



FROM THE PRESIDENT

This year began with trouble—economic downturn, mortgage crisis, rising unemployment, increase in corporate bankruptcy and the whole TARP bail-out controversy. As legal administrators, however, we are not strangers to trouble. We are faced with it regularly, coming at us from around blind corners, disrupting our tight schedules, de-railing our plans, and requiring us to think fast and make important decisions on the fly.

Just because we are accustomed to trouble doesn't mean we should not welcome a little help dealing with it from time to time. Our ALA and SCALA membership networks can provide practical advice, the experiences of others, new ideas, and sometimes just a sympathetic ear, especially when trouble comes knocking at our doors.

As our chapter begins a new fiscal year, take a few minutes to re-familiarize yourself with some of the many benefits of ALA and SCALA membership.

First, visit the ALA website at www.alanet.org. Check out the link for the Legal Management Resource Center, where you can find a number of articles on topics of importance to you. Need advice on an issue? Find colleagues in the Peer Consulting Directory to discuss your issue in depth, and benefit from first-hand experience. Pose a question through the ALA Management Solutions reference desk, and ALA Headquarters will help you find the additional resources and research you need.

Need an answer before the Management Committee meets in 10 minutes? No problem. Subscribe to ALA Management Encyclopedia, a comprehensive set of articles that provides information at your fingertips on demand.

Next, explore ALA's extensive educational offerings such as national and regional conferences, specialty retreats, and The Extraordinary Law Firm Conference. Engaging speakers on a multitude of topics guarantee you will take back to your firm many new ideas, valuable information on vendor products and services, and as an added bonus, you'll get to know colleagues from around the world. If you can't get away from the office, check out the many webinars offered by ALA or the Law Firm Profitability Enhancement webcast, accessible from your office chair. No traffic jam!

ALA further supports our educational goals by offering the Certified Legal Manager (CLM)SM program. Learn more about this important educational commitment at www.alanet.org/education/cert.aspx.

SCALA, too, strives to provide relevant educational opportunities. With five-educational meet-

ings per fiscal year in addition to special events such as the Annual Vendor Fair and the Business Partner Appreciation Reception, SCALA offers ample opportunities to learn, network, brainstorm and meet new friends. That sympathetic ear? He/She is sitting right next to you. The value of talking through an issue with a colleague who understands your frustration? Priceless.

Thanks to the commitment of our webmaster, Immediate Past President Shawn Payment, SCALA has a re-designed website with quick links to many of the above-noted ALA benefits. Visit us often at www.scalanet.org for updates on upcoming meetings, Bar Relations, review pictures from past meetings under the Media link, and stay informed about other general chapter and ALA information.

Got trouble? Bring it on. You have a fully stocked arsenal to employ during even the hardest of times.

I'll be looking for that sympathetic ear throughout the year at upcoming SCALA meetings. I know you will be sitting right next to me.

Kim Maddux

President, 2009 - 2010

ALA Annual Conference in Review

DATE: June 18, 2009

Time 10:00—10:30 Registration
10:30—12:00 Program
12:00 Luncheon

Place: Nelson Mullins Riley &
Scarborough, 17th Flr.
1320 Main Street
Columbia, SC 29201

Registration:
\$50 members
\$65 non-members

For Registration Info, Please Contact:

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ABOUT THE PROGRAM

For those who were not able to attend the recent ALA Annual Conference in New Orleans, not to worry! This upcoming program will feature several of your SCALA colleagues who will present short summaries of their favorite sessions! Consider it your opportunity to catch the conference “Greatest Hits” without all the travel hassles and expense!

Following the presentations there will be an opportunity to participate in networking round-tables on various topics of interest.

An agenda of topics and speakers will be circulated along with registration materials shortly after conclusion of the Annual Conference.

Hope to see you there!

SCALA CHAPTER NEWS

2009 SCALA Board Takes Oath of Office at February Meeting



Clark Reifsnider administers the oath of office to the 2009 SCALA Board of Directors. Appearing left to right: Clark Reifsnider, Clara Godshall (Secretary), Heather Niemi (Treasurer), Jane Todd (President-Elect) and Kim Maddux (President).



Speaker Rob Stolph, Vice President, Cash Management Solutions presents on the topic: "Profitability Challenges Most Law Firms Face"



SCALA President Kim Maddux presents a plaque to Immediate Past-President Shawn Payment in appreciation for his service to the Chapter over the past year.



Billing Profitably and Ethically - How to Build Better Client Communications and Increase Your Revenues 10-25%

by Dustin A. Cole, President, Attorneys Master Class

The issue of billings isn't just about revenue. It's also about professional integrity, communications and client trust. Billings are one of the most important avenues of client communication; inaccurate, vague and/or delayed billings can cost more than yesterday's time. It can result in lost trust and future business.

At the same time, it has been estimated that attorneys fail to bill from 10% to 25% of their legitimate billable hours due to bad recording habits, overwhelm and disorganization, and poor team management. That's a painfully large part of anyone's revenues to lose, especially when it represents legitimate work done and time expended.

Here are eight ways attorneys lose legitimate billable hours and fail to communicate effectively with clients, with solutions on how to bill more effectively.

Problem 1: The Periodic "Reconstruction"

Re-constructing hours at the end of the day may lose you 5-10%. Waiting a week can lose as much as 15-25%.

It is virtually impossible to accurately re-construct work done more than a day ago. The big pieces may get recorded, but most of the smaller pieces – momentary conversations, e-mail responses and impromptu meetings -- will be lost, even though each was legitimate client work. From the ethical side, trying to reconstruct work done more than a few days ago is an exercise in fiction-writing -- imprecise and possibly erroneous.

Solution 1: Track Your Time Concurrently

The most obvious solution is generally the most hated. But is it more enjoyable to not get paid for 10-25% of your work? Is a 10-25% increase in revenues worth a change of habits?

Reduce the struggle by obtaining a separate dictation machine just for recording time. Carry it with you at all times. Dictation is less intrusive and more explanatory than software or writing time sheets, and can be done anywhere – in the car, on the train, at home – helping you capture more time.

Problem 2: The Good Client Courtesy

"It was just a two-minute call, she's a good client, I won't nickel & dime her." How many calls do you not record in a given month? How many of them contained important information or valuable client interaction?

Solution 2: Record it – Always.

Record everything you did, without judgment – and decide only once – at pre-bill – what to bill or comp. Ethically, professionally and financially, recording everything is the only choice. That way the client has full information on your work for them – and sees what you have decided not to charge them for.

Problem 3: The Interruption

How many times have you hung up the phone and were immediately attacked by a team member with a question, or dashed out of your office late for a meeting? Such interruptions cause you to fail to record your time – and often it's lost forever.

Solution 3: Keep your door closed.

Train your team to honor it, and to hold non-urgent questions for regular daily meetings or specified open-door times. Designate non-call times and have your assistant take messages, facilitate or pass on calls to your team. Then designate a call-return time, instead of returning calls on the fly. No matter how rushed, always take the 30 seconds needed to dictate time.

Problem 4: The "I was in Lala Land"

You've worked for four hours, but you've been unfocused and unproductive. So you write down three. Or two. After all, "I didn't get much accomplished, so I can't very well bill for it!"

Solution 4: Record It All Without Judgment.

A certain amount of unproductive wandering around is often necessary. Your brain is processing unconsciously even when you're not very conscious. Three hours of "wandering around" often leads to one flash of inspiration. So write it all down and save that judgment for pre-bill stage.

Problem 5: The "WIP" black hole

Many lawyers just don't get around to billing some clients, especially when there has been little progress, or it's a "D" client. So the bill waits a few months and accumulates – and the client's recollection of calls, meetings and so on get dimmer.

Solution 5: Bill monthly, unless the client says not to.

Remember that billings are a crucial part of client communications – possibly THE crucial part. It's the basic report to the client on your activity for them, and what you're



Billing Profitably and Ethically (Continued...)

charging. Delaying your billing is obfuscation, since you've done work that obligates the client to pay, but you haven't given them the courtesy of telling them. Essentially, it's not an option to delay these reports unless the client specifically directs you to.

Prompt billings help assure prompt payment because the client is more likely to remember recent activity and less likely to question items. Anything less than monthly billing means the loss of the time value of money (you're playing banker for your client) and sets you up for the next problem area...

Problem 6: The First Write-Off

The vague, reconstructed or delayed bill is sent. The angry client calls with questions, so you trim the bill a bit to placate them – but really to compensate for your poor billing practices.

Solution 6: See Solution 5.

Problem 7: The Second Write-Off

The unhappy “D” client negotiates your bill down again and still doesn't pay. You call them again to ask for payment, and end up trimming the bill even more.

Side Note: At this point, you'd do well to ask yourself a question. Was that a “D” client in the beginning, or was it an “A” who went downhill due to poor communication – such as billing practices?

Solution 7: See Solution 5, but also re-examine your client intake process. Are you accepting “D” clients? Or are your communications and client service creating “D” clients?

Problem 8: The Final Write-Off

That “D” client who has consumed more unbillable time arguing about billing finally refuses to pay.

Should you sue for fees? Never, unless the amount is huge. If you do consider it, remember to add in the dollar, time and psychological costs of defending an unfounded grievance or malpractice claim, because both are the refuge of the “D” client.

Solution: none.

– Except to review solutions 1-7 for next time.

Conclusion: It Takes a Perspective Shift

For most attorneys, poor billing practices are actually a symptom of other problems: poor client selection, poor office procedures, office disorganization, poor team management, and attorney overwhelm. Focus on these areas can produce significant results.

But the larger solution is a shift in perspective. You must stop tracking billable hours and start tracking time.

That's right. Record everything. Don't make those moment-to-moment value judgments about billable or not billable. Simply



record all of your time, and then make only ONE judgment each month about how much you're going to bill.

And how to decide how much to bill? Stop thinking in terms of the time you put in, and start thinking of the value you delivered. Look at the total dollars, and ask yourself “was I worth that this month? If so, bill it undiluted. If you still feel the need to write down some time, show it on your bill, then deduct a courtesy discount, and let your client know the consideration you're giving them.

Either way, remember that providing your client with a full accounting of your work for them is an essential professional obligation.

N.B.: If you also record everything non-billable – admin, marketing, personal – for a week or two, you'll learn more than you wanted to know about your work habits and time wasters. The awareness will have you operating a bit more efficiently.

The law – and the billable hour – are merciless taskmasters. But you can reduce the misery by making sure you get paid for all of the hard work you do, and by making sure your billings are communicating effectively to your clients.

Dustin Cole, president of Attorneys Master Class, is a Master Practice Advisor who helps attorneys build more profitable, enjoyable practices and create financially successful retirement and transition plans. For more information go to www.attorneysmasterclass.com or contact Dustin at (407) 830-9810 or via e-mail at dustin@attorneysmasterclass.com

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They are strong supporters of both National and South Carolina ALA. They are represented locally by John Bauer, Stephen Carter and Darryl Lanier. They are experienced individuals that have made an art form out of not being pushy and being client advocates. If you have an interest in learning more contact Darryl Lanier (404)218-0077 dlanier@dtiglobal.com

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