



THE ATTICUS ADVANTAGE GROWTH ESSENTIALS™

WEBINAR SERIES

***5 WAYS TO MASSIVELY INCREASE YOUR LAW FIRM'S
PROFITABILITY...AND CASHFLOW***



ATTICUS®

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Episode Panelist: Mark Powers



Mark Powers, president of Atticus, has coached attorneys on key practice management skills for over 30 years, including strategic planning, marketing, time management, profitability, and staffing.

His passion is in helping attorneys focus on what is truly important in their lives, to provide the training and skills necessary to build and maintain sustainable practices, and to help create a structure of accountability and support for achieving their goals.

As the founder of Atticus, Mark developed the first personalized training program dedicated to educating law firm owners the lasting skills and habits required to grow a thriving practice.



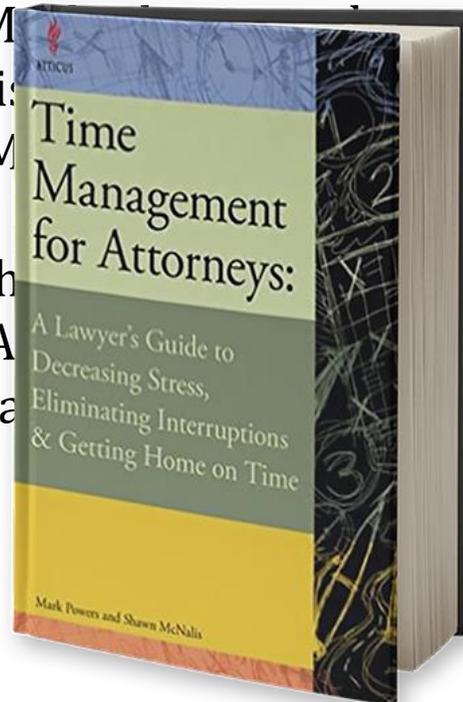


Episode Panelist: Shawn McNalis

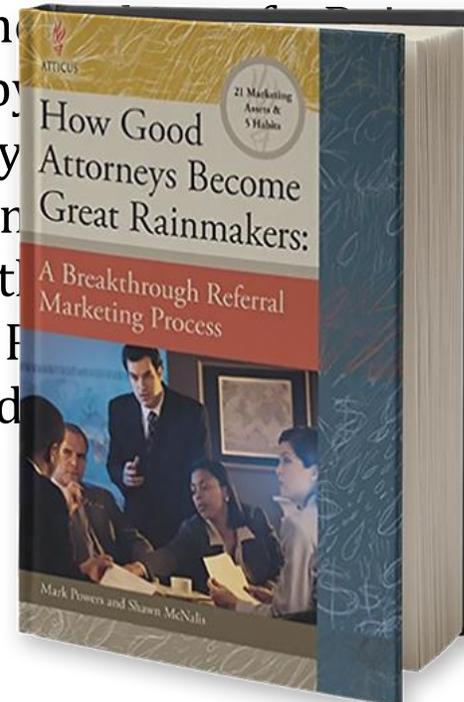


Shawn McNalis is a former Imagineer with the Walt Disney Company and credits her 15-year career with Disney for her creative, collaborative approach to advising attorneys. In partnership with Mark Powers for 25 years, Shawn is a shareholder, director of curriculum, and a trainer for Atticus.

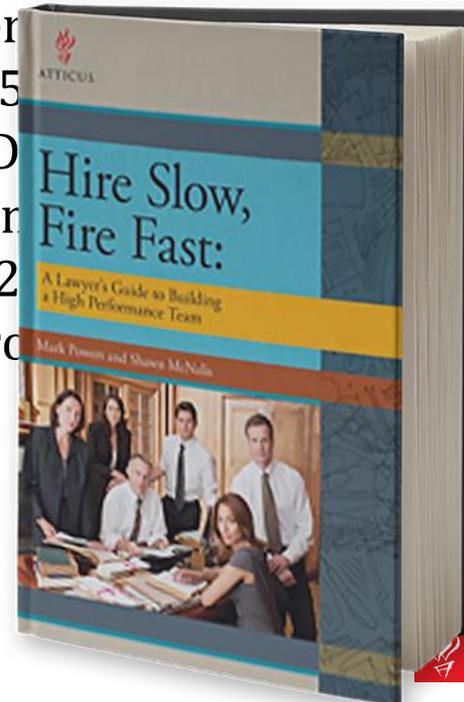
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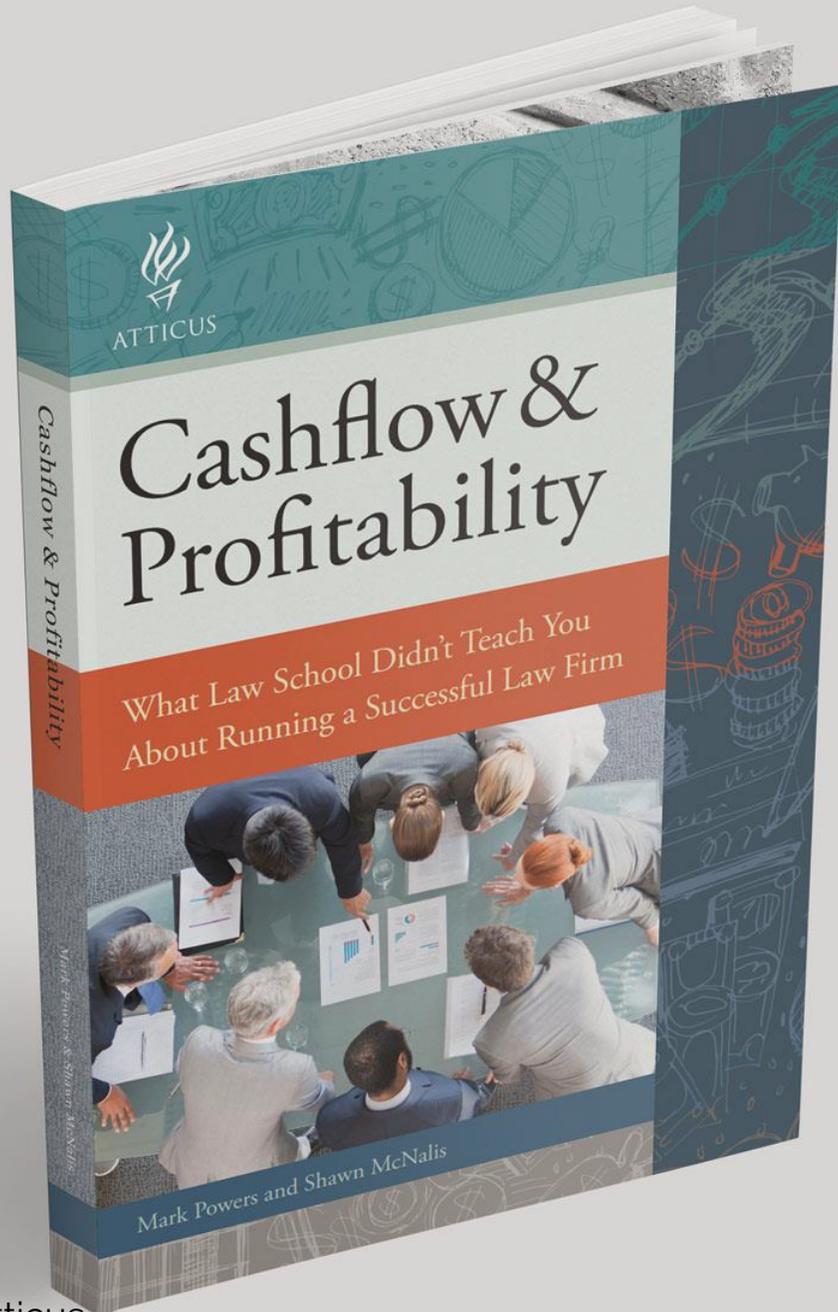


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What if you could help your law firm grow profitably, in a sustainable way, by putting a few critical systems in place?

As the owner of a small or solo firm, you might have all the legal skills you need but few of the practical abilities required to run a financially successful law firm.

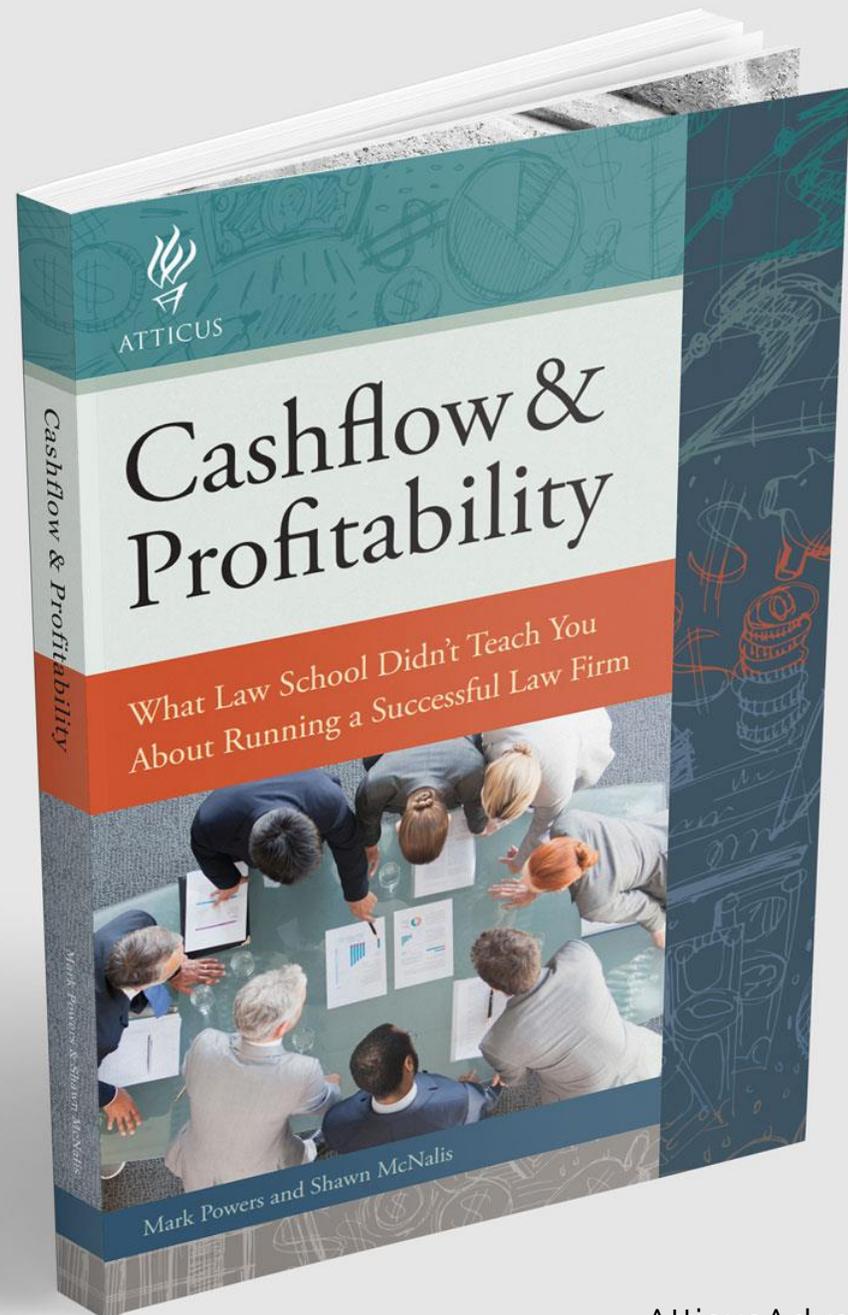
Cashflow & Profitability

What Law School Didn't Teach You About Running a Successful Law Firm

by **Mark Powers** and **Shawn McNalis**



What if you could help your law firm grow profitably, in a sustainable way, by putting a few critical systems in place? As the owner of a small or solo firm, you might have all the legal skills you need but few of the practical abilities required to run a financially successful law firm.





Getting the Most Out of This Webinar

- Pencil & Paper at the Ready
- Take Lots of Notes
- If you need something we discuss: grow@atticusadvantage.com
- If You Have Something Else Open On Your Computer (*Email, Web, Facebook or a Document to Edit*) . . . Consider You Might Need This Content More Than You Realize – And **Close It Now.**





Intention Of Today's Webinar:



- Prepare you to be profitable and financially healthy as possible in 2021.
- Review the Hidden Levers That Control Your Profit Margin
- Discuss Tools & Strategies to Immediately Increase Profits
- Questions & Answers



ABOUT ATTICUS

Atticus™ was founded in 1989 to help great attorneys build great practices:

- increase gross revenues and personal incomes,
- reduce stress and the number of hours in the office,
- develop greater career satisfaction,
- and allow more time for family and personal interests.



ATTICUS®
Guiding Your Practice SM

What kinds of attorneys and groups does Atticus work with and how?



SOLO AND SMALL
FIRM ATTORNEYS



MANAGING PARTNERS
AND LEADERS



LEGAL ASSOCIATIONS



FROM START TO EXIT

Atticus Coaching Services & Products



Webinars

- Atticus Advantage Series (Free)
- Practice Growth Series™
- Rainmaker Roundtable



Workshops

- Double Your Revenue™
- How to Build Your Law Firm for Sale™
- Solo & Small Firm Foundations for Growth™
- How to Build a Profitable Team™



Coaching Programs

- Practice Growth Program™
- Dominate Your Market™
- One-on-One coaching
- Rainmakers & Rainmakers Plus



Build My Great Team™

Full-service recruitment and hiring for administrative personnel, paralegals, and attorneys



Books

- How Good Attorneys Become Great Rainmakers
- Time Management for Attorneys
- Hire Slow, Fire Fast

Profitability



*“Revenue is vanity, profit is sanity,
and cash is king.”*



The Premise

- Your business (law firm) devours cash and without proper boundaries, controls and constraints it will be out of control.
- Profit is not an event that happens at the end of the year. It is a developed skill and a series of habits that happen now.
- Be more profitable by sticking to small, winnable steps.





Healthy Law Firm Profit

Any profit is good! What's a healthy profit for most law firms?

Atticus considers a healthy profit for a law firm to be between 30% and 35% of gross revenues – above and beyond shareholder compensation.





Great Lawyer Mindset!

How does the Great Lawyer Mindset think about profit?

- Revenues – Expenses = Profit





Practice Growth Mindset!

How does the Practice Growth Mindset think about profit?

- Revenues – Profit = Expenses





The RULES of Profitability



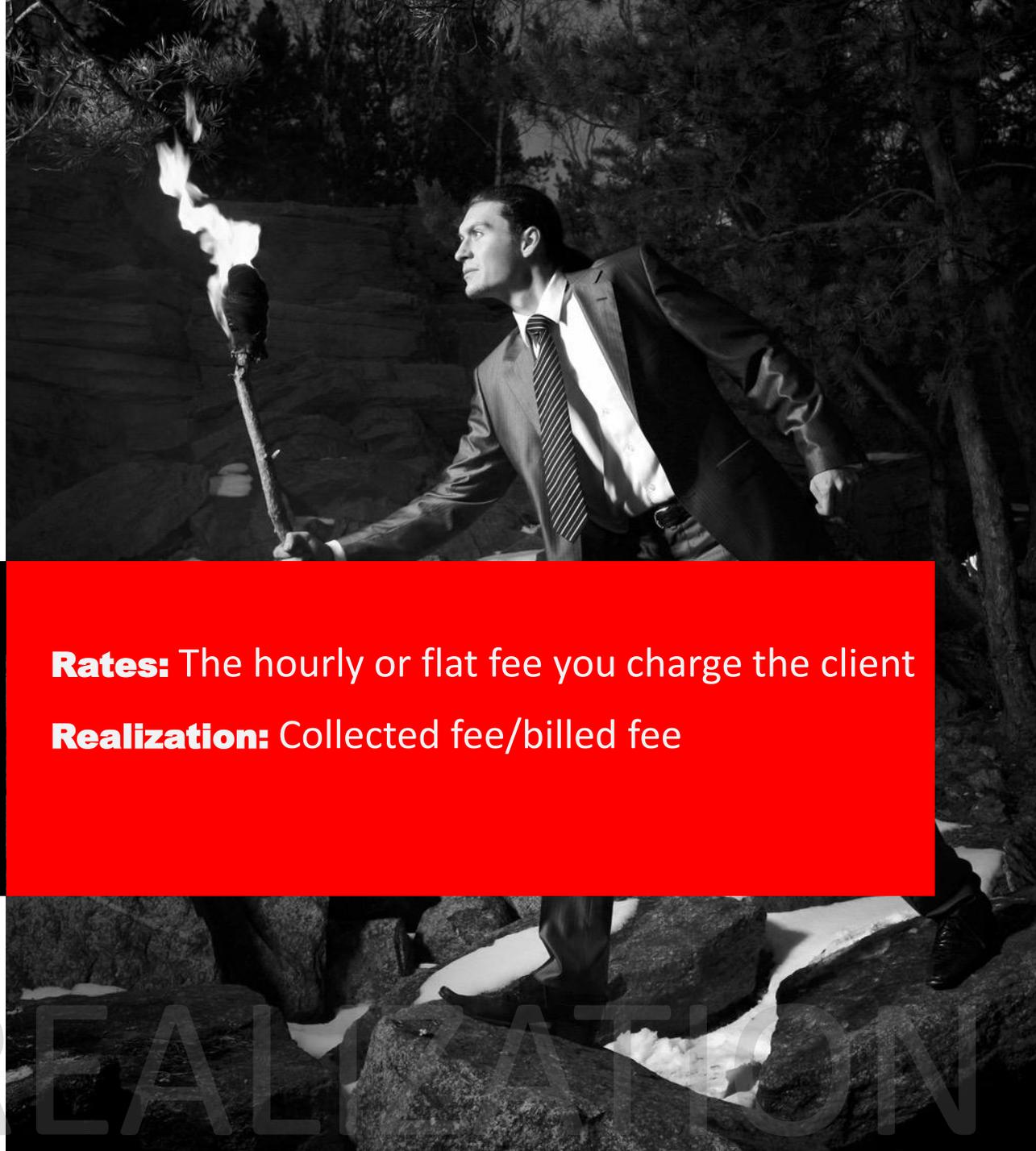
R.U.L.E.S. of Profitability

R = Rates / Realization

Rates: The hourly or flat fee you charge the client

Realization: Collected fee/billed fee

RATES / REALIZATION





R.U.L.E.S. of Profitability

U = Utilization

Billed hours/hours worked

UTILIZATION





R.U.L.E.S. of Profitability

L = Leverage

The number of timekeepers per partner

LEVERAGE





R.U.L.E.S. of Profitability

E = Expenses

The Facilities, support staff, equipment, insurance, taxes, etc.

EXPENSES





R.U.L.E.S. of Profitability

S = Speed

Elapsed billing & collection time

SPEED





Profitability Lever #1 - Rates & Realization

RATES: What you charge

REALIZATION: The cash received as a percentage of recorded, billed time





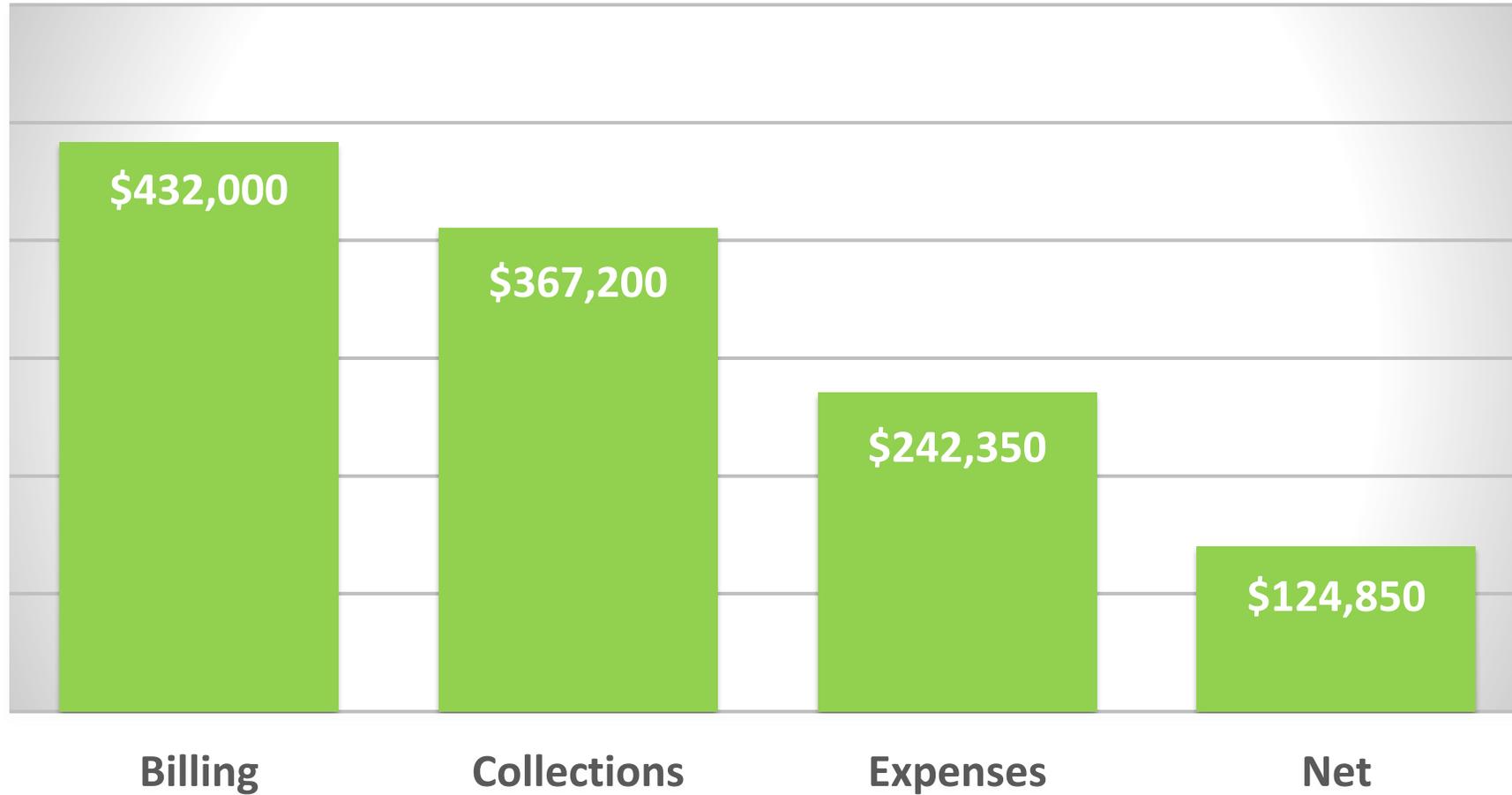
Firm Statistics

- **Hours worked per week: 55**
- **Billed hours per week: 30**
- **Billable rate: \$300**
- **Realization rate: 85%**



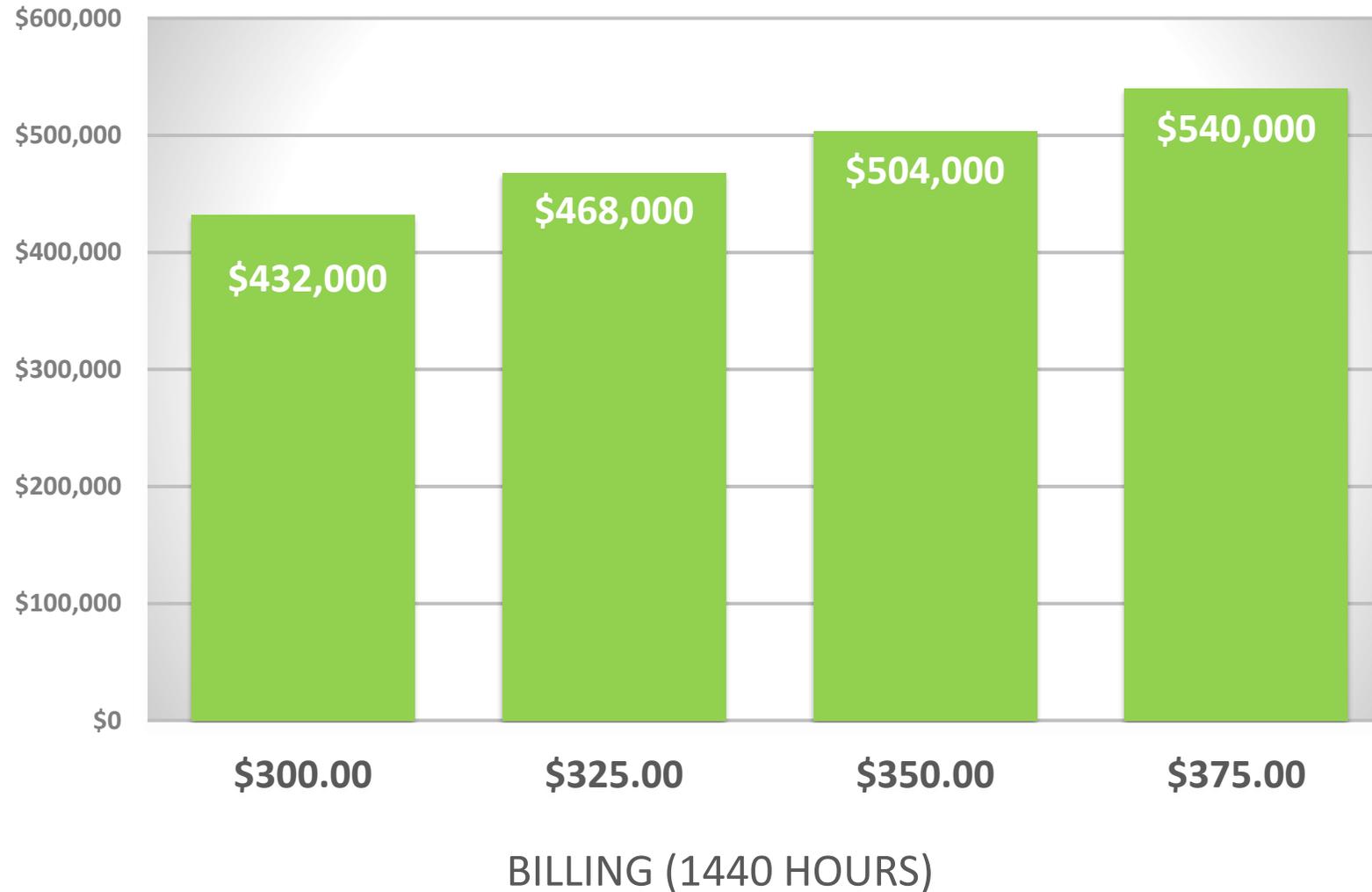


Translation



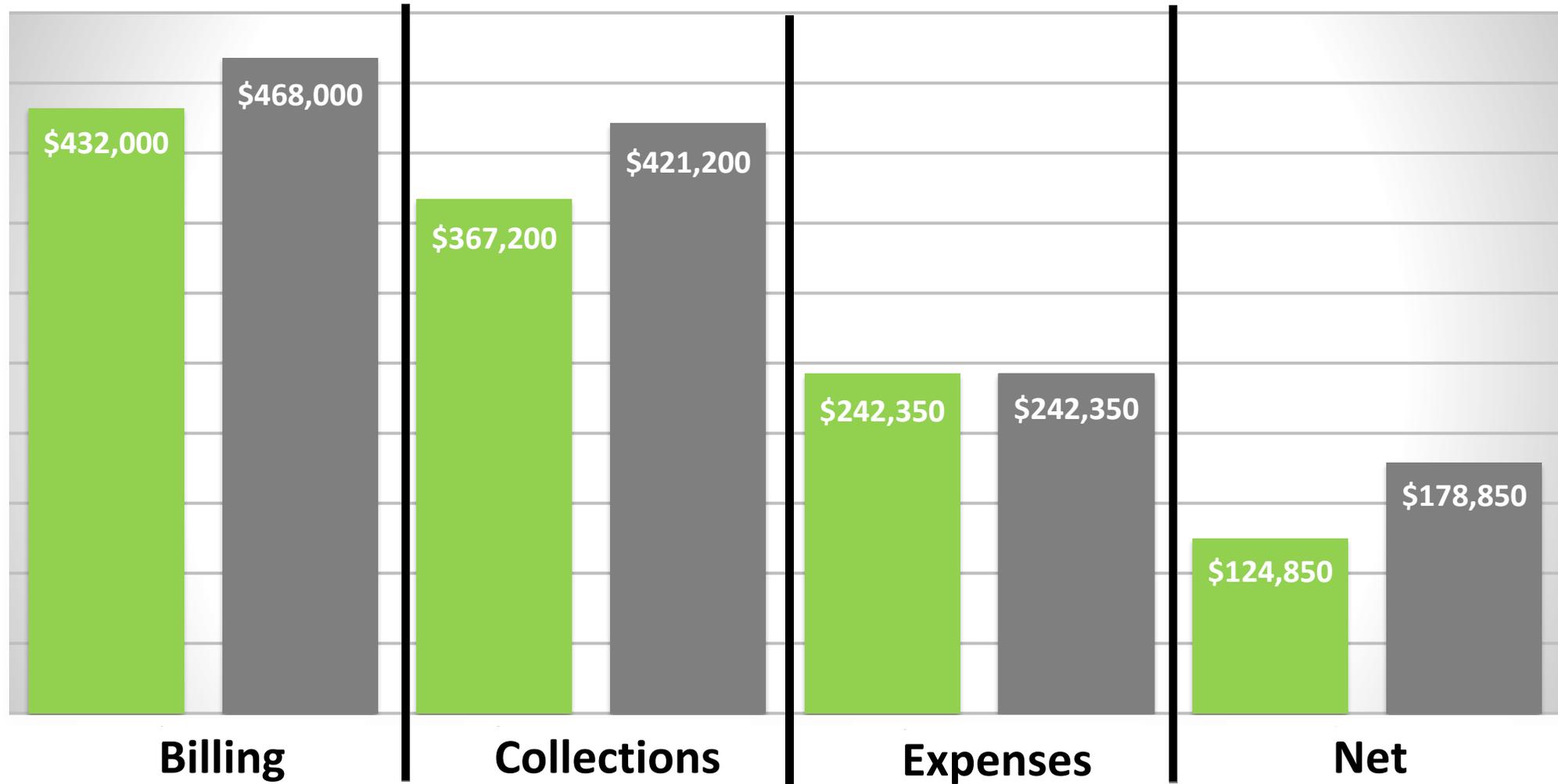


Impact of Rate: A Small Increase = A Big Result





Bottom Line Impact of Rates/Realization





What Determines Your Hourly Rate?

1. When is the best time to raise rates?
2. On whom should you raise rates?
3. How much should you raise the rates?





Firm Statistics, (Contingency)

**Average \$\$ per case: \$5,000
(86 files yields \$430,000)**

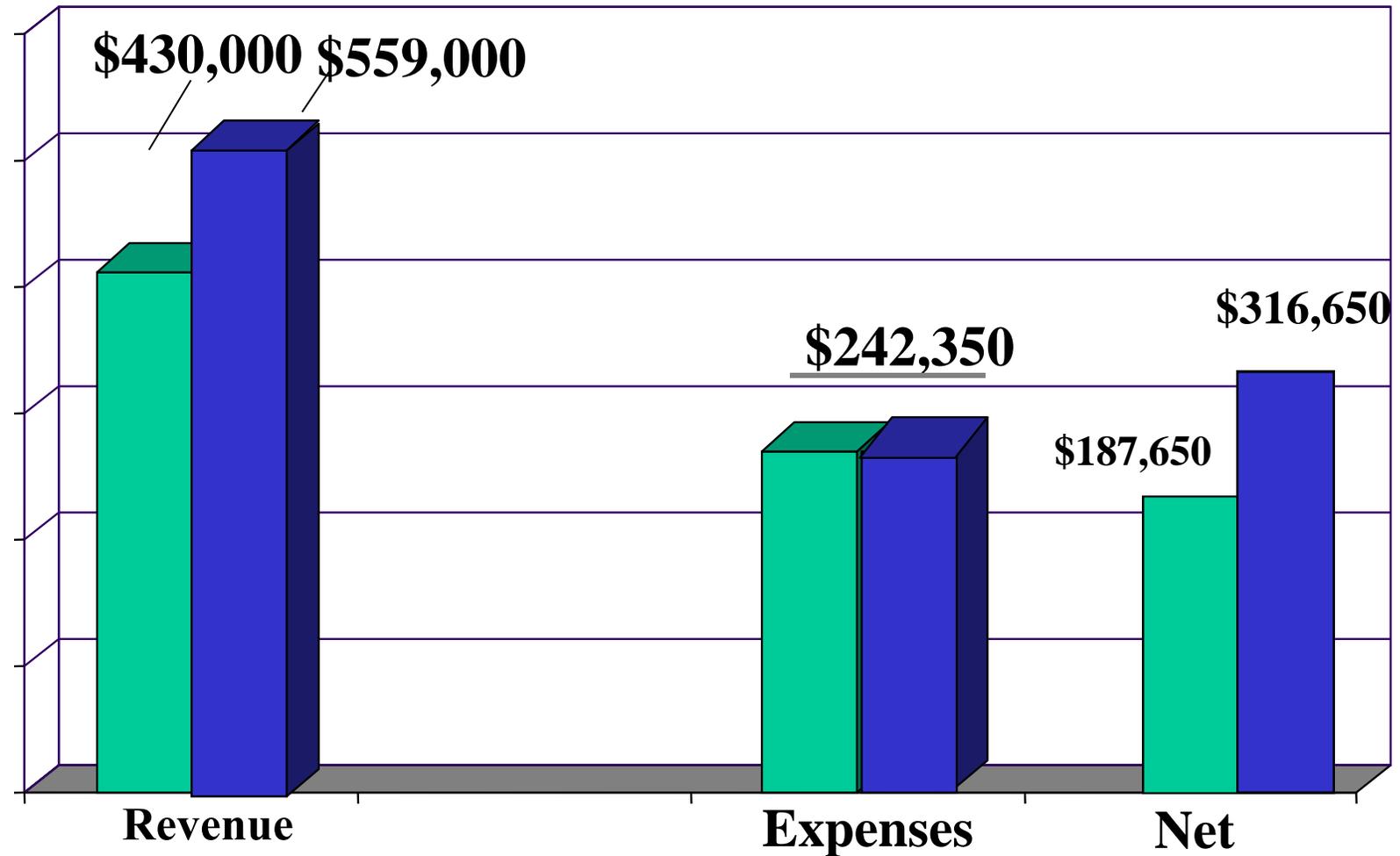
**Average \$\$ per case: \$6,500
(86 files yields \$559,000)**

**Quantity of cases: same
(yields \$129,000 more profit)**





Bottom Line Impact of Average \$\$/Case





Contingency Firms

Raise the Value Per File
you accept into the pipeline.



Intake and Evaluation Matrix

Personal Injury Claims



Form PI-22.05

Directions: Use this form as a screening device for new client intake. NOTE: A true “A” client will receive a check mark in every “A” level category across the board. One check mark in a lower level category automatically downgrades the client. Use the questions below for the 3-month review process.

Rank & Value	Client Credibility	Availability of Insurance	Damages/ Wage Loss	Pre-Existing Conditions	Prior Claims	Damages/ Injuries	Causation
A Case Value: \$100,000 + Fees: \$33,330 Budget: \$3,330 +	Appealing, Very Credible	High	Clear Wage Loss	No pre-existing injuries/ conditions	None	Catastrophic Death/Deformation Surgery/Fracture Clear PLTD*	No causation problems
B Case Value: \$50,000 - \$100,000 Fees: \$16,660 – \$33,300 *Budget: \$1,666 - \$3,330	Less Appealing, Still Credible	Medium	Possible Wage Loss	No pre-existing injuries/ conditions	None	Objective Injury Surgery/Fracture PLTD* Possible Some Wage Loss	No causation problems



The Most Important Lesson:



Work only
with
A & B
clients.



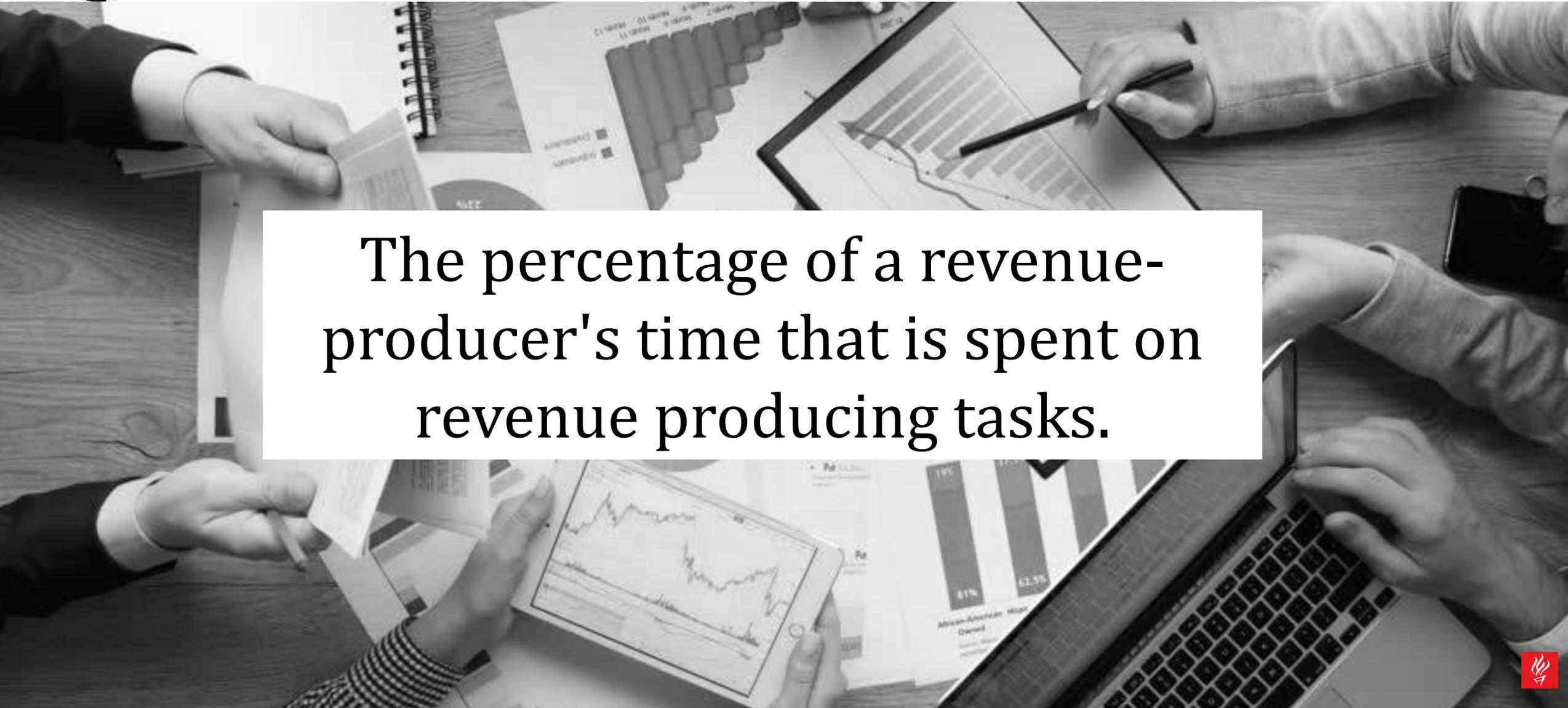


Lever #2: Utilization



Utilization

The percentage of a revenue-producer's time that is spent on revenue producing tasks.





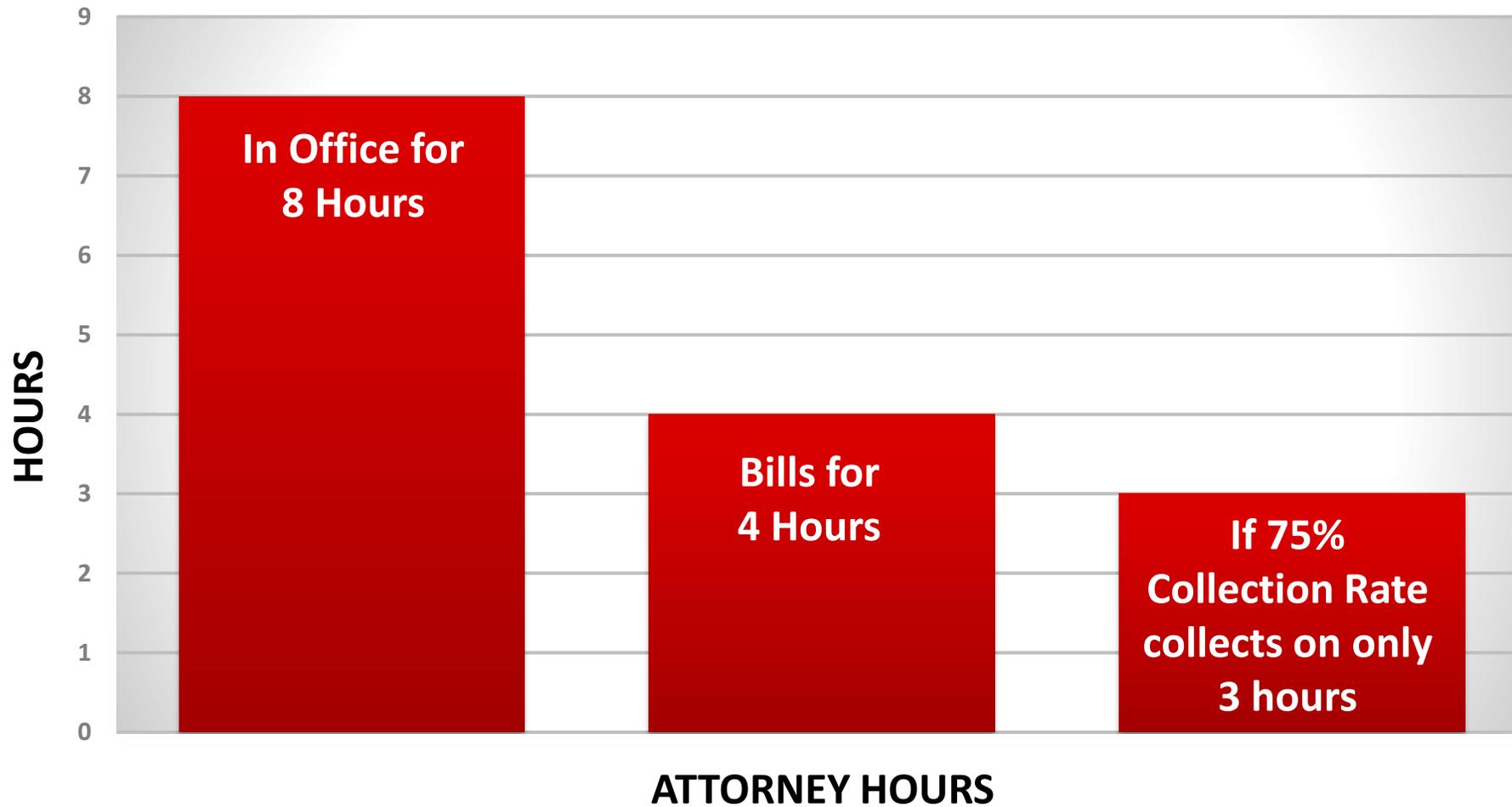
Improving Utilization

- **Contemporaneous time tracking**
- Use of Time & Billing Software
- A daily production standard
- Use of a “Time Cop”





Corrosive Effects of Under-Utilization



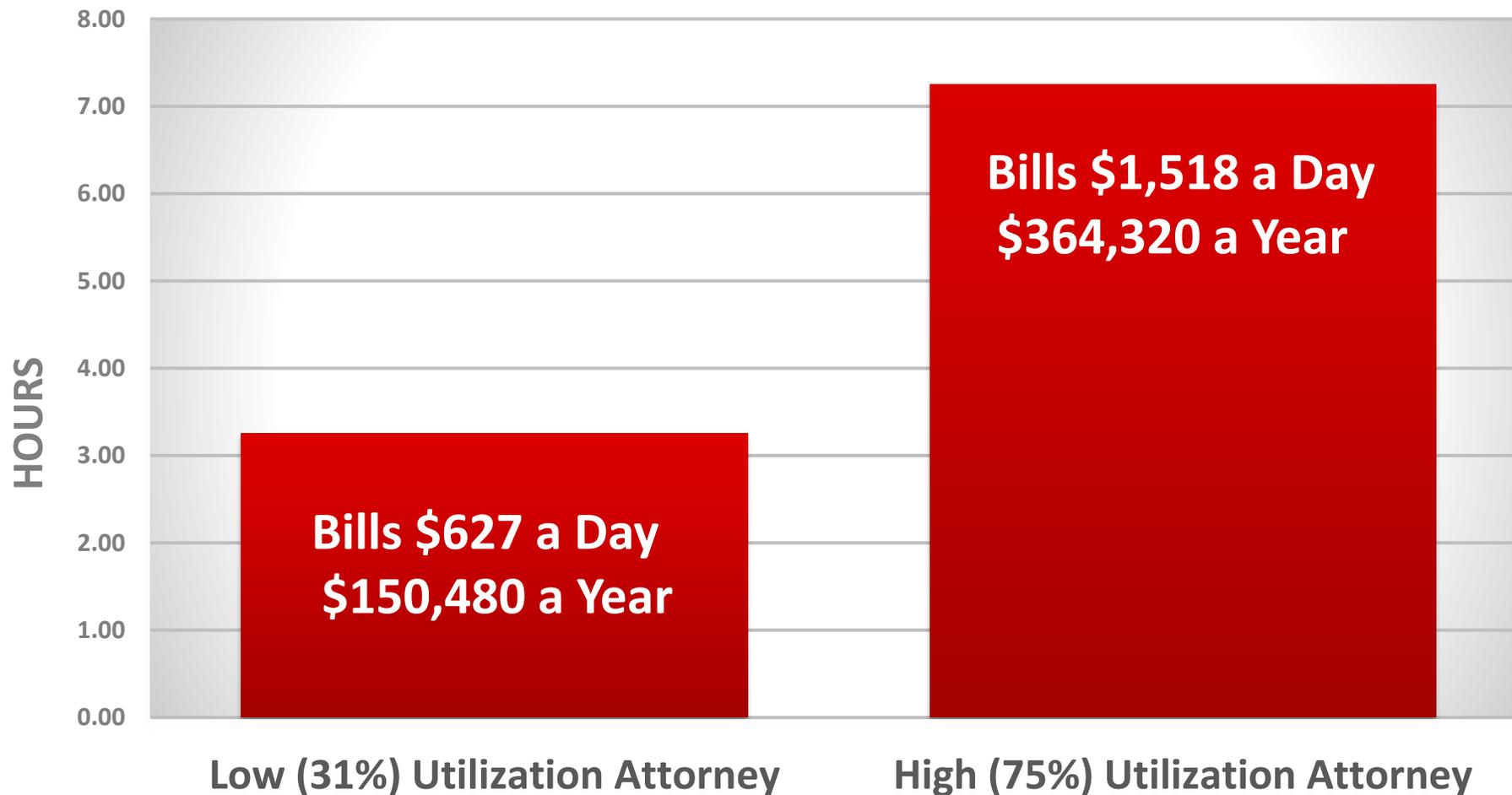
*Attorney billing at \$253 an hour





Effects of Utilization on Revenue Production

*Attorney Billing at \$253 an hour





Lever #3: Leverage



Benefits of Leveraging

By shifting a large portion of the work to associates, paralegals, and legal assistants, the lawyer is able to **handle an increased volume of legal work at a higher hourly rate.**





The Hidden Benefits

A lawyer who dedicates 40 hours to each file
can handle **37 files** a year

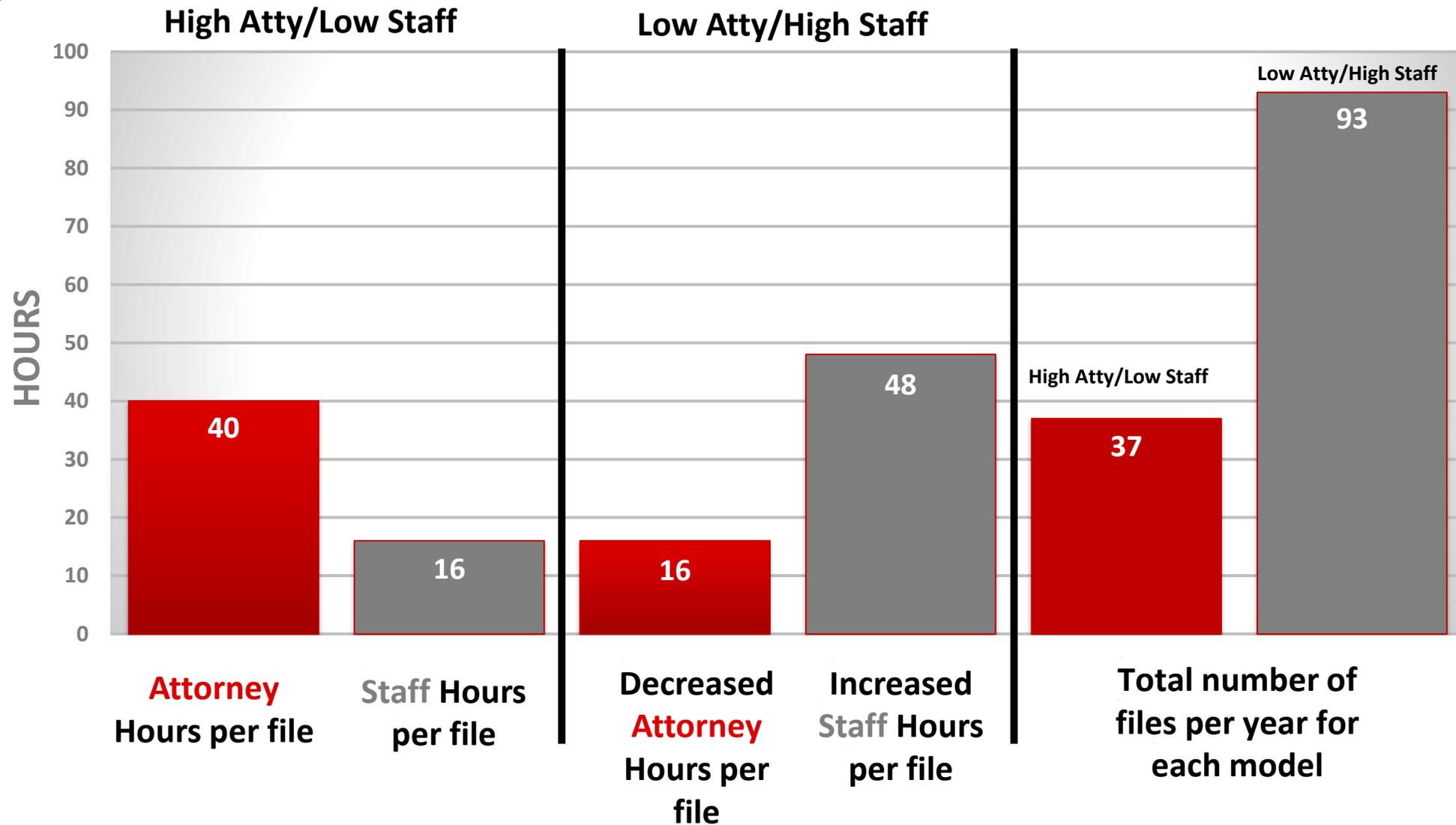
Compare to:

A lawyer who dedicates 16 hours to each file
can handle **93 files** a year



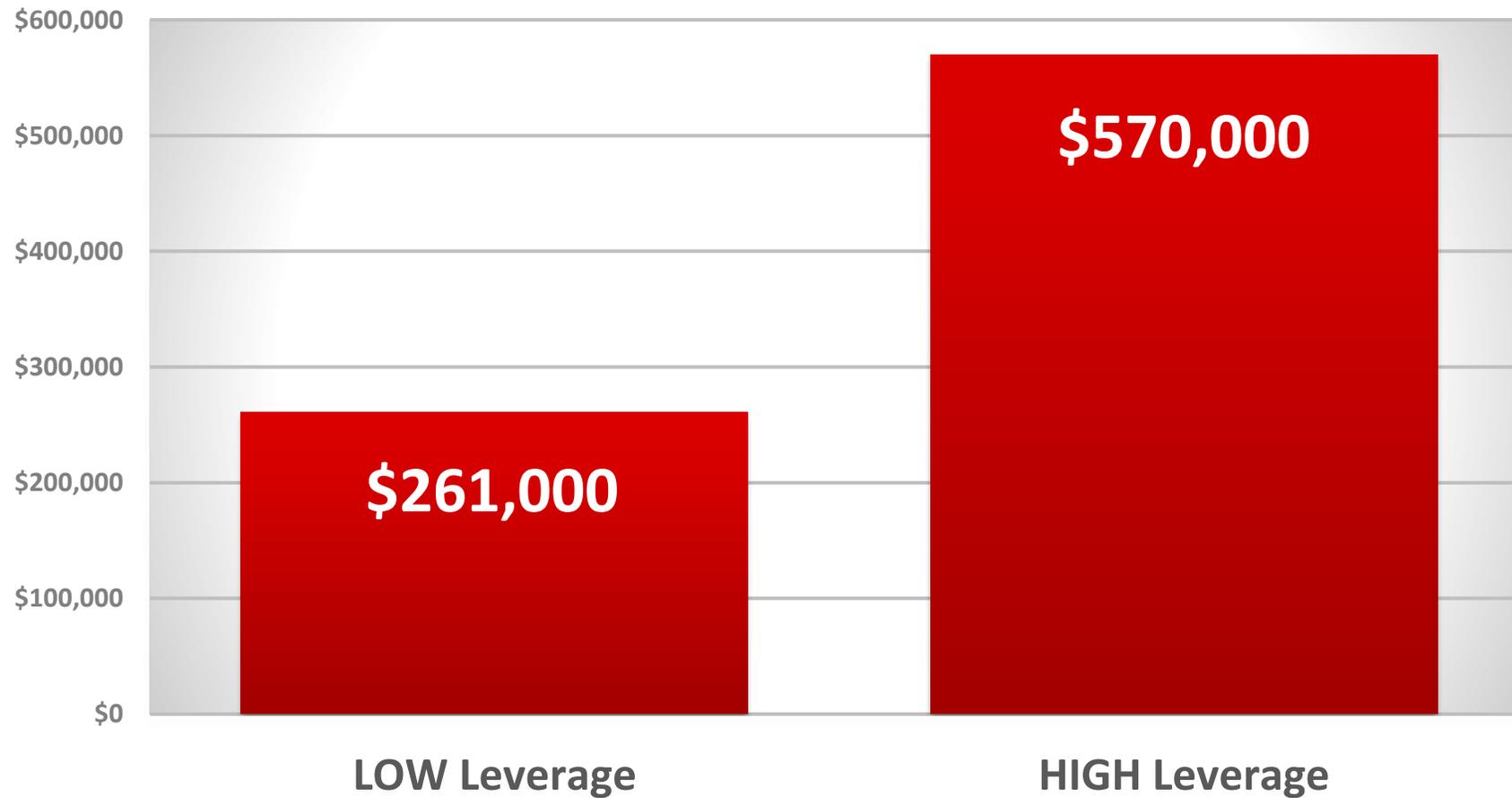


Effects of Leverage on File Volume





Effects of Leverage





Weekly Case Status Meetings



- Pre-set Agenda
- Due Dates In Horizon
- Action Items



Leveraging Tip

Work should be pushed down to the lowest level of competent staff, *as long as the firm is compensated at a profit for the staff person's work.*





The Rule of Three

Revenues generated by a legal assistant must equal three times the assistant's salary.

- **1st portion = Salary**
- **2nd portion = Overhead & benefits**
- **3rd portion = Profit**





Expenses & Speed



Expenses: Rule of Thumb for Budgeting

- **People Expenses: 38-42%**

Staff Salary

Shareholder Salary

Benefits

Contract employees

- **Facility Expenses: 6-8%**

Rent & Insurance Office Supplies

Utilities Internet and Telephone

- **Equipment Expenses: 3-5%**

- **Marketing Expenses 4-7%**

- **Miscellaneous Expenses 3-5%**

Library

Consulting Services

Travel





Three Perspectives on Speed

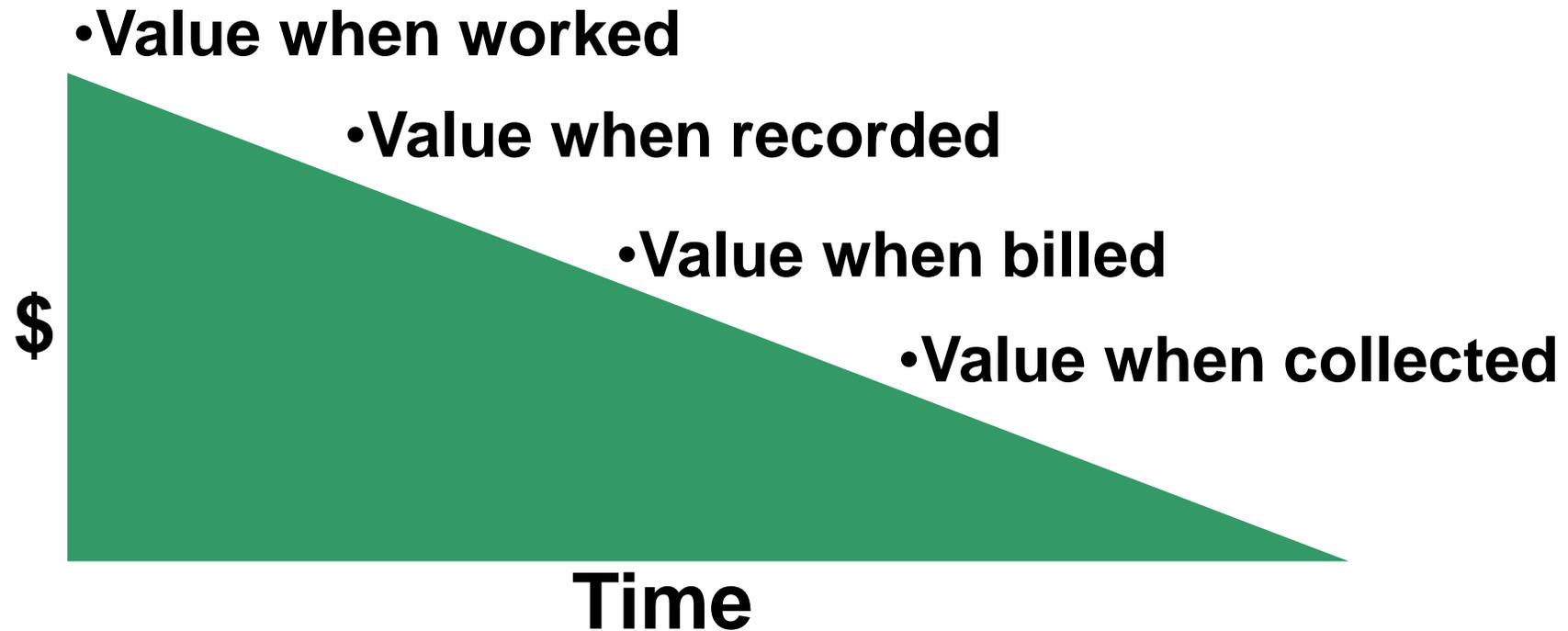
- **Time on Desk**
- **Time to Invoice**
- **Time to Collect**





Value Corrosion

**The perceived value of legal work
diminishes over time for both the client --
*and the attorney!***





The Gratitude Curve:

1. Day of the big win: “He’s a fantastic lawyer. No one else could’ve done it. I owe him my business, my career, everything.”
2. Three weeks later: “He’s a *pretty good* lawyer *but* I was right and the judge was on my side.”
3. Six weeks later: “The case was cut and dried. I could’ve argued it without a lawyer and easily won it by myself.”
4. 10 weeks later -- “He’s crazy if he thinks I’m going to pay that bill.”
5. Three months later – “That SOB is threatening me. I’m filing a complaint with the Bar. I’ll sue for malpractice.”





Tools & Strategies

The Dashboard

Basically a summary of all of your key financial indicators, this Dashboard can help you **track collections, anticipate cashflow and meet your profitability goals.**

Sample Dashboard "B"  **FORM 7.05**

For the Month of: _____

Billings for the 15 th of this Month:		REVENUES	
Fee Billing	\$	Amount Collected this Month:	
Costs Billing	\$	Fee Income	\$
Interest Billing	\$	Costs	\$
TOTAL:	\$	Interest	\$
		TOTAL	\$

HOURS BILLED PER ATTORNEY		
	billed	(hrs.)

EXPENSES	
Fixed Expenses	\$
Variable Expenses	\$
Client Reimbursed	\$
Payroll	\$
Payroll Taxes	\$
TOTAL	\$

ACCOUNTS RECEIVABLE	
Aging Summary on 1st	\$
Aging Summary on 31st	\$
Amount over 90 days	\$
Amount over 60 days	\$
Amount over 30 days	\$
Amount Current	\$

MARKETING STATS	
Activities:	Referral Source/Client:
Referred by:	Type of Case

NEW BUSINESS	
# of Inquiry Calls	
# of Initial Consults	
# of Rep Ltr Mailed/Del	
# of New Matters	
# of Matters Closed	
Open Inven of Matters	

FINANCIAL OPERATIONS	
Operating Account Balance at month end:	\$
Cash requirements for expenses next month:	\$
Trust Transfer as a % of monthly billings:	\$
Fixed & Variable Expenses as a % of Fee Income:	\$
Income Statement Net Income Balance:	\$

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Sample Dashboard "B"



FORM 7.05

For the Month of: _____, _____

REVENUES			
Billings for the 15th of this Month:		Amount Collected this Month:	
Fee Billing	\$	Fee Income	\$
Costs Billing	\$	Costs	\$
Interest Billing	\$	Interest	\$
TOTAL:	\$	TOTAL	\$

HOURS BILLED PER ATTORNEY			
	billed		(hrs.)

EXPENSES	
Fixed Expenses	\$
Variable Expenses	\$
Client Reimbursed	\$
Payroll	\$
Payroll Taxes	\$
TOTAL	\$

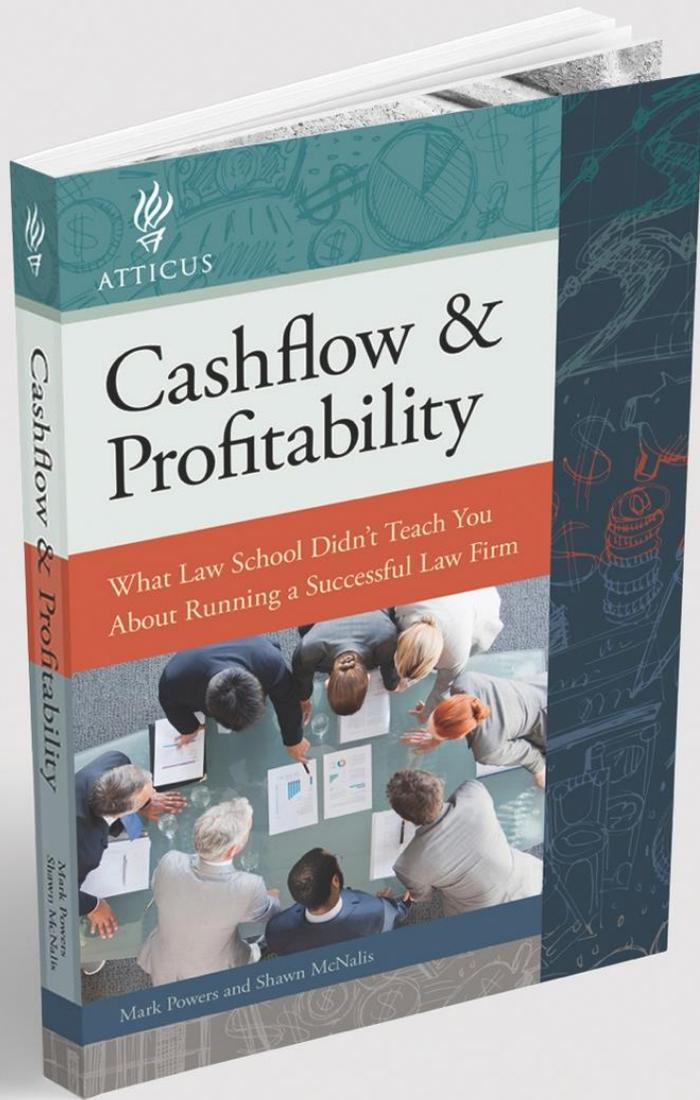
MARKETING STATS	
Activities:	Referral Source/Client:
Referred by:	Type of Case



Suggested Actions for a Profitable 2021:

- Read the Cash Flow & Profitability book this quarter
- Upgrade billing rates and average file values this year
- Establish production standards, hold production team accountable and reward
- Set up your basic profit account





SPECIAL OFFER

Complete a Practice Growth Diagnostic™ within 2 weeks of this webinar and we'll mail you copy of our best-selling book:





PRACTICE GROWTH DIAGNOSTIC™

- The Focused DISC Advantage
- The Practice Assessment
 - The Solo & Small Firm Foundations of Practice Growth™
- The Advisor Growth Analysis
- The 3 Most Impactful Actions



PRACTICE GROWTH
DIAGNOSTIC™

What is my investment?

- \$295 – This includes the practice survey, a DISC assessment and report (\$125 value), and a 1-hour teleconference with a Practice Growth Diagnostic Advisor to discuss your results and offer key suggestions and action items.

How do I get started?



Not sure what type of coaching is right for you? [GET STARTED HERE](#)

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- Click the hand icon to indicate you have a question or comment, and we'll call on you. When we do, we will "unmute" you so that you can be heard.



Thank You!

**grow@atticusadvantage.co
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