Practice Management Up North

By Lea Ann Sterling

My friend and law firm consultant Bruce Cameron pointed out that it took a tough and determined gal to carve a thriving law practice out of the wilderness of northern Michigan. There are easier places to live, but none so perfect for me. And the word "thriving" is up for debate.

I left the Leelanau County court building with thoughts swirling, winding my way south on M-22 back to the office in Empire. It was a beautiful spring afternoon, but I felt exhausted, frustrated, and overwhelmed. The law practice I'd started five years before in 2001 on the 20th anniversary of being sworn in to the bar was having growing pains and giving me headaches.

As I swerved past the old Sugar Loaf Ski Resort and Sunny's self-serve farm market, my cell phone rang in one of those few open areas on M-22 you can actually get a signal. I pulled over next to the 1871 Shetland School House so I wouldn't lose the call. The caller from the State Bar of Michigan was responding to my plea for help. There I sat crying in my car while I was referred to a new SBM department—practice management something—and JoAnn Hathaway. Sterling Law Office was about to jolt forward from survival mode to become a stage-one business.

Riding the dot-com bubble in 1998, I'd retired from law to write historical books up north, naively thinking I could live forever on my portfolio. I did get two books published, but with a house payment and three kids to send to college, that plan didn't quite work. Envisioning a mellow, little law practice devoted to sterling-quality client service, I opened a one-room office with a wood stove in a historic building in downtown Empire. The logical thing would have been to locate a new law practice in a densely populated area. I chose a village of 368 people in a county of 20,000 residents surrounded by a national park and Lake Michigan. Back then, I wore my swimsuit under my business clothes and kept a beach chair in the trunk of my car. When I went to court in Leland, I still felt like a tourist. In one of my first years there, I remember putting off depositions in a case until September. It may sound idyllic, but the practice couldn't pay the tuition bills with such a casual attitude to my business. Would I need to compromise my dream of a life up north?

I had no business skills, no lawyers in my family, or any successful law businesses to serve as models. I honed my legal advocacy skills at the Legal Aid Society, and my private practice experience in civil rights litigation was great for building dedication and commitment, but I didn't learn useful business skills from those experiences. Of course, no law school of the 1970s taught you something as practical as practice management. No wonder I felt exhausted, frustrated, and overwhelmed when I first spoke with JoAnn.

I hear that most start-up businesses survive two or three years. Only a few make it beyond survival stage into a stable stage two—a company with 10–99 employees and more than $1 million in revenue. The statistics for businesses north of M-115 must be even less favorable. Using practice management strategies, I started moving toward that stage-two goal.

Some practice management strategies apply everywhere, not just in the wilderness. The first change I had to make was to treat my practice as a business. I also found that just enough preservation of my woodsy, up-north style was good for business. But the most important practice management strategy was seeking out expert advice. It wasn't as expensive as it sounds; I couldn't afford not to.

As much as I liked my Abraham Lincoln-style office, I had to bite the bullet and get the technology necessary to run an efficient business. I also had to learn to use it. Technology removed the isolation of practicing up north. From tiny Empire, I fax, e-mail, and telephone clients and other counsel all over the world. Cell phones, especially smart phones, are particularly useful to enhance productivity while driving all those rural miles.

My technology evolution began with Barron Henley of Affinity Consulting Group. I had spent years dreaming of having a decent timekeeping program. It's hard to believe that I once tracked my time on a yellow legal pad and had my husband type up invoices from my notes. Over the course of a long phone call one afternoon, Barron listened to my dreams, recommended solutions, and helped develop an implementation plan as funds became available.

After consulting with Barron, I sought advice from others on phone systems, computers, copiers, a real file server, cell phones, backup systems, and other technological needs. While I am far from having the most

Law Practice Solutions is a regular feature brought to you by the Practice Management Resource Center (PMRC) of the State Bar of Michigan, featuring articles on practice management for lawyers and their staff. For more resources offered by the PMRC, visit our website at http://www.michbar.org/pmrc/content.cfm or call our Helpline at (800) 341-9715 to speak with JoAnn Hathaway, Practice Management Advisor.

sophisticated office technology, I was sharp enough and lucky enough to find staff members interested in technology who could help keep me on top. I also accepted that I would never arrive at a final technology destination.

To have a law office that would support my family, I needed more bodies to work in my practice. But where in my village of 400 people would I find the talent I needed? In one respect, being up north actually helped. Two bright young attorneys willing to get started with "half the pay for the view of the bay" dreamed of raising their families near the lake.

Support staff was another story. Too often, my early support staffers were people who happened to show up in the midst of a crisis and got hired. Thanks to the ICLE Solo and Small Practice Institute materials, I came upon Larry Rice's interview checklists. I learned how to advertise for applicants, review and compare them, and select the most promising for interviews. I dreamed of finding an experienced legal administrator from the big city looking for a pre-retirement gig up north. One summer day, she appeared from an 80-lawyer firm in downtown Chicago and has blessed my life and firm every day since. I believe in paying my staff well and providing a place to work where they are respected.

I read a lot of books—many from the SBM Practice Management Resource Center's lending library—on managing, compensating, and training staff and keeping them happy. In turn, they keep me happy. We worked with time-efficiency consultant Randy Dean, another expert I met through the Solo and Small Practice Institute, on how to get everyone working efficiently. I learned (and am still learning) how to structure incentive pay.

With new employees, I needed an employee handbook. The first version was based on the one I'd had back in my days at the Legal Aid Society. I couldn't believe there was no source for a law office personnel manual. Didn't attorneys practice what they preached? Now, you can get samples and templates at PMRC. I also attended a practice management seminar sponsored by the Grand Traverse-Leelanau-Antrim Bar Association taught by Ursula Rozanski; I later worked with her to produce a proper employee handbook. Having clear employee policies in place was well worth the expense when a talented legal assistant proved to also be a talented embezzler (he was convicted).

Five attorneys in two firms actually practice law in and around Empire. It's not much of a bar association for regular meetings and committee work, but we have listserv communities for our specialized fields of practice; participating in them is like hanging out with hundreds of colleagues every day, sharing strategy and legal gossip.

Another practice management decision involved focusing our areas of practice. I pulled back from taking any case that came in the door. It sounds counterintuitive to turn away business in order to build up business. With the talent available in my practice at the time, we decided to focus on family law, immigration, Social Security disability, and bankruptcy. The goal is getting enough business in areas in which you can excel.

One of my best practice management decisions involved branding my practice with a well-known trademark. I purchased a license that established a niche for me in family law up north. I did my due diligence on the deal, took the risk, and adopted that successful business model. An attorney taking the initial free phone call determines whether the caller should come in for a flat-fee initial consultation. Also, my radio advertising budget is more than my former annual income. When I saw that my radio reach was wider than my licensed geographic area, I bought a second license and established a branch office in Gaylord. I called the PMRC for information on shared office space. JoAnn sent me a sample office-sharing agreement, a list of issues to consider, and a checklist.

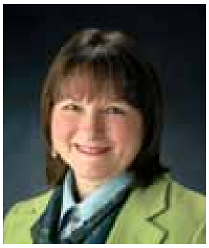
I am following a business model to standardize our work. Every case is unique and all documents must be customized, but we still have repetition. Rather than reinvent each case, I use templates, follow patterns, and index our forms bank to institutionalize our knowledge rather than keeping it in the heads of individual employees.

As I mentioned, seeking expert advice has been essential to my practice. I have been working with Ken Stern, a professional law firm coach. By teleconference from his office in Denver, Colorado, Ken provides an overview of how law offices work. He has helped me develop a marketing and business mindset and culture in our firm. We are operating in a businesslike fashion but preserving our essential up-north culture.

Ken also assists with strategic planning for the future. Are we ready to hire more staff? How will we expand our proven areas of practice over our full geographic area? Can we move to larger physical spaces without losing our warm office culture? How do I transition Sterling Law Office from a sole owner into a legacy firm with additional partners?

I've made mistakes and endured setbacks along this journey—losing cases, lean months, dealing with a recession, employee misconduct and drama, employee turnover, relying on personal relationships instead of professional relationships to get jobs done, borrowing heavily to maintain my former lifestyle, lack of accountability, and fear-based decisions. But without practice management strategies I've used along the way, my practice may not still be here.

I still go to court in Leelanau, passing the Shetland School, Sunny's farm market, and Sugar Loaf along the way. Sometimes I am exhausted, frustrated, and overwhelmed, but not for long. I know that any day it can all unravel for anyone in any business, but today is not that day. Will Sterling Law Office evolve into a stage-two company? If it does, it will get there by both providing solid professional services and using effective practice management strategies. ■



Lea Ann Sterling owns and manages Sterling Law Office in Empire and Gaylord. She has a JD from Ohio State. A lifelong enchantment brought her to an innovative Frank Lloyd Wright-inspired lodge on the shores of Lake Michigan in Leelanau County. Lea Ann wrote the award-winning pictorial guidebooks Historic Homes of Olde Towne, Columbus, Ohio *and* Historic Cottages of Mackinac Island. *Reach her at www.sterlinglawoffice.net.*