
THE PRACTICE MANAGER

A NEWSLETTER PROVIDED BY THE LAW PRACTICE MANAGEMENT PROGRAM OF THE STATE BAR OF TEXAS
WEEK OF September 11, 2006

Taking Care of Yourself to Practice Law Ethically – October 11, 2006

Visit <http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6266> to register

The Technology Roundup

Gerry Morris, J.D.

How to Synch Your Palm Organizer Over a Network



Palm organizers, including the Treo 650, can be synchronized with your desktop computer from another computer on the network or from another computer (for instance your home computer) over a VPN. You may find this useful if you use more than one computer in your office, delegate the task of keeping your organizer synchronized to a staff member or want to sync your organizer from home or while on the road. The setup required is fairly simple.

In my description of how to accomplish a network sync I'm going to refer to the computer where the organizer's data resides as the primary computer. That's probably your desktop computer. I'll refer to the other computer from where you want

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The Coach's Corner

Debra Bruce, J.D.

Keep the Cash Flowing



A reader's question: *Do you have any tips on how to get clients to pay their bills more promptly?*

Response: Cash flow is important to the success of every business, yet many lawyers do not design their practice to assure that collections flow in smoothly and regularly. The measures appropriate for your firm may depend upon the size of your clients, the type of clients you serve, and the types of matters you handle for them.

As you read through the suggestions below, think about how you might experiment with some of them or adapt them to your needs. Some may be new ideas for you, and others may be familiar ones that you have just gotten out of the habit of doing.

1. **Get a retainer in advance.** Hold a retainer equal to one month's fees in trust until application against the final invoice. Invoice the client each month for the current work. If the client has not paid the first invoice by the time you are sending out the second invoice, notify the client that work will be suspended until the account is brought up to date. Certain practice areas tend to attract a high level of clients with poor payment patterns. Practitioners may want to charge the entire fee up front for such services, or provide in the engagement agreement that the initial fee installment applies to the first stage of the engagement. Provide that the engagement will be put on hold or terminated until the fee for each next stage is paid in advance.
2. **Grade your clients and prospects.** If your prospective client balks about paying a retainer, ask why and proceed with caution. If the client fully intends to pay the bill, why is there a concern about paying some portion in advance? Can the client really afford your services? If the client has a trust issue, is there something about you that created that

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to sync your organizer over the network or VPN as the remoter computer.

To sync your Palm product over a network the HotSync Manager program must be installed on both the primary and remote computers. The organizer must have been synced on each computer at least once. On the primary computer, right click the HotSync Manager icon in the system tray and then click Setup from the drop down menu. Click the Network tab and check your organizer's device name in the dialogue box designating this computer as the primary PC for lansync operations. Close the dialogue box.

I recommend changing your primary computer's IP address from a dynamic IP to static IP address. To select an IP address, click the start menu and then click the "Run" option. In the command line that appears type "cmd" without the quotes. A DOS command prompt will appear. At the command prompt type "ipconfig /all" without the quotes. Information about your computer's current IP address will appear. Write down the IP address, the address for the default gateway, the subnet mask and the DNS server addresses. Close the DOS box. Next go to the Start Menu and chose "My Network Places. When the box appears choose "View Network Connections" form the menu at the left of the box. When the connections appear, right click the active connection and chose "Properties." Double click "Internet Protocol (TCP/IP) and then click the button "Use the Following IP Address." Fill in the IP address that you wrote down earlier. Also fill in the subnet mask if it doesn't fill in automatically and add the default gateway address. Lastly, fill in the DNS addresses. Click OK. In a few seconds the changes will take effect. Open your browser to make sure you have Internet access. If the browser works you've done everything correctly.

Next, configure your palm device. Go to the HotSync screen and from the Options menu chose Lansync Preferences. Select Lansync. Then sync your Palm device with your primary computer. Then go back to the Hotsync screen and from the options menu select Primary PC Setup. Here you should see the name and IP address of your primary computer. If not, fill in that info.

Next, go to the remote computer. Right click the Hotsync Manager icon in the system tray and clear all the check marks except Local USB (or whatever your sync connection is to this computer) and Network. Now sync your Palm device from this computer. (If you are using a VPN connection be sure to start the connection first.) You will see the Hotsync progress screen appear on the remote computer and it will report a connection with the primarily computer. The sync will otherwise proceed as normal. If someone is observing the screen at the primary computer they will see the HotSync progress screen appear as with any other HotSync operation.

For this process to work over a VPN the Internet connections on each end must be of good quality. Also, if you are using a Treo 650, for some reason if **Documents to Go** is installed,

The Practice Manager is a newsletter published by the Law Practice Management Program of the State Bar of Texas. Please direct any questions or comments to Orlando Lopez at 800-204-2222, ext. 1302 or at olopez@texasbar.com

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PLEASE NOTE THAT ALL TEXT IN "RED" OR "BLUE" FONT ARE ACTIVE WEBLINKS. SIMPLY CLICK ON THE COLORED-TEXT TO BE TAKEN TO CORRESPONDING PAGE

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you must remove the memory card if one is installed or the sync won't complete.

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Legal Support Staff Training Series

Legal Support Staff Technology Training - Live
Houston – October 11, 2006

Your Support Staff can greatly benefit from this popular live training program. Topics such as timekeeping, billing, communication issues, business writing basics and file management will be discussed. Seating is limited – register your staff now!

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6558>

Legal Support Staff Workflow and File Management Training – Live

El Paso – November 2, 2006

This installment of the popular Legal Support Staff Training Series will address issues related to workflow management and records / file management.

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6491>

For more information, visit www.TexasBarLPM.com and click on "Seminars"

fear? If not, do you want an overly suspicious client? Difficult clients (Ds and Fs) take our time and attention away from better serving our ideal clients (As and Bs), and then often pay slowly. As scary as the idea may sound, you can often improve your productivity, revenues and cash flow by firing current D and F clients or declining prospective clients who have unrealistic expectations, demanding attitudes, or bad habits.

3. **Scrub your invoices.** If your client is an insurance company or large corporation which uses many legal service providers, make sure your invoices follow their invoicing guidelines. Review the invoice carefully to be certain that it describes everything you have done for them. Even if you discount or write off some fees, include the description with an indication of the discount or "no charge." Instead of lowering your rates for family and friends, let them know the value of what they are getting by charging your regular rates, then applying a "Family and Friend Discount" which you note on the invoice. Eliminate charges that push clients' hot buttons, like "profit center" charges for faxes and copies, overtime for staff, and in some cases, conferences among lawyers in your firm. Let your invoice be a marketing tool by describing the benefit of each service provided. Instead of "draft revisions to contract," say "crafted revisions to buyer's proposed contract language to reduce post-closing liability risks of seller." Clients are more willing to promptly pay invoices when they understand the value they have received.
4. **Make it easy for the client to pay.** Enclose a return envelope with your invoice. Contact the client's accounts payable department in advance and find out their needs, and what facilitates prompt payment. They may have a certain time of the month when they pay invoices. If yours comes in just after that date, you may have to wait an additional 30 days. Write down the names of the persons you speak to and build relationships with them. They may have the ability to influence which invoices get paid first when times are tough, or to help you if you call about not getting paid. For small business or "consumer" clients, consider accepting credit cards. Provide in your engagement agreement that you will charge their credit card for the full amount of the invoice 10 days after sending it out. Alternatively, you can request post-dated checks which you deposit monthly against the invoice balance.
5. **Don't surprise your clients.** Have a clear, written statement about your rates and your billing policies. If a bill is going to be higher than usual, or events have taken a turn for the worse, contact your client to let them know how it will likely affect the outcome of their matter and the bill. They may want to adjust

some other strategies to keep costs or risks within their budget. Every time I have heard interviews of General Counsel, they have described surprises as their pet peeve. Don't let your bill be one.

6. **Under-promise and over-deliver.** When giving estimates, tell clients the high end of your expectations about price and delivery time, not the low end. Most clients don't know what to expect until you set their expectations, so make them ones you can meet. If the fee turns out to be equal to your high estimate, they are satisfied because their expectations were met. If you bring it in at anything under that, you are a hero. By contrast, if you tell them a range, they tend to be merely satisfied if you bring it in below the top estimate, or disappointed if it is higher than the lowest estimate. Don't try to woo a new client with a low estimate. Bargain shoppers often make unsophisticated clients with unrealistic expectations, and they will desert you for the next low bidder.
7. **Consider delivering invoices in person for significant clients.** Call them to say "We're mailing invoices today. I would like to schedule lunch (off the clock) later in the week to go over your questions and discuss our progress." In addition to helping get your invoice paid more readily, this gives you a chance to enhance your relationship with the client. You may learn of additional needs that your firm can service. Sometimes when clients pay slowly, it is a passive-aggressive way of communicating their dissatisfaction. Ask for feedback about your services, and listen carefully.
8. **Create prompt payment incentives or slow payment disincentives.** Give a discount for payment within 10 days. Offer a guaranteed completion date or a fixed fee for advance payment. (Include a refund of a percentage of the fee for each day that you miss the deadline.) For a "consumer" practice, offer a small gift like a paid filing fee, a copy of a useful book or a coffee mug with the firm logo for fees paid in less than 20 days. Apply an interest charge to any fee not paid within 30 days (make sure the interest rate is specified in a written agreement signed by the client to avoid usury issues). Contact a slow paying client to remind them that the next invoice will include interest on the unpaid balance. I often received a check soon after such a reminder call.
9. **Get collateral.** Sometimes you know the client may have difficulty paying the fee if the transaction doesn't close or they lose the litigation. Ask for collateral for the fee obligation before beginning work. This is particularly important if the client is at risk of filing for bankruptcy protection.
10. **Get a promissory note.** If despite your best efforts

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and the client's best intentions, the client is unable to pay the full bill on time, offer a promissory note arrangement to the client. Once you set up installment payments, you will at least get a portion of the fee each month, instead of having the clients avoid you or stonewall you because they can't make the full payment. It is also usually easier to get a judgment on a promissory note, if that becomes necessary.

- 11. Be the squeaky wheel.** If payment does not arrive on time, promptly have your accounting department call to make sure the invoice was received, and to inquire whether there are any obstacles to payment. You can also send a clever "friendly reminder" email post card at www.madagency.com/postoffice.html. If payment is not soon received, give a call directly to your contact to inquire as to whether there are any concerns about the service or questions about the invoice resulting in the slow payment. You can ask your contact for assistance in getting the invoice paid. Until the invoice gets paid, have a system for regularly reminding about the unpaid amount. Squeaky wheels really do get more grease.

If you have had success with other ideas for collecting fees more quickly, please share them with me. If I find them useful to mention in a future newsletter, I'll express my gratitude by offering you a free half-hour coaching session!

Debra Bruce (www.lawyer-coach.com) practiced law for 18 years, before becoming a professionally trained Executive Coach for lawyers. She is Vice Chair of the Law Practice Management Committee of the State Bar of Texas, and board member and past leader of Houston Coaches Network, the Houston Chapter of the International Coach Federation. She welcomes your questions and comments at debra@lawyer-coach.com.

Law Practice Management Update

We have a number of new events coming in the fall that we are particularly excited about in addition to our normal slate of programs.

Legal Support Staff Training – we have added several more dates for our popular series of training programs designed specifically for legal support staff and will continue to add to this list. Be sure to check our **Upcoming Events** section on the following page or our website for more information.

Building Your Practice – this is a 5-hour program that Law Practice Management is co-sponsoring with the Austin Bar Association's Solo and Small Firm Section. This program will cover a wide array of topics from client relationship building to nuts and bolts court procedure. For more information, see the **Upcoming Events** section or our website.

Compliance Conference 2006 – we are co-sponsoring this program with the North Texas Small Business Development Center in Dallas. This program will look at compliance issues as they relate to small businesses / law firms. For more information, see the **Upcoming Events** section or our website.

BarTech - we have joined with TexasBarCLE to expand their annual **BarTech** program to a two-day program. This year's program will examine how practicing law can be made easier and more efficient by using the right technology. See the ad below for more information.

BarTech⁰⁶

Technology Strategies to Stay Competitive in the Practice of Law

DALLAS Live on November 8-9, 2006 at the Holiday Inn Select Dallas Central

To view the brochure or register: <http://www.TexasBarCLE.com/CLE/AABuy0.asp?IID=6125&sProductType=EV>

This two-day CLE course is co-Sponsored by the Law Practice Management Program helps you understand how technology and practicing law all fit together (and includes lunch each day)! Hear lawyers talking to lawyers about technology:

- In the Front Office
- In the Back Office
- On the Road (Remote Lawyering)
- In the Courtroom: From Discovery to Presentation

Plus, don't miss a special session focused just on reducing the special ethical and malpractice risks attorneys face in using technology.

Upcoming Events

Perfecting Your Criminal Law Practice is scheduled for video playback in Austin September 26, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6276>

Perfecting Your Criminal Law Practice is scheduled for video playback in Houston October 10, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6277>

Managing Your Personal Injury Practice with Legal Technology is scheduled for video playback in Houston on October 10, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6239>

Legal Support Staff Training is scheduled live in Houston October 11, 2007. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6558>

Building Your Practice will take place live in Austin on October 27, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6490>

Compliance Conference 2006 will take place live in Dallas on October 27, 2006. For more information or to register, call 214-860-5900.

Legal Support Staff Workflow and Records / File Management Training will take place live in El Paso on November 2, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6491>

Legal Support Staff Workflow and Records / File Management Training will take place live in Houston on November 8, 2006. For more information or to register, call 800-204-2222, ext. 1300.

BarTech will take place live in Dallas November 8 -9, 2006. For more information or to register, call 800-204-2222, ext. 1574 or visit

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6125>

Law Practice Management Special Offers

Books of the Month

Paralegals, Profitability, and the Future of Your Law Practice

Retail - \$69.95

Sale Price - \$48.95

This book provides valuable advice on how to use paralegals to achieve unparalleled success in providing clients with quality service. You'll learn how to create a paralegal model for use in your firm, how to recruit and hire top-notch paralegals, how to run an effective program, what ethical issues to be aware of when working with paralegals, and much more.

The Lawyer's Guide to Balancing Life and Work

Retail - \$39.95

Sale Price - \$27.00

If you are dominated by work from the moment you arise until the moment you turn off the lights at night, you are not alone.

Years of narrow focus, hard work, pressure, and endless striving for material reward are the hallmark of many lawyers' lives. This newly updated and revised Second Edition is written specifically to help lawyers achieve professional and personal satisfaction in their career.

**TO ORDER EITHER OF THESE PUBLICATIONS,
CALL 800-204-2222, EXT. 1300**

Law Practice Management Tip

This week's tip is provided by Nickie Freedman of Legally Large (www.legallylarge.com). The tips are not meant as legal advice, nor binding on the State Bar of Texas.

To create more billable hours without actually working more hours, think about transferring nonbillable work to your staff. There are obvious tasks that are easily transferable: inputting time, completing administrative forms, making travel arrangements, etc. But so many times, we keep doing the nonbillable work ourselves because 'it only takes a minute and it would take twice as long to train someone else to do it.' Is that really the most efficient use of your valuable time?

Taking the extra time to train a staff member to do a task is actually the most time-efficient activity to generate more billable hours. Once the staff is trained to take on nonbillable tasks and knows your goal of transferring more nonbillable work to them, they start thinking of even more activities they can take on that you probably haven't discovered. Let them know that you want their suggestions to help you in this goal. Let them stretch their capabilities and take on more nonbillable work, leaving you to do what you want to do – practice law.