of each bill or statement, including a copy of the check for payment was attached to the backer or folder. All staff in my office followed this system. Hopefully, it reduced the number monies 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 were paid immediately. Then, overhead of the office is paid before the attorney 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 attorneys to make demand on their own clients for payment. Each attorney must establish their 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 an attorney commences collection actions against the client. Perhaps establishing a procedure whereby the attorney requires up-front retainers, which are replenished as they are used, is a better way to manage clients' accounts receivable.

If you have employees, then a payroll account will be necessary. Payroll records need to be kept for each employee, including copies of driver's license, 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 tax employer identification numbers prior to issuing any checks.

Pursuant to the Arizona Supreme Court Rule 4, each attorney 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 are referred to as IOLTA (Interest Bearing Trust Accounts) accounts.

In order to set up an IOLTA account:

- ? Direct the bank to assign the Arizona Bar Foundation's tax identification no. 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; and
- ? Complete the enrollment form that you can get from the Arizona State Bar Foundation, at (602) 252-4804.

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

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 attorney or party feels intimidated." *Scare Your Opponent with Paperwork*, Kenneth C. Wolfe, Fort Collins, Colorado (from *Flying Solo*, 2nd Edition).

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 you must take in order 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 32-cent 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 so that one morning/afternoon every two to three weeks someone can be designated to pick up everything needed for the office for the next 3-4 weeks. If, as the only person in your one-attorney office, you are the "responsible person" then the best use of your time is an office supply house that will deliver supplies along with 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, or 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 remain in an environment where you have others to do such menial 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 attorneys. Do not buy that 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 a "guru" or "techie" 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 information glut we are currently 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.)

In order to define the duties of a legal secretary, you must first understand the entirety of that individual's role in a law office. For those who have been in a medium to large firm, you are usually unaware of all of the duties that a good legal secretary provides her/his attorney. 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/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 were initially earning more than the new attorney.

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 attorney needs before they are even aware that such needs exist.
- ? Answer phones and return calls for attorneys in order to reduce their workload and help make the attorneys 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.

FINAL THOUGHTS

The suggestions set forth above reflect my experience in either establishing and being part of several different sizes and styles of firms: from a solo practice to a supervising attorney in a medium sized firm with staff of 8-10 to training law clerks in a firm of 100, plus attorneys. 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 at my on-site office. But, I urge you to evaluate your personality and social needs before you commit to practicing as a solo, especially setting up an office in or next to your home. 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 life then join as many state and county bar sections as you can make time for. 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. Therefore, learning about their successes and failures will save you time, energy and money. 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 area(s) of practice and offer to exchange coverage for double calendaring. You will be pleasantly surprised how many practitioners are willing to assist in both procedural and practical matters, all you need to do is ask. If you feel that you are alone, it is only because you have chosen to be.

I warn you that setting up an office in your home can be difficult for your family. But if everyone is willing to work toward a common goal it can be extremely rewarding for all. For those of you that have small children, I would suggest a second office outside the home office until the children are in school at least part time. Through dedicated effort you will find that having your family participate in your business (e.g.: your six-year old helping with copying) is a wonderful confidence builder for your children and a great way for them to earn their allowances. In addition, talk to your CPA about what the IRS allows us to pay the children per year, tax-free.

It is my opinion, and that of many modern business experts, that more and more professionals are and will be 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 meetings or court hearings, and make sure that you have the necessary privacy throughout the entire meeting, including turning off the telephone.

Lastly, trust in yourself. If you act, look, and talk like a successful professional, you are already one, or are soon to become one.

Diane L. Drain, Counselor/Attorney, Wife and Mother of Four, and Teacher.