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# THE PRACTICE MANAGER

A NEWSLETTER PROVIDED BY THE LAW PRACTICE MANAGEMENT PROGRAM OF THE STATE BAR OF TEXAS  
WEEK OF November 13, 2006

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**Software Training – Managing Client Files w/ Time Matters – December 9, 2006**  
**Call 800-204-2222, Ext 1300 for more information or to register**

## ***The Technology Roundup***

Gerry Morris, J.D.

### **Another Treo 700 Hits the Market**



Several months ago I wrote about the new Treo 700, the Windows based upgrade of the Treo 650. In addition to Palm's first ever offering of a device with the Windows based operating system, there were several improvements over the previous model, most notably more available internal memory. Message handling was also improved. Recently, Palm

incorporated many of the same changes in a new Palm OS version of the Treo 700 dubbed the Treo 700p by Palm. This model is available from Sprint and Verizon.

The Palm based 700p differs from its predecessor, the 650 in several important respects. First, perhaps the most aggravating problem for me with the Treo 650 has been addressed. My 650 is always running out of memory. Its 23.7 MBs of internal memory fills up fast with the number of

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## ***The Coach's Corner***

Debra Bruce, J.D.

### **Trimming Expenses to Fatten the Kitty**



Recently I have been getting a number of questions about reducing overhead in law firms, so this article will give you some tips. For a strong first step, get a clear picture of the existing expenses, and determine which of them are necessities, and which are luxuries.

### **Review and Investigate the Firm Financial Reports**

Do you review your firm's monthly financial reports? Do you really know what the specific numbers on your financial statement represent? Are there some categories that fluctuate pretty dramatically from month to month or year to year? If so, that might indicate some discretionary spending items, and it may be worthwhile to review the expenditures represented by those numbers. It may be appropriate to develop some approval procedures within those categories. Establish a budget and follow-up on over-expenditures to get a *real* handle on expenses.

By investigating the facts underlying financial reports, lawyers I know have discovered seriously overdue accounts receivable, employees using firm services and accounts for personal purposes, courier services used daily for routine non-urgent transmissions, unnecessary equipment service contracts for nonessential or infrequently used equipment, infrequently used season tickets, and downright embezzlement. (Lawyers are rather common victims of embezzlement.) Some of those expenditures sound *deminimus*, but with frequent repetition, they add up.

### **Take Advantage of Technology to Increase Efficiency**

Don't be fooled into thinking that you are stuck with the expenses in categories that don't fluctuate much, however. Historically, there wasn't a lot a firm could do to reduce fixed expenses such as rent or staff and associate salaries. Today, however, with the benefit of technology and lawyers and staff who value work/life balance, creative law firm managers have new options. Even though firms complain about the never-ending capital expenditures required by

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emails I get everyday unless I remember to delete them frequently. The 700p has 125 MB on board with 60 MB available to the user. That means that after the core operating system you've got 60MB for programs and data.

The new Palm device also has the ability to sync with Microsoft Exchange Server to basically function as an Outlook client. There is still the functionality to retrieve mail from any POP server and to send through any SMTP server.

Perhaps the biggest improvement is the speed of the Internet access. The new 700p from Sprint accesses the Internet through the new wireless EvDO network. Sprint says that average download speeds range from 400-700 kps with peak speeds at 2 Mbps. Besides downloading email faster this means that by using the built in software and Bluetooth capability to allow the phone to function as a modem you can access the net through a laptop at serviceable speeds. This eliminates the need for a separate access card.

The built in camera has also been upgraded to 1.3 megapixels. As with the Treo 650 there is also the video recording capability.

The Treo 700p comes with all the standard apps included with the 650. In addition to calendaring, tasks, contacts and email the Documents to Go suite is also provided. Those applications allow you to view, create and edit, Microsoft Office documents.

Sprint prices the Treo 700 at \$399.99 with the obligatory service contract. If you are in the market for a smartphone, in my opinion, Treo is still the leader, especially now that you have the two leading operating systems to choose from. If you already own the Treo 650, the two biggest considerations for upgrading are the increased internal memory and the greatly increased data download speeds. Check out the new 700p and other available Treo models at <http://www.palm.com/us/>.

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*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](mailto:olopez@texasbar.com)*

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## **Legal Support Staff Training Series**

### **Legal Support Staff Technology Training - Live**

*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!*

*Dallas – November 28, 2006*

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*Austin – December 2, 2006*

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*Edinburg – December 6, 2006*

<http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6660>

**For more information, visit [www.TexasBarLPM.com](http://www.TexasBarLPM.com) and click on "Seminars"**

evolving technology, usually equipment and software are a lot cheaper than employees. Further, firms with tech-savvy lawyers and staff tend to have an advantage. They can produce their work quicker and cheaper, making them more attractive to clients. Efficiency can open the door to alternative billing methods that provide a premium to the firm, while making clients happy. To learn more about the technology available to law firms and how to use it, consider attending the Bar Tech conference sponsored by the Computer and Technology Section of the State Bar and TexasBarCLE in Dallas on November 8, 2006, or the video replay of the conference in Houston on December 13, 2006. For more information, go to <http://www.texasbarcle.com/CLE/AABuy1.asp?sProductType=EV&IID=6125>.

### **Use Virtual and Contract Lawyers and Staff**

Today firms can reduce lease expense without downgrading the quality or location of their offices. They hire virtual associates or staff who don't actually have an office on premises. Virtual employees work from home primarily or at clients' offices and connect to the firm's computers remotely. Law firms can also follow the lead of investment banking firms and consulting firms that use an office "hoteling" concept for employees who travel extensively. The firm has several offices with appropriate support staff assigned to them, which a virtual associate can reserve. Lawyers who occasionally have a need to work on premises, for a closing for example, reserve the use of the office like they would reserve a conference room. The firm can thus accommodate four associates while leasing space for only one office. Often employees that desire flexibility or reduced hours in their schedule for family or lifestyle reasons love the virtual arrangement. Similar arrangements can also help the firm staff up in peak periods using contract lawyers, without incurring ongoing obligations or expenses for benefits and employment taxes. To get some ideas about how to operate virtually, check out the May 2006 issue of *The Practice Manager* at [http://www.texasbarcle.com/CLE/site/LawOfficeMgmtNewsletters/06\\_05\\_08.pdf](http://www.texasbarcle.com/CLE/site/LawOfficeMgmtNewsletters/06_05_08.pdf).

### **Cut the Staff per Lawyer Ratio**

Many firms now assign three lawyers to an administrative assistant. They expect lawyers to efficiently create rough drafts of documents on their own, leaving the formatting and final touches to the admin. The lawyers usually maintain their own calendar using Outlook or other software that permits appointment setting with a minimum of phone or email tag. They answer their own phones or let them go to voicemail.

### **Reduce Lease Space by Going Digital**

Many firms have practically eliminated lease space for libraries and document storage by going digital. They retain only the executed copies of agreements and scan all drafts, correspondence, pleadings, notes and other routine papers. They transmit documents to clients and other counsel by email, avoiding the expense involved in stationery, postage or courier fees, as well as the staff costs for copying, filing and addressing envelopes.

### **Address Turnover Problems**

Staff and lawyer turnover creates a huge drain on most law firm coffers. In large firms, the cost of a departing lawyer has been estimated to be \$200,000. When a lawyer leaves, the firm loses a significant investment. The firm has made out of pocket expenditures for hiring bonuses, moving costs, firm travel costs to interview at law schools or for the candidates to interview at the firm office, recruiting functions, wining and dining and sometimes legal recruiter search fees. Additionally, the firm lost the billing time of productive lawyers for reviewing resumes, traveling to law schools, interviewing candidates, recruiting, providing orientation and training, and supervising subordinates. The firm incurs similar, though less extensive costs and losses when staff person leaves. To reduce these kinds of expenses, firms can use assessments to better match the candidates to the positions, and train lawyers and management level staff how to be more effective managers. Many lawyers are rather oblivious to the impact they have on those they supervise. Firms can use 360 degree feedback surveys to help both the firm and the lawyer get a better picture of how effective their interactions are with subordinates. It has been said that employees don't leave jobs. They leave bosses.

### **Seek Employee Input on Cost-Cutting Measures**

Employees can provide excellent ideas to the firm on cost-cutting measures. From the ground level they can see wasted resources that the firm management can't see. Many of them carelessly or even knowingly waste firm resources because they do not have an incentive or motivation to conserve firm assets. Consider awarding a monthly or quarterly prize to the employee who makes the best suggestion for improving efficiency or cutting costs. Make the award ceremony fun, and encourage all office members to attend. The winner might be announced over coffee and bagels in the morning for a large firm or lunch for a small firm. The prizes might include an acknowledgment certificate and a gift certificate to a popular restaurant, the use of the firm's coveted season tickets, a housecleaning or handyman service for a day, tickets to a family entertainment venue, an MP3 player, or other items the staff would enjoy using. While you may spend a little on the prize and the event, you will gain more motivated employees who take some ownership in the firm's success, in addition to ongoing cost savings. Further, employees are much more likely to comply with cost saving procedures that they helped design.

These are just a few ideas for reeling in expenses that firms and legal departments have used as they experience competitive pressure to keep legal costs down. What has worked for your firm?

*Debra Bruce ([www.lawyer-coach.com](http://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](mailto:debra@lawyer-coach.com).*

# New Paralegal Definition and Standards Adopted by the State Bar of Texas

## PRESS RELEASE

AUSTIN, TEXAS – OCTOBER 1, 2006

In 2005, the State Bar of Texas Board of Directors, and the Paralegal Division of the State Bar of Texas, adopted a new definition for “Paralegal:”

*A paralegal is a person, qualified through various combinations of education, training, or work experience, who is employed or engaged by a lawyer, law office, governmental agency, or other entity in a capacity or function which involves the performance, under the ultimate direction and supervision of a licensed attorney, of specifically delegated substantive legal work, which work, for the most part, requires a sufficient knowledge of legal principles and procedures that, absent such person, an attorney would be required to perform the task.*

On April 21, 2006, the State Bar of Texas Board of Directors approved amending this definition by including the following standards, which are intended to assist the public in obtaining quality legal services, assist attorneys in their utilization of paralegals, and assist judges in determining whether paralegal work is a reimbursable cost when granting attorney fees:

### **A. Support for Education, Training, and Work Experience:**

1. Attorneys are encouraged to promote:
  - a. paralegal attendance at continuing legal education programs;
  - b. paralegal board certification through the Texas Board of Legal Specialization (TBLS);
  - c. certification through a national paralegal organization such as the National Association of Legal Assistants (NALA) or the National Federation of Paralegal Associations (NFPA); and
  - d. membership in the Paralegal Division of the State Bar and/or local paralegal organizations.
2. In hiring paralegals and determining whether they

possess the requisite education, attorneys are encouraged to consider the following:

- a. A specialty certification conferred by TBLS; or
- b. A CLA/CP certification conferred by NALA.; or
- c. A PACE certification conferred by NFPA; or
- d. A bachelor's or higher degree in any field together with a minimum of one (1) year of employment experience performing substantive legal work under the direct supervision of a duly licensed attorney AND completion of 15 hours of Continuing Legal Education within that year; or
- e. A certificate of completion from an ABA-approved program of education and training for paralegals; or
- f. A certificate of completion from a paralegal program administered by any college or university accredited or approved by the Texas Higher Education Coordinating Board or its equivalent in another state.

3. Although it is desirable that an employer hire a paralegal who has received legal instruction from a formal education program, the State Bar recognizes that some paralegals are nevertheless qualified if they received their training through previous work experience. In the event an applicant does not meet the educational criteria, it is suggested that only those applicants who have obtained a minimum of four (4) years previous work experience in performing substantive legal work, as that term is defined below, be considered a paralegal.

### **B. Delegation of Substantive Legal Work:**

"Substantive legal work" includes, but is not limited to, the following: conducting client interviews and maintaining general contact with the client; locating and interviewing witnesses; conducting investigations and statistical and documentary research; drafting documents, correspondence, and pleadings; summarizing depositions, interrogatories, and testimony; and attending executions of wills, real estate closings, depositions, court or administrative hearings, and trials with an attorney.

See *Paralegal* on page 5

## Law Practice Management Update

"Substantive legal work" does not include clerical or administrative work. Accordingly, a court may refuse to provide recovery of paralegal time for such nonsubstantive work. *Gill Sav. Ass'n v. Int'l Supply Co., Inc.*, 759 S.W.2d 697, 705 (Tex. App. Dallas 1988, writ denied).

### C. Consideration of Ethical Obligations (See Note\* below):

1. Attorney. The employing attorney has the responsibility for ensuring that the conduct of the paralegal performing the services is compatible with the professional obligations of the attorney. It also remains the obligation of the employing or supervising attorney to fully inform a client as to whether a paralegal will work on the legal matter, what the paralegal's fee will be, and whether the client will be billed for any nonsubstantive work performed by the paralegal.

2. Paralegal. A paralegal is prohibited from engaging in the practice of law, providing legal advice, signing pleadings, negotiating settlement agreements, soliciting legal business on behalf of an attorney, setting a legal fee, accepting a case, or advertising or contracting with members of the general public for the performance of legal functions.

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\*Note: a more expansive list is included in the "General Guidelines for the Utilization of the Services of Legal Assistants by Attorneys" approved by the Board of Directors of the State Bar of Texas, May, 1993.

For more information, contact the Paralegal Division at [pd@txpd.org](mailto:pd@txpd.org) or [www.txpd.org](http://www.txpd.org), or the State Bar of Texas at [www.texasbar.com/paralegalstandards](http://www.texasbar.com/paralegalstandards).

Law Practice Management has had quite a busy Fall with a number educational programs conducted throughout the state in various formats.

LPM continues to blanket the state with support staff educational opportunities through its popular **Legal Support Staff Training Programs**. These programs provide valuable insight into the way law offices operate, which most staff are not at all familiar with upon joining a law practice. Staff are also taught practical tips in workflow and filing systems management, as well as basic skills such as bookkeeping, legal writing, timekeeping, etc. Check our Upcoming Events section for dates and locations.

LPM also continues to offer CLE opportunities for attorneys throughout the state. We recently co-sponsored BarTech with TexasBarCLE, which turned out to be an incredible educational event that will be taking place soon in Houston via video playback.

We also continue to offer webcasts that tackle everyday practice management issues. In the past two months, LPM hosted two different webcasts – **Taking Care of Yourself to Practice Law Ethically** and **Managing the Back Office**. Both programs were very well-received and concluded this year's webcast series. We will pick right back up with the webcasts in the new year. In the meantime, be sure to check our online classroom as all of these classes will soon be added, if they haven't been already.

Be sure to take advantage of the software training that we are also offering. The software training classes are four hours in length and take place live in computer labs provided by the Small Business Development Centers in Dallas and Houston.

These classes focus on different legal software programs such as Time Matters, PC Law, Amicus Attorney, ProDoc, etc., and are unique in the fact that each attendee has a computer in front of them to follow along with the instructor and get actual hands-on experience with the software. As an added bonus, these classes are CLE-accredited and cost only \$65, which is a fraction of what you would normally pay for such training.

Information about any of these programs can be found at our website – [www.TexasBarLPM.com](http://www.TexasBarLPM.com).

## Upcoming Events

**Legal Support Staff Training** is scheduled live in Dallas November 28, 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=6617>

**Legal Support Staff Training** is scheduled live in Austin December 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=6612>

**Legal Support Staff Training** is scheduled live in Edinburg December 6, 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=6660>

**Law Practice Software Training – Managing Client Files with Time Matters** is scheduled live in Houston December 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=6577>

**BarTech** is scheduled for video playback in Houston December 13-14, 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=6398>

**Perfecting Your Elder Law Practice** is scheduled live in Houston March 7, 2007. More information coming soon.

## LPM Webcasts

2007 schedule to be confirmed and listed soon. Check back for updates.

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## Law Practice Management Tip

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

Encourage staff to belong to their own professional associations and become familiar with staff in other firms. The benefits? You never know where a referral may come

## Law Practice Management Special Offers

### Books of the Month

#### *Law Office Procedures Manual for Solos and Small Law Firms*

Retail - \$79.95

Sale Price - \$55.95

This new, revised edition of the Law Office Procedures Manual for Solos and Small Firms provides you with everything you need to establish an appropriate organizational structure to allow your firm to operate effectively, efficiently, and productively. It's a step-by-step guide offering advice and ideas for building and maintaining a thoroughly professional staff and practice.

#### *How to Draft Bills Clients Rush to Pay*

Retail - \$67.95

Sale Price – \$47.55

For the first time ever, noted law practice management authorities J. Harris Morgan and Jay Foonberg have joined forces to write this newly revised and expanded second edition of an ABA classic bestseller. Over the years, tens of thousands of lawyers have been inspired, entertained, and motivated by their insight, guidance, and instruction; now these two distinguished ABA authors share their secrets on client billing so you, too, can get paid without delay, hassle, or misunderstandings.

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from, staff becomes more engaged in their profession, gains an avenue for exhibiting their professionalism, as well as a valuable network that can help out when questions arise. And the best benefit of all – education (most legal associations' main goal is educating their membership in various aspects of law and professionalism).

The best form of encouragement? Pay their yearly dues and monthly fees, and give educational credit (when appropriate) for seminars and meetings attended.