

UNLOCKING PROFITABILITY

MASTERING THE GOLDEN R.U.L.E.S



April 19, 2024 | Lori Pulvermacher

LORI PULVERMACHER

PRACTICE ADVISOR

- Passionate about helping lawyers grow and transition their businesses.
- Prior to Atticus, Lori worked at notable organizations, including:
 - LIFT Consulting, Coach, trainer, and consultant in the areas of sales, leadership, communication, and organizational structure
 - Law As A Business (LAB), Director of Business Solutions, Director of Sales, and Lead Practice Solutions Advisor
 - ElderCounsel, LLC, sales, marketing, executive leadership, management
 - WealthCounsel, LLC, marketing, education, and events
- On the Board of Directors for these organizations:
 - Girls on the Run—South Central Wisconsin
 - Spring Green Area Chamber of Commerce
 - Kaul Community Park
 - Ithaca Youth Baseball & Softball
- Girl mom, wife, small business owner, Packerbacker, and a fan of the outdoors



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From Learning to Action



Name: _____ Date: _____

| Ideas | Top 3 Ideas | Next Actions |
|-------|-------------|--------------|
| | | |
| | | |
| | | |

| Most Important Next Action | Biggest Takeaway |
|----------------------------|------------------|
| | |

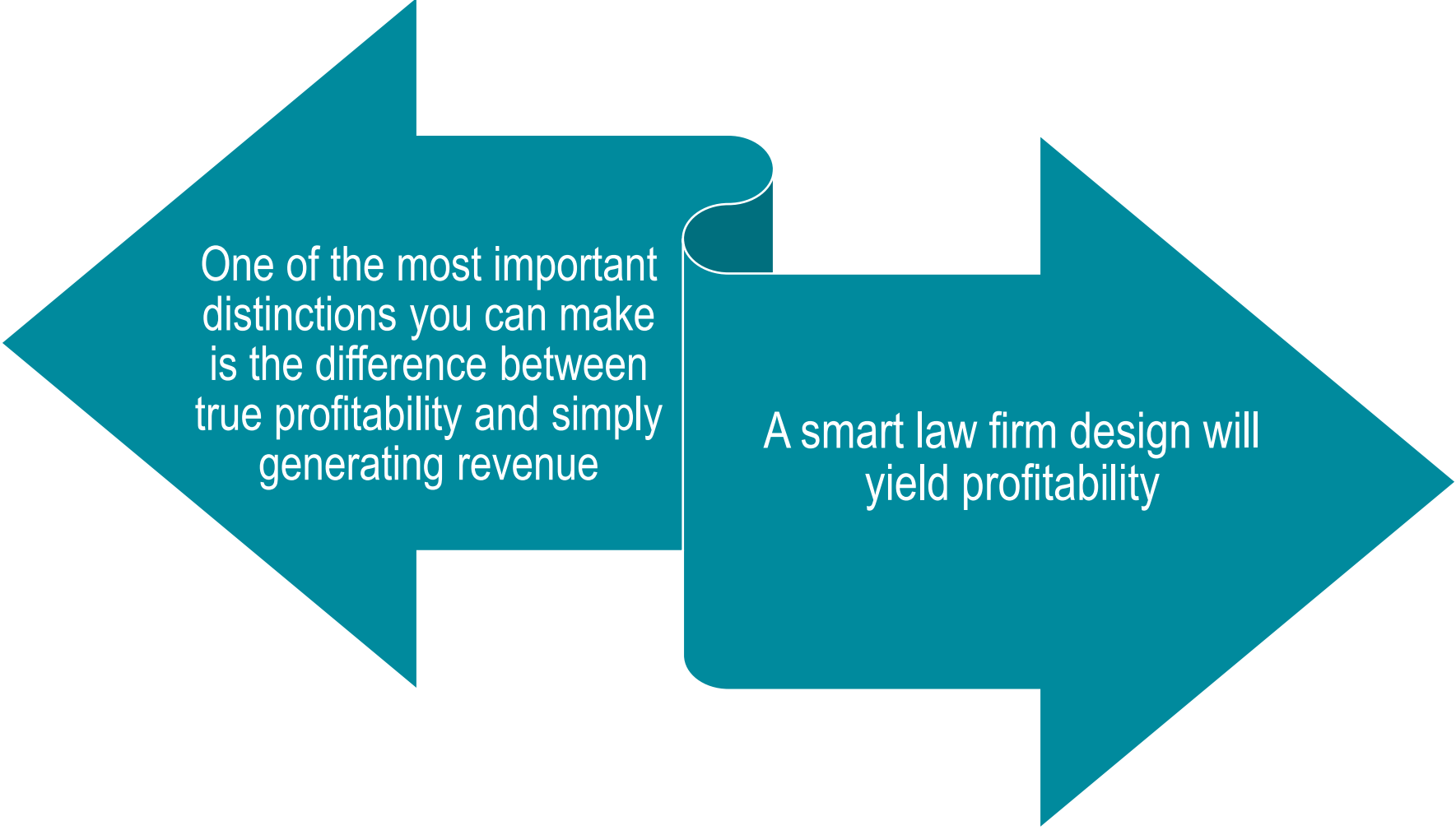
FROM LEARNING TO ACTION™



MORE THAN JUST BEING GREAT AT THE LAW



PROFITABILITY VS. REVENUE GENERATION



One of the most important distinctions you can make is the difference between true profitability and simply generating revenue

A smart law firm design will yield profitability

THE R.U.L.E.S

Rates: The hourly fee you charge the client

Realization: Collected fee/billed fee

Utilization: Billed hours/hours worked

Leverage: The number of timekeepers per partner

Expenses: Facilities, support staff, equipment, insurance, taxes, etc.

Speed: Elapsed billing & collection time

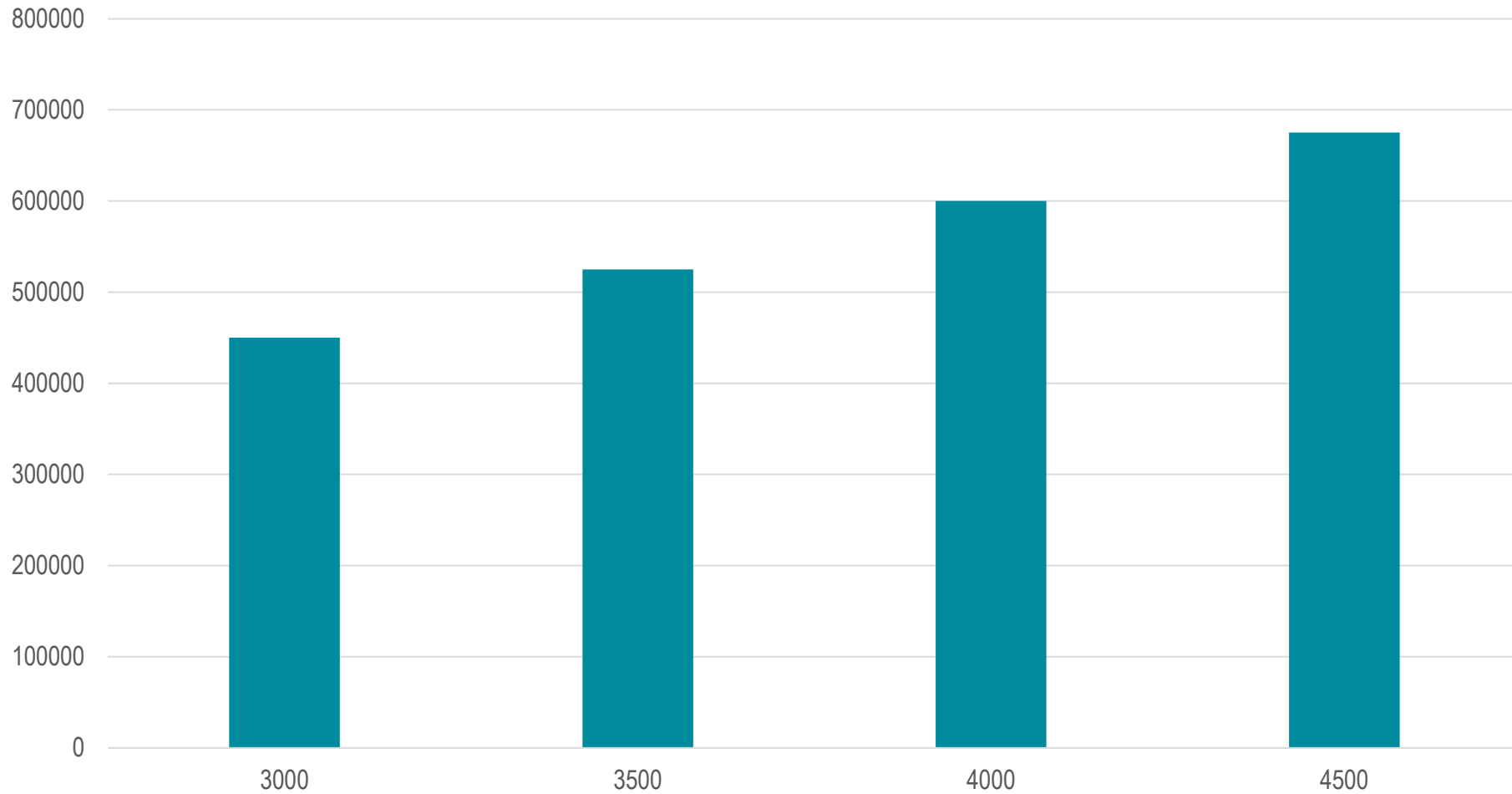
RATES

What you charge/What your client invests

IMPACT OF RATE: A SMALL INCREASE = A BIG RESULT



IMPACT OF RATE: A SMALL INCREASE = A BIG RESULT

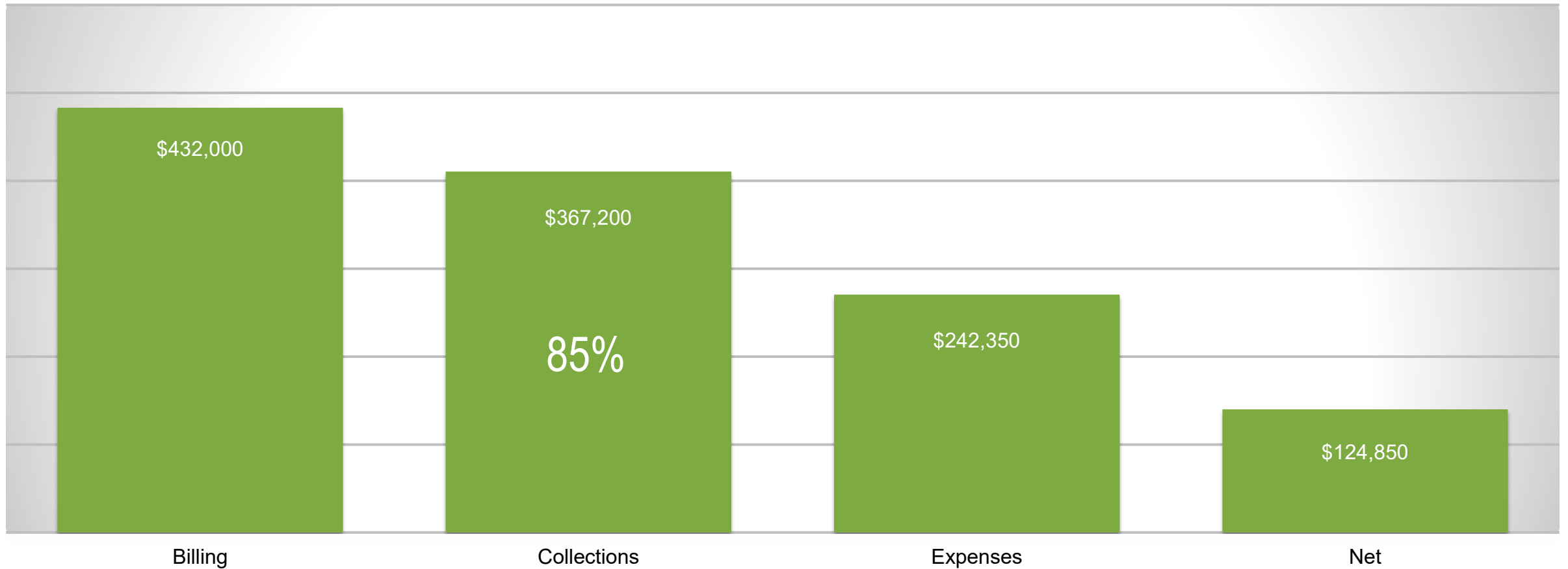


CURRENT FEE AVG. \$3000, 150 MATTERS

REALIZATION

What you collected
Percentage of what was collected vs. billed

IMPACT OF REALIZATION

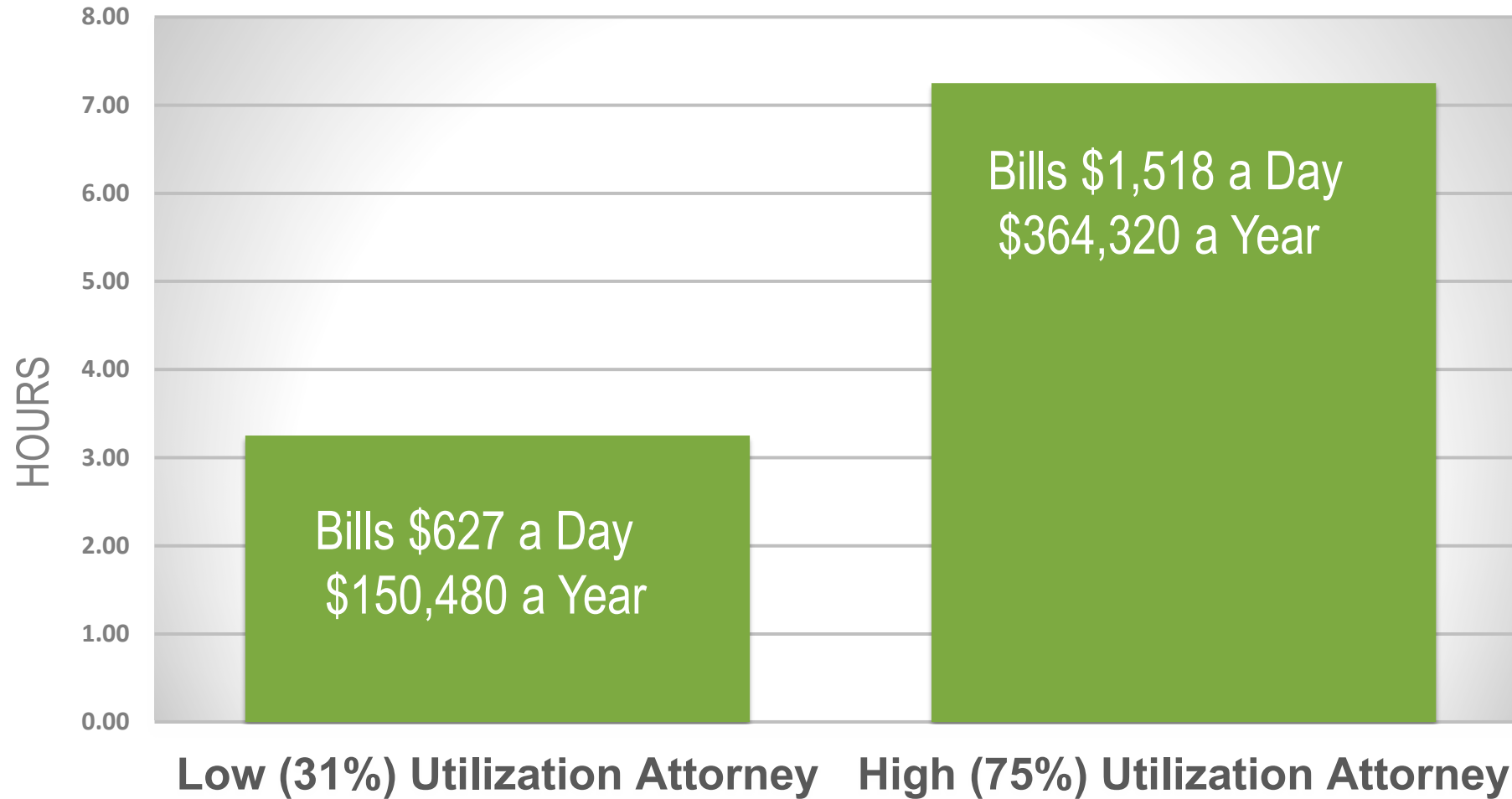


UTILIZATION

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

UTILIZATION ON REVENUE PRODUCTION

*Attorney Billing at \$253 an hour



IMPROVING UTILIZATION

Contemporaneous time tracking

Proper Time & Billing Software

A daily production standard

Use of a “Time Cop” (Not just hourly)

LEVERAGE

Leverage is defined as the number of timekeepers per partner

THE HIDDEN BENEFITS OF LEVERAGING

A

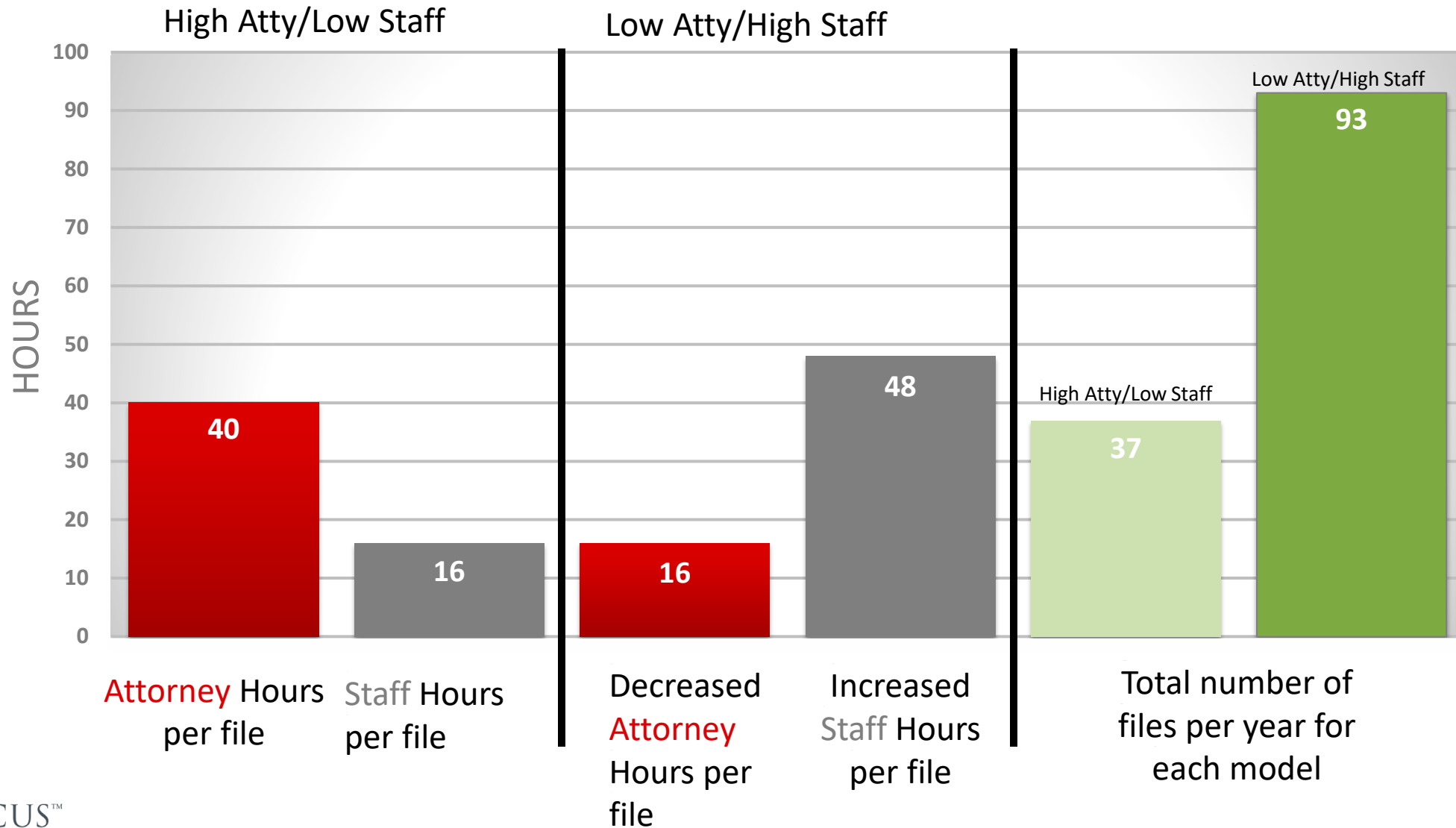
A lawyer who dedicates 40 hours to each file can handle 37 files a year

Compare to:

B

A lawyer who dedicates 16 hours to each file can handle 94 files a year

EFFECTS OF LEVERAGE ON FILE VOLUME



INCREASING LEVERAGE

1

Hourly-Billing
Practice: Enforce
billing goals with
timekeepers

2

Contingency Practice:
Set quarterly revenue
goals or monthly
demand package
goals

3

Push more work down
(train team up) to
reduce the number of
attorney hours per file

4

Hire more legal
assistants

EXPENSES

Overhead costs and expenses
related to executing your services



EXPENSES

Use a budget

- 38-42% on Payroll & Employee Benefits
- 6-8% on Facility
- 4-10% on Marketing
- 3-5% on Equipment
- 3-5% on Miscellaneous
- 30+% Profitability (above and beyond Shareholder compensation)

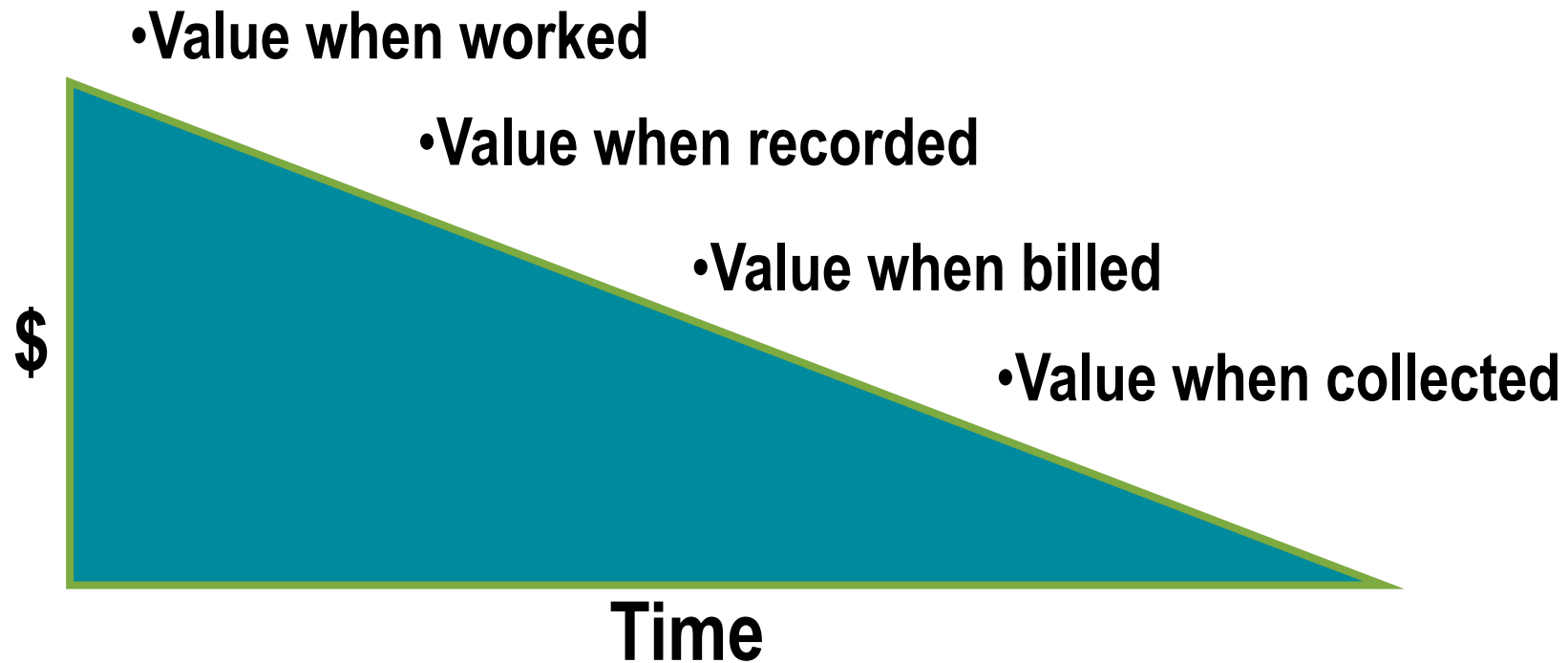
**percentage of annual gross revenue*

SPEED

How efficiently time is tracked, bills are sent,
and payments are received

VALUE CORROSION

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



THE GRATITUDE CURVE

- Day of the big win: “Fantastic lawyer. No one else could’ve done it. I owe them my business, my career, everything.”
- Three weeks later: “They’re a *pretty good* lawyer *but* I was right, and the judge was on my side.”
- Six weeks later: “The case was cut and dried. I could’ve argued it without a lawyer and easily won it by myself.”
- 10 weeks later: “I’m not going to pay that bill!”
- 3 months later: “I’m filing a complaint with the Bar. I’ll sue for malpractice.”

THE GAR™ BILLING METHOD

Goal: How does this action support the client's goal

Action: What action did you take to achieve the goal

Result: What was the outcome of the action

Communicate the value of your services/tell a story

Clear and enhanced communication and understanding

Clarity and transparency

Quantifiable results and demonstrated value

Client-centric approach and improved client satisfaction

THE GAR™ BILLING METHOD

TYPICAL DESCRIPTION:

- Phone conference with client re MSJ

GAR METHOD:

- Conducted a phone conference with John to discuss the necessary steps for the motion for summary judgment (MSJ) preparation. Discussed the need for at least two hours of legal research to support John's challenging legal position. Confirmed with John that the research should be completed within a day or two. Scheduled a follow-up call for next week to review the outcome of the legal research and to further strategize.

THE DASHBOARD

This worksheet identifies your key financial indicators and tracks collections while allowing you to anticipate cashflow, and meet your profitability goals

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

| Hours Billed Per Attorney | |
|----------------------------------|--|
| . billed . hrs./collected . hrs. | |
| . billed . hrs./collected . hrs. | |
| . billed . hrs./collected . hrs. | |
| . billed . hrs./collected . hrs. | |
| . billed . hrs./collected . 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 Consultations | |
| # of E/A Given | |
| # of New Matters: | |
| # of Matters Closed | |

| Financial Operations | |
|--|----|
| Operating Account Balance at month end: | \$ |
| Cash requirements for expenses next month: | \$ |
| Earned Trust Transferred | \$ |
| Fixed & Variable Expenses as a % of Fee Income | \$ |
| Income Statement Net Income Balance: | \$ |

Upcoming workshops and programs



GROW YOUR LAW PRACTICE WITH AI WORKSHOP

April 25, 2024
Zoom



THE PATH TO A GREAT PRACTICE & GREAT LIFE WORKSHOP

May 10, 2024
Zoom



SALES WITHOUT SELLING: THE ATTICUS SALES TRAINING ACADEMY

Starts May 15, 2024
Orlando, FL and Zoom

THANK YOU



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