Aggressive Growth as the Change Catalyst

I joined Sadler in 2010 right around the time that demand for our services became greater than the supply of attorneys available to do the work. We found ourselves having to either say no to new projects, or "please wait" to our clients. Back then we had about 20 to 30 attorneys. Fast-forward to a year and a half later and now we have more than 100 attorneys; we've expanded our office space across three floors of the building, and opened two new satellite offices: one in Fort Worth, Texas, another in Canonsburg, Pennsylvania.

As we dealt with the growing pains, we had to quickly assess our situation, and mitigate any gaps in the system. New hire onboarding, along with training & development practices, had to be established when previously there were none. We carefully evaluated our existing programs and databases to eliminate junk data and redundancies. We decided to retire legacy systems, and transition into more integrated tools. We had to essentially rethink our approach and re-engineer our processes to streamline workflow.

All these, of course, had to be done concurrent to building construction projects and personnel moves from office to office. There were days when I spent business hours training new hire attorneys, and then assisted with office moves after work. I transported computer equipment between offices, and crawled underneath desks to do some wire management. Look at me, I'm six feet tall, and not exactly the most graceful person I know.

Eventually, we managed to control the chaos, and were able to settle into our "new and improved" state of affairs.

Leverage – Optimizing People and Technology Power to Achieve Your Goals

Leverage – optimizing people and technology power to achieve your goals. *Leverage* goes hand-in-hand with *Efficiency*, the purpose of which is to achieve the maximum productivity with the minimum wasted time and effort.

Delegate your admin work whenever possible. Make use of technology to deliver better products faster, at less cost to the firm, and at a better value to clients.

Let me share with you a few examples of *Efficiency* and *Leverage* that we have implemented at the firm. But, first a little bit of background...

Sadler Law Firm is a boutique firm that caters to the legal needs of energy companies. What mainly fuels our revenue is the production of Title Opinions. This includes the calculation of Oil and Gas Leasehold Ownership, or the Division of (Mineral) Interests. Based on legal instruments examined, our attorneys determine who owns what in a particular tract of land upon which our clients might wish to drill in order to extract oil and gas. To simplify, we figure out how much Old MacDonald will be receiving in monthly royalties (or other such interests), once the "black gold" begins gushing forth from beneath the earth on his farm.

We have attorneys of varying ages and technical aptitudes at the firm. On one side of the spectrum are the younger lawyers, some of which are armed with fancy "iGadgets." They are savvy navigators of the Internet, and are typically more receptive to using technology in general. Then we have the other group of lawyers, sitting anxiously at the opposite side of the technology chasm. They are quite set in their ways, and seem to have an affinity for pocket calculators, legal yellow pads, and the slide rule. One of the main challenges we needed to address, once technology had been introduced at the firm, was user training and education.

It was easy enough for the younger attorneys to pick up on the concept and mechanics of using a tool like Microsoft Excel, with its pivot tables and functions that can perform complex calculations, and produce elegant reports almost instantaneously. As for the rest, we had to initially "demystify" the tool, and then slowly let them achieve a certain level of comfort in using the program. Documenting the process, providing ongoing training and user support have also helped to get some of the more old-fashioned and obstinate associates on board.

We used to have managing attorneys who would take home thick binders of printed prebills – and I mean 3- to 5-inch thick binders – to proofread over the weekend. To help them manage the workload, and to avoid delays in the billing process, we trained senior-level paralegals, and gave them the access to review team time entries – not only to catch errors before they could make it to the prebill stage – but also to follow up with timekeepers who may have been less than diligent in recording their worked hours into the system.

By empowering our users with the knowledge, techniques and tools; by properly allocating resources, simplifying methods, and educating our staff; we were able to implement *efficiencies* in our day-to-day operations. This ultimately led to increased productivity and better profitability.

Show us the Numbers!

Following are some quantifiable benefits to consider. Now, when you look at these numbers, please keep in mind that along with leveraging *technology*, improving *processes*, and educating *personnel*, we had a significant increase in headcount – which triggered the changes in the first place.

We compared YTD data in 2012 (after changes had already been established) against 2010 (before the changes). These averages have been normalized.

PRODUCTION & UTILIZATION
(YTD 2012 vs. YTD 2010 – normalized averages)

- **119%** increase in captured Total Hours Worked per Working Timekeeper

- **118%** improvement in Production Value per Working Timekeeper

- **2.75%** increase in Utilization per Working Timekeeper in 2012 over 2010

Tyler spoke earlier of *Realization* – what the firm collects against fees billed. Normalized averages from the *YTD Collection Realization* report showed…

REALIZATION

- In 2012 we had **121%** more <u>Fees Billed</u> per Working Timekeeper

- Of the billed fees **131%** more <u>Fees Collected</u> per Working Timekeeper

- Overall **7.39%** <u>Realization Rate</u> improvement in 2012 over 2010

Most Common Opportunities

Don't wait until you get too big to change. Perform audits, implement changes and improvements in these three main areas <u>sooner rather than later</u>:
PROCESS, *PROGRAMS* and *PEOPLE*.

PROCESS – Establish policies and standard business procedures now while things are manageable. Understand the benefits of documentation and repeatable processes. Get rid of junk or duplicate data; establish naming conventions. Simplify steps; create checklists; find ways to automate. Develop a way to measure your progress; identify key metrics, and set up regular reporting – consider it a firm "health checkup." It's easier to maintain a healthy firm than have to cure an ailing business.

PROGRAMS – Take stock of the technology you already have and use. Are you spending money on three different programs that do the same thing? Consider licensing options and alternatives. Perform a cost-benefit analysis. Determine if it makes more sense – financially and functionally – to invest on integrated Practice Management Systems versus having to support and constantly troubleshoot outdated applications that may

be causing more user frustration and wasted time.

PEOPLE – Once you have your technology and process improvements in place, invest in your people. That brand new system won't do you any good, if nobody's using it.

Just as you would assess your existing processes and programs, identify the talents in your firm. Survey your users; find out who has the skills and expertise in what product, and acknowledge those who will require hand-holding. If your firm is big enough, identify your allies and tutors in each department – they are a great way to leverage resources in the firm. Put together a straightforward training agenda based on skill level and function. Schedule refresher courses; offer "Lunch & Learn" sessions, and always follow up.

One more thing I want you to remember – Change isn't always easy for some people, so a little bit of patience and empathy can go a long way. ~#~