

EXECUTIVE SUMMARY

Business Need

Smith & Smith, P.A. needs to hire a legal assistant to assist the two lawyers, the legal staff, in the firm. Several months ago the legal assistant retired unexpectedly. After her retirement, the revenues, which had been declining due to the economic problems of the last few years, took a sharp downturn.

The downturn was due to the inability of the firm's founding member, and only staff, George Smith, to perform the administrative tasks required in the office.

In order to make efficient use of the legal staff, to best use their time for billable hours, administrative tasks should be performed by administrative staff rather than by legal staff.

Proposed Solution

Smith & Smith, P.A. will advertise for and hire a tech-savvy, experienced legal assistant.

To support that assistant, a new Windows computer will be purchased and set up as the office server so all staff can easily access client documents.

It is common for law offices to utilize Microsoft products and Windows-based computers. The existing software will be upgraded. A specialized time-tracking and billing software package will be purchased. An electronic fax software package will be purchased.

Cost Estimates

Cost estimates are as follows:

- Experienced Legal Assistant -- approximately \$57,100 annually or \$4,758 per month
- Total for Hardware, Software & Computer Technician = \$4,650
- TOTAL with annual salary for new hire = \$61,750

After the initial outlay for hardware, software and installation, on a monthly basis the firm will recognize increased revenues of 17.9 billable hours or \$6,265/mo.

Benefits

Hiring a legal assistant and upgrading the office technology will provide these functions for the legal staff:

- help prepare and manage documents; proofread, edit, finalize/print, mail
- fax file pleadings electronically and/or file pleadings using the court required online system
- help legal staff track their time and client costs
- do the data entry for client billing, review and print the bills, mail

Legal staff will be able to spend their time on billable hours, increasing client satisfaction and retention, meeting with potential clients, thus increasing the business revenue.

PROJECT DETAILS

Business Need - Details

With the unexpected retirement of the legal assistant, George Smith became overwhelmed with tasks with which he was unfamiliar. He is not tech savvy, barely able to do email, but he was able to use the fax machine until it "broke" (paper jam).

It took George longer to get his work done because he was unable to take care of normal administrative tasks. Instead of fax filing his pleadings, he would drive them to the courthouse and then distribute the pleadings by dropping them off with the opposing attorneys. Pleadings went out with errors, some of which had to be corrected, for free, via additional pleadings.

In addition, George did not know how to track his time and produce bills to his clients. As a result, he forgot to bill items, got work on the wrong client bill and often did the math wrong. This increased the number of billing disputes and decreased his clients' confidence. Bills were slow to be paid and he was losing clients all of which diminished the revenue stream.

George appealed to his daughter, Jessica, to join the firm in preparation for him to pass the firm on to her.

Jessica Smith has been in practice for ten years, the last four years as an associate lawyer with Jones, Wheedle and Whit. She is tech-savvy and has experience running a law office in addition to her experience in the courtroom.

Jessica will be responsible for interviewing, selecting and managing the new hire. She will also select and oversee the new software and hardware

implementation and for any training required for the new hire.

Currently, Jessica is teaching George to use a simple time-tracking form. She has also created a payment log and a client cost tracking form.

Proposed Solution - Details

The project will be implemented in phases:

Phase I:

- Advertise for candidates for the legal assistant position.
- Purchase the new computer and Microsoft Office Suite software upgrades.
- Purchase Sage Timeslips, two-user version: Jessica has used this time-tracking and billing software.
- Purchase an annual subscription to Ring Central electronic fax software. Jessica has used this software.

Phase II:

- Begin interviewing candidates for the legal assistant position.
- Hire and oversee a Computer Technician to make the new computer a simple file-sharing server, install network wiring, set up a shared printer and install new software/upgrades.

Phase III:

- Hire the new legal assistant.
- Provide software training as necessary.
- Work with the new hire to familiarize them with the firm's office procedures.

Cost Estimates - Details

Cost estimates are as follows:

- Experienced Legal Assistant -- median annual salary is \$49,800, with health insurance benefits, taxes - approximately \$57,100 annually or \$4,758 per month
- Windows computer - \$1,800 (lifetime 4 - 5 years)
- Sage Timeslips (2-user) software - \$1,000 (upgrade every 3 years)
- Ring Central Electronic Fax software - annual subscription \$100
- Microsoft Office Suite software upgrades - \$250 * 3 computers = \$750 (lifetime 4 - 5 years)
- Computer Tech to install and set up hardware and software - \$1,000
- Total for Hardware, Software & Computer Tech = \$4,650
- TOTAL with annual salary for new hire = \$61,750

Benefits - Details

In addition to the administrative tasks performed by the new legal assistant, the following cost benefits will be recognized by Smith & Smith:

- George spent 8 hours each week (32 hrs/mo) gathering and tracking his billable work. The new system will ask George to spend only a half-hour or less each day or about 10 hrs/mo on billing, a savings of 22 hrs/mo.
- George often missed billable items, particularly phone calls, postage, copies and other client costs. These items will be recovered and billed.
- George would drive pleadings to the courthouse to file them and then distribute them by driving them to the attorney's office. Generally this happened about 3 times a week or about 4.5 hrs/wk or 18 hrs/mo. Pleadings will now be filed by fax and distributed by email, fax and mail.
- Jessica has done the manual billing with her paper system which takes about 5 hours a week to partially prepare the bills for the office. This totals to 20 hours/mo plus about 5 hr/mo to finalize, print and mail the bills or 25 hrs/mo. Jessica will now review the bills produced by the assistant. Review will require 2 hr/mo, a savings of 23 hr/mo.
- George's time savings will be 40 hours/mo, Jessica's will be 23 hours/mo
- Assume those savings will convert into 31.5 billable hours (half the time saved).
- At their billing rate of \$350/hour they will recognize an additional \$11,025/mo in billable revenue.
- The initial hardware and software acquisition and installation cost is \$4,650 or 13.3 billable hours.
- The new hire salary is \$4,758 /mo or 13.6 billable hours/mo

After the initial outlay for hardware, software and installation, on a monthly basis the firm will recognize increased revenues of 17.9 billable hours or \$6,265/mo.