

Law Practice Setup and Maintenance

An Ever-evolving Checklist for the
Small Firm/Solo Practitioner

Produced by the
Knoxville Bar Association Small Firm/Solo Practice Section
And
Made Available at
<http://www.knoxbar.org/>

Knoxville Bar Association
505 Main Street, Suite 50
P.O. Box 2027, Knoxville, TN 37901-2027
(865) 522-6522

Workshop Agenda

Why this “workshop?”

- Origin & need for checklist and update
- Emphasis:
 - Checklist for tune-up and setting up new practices (not a treatise)
 - Specific practical tips, product and service names and methods from variety of sources
- Format: panel-led, entire group, live outline development
- Result: The end product is your updated checklist, posted to www.knoxbar.org

Checklist Main Topics:

- Establishing the Small Firm
 - Choice of Business Entity
 - Terminating the Business Entity: *A plumber’s pipes always leak at home.*
 - Physical Plant
- Financial
- Equipping & Operating the Small Firm
 - Communications
 - Staffing & Work Production
 - Outside Services
 - File Creation & Storage
 - Confidentiality Check
- Maintenance
- Marketing
- Emergency Plan
- Tip list—Insert your hot tip of choice here

Establishing the Small Firm

Choice of business entity

- PLLC
- Partnership
- Sole proprietorship: See Insurance below

Physical Plant

- Own
- Lease: Study commercial lease terms and beware
- Parking
- Expansion capability
- Sale (See also, Terminating Business Entity)

Terminating the Business Entity

Financial

Banking

- Firm
- Operating expenses for remote workers
- Trust accounting
- Quality of online banking services offered by local banks: See also, Accounting and Bookkeeping re downloading transactions from institution directly into your software's data file (your "check register")
- Credit

Accounting & Bookkeeping

- Software (Quicken, Timeslips, Excel, VersaCheck, ongoing debate)
- Payroll: in-house, or payroll services (users report satisfaction)
- Embezzlement and counter-embezzlement measures

Insurance

- Malpractice coverage premiums (be sure to get claims made coverage, not occurrence coverage)
- General Commercial Liability
- Automobile Liability (if different)
- Workers' compensation
- Health Insurance: the curse of the self-employed individual (CSI)
- Special insurance considerations for sole proprietors (E.g., umbrella policies)

Taxes

- Employer identification number (EIN) (IRS Form SS-4) or SSN
- Quarterly tax payments (self-employment)
- Meshing bookkeeping with Schedule C, Form 1040 categories
- Mileage tracking
- 1099 rules
- Share top gun accountant names, email addresses, phone numbers

Equipping & Operating the Small Firm

Communications

- **Internet**
 - Bundled services
 - Relative speed (differs for downloads and uploads):
 - Cable
 - DSL
 - Wireless “broadband”
 - Web-based calendar, contacts, document storage
 - Sharepoint (example:through Crystaltech (\$20 per month) offers common calendar, contacts, lists)
 - Web-based free calendars: Yahoo, Google, Google Docs;
 - FTP sites for document storage, transfer (Filezilla)
 - Networking computers within your office location
 - Hard-wired connections
 - Wi-fi wireless networking: **WARNING**—research security issues and assure confidential, encrypted wireless transmissions. These devices broadcast to the nearby world.
 - Caution: KISS and don’t pay for more than you need.
 - Acoustic networking (Yelling for help from staff)
 - Windows 7 “Group” operation
 - Networking remote locations
 - Paying for your own FTP site (offsite server): All go there.
 - Virtual Private Networking (VPN) to your on-site server: All come here.
 - Web-based services (gotomypc.com): for the individual traveler
 - Synchronizing files on multiple computers (Example: Dropbox.com)
- **E-mail**
 - Internal
 - External
 - Saving and filing e-mail (See, also, File Creation & Storage)
 - Security and Confidentiality
 - Software choices
- **Telephone & voicemail**
 - # phone lines, if any
 - “Full duplex” speakerphone for conference calls
 - Alternative for conference calls: www conference calling services
 - Using mobile phone/speakerphone for conference calls such as www.freeconference.com
 - Receiving calls to the firm—options
 - You own a specialized “hardware PBX system” that takes voicemail.
 - Defined: Computer server, with attached telephone line interface between phone lines and computer, run by software-managed answering, switching to extensions, and voicemail recording.
 - Example: Televantage, Avaya (AT&T), Norstar
 - Tip: You may find an entire system cheaply on E-bay.

- Telephone company voicemail for solo practitioner
 - Reliable
 - Cheap
 - Requires no special hardware
 - Ideal for solo practitioner
 - No capability to switch to other extensions
 - Phone company innovations in this regard?
- Answering machine: Why?
- Answering service
- Virtual PBX
 - Defined: These providers offer local and toll-free numbers that you then “own.” Virtual PBX is a computer somewhere. It answers your incoming calls with your personalized voice announcement and forwards calls to various users who are assigned extensions. You pay a per-minute charge for incoming calls. You make outgoing calls over your choice of telephone without using the system. Voicemail left by a caller on the PBX for you is emailed to you as an MP3 file; faxes are emailed to you as PDF files.
 - Example services: Innoport, VoiceNation, GotVmail.com.
- VOIP (voice over internet protocol)
- Skype
- Use of mobile phone(s) as sole telephone equipment
- Bluetooth: How far has it come? What is it? How can it make your life better?
- **Fax: a device heading toward technological history’s dustbin**
 - Standard fax machine: machines are cheap and offer you good backup capability; multi-function machines
 - Computer (your PC) as fax machine
 - Web-based subscription services (See Telephone & Voicemail, above)
 - Eliminate need for fax machine, using your computer and internet connection, with your e-mail address for both outgoing and incoming faxes.
 - Faxes to you arrive in your e-mail inbox as pdf or other designated file type attachments.
 - Faxes from you, you compose using the provided software, then “uploaded” to your designated fax telephone number. The service converts your document and sends it out as a conventional fax.
 - You may designate multiple fax recipients for incoming faxes (designating multiple recipient e-mail addresses).
 - ALERT: (Not all services offer *outgoing* fax capability.)
 - Some services offering internet fax are E-fax, Innoport, MYfax, Voicenation
 - www.send2fax.com has HIPPA compliant encryption
 - Digitcom Service’s Digitifax—eliminates dedicated fax line--you give out a phone # and people fax as usual; service delivers to you as E-mail; confidentiality concerns?)

Library

- Westlaw v Lexis-Nexis
- Other outside research services
 - Loislaw
 - Findlaw
 - See KBA website links
 - Other free legal research pros and cons
 - FastCase (offered with TBA membership with option for annual subscription fee)
- TBA Link (Opinion Flash service) (Check TBA website)
- RSS feeds for immediate alerts (if you can handle the input volume)
- Specialized subscription services (e.g., B.N.A, CCH, RIAA, NCCI)
- NCCUSL (for commentaries on uniform laws)
- List serves for your specialized practice area (e.g., Natl. Assoc. Crim. Defense Lawyers)

Staffing and Work Production

- **Receptionist**
- **Production**
 - Secretarial service, employed staff or DIY: call the KBA for recruiting, placement
 - Dictation services (phone-in dictation)
 - Shared common receptionist, common office space: (e.g., Executive Suites)
 - DIY Document creation
 - Voice dictation software (getting better– Dragon Naturally Speaking – Legal Edition)
 - Voice dictation compatible recorder: Do not be a cheapskate here.
 - Voice activated recording
 - Controls like “Dictaphone”
 - Battery type required
 - Memory device required (Memory Stick; SD card; integral)
 - Recommended: Sony brands with above features (\$250); Olympus DS-4000 (over \$400); Phillips 9450 VC (over \$400)
- **Paralegal** (Call KBA for referral)
- **Seasoned Assistance:** Help from an established lawyer: “Mentor For the Moment” as an example. See KBA directory or website.

Outside Services

- **Print, copy shops** (Can you do without a copier?)
E.g., Fedex/Kinko’s accepts jobs through online interface without need for you to personally deliver.
- **Photo shops, Wal-Mart & other services** (Do you need a color, laser printer?)
- **Service of process** (Smith & Hammaker; Benny Walker)
- **File storage and destruction** (See *Dicta* – Smith & Hammaker): Also, how to identify which files to keep for how long?
 - Inventory of files sent for destruction
 - Shredder

- **Courier, Pickup & Delivery Services** (Can you do without a runner?)
- **Mail**
 - Users of Pitney Bowes metered mail are very satisfied.
 - A comment on increasing use of e-mail: need mechanism for naming, moving, saving e-mail correspondence.
 - Problem: comes directly to you (bypassing your receiving, filing operation)
 - ePostage –(purchase and print postage to labels – very inexpensive – uses a very sophisticated bar code)
- **Video conferencing** (stop at Gibson Court Reporting and ask to see this)
- **Payroll Services**

File Creation and Handling

- Case management software – variety of opinion. Several recommend Amicus
- Windows folders as file management system (or Apple’s equivalent)
- Hard files
- Paperless: Seeking freedom from the bucket file
 - Hardware: Scanner as the key to your paperless (more-or-less) world.
 - Desktop scanners:
 - Mobile scanners
 - Tablet PC? Useful if must you sign and return documents routinely?
 - Central scanning department or individual desktop scanners at each workstation?
 - Software for scanning
 - Comment on capability of the software to permit you to annotate a pdf document-- Example: You receive fax by e-mail; copy to Paper Port, annotate with your own notes, comments, fax back from Paper Port, save document to case file.
 - Paper Port
 - Adobe: for reading pdf files—free download
 - Adobe Acrobat: many more features—not free, but very useful, includes:
 - “Bookmarking” (similar to sticking labeled tabs on documents) for organizing large documents into sections and for quickly locating key documents
 - Annotating, commenting, editing
 - Combining numerous pdf and other files into one document
 - Other software (please add your favorite to this Checklist)
- Limitations on the PLO (paperless law office)
 - Problem: “documents” arrive in variety of forms, to variety of “points” within the firm. E.g., client may fax documents, mail documents, or e-mail large attachments to anyone in the firm.
 - Problem: Electronic scanning and storage of old files requires a different process (task) from manual “in-processing” of new files.
 - Problem: Triage is necessary before sending all incoming documents to scanning. Triage was responsibility of individual recipient attorney and secretary. If all incoming documents are directed first to centralized scanning and paperless file creation, this delay may fail to sort the junk mail from the Notice to Hearing on Motion to Ruin Your Practice.

- Problem: New required task is shredding, or increased shredding.
- Problem: Much more digital storage required. E.g., not all clients will be efficient and economical by first assuring that their transmitted digital files are reasonably sized. Be prepared for 10 MB attachments.
- Problem: How to keep the labor pushed toward your secretary to receive, process, save, file the document

Confidentiality Check on all the above

Maintenance

- Computer repair: Who will provide your support?
- Housekeeping if not provided
- File storage and destruction (Smith & Hammaker)
- Grounds care
- Equipment maintenance programs

Marketing

- Define the scope of your practice.
- Make a plan to accomplish your practice business goals.
- Lawyer to lawyer: Let other lawyers know what you do
- Lawyer Referral Service, KBA
- Leave your own referral list with staff
- Yellow Pages
- Quality of firm “work product”
- Promptly seeing clients and keeping appointments
- Participation in professional organizations
- Know origin of client (Who may we thank for referring you?)
 - Thank the referral source
 - or advise the referral source that you do not want similar referrals
 - Honor the referral source by doing a good job.
- Public speaking
- Web site: Watch ethical obligations
- Come to the KBA SF/SP § meetings, noon, every 1st Tuesday, Lunchbox downtown

Emergency Plan

- Types of losses**
 - Fire
 - Burglary
 - Tornado (think Clarksville)
 - Hard drive failure (almost a certainty)
 - User-caused equipment crash (almost a certainty)

- Power outage, interruption
- Theft of notebook computer, PDA device
- Personal illness
- Loss of critical security codes, passwords, usernames
- Sabotage (viruses, intentional sabotage)

Emergency Plan Checklist

- Designate who will handle your case files if you cannot; who will contact your clients? Coordinate.**

Financial continuity

- Insure** year's worth of revenue to cover expenses?
- LOC:** Line of credit

- Client** list readily available to your backup coordinator?

Computer backup: absolute necessity—some considerations

- **Identify all files to be backed up.** If you use a server, then you have important files in multiple locations.
 - Your MS Outlook .pst file may be on your own PC with your calendar, contacts, e-mail, more. Is it part of your automatic backup?
 - Your “My Documents” files are on your own PC
 - Where is your financial software data file (sometimes, commonly called your “checkbook”)? Quickbooks file, MSMoney data file?
 - Where do you store copies of your tax returns.
 - What about all of your MP3s? Pictures? Jokes?
- **“Hard file”** or analog (paper) file backup: Hmmm. How?
- **Test your backup system.** If you don't, then you're not backed up. You would be surprised to know how many backup methods turn out to be incomplete or unusable.
- **Methods**
 - **Tape**
 - **DVD** limited to about 4.5 Gigs per disc
 - **External hard drives** 500 gig for \$120: lots of storage, not a lot of money, instantly back up and running, may be swapped out back and forth for off-site backups
 - **Web backup service**
 - **Carbonite** \$50 per year, easy to use but limited space
 - **Dropbox**
 - **Others**
 - **Offsite FTP server space** (that you pay a subscription for). You will need some form of software driven automatic backup or you will have to remember to back up files. Lots of services offer to “host” your files. For example, godaddy.com, Crystaltech. Filezilla Maybe \$130 per month.
 - **Disc imaging programs** (Acronis): These can bail you out immediately if you mess up your computer. Example: If you deleted your Windows computer's “Administrator” user account, then you have descended into a hole. Acronis can pull you out. Use Acronis True Image to create a “picture” of your hard drive, stored on

an external hard drive. Restore the disc “image” to your PC. It wipes out everything so the more frequently you create the Acronis “image” the more complete and up-to-date is your restoration. \$50 for one computer

- **Off-site backup plan—an absolute necessity**

- Mobile notebook computer security measures**

- PDA or cell phone theft or loss:**

- Do you have critical passwords or other critical information stored?**

- Backed up?**

- Secured?**

- Power outage backup unit** (Be sure to get one with place for phone jack to plug into for internet connection.)

- Ethics**

- Confidentiality**

- Encryption**

- Simulate** hard drive crash: Make sure your backup contains what you think it does; make sure you know how to restore files and that it will—indeed—restore your files.

- Do not change the username “Administrator” to anything else in Windows systems! (If you do, you will accomplish your simulated hard drive crash.)**

Warning about creating MS Windows additional users if you are already operating as “Administrator”: your Administrator user will “disappear” on you.

Tips and Opinions

- Multi-function machine (nice, but if you have consolidated multiple functions into one machine, you lose printer, fax, and copier if it breaks down). Consider “cross-loading” technique to assure “redundant” office function capability.
- Digital copier replaces laser printer and copier
- Inkjet: quality has improved; printers are cheap; ink cartridges are expensive
- Scanner – a must have
- Security system
 - If monitored, is this accomplished in town or out of state?
 - Are you using it? If not, then it is probably not set up to be simple enough to use. KISS
 - Regular tests
- Ergonomics
 - How much time do you spend per day sitting in your chair? Do you deserve an \$800 Herman Miller? Do you need one? Office Furniture Outfitters located on Grand Ave., west of the Fort Sanders area is a resource.
 - Curved keyboards
 - Office geography: Get some tips from online about organizing your own operating space.
 - Lighting
- Copy machine: an automatic document feeder is a must
- Think “redundancy” when buying equipment. If “it” fails, what functions are lost?

- Mobile phone considerations
 - Battery life
 - Running multiple functions in background of smartphone eats power
 - Cheap replacement batteries may be bought online for cut-rate prices, but may be used batteries re-packaged.
 - Clarity
 - Speakerphone quality is way up.
 - Bluetooth (for use with cordless headset)
 - Communications while traveling outside the USA
 - Verizon now offers some “global” phones
 - Tri-band includes common USA bands plus GSM (Europe and many other countries)
 - Skype for smartphone calls to your smartphone and back to US
 - Rent or buy a world phone from Mobal.com for travel overseas (if you must stay in touch); phone is cheap, but per minute charge is steep
 - Downloading and saving your cell phone contacts, calendar
 - For phone, can be done with cheap software and cord available from E-bay and other sources. If you don’t want to bother with this, get your teenager to do it.
 - Google, other free online providers that “sync” between your online account and smartphone
- Which is the best PDA or Smartphone device: Let the great debate begin.
 - Noteworthy: Problems with Blackberry working with Outlook 2010
 - Battery life
- CNet.com offers good reviews of a wide variety of products and services.
- Nextag.com is good for price comparisons.
- Use LoJack (about \$50 per year) to combat theft of mobile computer.
- Shredders
- Insert your hot tip of choice here: