

Thirty Years of Observing Law Firm Behavior

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The following are observations that I have made while furnishing software and support services to law firms since 1984. The intention of this article is strictly an attempt to make attorneys more aware of various things that they should pay more attention to in terms of their practice. Keep in mind that this is strictly from the perspective of providing software and support services, and is not a 'cure all' for whatever ills any firm may have. Over this period of time, we have worked with many sole practitioners, up to firms with around forty or so attorneys. Following are some of our recommendations:

- Hire talent with accounting and computer experience. We have seen far too many firms take an unskilled staff member from the receptionist area and try to turn them into a bookkeeper. This process can be a long one, not to mention the errors in decisions which can cost the firm and frustrate the staff member.
- Provide periodic training to your staff member and pay competitive wages to retain them. Turnover is a prime disruption in productivity.
- In terms of your accounting, conduct periodic third party audits to prevent misappropriation in either the operating account(s) or trust account(s). If you have a trust account, you must ensure that your records can pass an audit at any given time.
- Have at least one stockholder who gets involved in the accounting side or your practice. Simply hiring good talent does not insure that you are getting everything you need to manage your practice. Insist on regular reviews of your Balance Sheet, Bank Account Reconciliation and firm productivity reports.
- Have a second staff member review any 'cash' contained in client deposits received by the firm. Double check to be sure the daily deposit actually equals the amounts of cash and checks received.
- Insist on regular reviews of your firm data and backup / restore procedures. If unsure that your staff is knowledgeable in this area, outsource the backup procedure to a cloud service provider. We have seen far too many firms who either did not have adequate backup of their data, or failed to periodically test procedures to restore that data when needed. Rekeying data is not only unproductive, but expensive and disruptive.
- Either provide adequate financial resources to maintain premium equipment for in-house operations or move your operations to the cloud with a qualified provider. This way, the backup procedures are included in the service.
- Keep your accounting and other software up to date. We see far too many firms that actually pay for software updates and fail to implement them, thereby missing out on productive improvements in the products.
- Create a policy regarding web sites staff members should and should not visit, procedures for archiving emails and attachments, and enforce consequences for violations. We have seen many cases where a staff member would visit a site for personal reasons and get a virus which caused extreme disruptions.

- When selecting software for your firm, regardless of the type of product, do thorough planning so that you will have a checklist by which to compare the products you need. You do not want to make a mistake. It is difficult, disruptive and expensive to switch if your firm is unhappy with your choice. Keep technical support in the forefront when making a software selection. The very latest, fancy features are of no benefit if you cannot obtain support when you need it.
- Monitor and guard against complacency. We see too much complacency in staff members. When we ask a person if the data is being backed up regularly, all too often the reply is “I don’t know; that’s not ‘my’ job”.
- Periodically during the day, it is beneficial to close out of a program screen and then reopen it if you are still working in that area. We see too many users who have multiple screens open at the same time, and fail to close them even when the task is complete. No program screen should be left open during lunch breaks or other extended periods of non use. And, definitely close all screens at the end of your workday. If you are going to access your desktop remotely, then leave it running, but at the desktop itself, not actually with program screens active.
- We strongly recommend that you restart both desktops and servers on a routine basis. Restarting a computer tends to clear out many problems and actually run much faster once restarted.
- We recommend that you ‘purge’ old data from your system annually in order to keep databases clean, but you should observe the Rules of Professional Conduct with regards to retention of records for your particular state.
- Undoubtedly, ‘Cloud Computing’ is gaining steam and many law firms are now moving their complete operations, or at least specific applications, to the cloud and away from in-house equipment. There are many cloud providers in the market and the selection process can be confusing. We feel that you should weigh the true cost of an in-house operation versus the cost of cloud hosting, consider confidentiality of data requirements, and then make a decision that is best for your particular firm.

We hope the above points will help you to better manage your firm as it relates to monitoring your computer and software usage.