



Précis Paper

Time recording, Work Plans and Billing

An interesting discussion of the technological changes that are emerging within the profession and the impact they are having on the day to day running of a modern law firm.

Discussion Includes

- Lawyers working remotely
- Online Presence and Social Media for Law Firms
- Negative online feedback
- Time and activity planning and recording
- The increased importance and use of technology

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Time recording, Work Plans and Billing

1. In this edition of BenchTV, Rob Knowsley (Owner – Knowsley Management Services (KMS), Australia) and Ian Benson (Solicitor – AR Conolly and Company) discuss the emergence of agile workers and the role that developing technology is having on the profession.

Lawyers working remotely

2. The concept of lawyers working remotely is becoming more common. Known as “agile working”, lawyers are wanting the benefits of working remotely from a central office. This is a premises issue and, particularly in larger cities, agile working is allowing people to work wherever they are and treat work as the activity of work rather than a place that you go.
3. Agile working is helping smaller firms pick up a wider base of experienced lawyers. For example, women returning to the workforce part-time after having children. It allows flexibility as lawyers are able to work from the office, home, a clients' premises, and a combination of each.
4. Through agile working, the issue of travel time involved in the commute in big cities is avoided. It also allows people to start working from home and come to the office later in the day avoiding peak hour. It is not just the millennials looking for this type of flexibility. Remuneration and this type of flexibility can be used to attract certain applicants to a firm.
5. The effect of agile working has enhanced productivity because you have a happier workforce. Agile working means that there needs to be a change in culture to the way that the firm plans and there are also practical considerations involved when someone does not come to the office. For example, not participating in certain office-based activities. However, if people's goals are set and they understand what is involved, then mature, responsible, people are going to find it easier to achieve their goals working in a more flexible way.
6. Law firms are now considering the idea of premises in a more nuanced way. Where there is this type of flexibility, permanent space cannot be allocated to someone who has indicated that they will not be working from there. This type of set up requires:
 - Shared work spaces
 - More fluid work spaces
 - Well-designed offices that have a lot of break out areas
 - Areas for quiet time, and confidential phone calls.

Firms can avoid the need to acquire more premises by engaging certain levels of agile working and by better planning of their offices which are much more egalitarian. The principals and senior lawyers are working alongside other staff. This promotes a much better team environment.

7. If people understand the move towards paperless offices, then it assists agile working as people can work on the electronic file from anywhere that has access to the internet.

8. It should not be assumed by anyone in a management position that everybody prefers agile working. Some people prefer the collegiate atmosphere of being in the office as a lifestyle aspect. This particularly applies to part time workers coming in from a household with children.
9. There is no need for people to be tied to a particular location as there is a technological solution for most issues that arise. There are over 1500 vendors for legal technology offering solutions for most things. New technologies can assist with communication and collaboration can improve.
10. There are more people working collaboratively together in a client's best interests and files are kept in a better state if there is a process for filing information electronically things will not be inadvertently misplaced. Management of agile team members needs to naturally change. No longer does presence equal productivity. Clients still need to come first. Management will need to adapt. If the firm is clearly focused on what it needs to do it terms of servicing clients and how it wants to improve effectiveness and keep the costs to clients down, then a lot of the management techniques become self-evident. Management requires a level of trust in agile employees. Management of agile workers is about working with them to achieve certain goals and helping them to achieve them

Online Presence and Social Media for Law Firms

11. The internet is really just a large communication channel albeit being wide-reaching and sophisticated. A website is quite an important facility for law firms and practitioners to have in terms of the static information on it and for a platform to publish dynamic and ongoing content that can be updated.
12. Search engines like Google are interested in the quality of the information that can be provided from a website to their users. The algorithms in place are attuned to whether the organisation is longstanding and whether the quality of the information is new and relevant to the users making the searches.
13. Establishing a website is one thing, but maintaining it as current may require the presence of a blog that is continually added to, or other communications like a newsletter. A firm's website should also be consistent in approach with the other types of online exposure. You have got to be found with a consistent branding or style. A firm or lawyer needs to decide what they are trying to achieve when determining where they should have an online presence, for example on LinkedIn or Facebook.
14. The return on your expenditure on social media and an online presence over a period of time should be very large. People who are likely to form a judgement from a law firm's online services expect to see helpful information, dialogue, engagement, and a good grasp of the subject matter. To get that across, a firm needs to be working on this on a regular basis - even just positively commenting on another person's post. You can build a good profile and online presence with a relatively small amount of consistent effort.
15. A gap in activity will be quite evident to someone who is looking at your online profile. There are people out there now who are experienced and professional in training lawyers how to use social media. Set goals for what you want to achieve, but focus on the need for social media to provide

helpful material and comment to the particular people who might find it beneficial, such that when they have an opportunity to refer or engage services, the possibility that they will approach you is significantly enhanced. This is true for all business development for lawyers.

Negative online feedback

16. Do not overreact. The negative feedback can be removed. Do not address it by inflaming the situation. Similar to getting complaints about fees and service levels, a lot of firms make the mistake of being defensive instead of making contact with the person to rectify the problem. There is a possibility that you may need to get a PR consultant involved to manage the process and minimise the damage

Time and activity planning and recording

17. Time management is very important to a practice. There has been quite an obscuring of the difference between billing by the hour and time management. If you are not billing by the hour, some people will not record time or activity either. For the smaller and medium sized firms, the real issue is that profit margins are not great. Whether law firms think they are billing by time or not, they are utilising 'lawyer time' to deliver services. If you do not spend enough time actually delivering legal services, your revenues will be significantly less than optimal which will horrendously affect profitability.
18. Charging by the hour can be quite detrimental to the firm - it can restrict opportunities to charge much better fees that would still represent great value for the client and still be fair, reasonable and proportionate, but being more than could have been charged by the hour.
19. Firms have got to be aware of a greater range of pricing options that would suit different types of clients and matters. Firms need a good tool kit of pricing options in a range of solutions to fixed fees, where appropriate, with potential for outcome-based increases, various forms of uplift, or fixed fees up to a certain amount of work with various options available thereafter.
20. Lawyers have duties to the profession, court and to the client to operate as effectively as reasonably possible, without delay, and to keep the costs down as much as reasonably possible.
21. Some firms have key files assessed by an external assessor on a regular basis to be certified that the work is appropriate. Time management planning has to be done at an individual level.
22. The issue with many clients these days is that they have a clear perception that they have more options available to them. There are options for getting a lot of information off the internet and for using firms that appear to be considerably cheaper. Firms that want to stay in the game, be profitable and grow, need to smartly utilise all of their resources which include all of the people in the team. This should be done through a sensible alignment between people's skill sets and interests, and the business plan and activities of the practice in providing a high level of service to the clients at a fee that they consider to be value.
23. Often firms will undercharge in an attempt to get more business - it's trite that this is not the smart way to do things. Unless you can improve efficiency, this will just provide a lower profit margin

on the work done which will mean the firm will need to find a way to get more work to get the revenue back up to create a margin over their expenses, many of which are fixed. It would be better to invest time in improving the product, proving the service, and improving the description of the service to the client so that the client sees the value differently and is prepared to pay more for what you are delivering.

24. Some simple techniques to do this include guaranteeing an outcome which might provide an opportunity to adjust the pricing to a premium pricing. Appropriate fixed fees should be set. For clients, psychology is very important and few solicitors understand the psychology of pricing. Most of the time clients want fixed fees because they are frightened of the unknown and will actually pay more to have the price fixed. If there is an urgency issue or something of enormous importance to the client, there are all sorts of perfectly valid elements that come in to pricing that are often overlooked. Law firms are often not asking for a fee that will represent a decent profit margin and still be value to the clients.
25. Another issue that law firms face is not assuming that a person is going to go to multiple firms looking for the best fee. Firms need to determine what the person is really looking for by asking a few intelligent questions. They need to be agile enough to meet their needs and engage the clients.
26. Disclosure of costs should be done to prevent any potential future conflict with a client. The concept of disclosure involves the assumption that an educated, informed, freely-consenting client has entered into a costs agreement which renders the fees fair and reasonable. Good disclosure is required for the quality of the communication and understanding between the law practice and clients. Disclosure is also required under the legislation and should not be too complex. Disclosure should also be about the methodology that is going to be used for charging.
27. Pricing correctly is a huge skill. Practitioners have to move away from being overly cautious and tying the profitability of our business too much to a fear that there may be professional consequences for charging properly. There should only be professional consequences for charging very unreasonably in the circumstances. There is not a lot of overcharging, but there are a lot of complaints about fees. This is mainly due to poor communication, which is what most of the disclosure regimes are about: mandating communication. It is best to settle complaints quickly even if you are sure that the fees were reasonable. It is better to avoid the angst, extra time, and general worry of a formal costs complaint.
28. There are many different types of pricing approaches. For example:
 - Not using threshold figures
 - Offering a fixed price
 - Penetration pricing - where people are wanting to achieve a position in a market place by pricing at a certain level with the intention of putting their prices up later. (This is not recommended for lawyers).
 - Premium pricing - where people think that something with a high price must be good. There are times when you set your fee too low and sell yourself short in the eyes of the client.
29. It is best to set the price suitably, market well, and communicate the value.

The increased importance and use of technology

30. There are so many facets of legal practice that technology solutions are available for that are not being sufficiently taken advantage of, particularly by small to medium sized firms. For example:
- Mass e-Discovery where the tasks would be very difficult if they had to be done manually. By using e-Discovery technology, high volumes of material are being generated with a higher level of accuracy and a faster achievement of an outcome at a lower cost to the client. If you are working hard to keep the price down for the client, the incentive for them to use someone else is reduced.
 - Voice recognition is another new technology. Dictating a document is faster now. This has replaced the need to send digital files overseas to be transcribed more cheaply than in Australia.
 - Documents that are interactive and regularly updated.
 - The electronic file. People are able to collaborate over significant distances on the one document.
 - Video conferencing. There are now facilities that are very simple to use.
 - Artificial intelligence software can be built into a firm's website that allows enquirers to put a certain amount of information in and get a high quality package sent to them tailored to their circumstances on how the law would apply in their situation. This would be useful in a family law scenario accessible out of hours or for an expat. The data is confidential and held by a third party and not made available to the firm unless authorised to, or they become a client. That data is then automatically available to the firm. Entering data this way avoids being charged at a lawyers' rate.
 - Project management software which can be utilised for client relationship management in marketing. This can also be used to identify any potential conflicts of interest or cementing communications to clients and contacts targeted to their interests.
31. Firms should address their existing situation and brainstorm a plan of prioritisation about where they can make the greatest gains and look to suppliers of that type of thing. A lot of lawyers feel very time poor. They make investments like these and the take up in the firm is patchy from quite good to poor. The widest benefits for these technologies are only realised if everybody in the firm is involved and using it properly. The highest priority things should be undertaken first and undertaken properly.
32. Training is very important because a lot of people are change-averse and need to be shown how the changes will greatly benefit them, to engage them so that the uptake occurs.

BIOGRAPHY

Rob Knowsley

Owner – Knowsley Management Services (KMS), Australia

Rob Knowsley has provided legal practice management advice and solutions to over 1,300 legal firms in Australasia over 30-plus years. He provides practical advice to address fundamental problems, and to develop successful legal firms.

Ian Benson

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Ian Benson is a solicitor at AR Conolly and Company and holds a First Class Honours degree in law and Bachelor of Science. He also has a Graduate Diploma in Mathematical Studies.