

The Power of Partnership

Administrators, Business Partners Make for Natural Allies

BY ED POLL

A successful legal practice requires a team of lawyers, administrators and business partners. But don't let me forget the most important component: the client. Inclusiveness will produce better results for all, especially the client. Productivity by the law firm and, therefore, the profitability of the firm will also increase. No firm or lawyer should ever think of staff or business partners as "them." When it comes to a firm's survival in today's business environment, the only group that matters is "all of US."

Administrators and business partners should be natural allies in shaping a firm's business and economic success. The Association of Legal Administrators (ALA) raised this philosophy to the conscious level by replacing its use of the word "vendor" with "business partner," and its recent Association-wide rebranding reflects this in its brand promise to serve as: *"Your connection to knowledge, resources and networking."*

In many law firms, individual partners, even lawyers generally, have the ability to direct discretionary resource consumption, from purchasing new office furniture to charging the firm for personal meals and travel. Left to their own devices, these lawyers sometimes fail to understand the operation of the firm as a business with profit and loss issues. The dearth of lawyers' business competencies are built into their education. Most lawyers still enter law school with an undergraduate degree in the liberal arts. Law school curricula have little business focus. And few bar associations give Mandatory Continuing Legal Education (MCLE) credit for courses in finance or management.

In the law firm world, administrators and business partners are sometimes perceived as technicians; they may not get to sit at the table with the buyers – or the lawyers who own the firm. As John Kirk, CLM, Chair of the ALA Business Partner Relations Committee, said, "... (law firms) are vendors, too. We seek to sit at the table with our clients as peers; as such, we can be more helpful and more effective for our clients."

The same is true in dealing with our business partners.

"We need to appreciate what our business partners do to educate us about our profession and their particular roles in it," said Kirk. They help us to be more effective for our law firms."

By collaborating, administrators and business partners who pride themselves on their professionalism and commitment to client service will show their strategic value and drive long-term success in their organizations. In this article, learn how to build the performance equation that benefits administrators and business partners.



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SATISFACTION IS NOT ENOUGH

For administrators and business partners, proving success means going well beyond the level of merely satisfying buyers: the lawyers/owners. Satisfaction is the minimum threshold of a professional services relationship. However, it is also incomplete to say that the service provider must “exceed expectations,” because this can be hard to define – especially when, as noted earlier, lawyers may not really understand the business sides of their operations and what to expect from their business partners. Plus, even if there is agreement that expectations were exceeded, human nature dictates that even greater exertion and achievement will be expected next time. At some point, it becomes impossible to continually exceed expectations; the best that can be done is to meet them. And that is the definition of satisfaction – a level of performance that is expected.

Service providers who don’t communicate with their clients to learn what clients want, how they want to receive what they want and what the clients’ future needs may be will have dissatisfied clients who do not respect them. This communication process is a *collaboration* that creates a client/customer relationship built on loyalty. Administrators and business partners must work together to assess needs and develop proactive, interactive approaches, making recommendations to each other about actions and decisions that are mutually beneficial.

In the same way, lawyers increasingly are rewarded by *their* clients for having “skin in the game” and taking an affirmative approach to provide real benefits that go above and beyond mere satisfaction before they are asked. Such lawyers are perceived as being concerned first of all about the client, and not about the law firm, and as having a stake in the success of what the client does. The goal in client service – for lawyers,

for administrators and for business partners – is to become a strategic partner and peer to deliver solutions, not merely serve as a vendor.

My experience from years ago in the food industry illustrates this dynamic. A buyer called me and said his company had done a “cutting” – lining up competing products and cutting them open to taste them and compare their quality. My company’s products fared well on the quality side, but a competing company was offering a drastic price discount. The buyer told me, “I’m not demanding that you meet this price. I will keep your products on the shelf, but I need you to do *something* – a modest price cut, a promotional offer – so that I can show my management that I’m aware of the competitive market, have done my job and have caused you to respond.” I realized “this is a loyal customer.” I did as he asked, without having to meet the price competition. We retained our business relationship because of our collaboration.

PERFORMANCE IN ACTION

“Do *something*” is synonymous with “performance,” which transcends mere satisfaction. Performance is a factor of many different things: communication, understanding and focusing on the needs of the law firm and its lawyers, and then applying specialized management and supplier knowledge to meet those needs. The business partner who offers and promotes new ideas or trends in the industry before they are released to the general public is offering performance to the law firm. The administrator who, rather than just responding to what the partners say, understands what the partners need and then provides it, is offering performance to the law firm. In a true partnership between administrators and business partners, performance is a collaborative process that goes both ways and benefits both sides. Consider how the process can work with these examples

of services that business partners work with administrators to provide.

- **Office Equipment.** Under the rules of professional conduct, lawyers must maintain and safeguard client property, including client documents and files, for virtually an indefinite period. This creates the typical storage dilemma of hundreds or thousands of Bankers Boxes, in which finding anything is difficult at best. Consider this: Some leased photocopy machines scan documents without charge if paper is not used to print the image. The administrator and equipment provider may agree to lease terms that say only copying (and not scanning) is to be charged. The scanned documents are then stored on electronically searchable disks. The results: Storage costs are lower, documents can be found more quickly and the office equipment business partner has a satisfied client.
- **Insurance.** Lawyers' responsibilities to protect and preserve client property and files require precautions against the likelihood of harm to those materials. Fire is an ever-present risk. If you are an administrator of a firm with leased office space, do you know if the firm or your landlord is responsible for obtaining fire insurance? How about specialized coverage for earthquakes, floods and hurricanes? Is client property covered? If you are an insurance agent, have you asked your law firm client for a complete inventory of client property? Do you know the value of the client property and files in order to effectively insure them? Coming to agreement and understanding on these issues can prevent much grief for lawyers and law firms.
- **Office Space.** When a law firm leases office space, administrators and landlords can negotiate what is most critical in meeting the firm's needs. Virtually everything can be negotiated *before* the lease papers are signed. For example, there are tenant improvements and betterments (TIBs) that can be made to the office space, to be paid for by the landlord, tenant or both as negotiated. To make improvements, the landlord can recommend a familiar contractor who knows the building and is committed to doing good work for the landlord. The landlord may also propose a commercial space planner who is



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familiar with law firm office requirements. Such steps can get the law firm tenant into office space more quickly and smoothly, benefiting both sides.

- **Banks.** Some administrators may perceive of bankers as adversaries, offering help only when it isn't needed. And, of course, the experiences of the past two years have shown that, when crunch time comes, your bank may be facing as many, if not more, challenges than you and your firm are. However, lawyers and law firms remain attractive customers for banks. Banks value lawyers as having good financial prospects, relatively low risk and good potential for new business referrals. Banks and law firm administrators can develop mutually beneficial and effective business cash management and business referral relationships that provide the necessary funds and financial services the firm needs. And as banks better understand the cash management dynamics of law firms, the more likely they can establish themselves with a lucrative business niche.
- **Technology.** Many small law firms resist buying or updating technology because they are overwhelmed by the often-high up-front expense, and thus they delay upgrades for five, six or more years. Recognizing this, technology business partners can offer leasing programs that feature more frequent upgrades and also have tax advantages. A leasing agreement can be structured to allow the firm to trade in old leased equipment at the end of the term for new equipment, and a "partner" can make the process especially attractive by including software and/or implementation services. Such arrangements take time to negotiate, but, again, both sides benefit.

ALLIES, NOT ADVERSARIES

The aforementioned examples have one common theme. When administrators facilitate collaboration

with business partners and address needs unique to lawyers who are clients for both of them, all sides benefit.

Vendors are not the enemy; they are not hucksters," said Kirk, of the ALA Business Partner Relations Committee. "We need to appreciate what our business partners do to support ALA, and appreciate what they can do to educate us. Just as our clients seek to rely on our lawyers for advice, we should seek to rely on our business partners for quality advice in their respective fields of expertise."

Administrators and business partners can better assess the value they mutually provide as they think in terms of anticipated needs and develop an appreciation of those areas where costs can be controlled and new avenues can be developed – all to make the lawyers' functions more effective, efficient and profitable. In short, they become allies and not opponents – and that makes everyone's job easier and more fulfilling. It's all about trust and loyalty and building mutual confidence through long-term relationships.

The true definition of performance, as discussed earlier, comes when administrators and business partners understand and focus on their respective areas of responsibility. "Success" is when both come to be seen as strategic counselors who help the firm to survive – and even thrive. Administrators and business partners who do this can enhance the value they provide to the firm, become part of the value equation and enjoy greater personal and professional satisfaction. *

about the author

Ed Poll, Principal of LawBiz Management, recently launched www.LawBizForum.com, an online venue for legal professionals to network and to share best practices. He has also published a new book, *Growing Your Law Practice in Tough Times*. Contact him at edpoll@lawbiz.com or 800.837.5880.