

# LAW OFFICE MANAGEMENT & ADMINISTRATION REPORT

ISSUE 10-12

WWW.IOMA.COM/LAW

DECEMBER 2010

## A Guide to Health Care Reform for Law Firms and Small Employers

By Greta E. Cowart and Nellie Strong of Haynes & Boone LLP, Dallas

*Editor's Note: This is the first of a two-part series on the impact of the recent health care Reform legislation on law firms and other small employers. This article addresses provisions specifically relevant to businesses of various sizes. The second article by the authors will address provisions of the Act bearing on all small business entities generally.*

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "Act"), popularly known as "health care reform," substantially changes the country's health

CONTINUED ON PAGE 6

## Administrators —The 'Secret Sauce' of Law Firm Success

Spend an hour with three managing partners and you'll find out why law firm administrators qualify as the most important people at their firms. The three managing partners, Jodi Petrucelli of Sugarman PC, David Rosenblatt of Burns & Levinson LLP, and Ronald Ruth of Sherin and Lodgen LLP—representing small, medium, and large size firms—spent a candid hour at the ALA Annual Conference describing the best attributes of top administrators and how they can determine a law firm's success.

CONTINUED ON PAGE 14

## Alternative Fee Arrangements —Ho Hum

Larry Bodine reports that another new survey of in-house counsel reveals a real ambivalence toward alternative fee arrangements. The new report, titled "Is There a Sea Change Toward AFAs? In-house Counsel Give It a Solid 'Maybe,'" shows a half-hearted interest at best in alternate fees.

The InsideCounsel/Leader & Berkon survey of about 140 in-house counsel, reports that only

CONTINUED ON PAGE 4

### ALSO IN THIS ISSUE

- U.S. News Rankings —Much Ado About Nothing** 2  
Magazine defuses angry lawyers; neutralizes findings.
- Firms Mum on Outsourcing; ABA Investigates** 3  
Controversy roils. Pot is stirred by pro and con players.
- LOMAR Calendar** 4  
Eclectic December offerings.
- New Guide to Dodd-Frank Act Published** 5  
Wolters Kluwer first to untangle new legislation.
- News Briefs** 8
  - Skadden Tops Mergers Heap
  - Court Says Employers May Audit Texting
  - Fewer Federal Trials —Whys and Worries
  - Lawyers Give it Away —For Family and Friends

### Mandatory Pro Bono Forthcoming?

The Rules Committee of the Mississippi Supreme Court is considering requiring attorneys to perform 20 hours of pro bono service or pay a \$500 fee.

"I am interested in making sure that the poor have the same access to courts as those who can afford to hire attorneys," Chief Justice Bill Waller Jr. said in a written statement. "These are challenging economic times. We must be vigilant in making sure there are sufficient funds and people available to represent the poor."

If the proposed rule is adopted and upheld, Mississippi would be the only jurisdiction to mandate pro bono service.

Source: National Law Journal, Sept. 2010



## Administrators

CONTINUED FROM PAGE 1

When there's a problem, you're as far as a managing partner wants to go.

These are tough times for managing partners—filled with financial constraints and constantly changing pressures—said Rosenblatt, and “we definitely feel it. The market is telling us we have to change and

need to find better ways to hire, manage, and get a better bang for the buck.” With a backdrop like that, “there is no better time to be a law firm administrator. You’re the professional. We need you to help manage our firms. Now is the time to be an agent of change.”

Petrucelli’s is a small boutique firm with 12 trial attorneys. Even though it is small in size, “we want to operate like a big firm or big business.” But Petrucelli noted that although the firm aspires to have top tier technology or high-end systems, the law firm administrator must deal with the inherent limitations of a small-size firm. That is, the lawyers at her firm may want big firm capabilities, but “we can’t give them the resources” like a large firm can because of size and priorities. That’s a constant work situation facing the small firm administrator.

To be of most value, Petrucelli said that an administrator at a smaller firm like hers needs to “invest in everything.” Be a Jack-of-all-trades, a go-to person. “I need you to know everything,” she said, or at least enough about everything to know how things work. When there’s a problem, “You’re as far as a managing partner wants to go.”

Other attributes are essential. Organization is a basic. The typical managing partner thinks, “Every second I spend with you, I’m counting how much time I’m losing by not

billing or serving clients,” said Petrucelli. “Tell me in advance how much time I need to spend in a meeting.” Petrucelli warned administrators not to schedule a meeting at the last minute if you need a deadline decision because the boss “might throw you a curve ball.”

Petrucelli confessed, to great audience laughter, that “when you deal with a firm my size, I’m going to be inconsistent. I don’t want to think about (certain issues), but I don’t want anyone to make a decision without me knowing it.” How do you balance that kind of see-saw? “It’s hard,” Petrucelli says. “But don’t be afraid to say: ‘You need to make a decision.’ And to make sure those decisions get made, give your boss the information to make an informed decision.” The meetings that run the smoothest are ones where the administrator has done the homework and frames the issue concisely. In sum, “Tell the management of the firm all the pros and cons, your recommendations, and what it’s going to cost.”

Ruth pointed out that a strong administrator helps the managing partner by knowing the land mines, the history, and the horizontal management tree at the firm. Having that kind of insight is a big challenge to management, and the administrator plays a key role in knowing how all those moving parts work. They also need to “know the numbers.” Most attorneys, comments Ruth, are not accountants and not strong on financial issues. In addition, knowing what other firms are doing is crucial. “Managing partners get information anecdotally or by running into someone,” says Ruth. But the administrator can be a real resource by having hard facts and data about what’s going on the profession and market.

And it’s important to “be a sounding board and a safe harbor,” Ruth encouraged the audience. That means the administrator



must be available to listen to the partners and be a problem-solver—credible, responsive, and with the judgment to listen and react honestly. A managing partner may say “I want to zig,” but an effective administrator will say, “you may want to zag” and go on to explain why. Acting like a partner, that is, like an owner not an employee, will go a long way in helping the administrator get a place at the table.

Rosenblatt painted an even bigger picture of the role and importance of the administrator. Law firms, Rosenblatt noted, are rarely successful unless they have strong leadership, and a managing partner can't be successful without being a strong communicator and strong delegator. This is where the administrator plays a key role—making sure the firm functions at optimum levels, with the right people in place to make sure the jobs get done. Rosenblatt noted that when a water main broke over the weekend in Boston causing chaos for businesses and residents, he didn't even think about the potential problems that it might cause on Monday morning “because I knew I had a team that was going to take care of it. I didn't have to worry about it.”

Rosenblatt's large firm has a number of department heads who are all great, he said, but he pointed out that the administrator must have a first-hand or working understanding of what they do. For example, in H.R., the administrator has a grasp of benefits and employment law issues that could affect the firm. The managing partner can turn to the administrator to translate technology issues into lay terms or serve as an intermediary between management and marketing staff. Most important, the administrator is an expert on Excel. “Get fantastic on Excel,” Rosenblatt urged. A great administrator “can make a spreadsheet sing.”

Rosenblatt went on to counsel that administrators need to learn the software and “absolutely be part of the budget process. Understand how billing works, and how and why it takes as long as it does.” In addition, Rosenblatt said administrators need to “memorize your lease.” Lease issues often come up in management meetings, including renewal terms, options, and space matters. Too often, managing partners “shoot from the hip,” so knowing the lease details will head off any decisions that may have unfortunate consequences.

Administrators also need to know the firm's malpractice coverage and be at the ready to discuss the carrier, the deductible and what's covered and not covered.

Knowing the details, being indispensable, and hiring the right team, earns an administrator the credibility to have a place and platform within the law firm. That kind of position can be invaluable by making the managing partner's job less stressful.

Rosenblatt notes that “I'm worried about overall strategy for the firm, and serving the firm's partners. I want to know what my partners are doing and thinking. What I lose sleep over is having an unhappy partner. I would rather not spend my time on day-to-day issues.”

Administrators who can take on this burden, do it well, and make the trains run on time are “really doing the Lord's work,” he concluded. “Law firms are very strange organizations, and they need a top-flight administrator very badly.” □

**A managing partner may say “I want to zig,” but an effective administrator will say “you may want to zag” and go on to explain why. Administrators should act like a partner, like an owner, not like an employee.**