Introducing the LexisNexis **Law Firm Advisor Network**


SMALL LAW FIRMS
OFFER BIG
OPPORTUNITIES
FOR QuickBooks Advisors

AGENDA DAY 1: The Big Picture

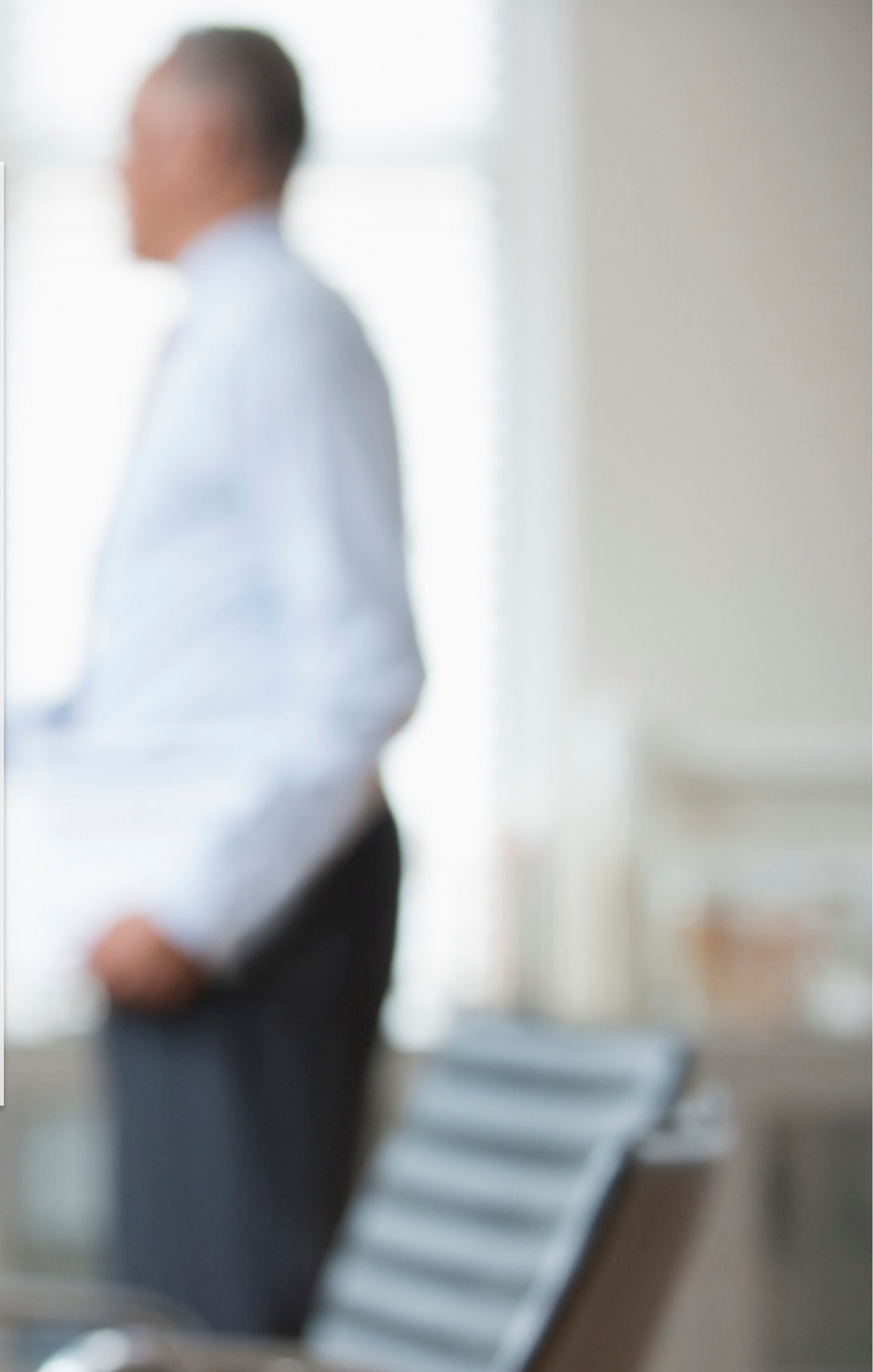
- The ProAdvisor Opportunity
- The Market
- Examples and Cases
- Target Market
- ROI – Justification
- Firm Manager Orientation

AGENDA DAY 2: Ground Level

- Demo
- Features and Benefits
- QuickBooks Online Sync
- Trust Accounting
- Competition
- Building Your Practice
- Partnership
- Fast Start

Advisor Opportunity

- Market specialization “best practice”
- Scalable business
- Virtual client services cloud technologies
- Monthly (recurring) revenue
- Marketing support
- Partnership
- Colleague network (LFAN)



State of the U.S. Legal Market

It is a big market, with a lot of attorneys

PEOPLE

1.3m

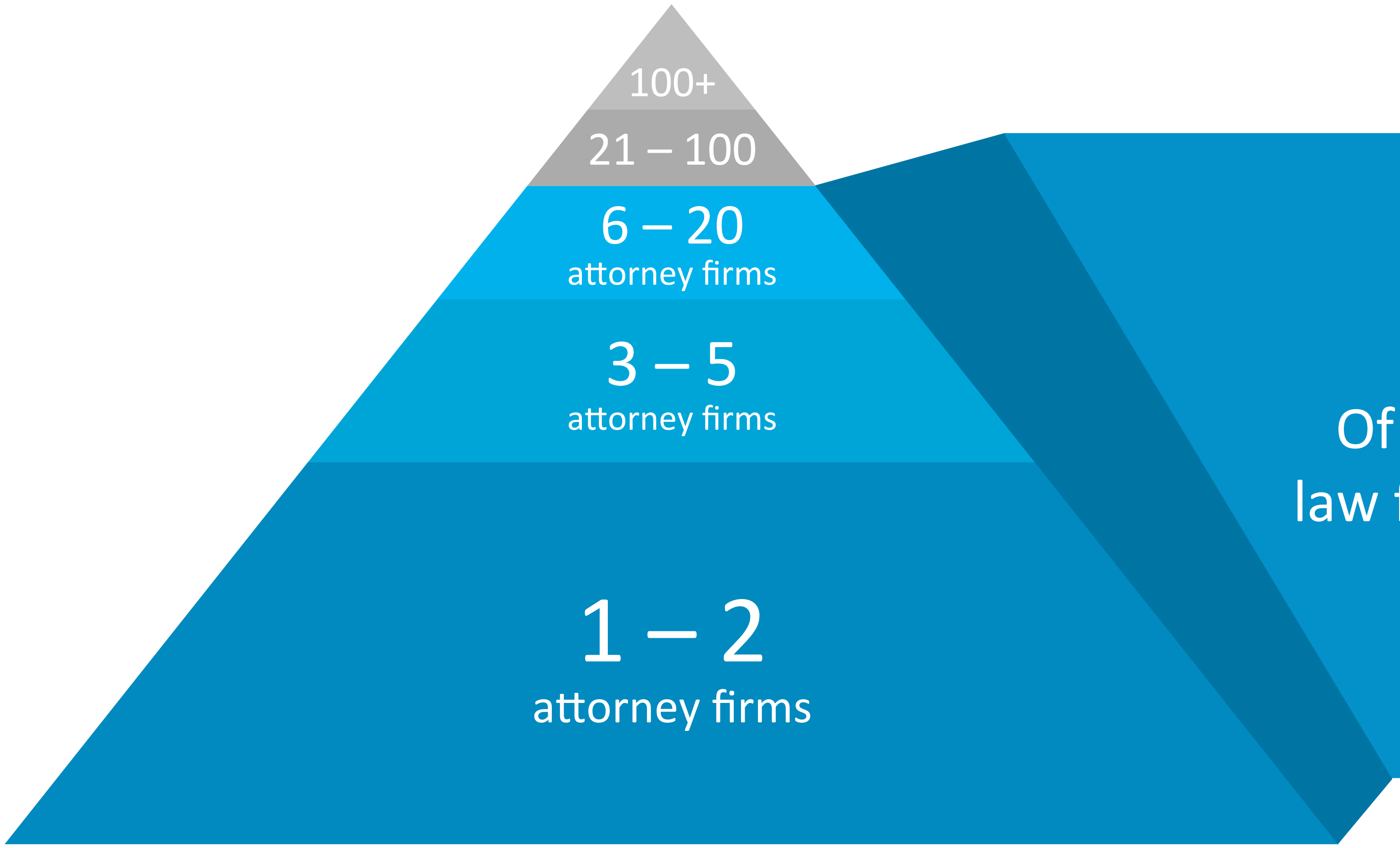
Total number of attorneys in the U.S.

LexisNexis® Firm Manager®

State of the U.S. Legal Market

High % of attorneys in the U.S. work in small law firms

PEOPLE



>54%

Of attorneys work in small law firms (1 – 20 attorneys).

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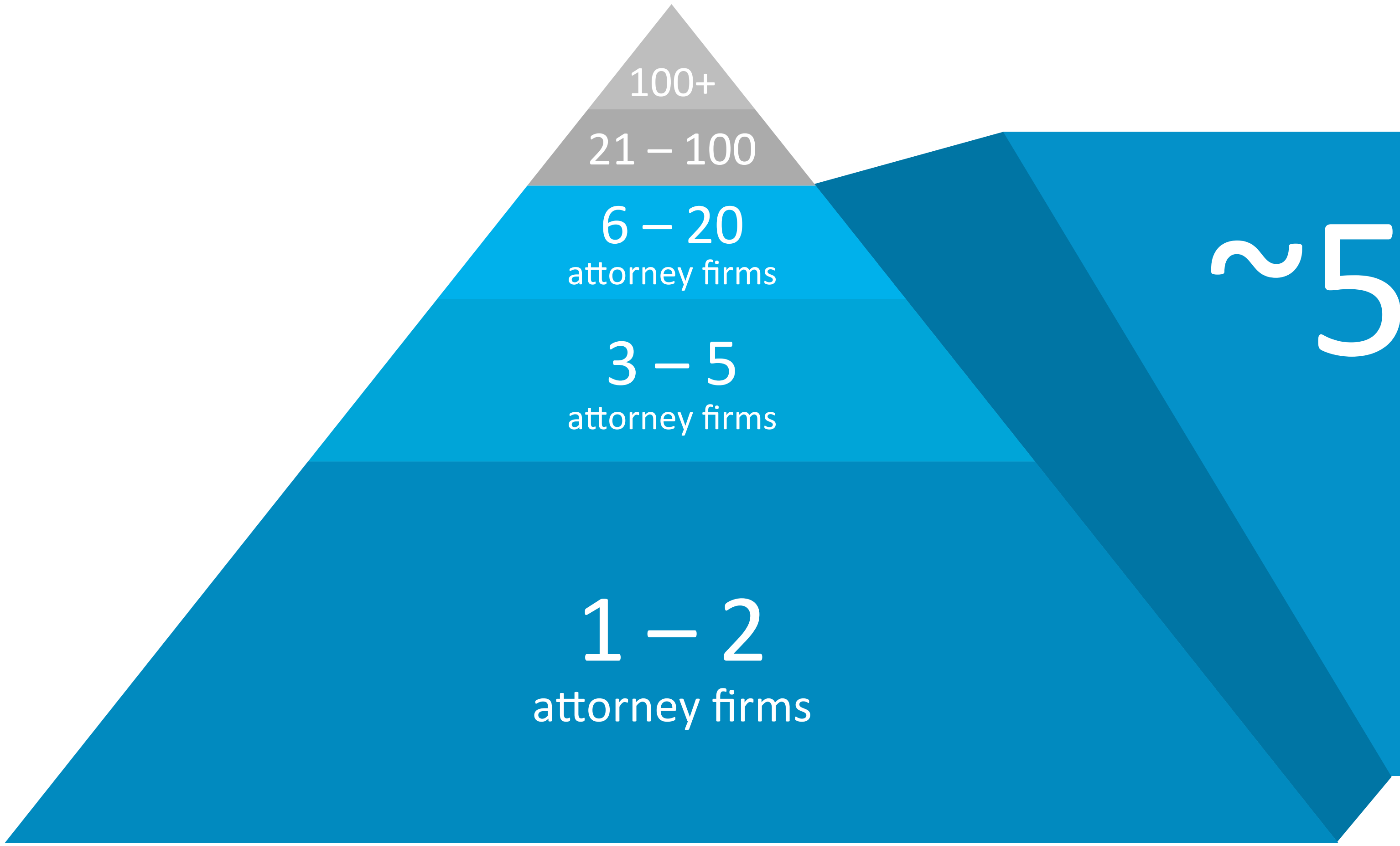
State of the U.S. Legal Market

There are a large number of small law firms in the U.S.

FIRMS



~500,000

small law firms with
1 – 20 attorneys.

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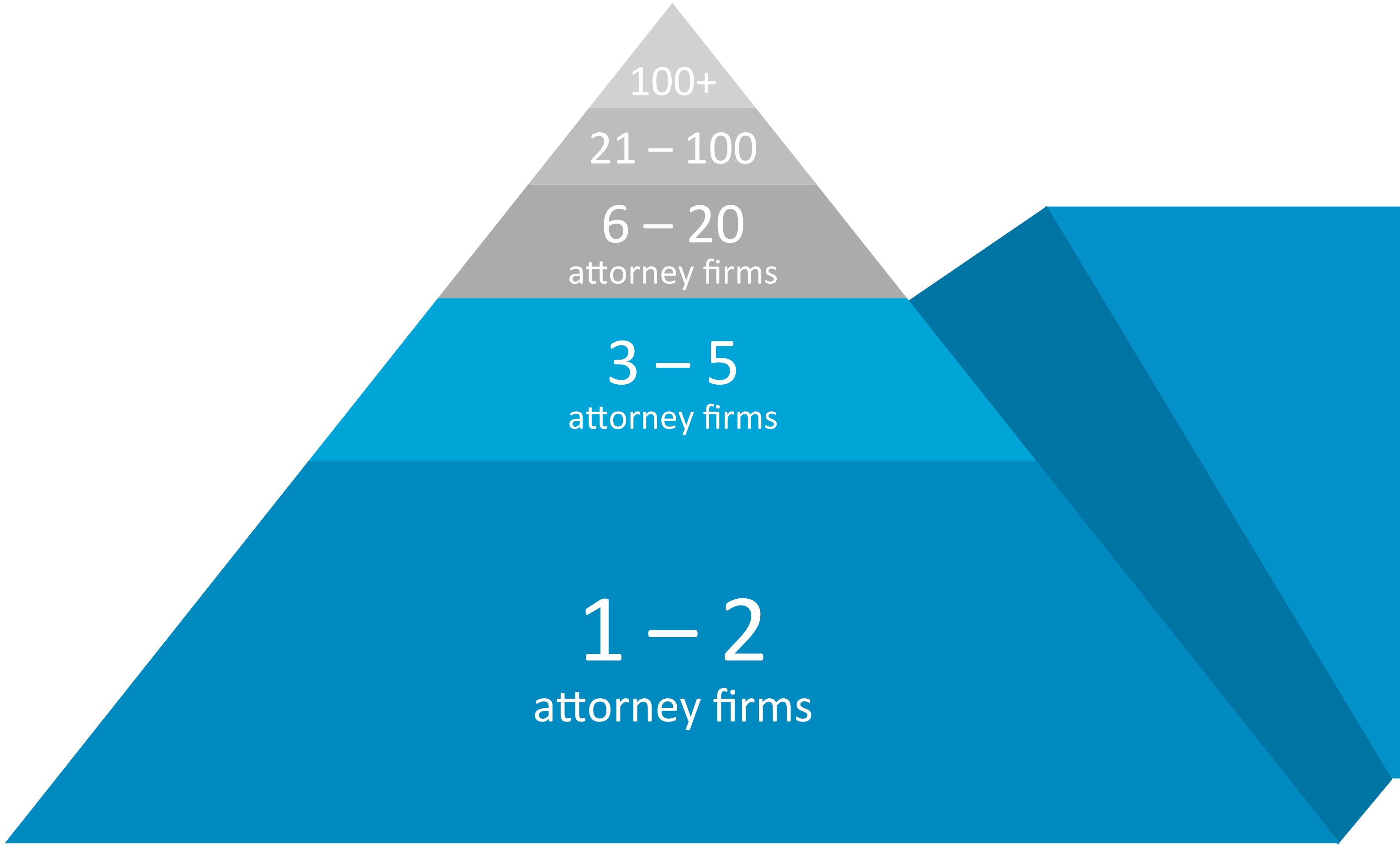
State of the U.S. Legal Market

There is a high % of firms with less than 5 attorneys



FIRMS

63%

Of small law firms have 1 – 5 attorneys.

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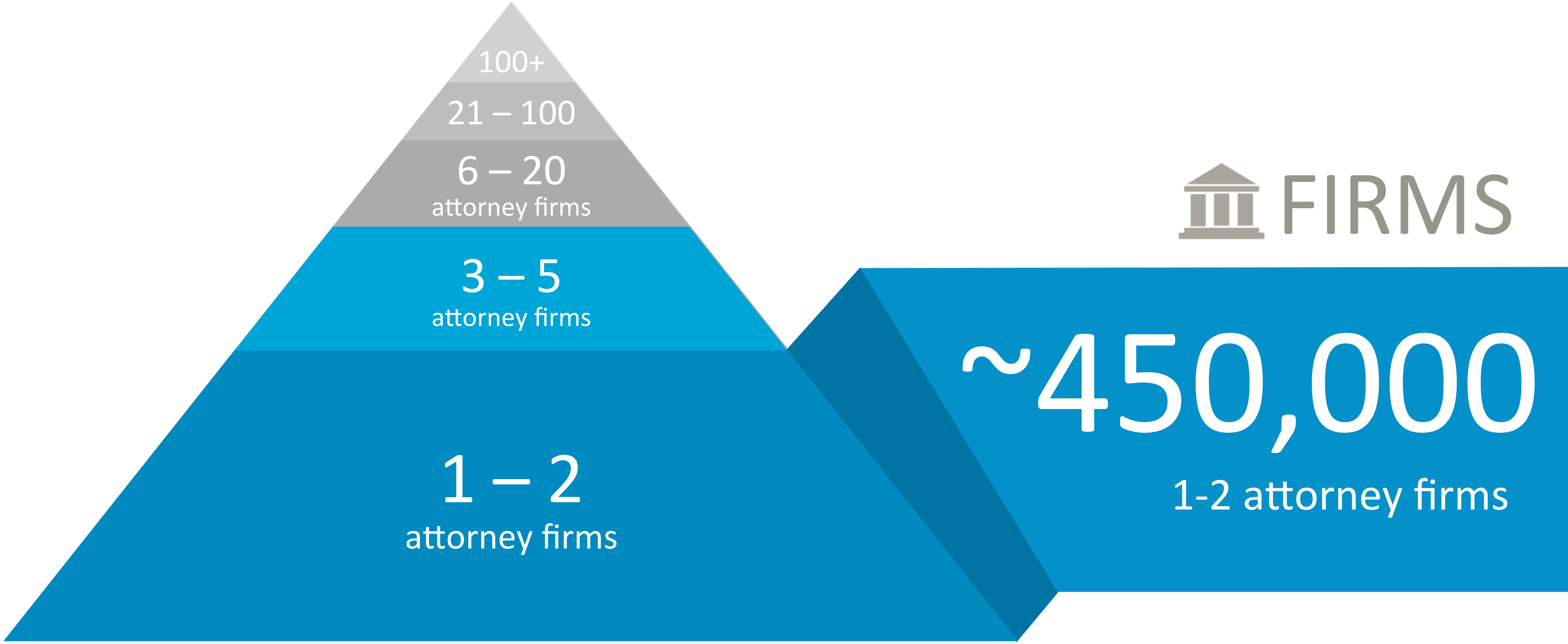
State of the U.S. Legal Market

The largest number of firms are 1 – 2 attorney firms



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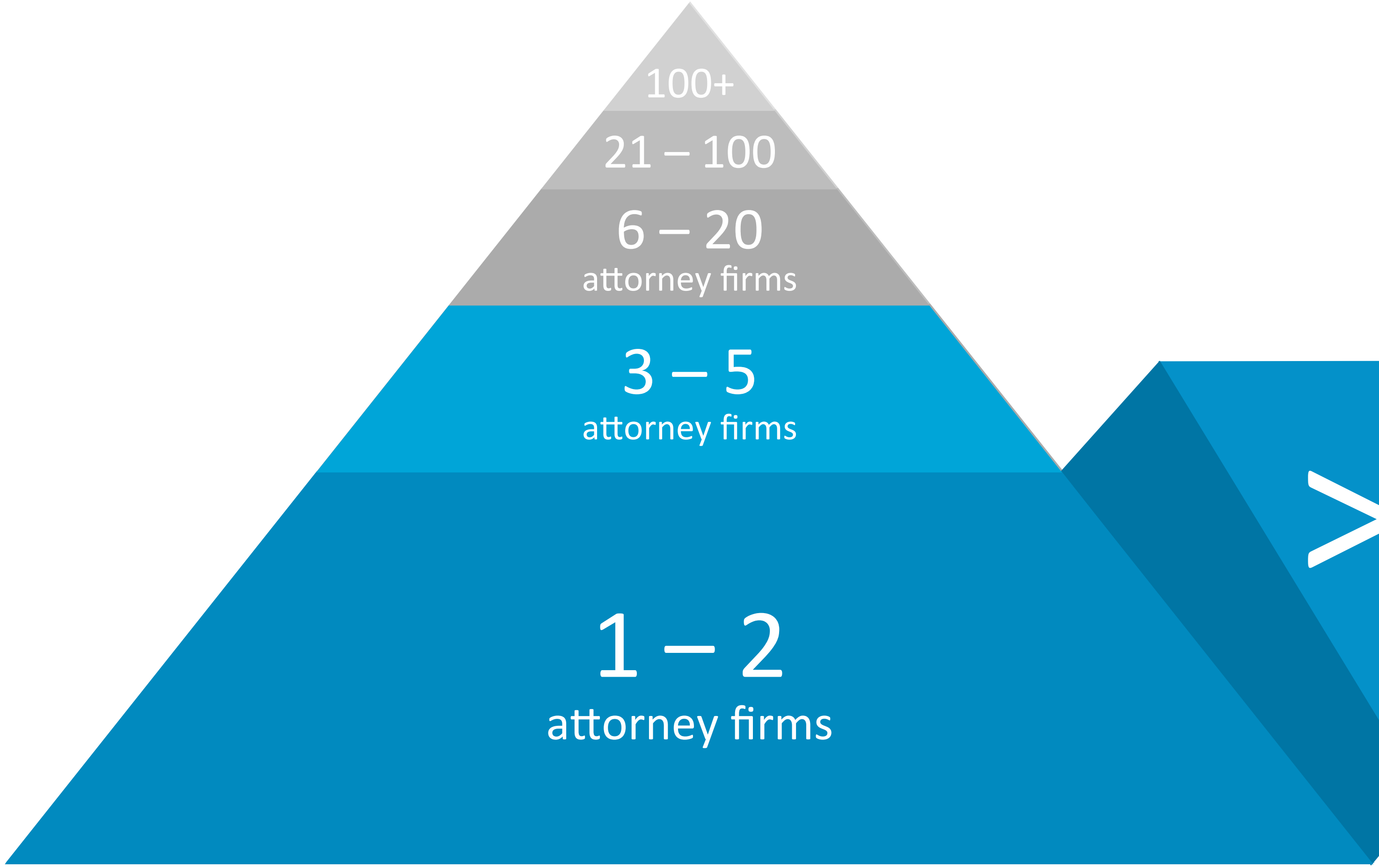
State of the U.S. Legal Market

Solo/duo firms have the largest number of attorneys



PEOPLE

>500,000

Attorneys work in solo/duo law firms

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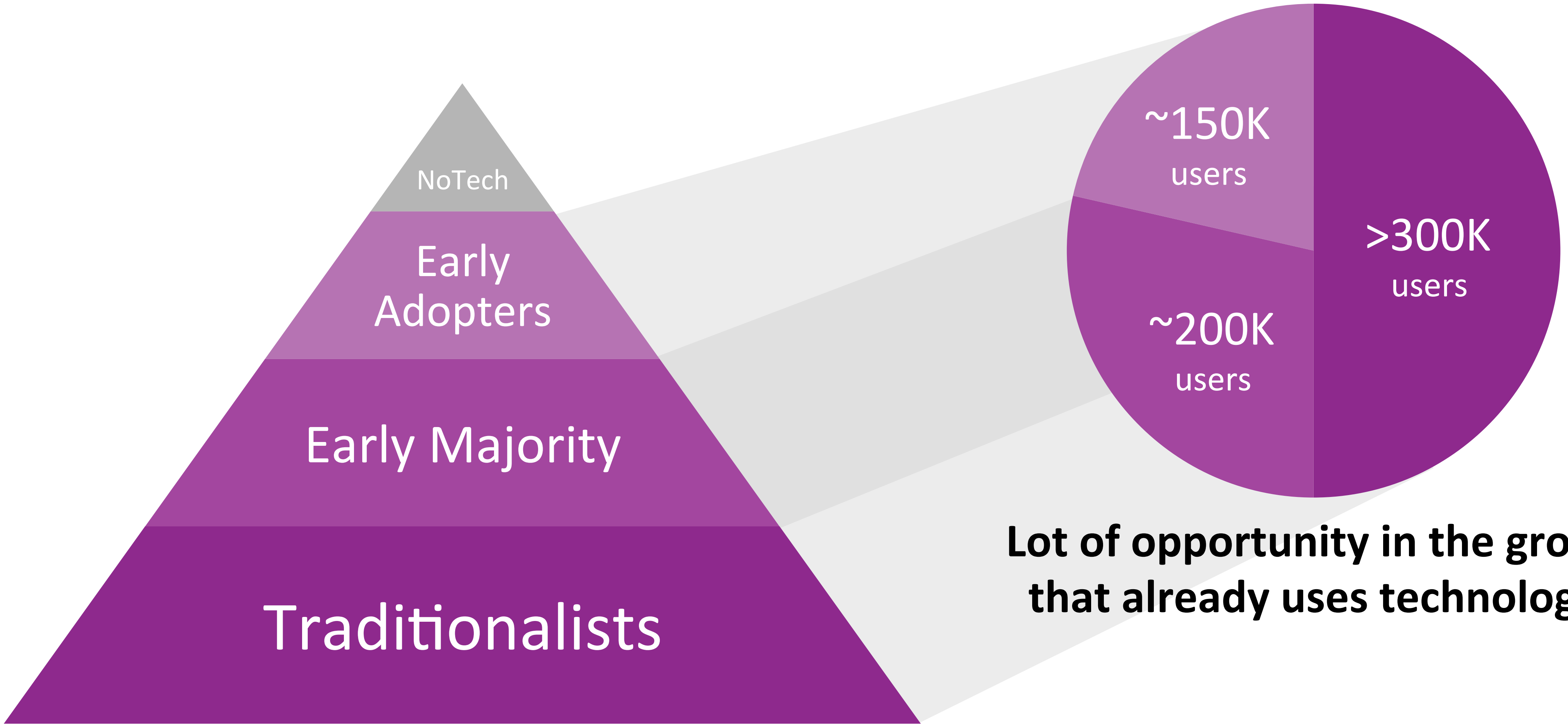
State of the U.S. Legal Market

13% Unemployment for law school graduates in 2014. . . So many start their own firms

3-5% Annual growth rate of small law firms

State of the U.S. Legal Market

4 Attorney 'types' in Small Law



Lot of opportunity in the group that already uses technology

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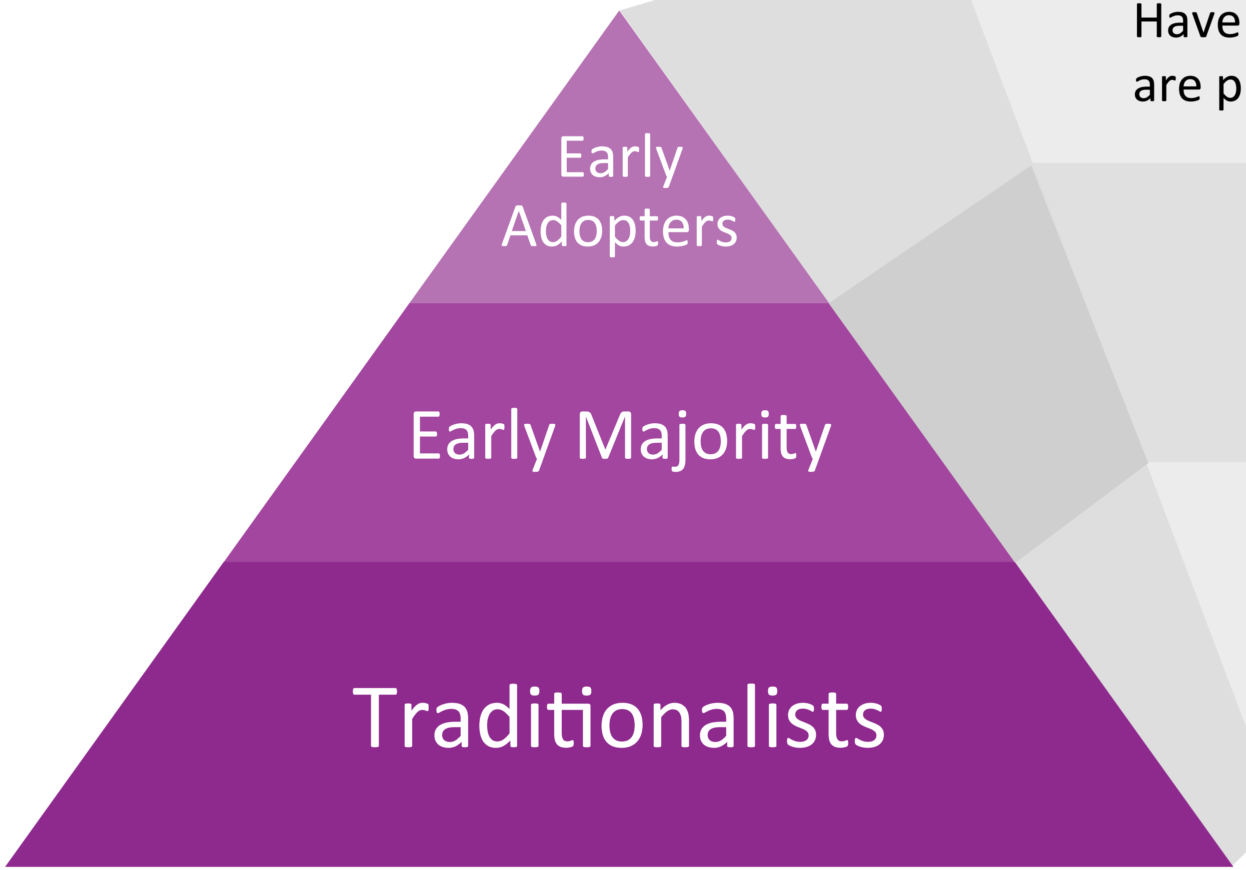
State of the U.S. Legal Market

Focus on 3 of the attorney types in 1- 5 attorney firms



Have already adopted latest technology and are probably using a competitive cloud solution

Tend to use technology and probably already have a 'legacy' premise based solution to manage their practice

Tend to be limited in their use of technology

- Don't use SaaS or Cloud solutions to manage their practice
- Use PCs with MS Office and sticky notes

Owner, attorney

Company Size: 1.5 - 2

1 shared receptionist, 1 part-time legal assistant, 1 part-time outsourced file clerk

Practice Area & Experience:

- Family Law, General Practice, Transaction Law
- 1 - 20+ yrs. experience
- Worked previously for both small and large firms
- Tired of the politics, wanted to go solo

Introducing Nancy “traditionalist”

“There is so much to keep track of…it is so easy to get lost. I just need something that will keep my head on straight that’s not too expensive.”

Goal:

- Focus on the practice of law, not administrative tasks

Needs & Motivations:

- Needs to find files and documents quickly, and know the status of all active and pending matters
- Difficult to find time to follow up with issues; or time to search the web
- Might go to an annual bar association event, especially if can bring family

Owner, attorney

Company Size: 1.5 - 2

1 shared receptionist, 1 part-time legal assistant, 1 part-time outsourced file clerk

Practice Area & Experience:

- Family Law, General Practice, Transaction Law
- 1 - 20+ yrs. experience
- Worked previously for both small and large firms
- Tired of the politics, wanted to go solo

Introducing Nancy "traditionalist"

"There is so much to keep track of…it is so easy to get lost. I just need something that will keep my head on straight that's not too expensive."

Tools & Resources

- Smartphone, tablet
- Desktop computer (PC or Mac)
- Paper journal & Daily to-do list (written)
- Legal pad or day planner for capturing time
- Legal binders / paper files
- MS Outlook / Express / Gmail for mail
- Outlook's Search function for finding contacts, emails
- MS Word for document prep and writing
- Excel, **QuickBooks** or Quicken for accounting
- Local law library for research (free)
- Shared conference room for client intakes
- Windows Explorer for matters / folders

Introducing Nancy "traditionalist"

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"There is so much to keep track of…it is so easy to get lost. I just need something that will keep my head on straight that's not too expensive."

Work Activities (100%)

- Review and Documentation (45%)
  - Reviewing materials, preparing briefs and legal documents
- Intake and Client development (20%)
  - Face to face meetings with potential clients, admin
  - Prescreening potential clients via phone
- Courts & Meetings (20%)
  - Filing briefs
  - Carrying out and listening to depositions
- Office Management Tasks (15%)
  - Accounts Payable/Accounts Receivable
  - Ordering supplies
  - Time charging

Owner, attorney

Company Size: 1.5 - 2

1 shared receptionist, 1 part-time legal assistant, 1 part-time outsourced file clerk

Practice Area & Experience:

- Real Estate, Litigation & Transaction Law
- 10 - 20+ yrs. experience
- Worked previously for medium size firm
- Wanted more time for family

Introducing Alex “early majority”

“It is difficult to keep business and personal lives separate. There is a lot to take care of.”

Goal:

- Focus on the practice of law, not administrative tasks

Needs & Motivations:

- Organized and likes to keep things straight; wants nothing missing
- Likes helping people and feeling fulfilled
- Tries to attend bar association events and keep up with latest statutes

Owner, attorney

Company Size: 1.5 - 2
1 shared receptionist, 1 part-time legal assistant, 1 part-time outsourced file clerk

Practice Area & Experience:

- Real Estate, Litigation & Transaction Law
- 10 - 20+ yrs. experience
- Worked previously for medium size firm
- Wanted more time for family

Introducing Alex “early majority”

“It is difficult to keep business and personal lives separate. There is a lot to take care of.”

Tools & Resources

- Smartphone, tablet
- Desktop computer (PC or Mac), maybe a laptop
- Desktop and maybe cloud practice management software
    - Amicus Attorney (primarily for contact management)
    - Timeslips
    - LexisNexis® Time Matters® or PCLaw®
    - Clio or MyCase
- Google calendar for personal + business needs
- Excel for project tracking, general business operations
- Microsoft Outlook
- **QuickBooks for Accounting**
- Desk phone, Skype, PBX
- VPN access
- May access some LexisNexis or other research

Owner, attorney

Company Size: 1.5 - 2

1 shared receptionist, 1 part-time legal assistant, 1 part-time outsourced file clerk

Practice Area & Experience:

- Real Estate, Litigation & Transaction Law
- 10 - 20+ yrs. experience
- Worked previously for medium size firm
- Wanted more time for family

Introducing Alex "early majority"

"It is difficult to keep business and personal lives separate. There is a lot to take care of."

Work Activities (100%)

- Doc Prep, Doc Reading, Doc Review (35%)
  - Reviewing all materials, line by line
  - Preparing briefs and legal documents
- Intake and Client development (20%)
  - Face to face meetings with potential clients to discuss claims in cases
  - Administrative duties
- Office Management Tasks (20%)
  - Accounts Payable/Accounts Receivable
  - Ordering supplies
  - Time charging
- Research (5-10%)
  - Conducting search/research for matters
- Court (5-10%)

Owner, attorney

Company Size: 2-5 attorneys sharing leased space and 2-5 assistants

Practice Area & Experience:

- General Practice, Litigation, Transaction Law
- 10 - 20+ yrs. experience
- Wants to make money

Introducing Andrew "early adopter"

"You have to know how to delegate and make things happen!."

Goal:

- Focus on the practice of law, not administrative tasks

Needs & Motivations:

- Highly motivated to be busy, make money and keep the business profitable
- Trying to keep as much of the office online as possible
- Attends conferences, events; likes networking

Owner, attorney

Company Size: 2-5 attorneys sharing leased space and 2-5 assistants

Practice Area & Experience:

- General Practice, Litigation, Transaction Law
- 10 - 20+ yrs. experience
- Wants to make money

Introducing Andrew "early adopter"

"You have to know how to delegate and make things happen!."

Tools & Resources

- Smartphone, tablet
- Desktop computer (PC or Mac), Laptop for court
- Online or Desktop practice management software
  - Amicus Attorney (primarily for contact management)
  - Timeslips
  - LexisNexis® Time Matters® or PCLaw®
  - Clio or MyCase
- Google calendar for personal + business needs
- Excel for project tracking, general business operations
- Outlook for email
- Online search tools
- **QuickBooks for Accounting;** maybe outsourced payroll
- Desk phone, Skype, PBX
- VPN access; network server
- May access some LN or other research
- Marketing campaign tools/services

Owner, attorney

Company Size: 2-5 attorneys sharing leased space and 2-5 assistants

Practice Area & Experience:

- General Practice, Litigation, Transaction Law
- 10 - 20+ yrs. experience
- Wants to make money

Introducing Andrew “early adopter”

“You have to know how to delegate and make things happen!.”

Work Activities (100%)

- Correspondence (40%)
    - Phone
    - Emails
- Office management tasks (20%)
    - Directing staff
    - Sign-off for major accounting tasks
- Potential Client meetings (10%)
    - Assessing the value of the matter / case
- Court (10-15%)
    - Filing
    - Trying cases
- Business Development (10-15%)
    - Networking
    - Meetings, Dinner

Small Firm Pain Points

1. Disorganized - missed court dates/deadlines, can’t find documents and case information
2. Poor billing practices and time tracking – so money is left on the table
3. Not running the firm as a business

LexisNexis® Firm Manager®

#1 Bar Complaint
Client calls not returned.

Too much time is spent tracking down or mishandling documents, case related information. ...And potential for ethics inquiry, or risk of fire, theft

#1 Cause of Malpractice Actions

Calendar Errors

Missed court dates and related calendar errors account for more than 1/3 of all malpractice claims; with average claim costing as much as $100,000

Small Firm Pain Points

>70%

I enjoy the practice of law and dislike the management of law

I want to practice law where and when I want to

Small Firm Pain Points

Underearning

$180K

Billable hour is a critical lever for impacting an attorney's earning potential

Small Firm Pain Points

Time Not Billed

40%

Most solo and small law firms are struggling to bill for their hours worked – not billing for 40% of their time

Small Firm Pain Points

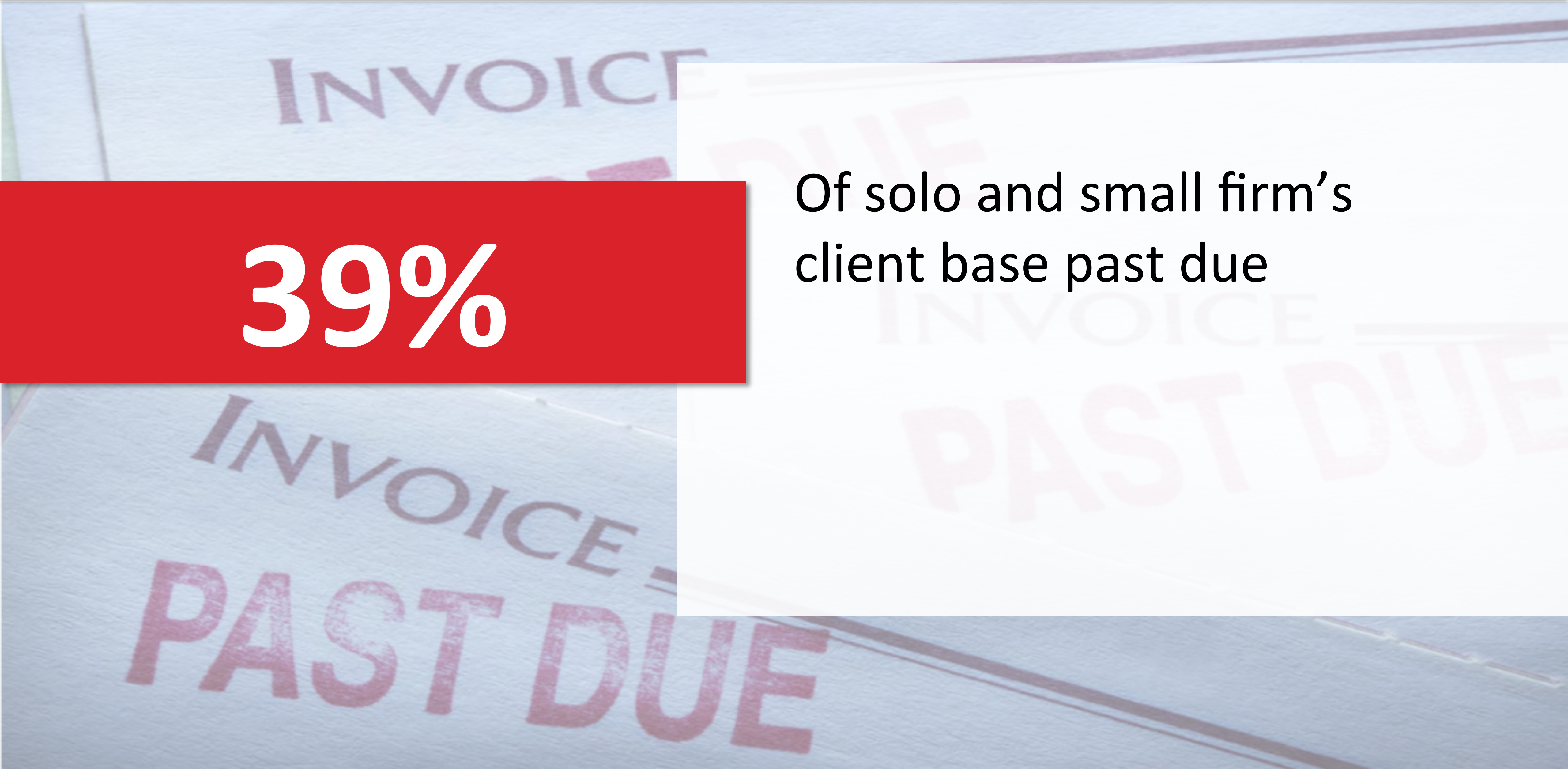
Past Due Accounts

>73%

Small and Solo firms experience past due accounts

Small Firm Pain Points

Past Due Accounts



39%

Of solo and small firm's client base past due

Small Firm Pain Points Past Due Accounts

15%

Say bills past due because the bill was for services rendered too far in the past

Small Firm Pain Points Purposely Discounting

70%

Under value their work and discount before the client ever sees the bill

Small Firm Pain Points

Business Management

Reality Check

Law School ≠ Business School

LET’S TAKE A 10 MINUTE BREAK

Technology and Small Law Firms

Be Tech Savvy, Not a Tech Guru

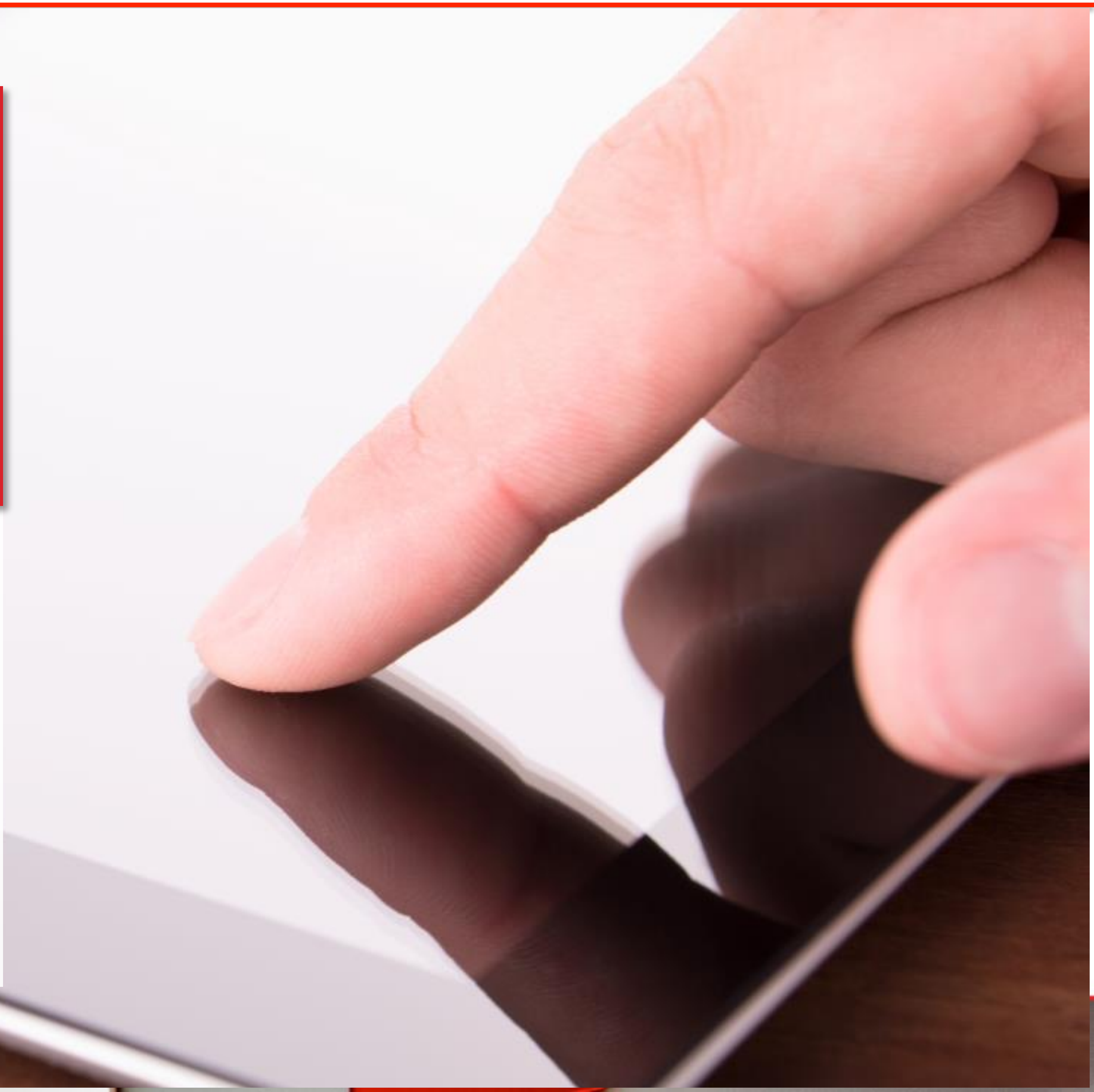
“To maintain the requisite knowledge and skill, a lawyer should keep abreast of changes in the law and its practice, including the benefits and risks associated with relevant technology, engage in continuing study and education and comply with all continuing legal education requirements to which the lawyer is subject.”

- ABA Model rule 1.1

Technology and Small Law Firms

91% Use smartphones and tablets

Technology and Small Law Firms



61%

*Source: 2014 Law Firms in Transition. Altman Weil

- Technology is the top tactic for improving efficiency and running a law *business.*
- Strong interest in SaaS and Cloud solutions.

Technology and Small Law Firms

Use Technology to Solve Business Goals

Inefficiency in
Practice / Administration

Reduce attorney time dedicated to case & business administration

Improve attorney effectiveness & prevention of professional risks

Increase efficiency in the execution of support tasks

Reduce the cost & risk of IT & files

Professional & IT Risk

Storage & IT Costs

Technology and Small Law Firms

Practice Management Basic Definition

n. – a centralized software platform for the management of client, billing, and matter information. Practice management offers a "single source of truth" that preserves relationships between these types of information while automating tasks and scheduling of activities.

Technology and Small Law Firms

Cloud Practice Management

Technology and Small Law Firms

Metrics to Measure the Impact

Need	Inefficiency in Practice / Administration		Professional & IT Risk	Storage & IT Costs
Impact				
Metrics	• Reduction in total hours worked • Increase in billable hours	• Number of support staff • Cost of support staff	• Likelihood of risk • Frequency of events • Value at risk	• Cost of on premises storage space & equipment • Cost of IT support

Technology and Small Law Firms

Reviewed …

- License Cost ($)
- Implementation Cost ($)
- Maintenance Cost ($)

Firm Costs After Investment + Cost of Solution $<$ Firms Costs Before Investment ?

- Hours worked (time)
- Billable hours ($)
- Staff overhead ($)
- Likelihood / frequency of risk
- IT / Storage Costs ($)

- Hours worked (time)
- Billable hours ($)
- Staff overhead ($)
- Likelihood / frequency of risk
- IT / Storage Costs ($)

Technology and Small Law Firms

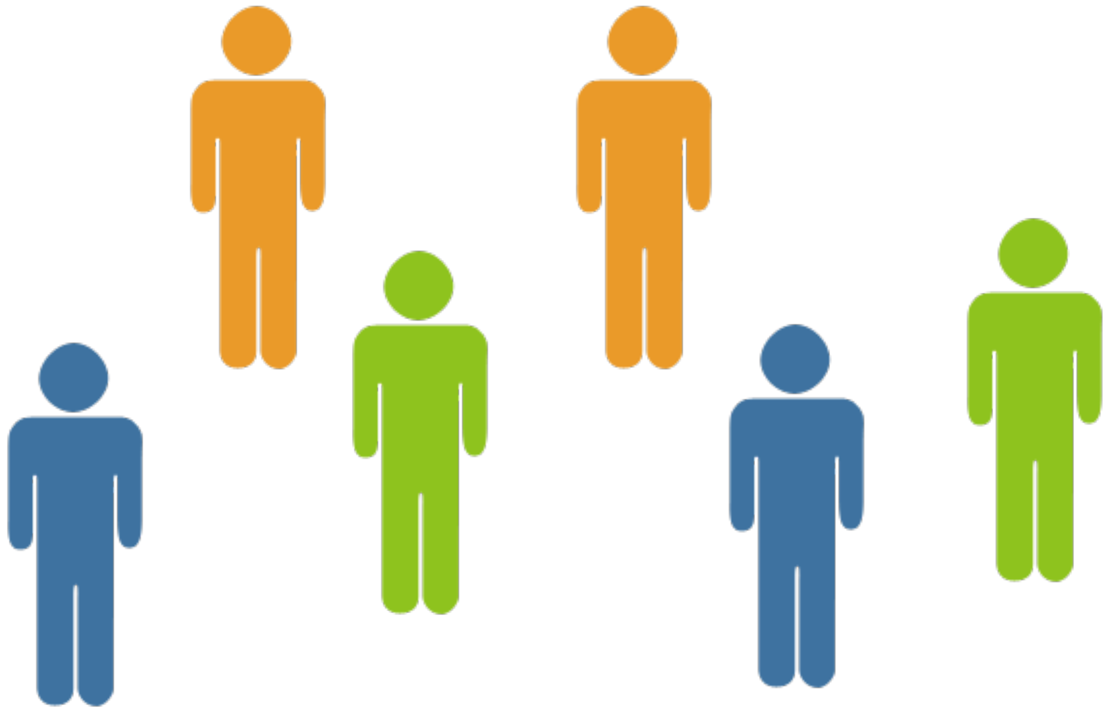
Reduction in attorney time on administrative matters

Decrease in non-billable time:
4 to 8 hours / month

Conversion to billable time:
20% to 100% of saved hours

Technology and Small Law Firms

Impact on staffing requirements



Ratio of attorneys to staff:
2.8:1

40% fewer support employees than firms not using LPM – or the conversion of them to billing or ways to increase firm performance

Technology and Small Law Firms

Life Without v. Life With LPM

LPM Capabilities	Without Practice Management	With Practice Management
Client / Conflict Management	• **Manually** tracked • Solutions used include: email, spreadsheets, and paper files	• **Automated** within practice management
Scheduling	• **Manually** by electronic or paper calendars	• **Automated** within practice management
Time Tracking	• **Manually** tracked • Standalone time tracking tool used	• **Automated** within practice management • Standalone time tracking tool used
Billing	• **Manual** data entry of client and time information • Standalone billing tool for generation of invoices	• **Automated** generation of invoices, bills, and engagement letters
Account Reconciliation	• **Manual** reconciliation • Solutions include: spreadsheets or dedicated accounting tool	• **Automated** within practice management • Some used dedicated accounting software
Matter Management	• **Paper** files maintained on site • **Paper** files maintained by physical storage provider • Documents stored on attorney desktops or in shared folder	• **Centrally managed** within practice management, integrated with client and billing data • Some paper files maintained
Collaboration	• By email or paper documents	• By email or paper documents • Internally within practice management • Externally via portals managed by practice management
Remote Access	• VPN, remote desktop, or remote email client • Cloud file share	• Directly via practice management

Technology and Small Law Firms

Summary of Key Research Observations

Top Drivers

- Improve attorney efficiency
- Improve attorney effectiveness

Estimated Business Impact on the Investment

- **Return on Investment: 1069% - 4055%**

Benefits Observed By Blue Hill

- **4 to 8 hour reduction in non-billable time / month**
- **20% to 100% of time saved is converted into *billable* time**
- 40% fewer support staff

BLUE HILL RESEARCH

LexisNexis®

Technology and Small Law Firms

Online Practice Management Has A Big Impact

ROI: 4000%*

*Source: Sept 2014 Study by Blue Hill Research on Impact of Practice Management Software

LexisNexis® Firm Manager®

John Szymankiewicz
Law Office of John Szymankiewicz, LLC

Company Size: 4

Practice Area:
Bankruptcy; Business Law; Intellectual Property

Introducing John

Goal:

- Focus on the practice of law, not administrative tasks

Challenges and constraints

- Extremely limited budget and time
- Not tech savvy, though interested in adopting technology that simplifies daily activities
- Little room for calendar errors (e.g. deadlines, follow-ups)

Introducing John

John Szymankiewicz
Law Office of John Szymankiewicz, LLC

Company Size: 4

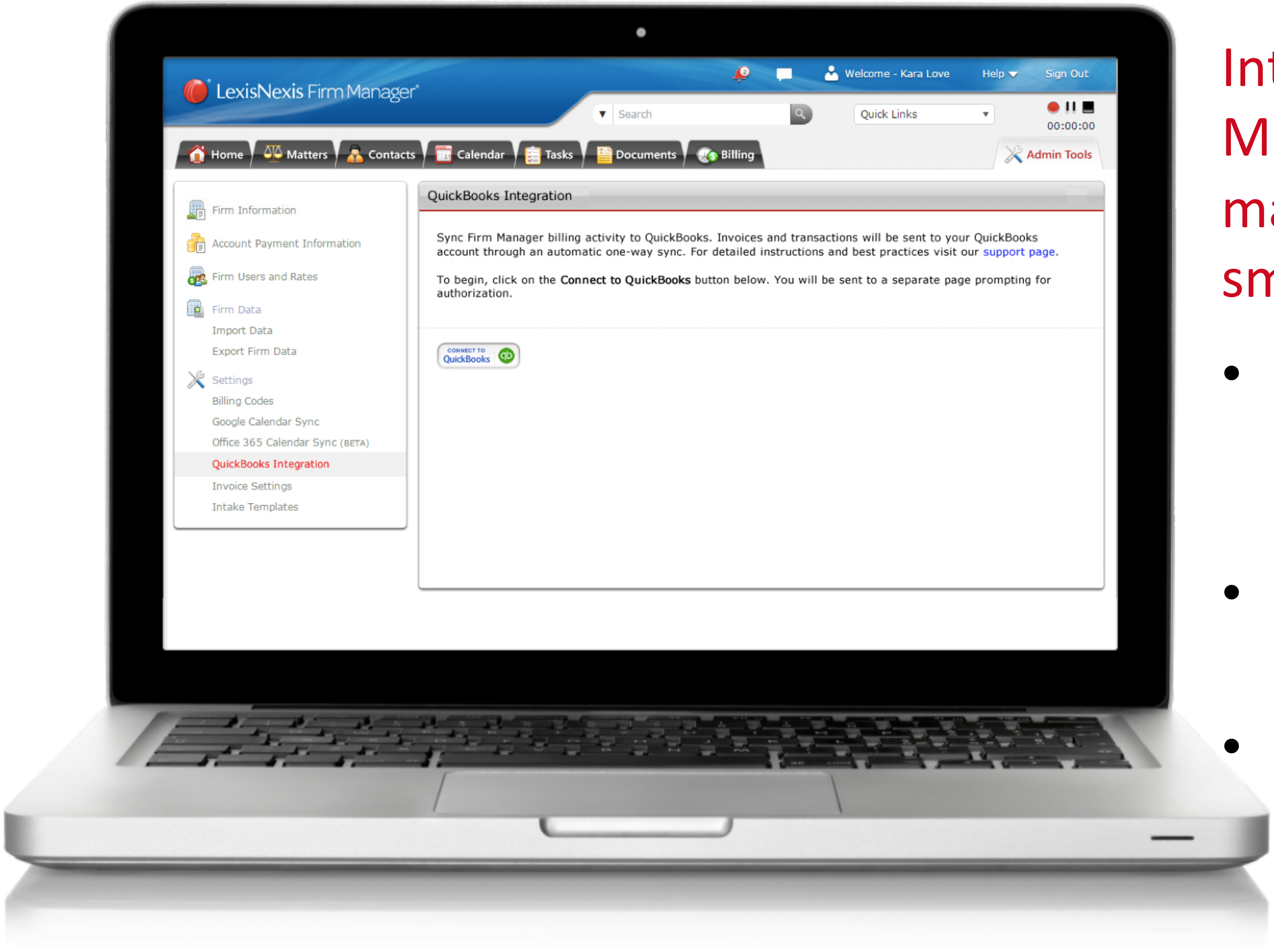
Practice Area:
Bankruptcy; Business Law; Intellectual Property

Needs:

- Ability to manage all aspects of a client engagement (e.g. matter information, financial management, calendaring, business development) through a single platform
- Ability to access information anywhere from any device

What John Has To Say

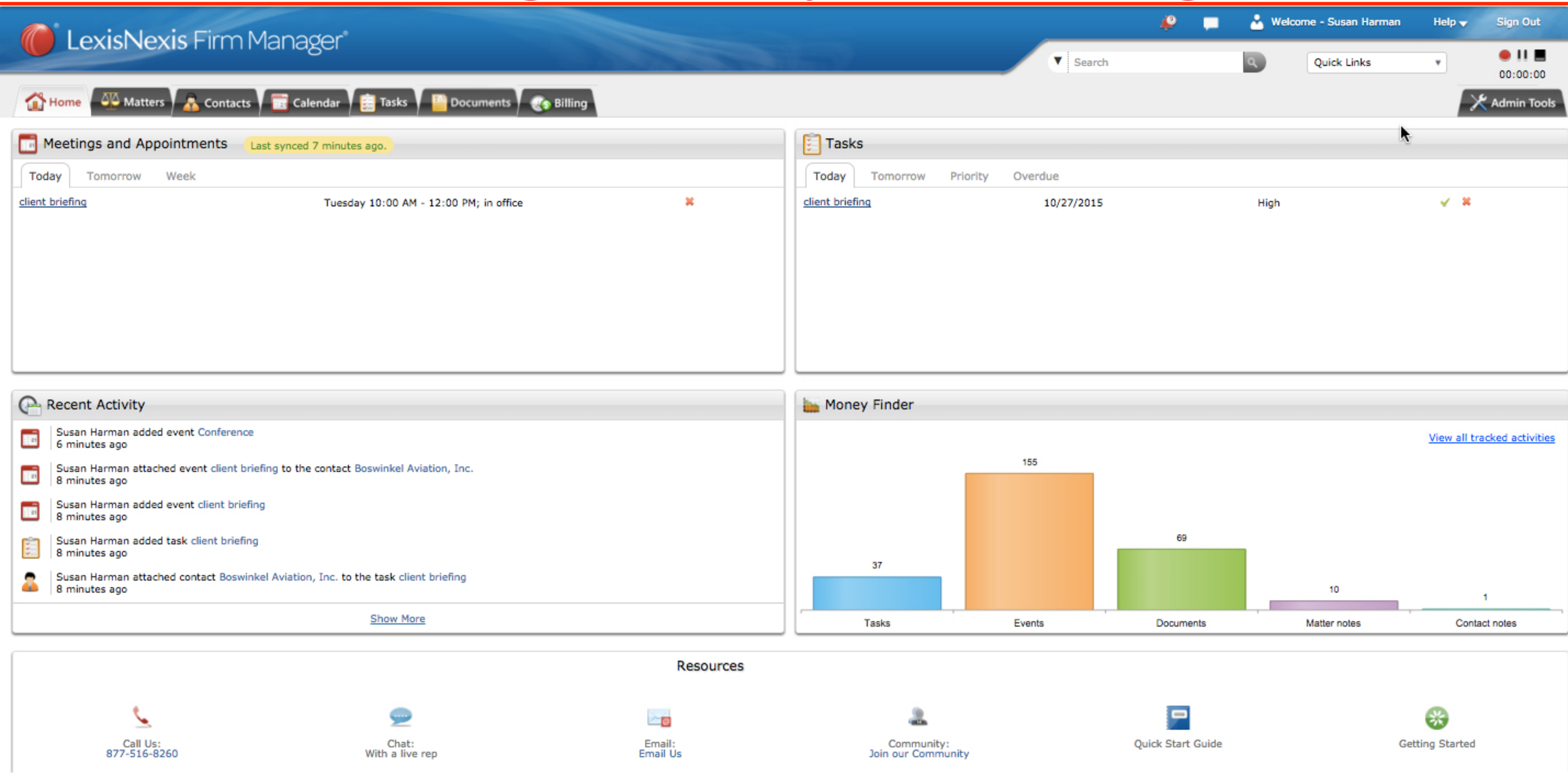
Firm Manager "takes care of a lot of the administrative side that I don't want to spend time doing I make a living by practicing law – that's what I get paid for. I don't make a living or don't get paid for is sending out invoices or following up with billing or conflict checks. Those are all the things that are necessary so I can do my job."



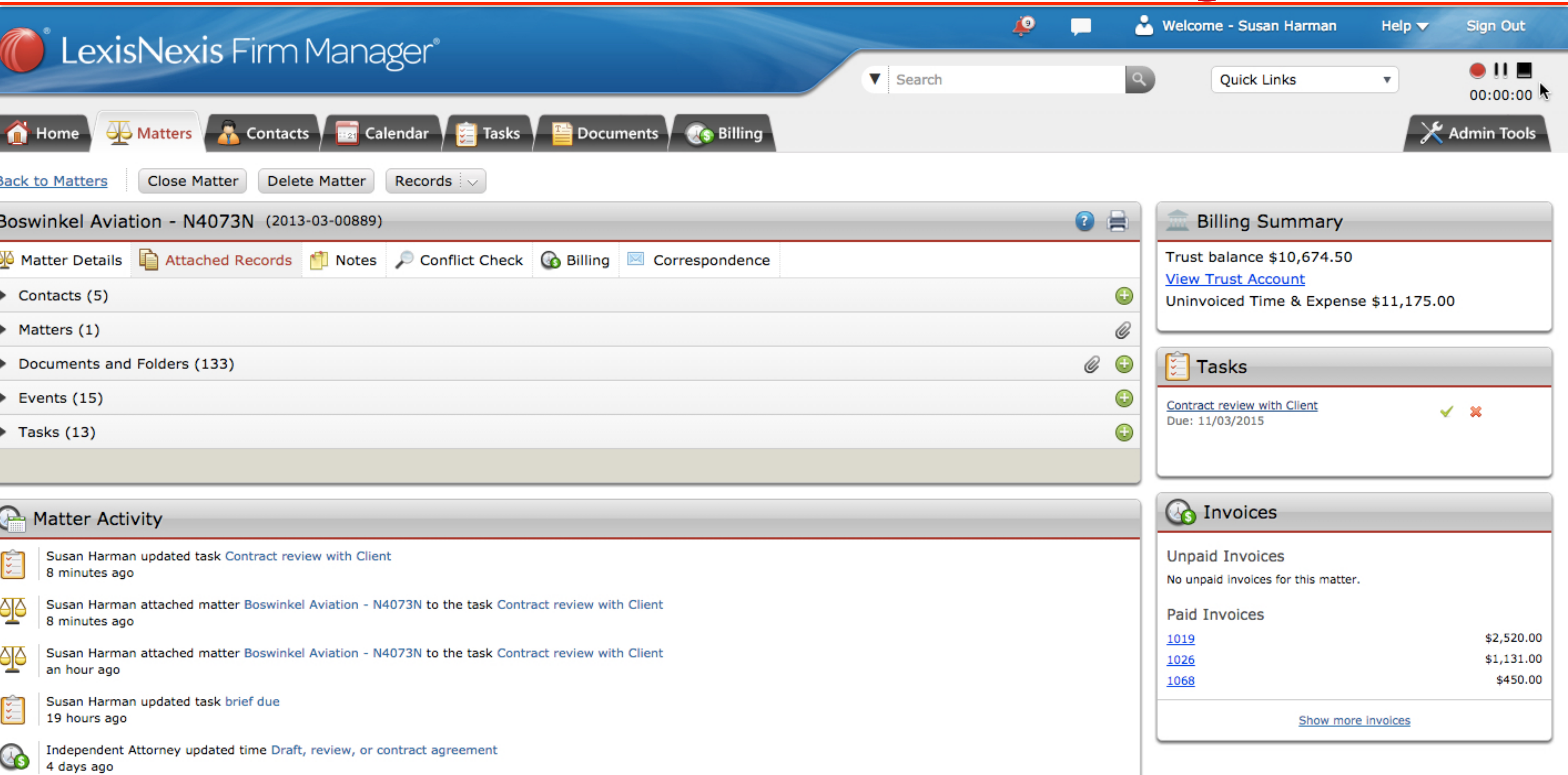
Introduce LexisNexis Firm Manager (online practice management solution) to small law firms to help them:

- Solve their pain points and run their practice like a business
- Earn more of what they deserve
- **Integrate billing with QuickBooks™ Online**

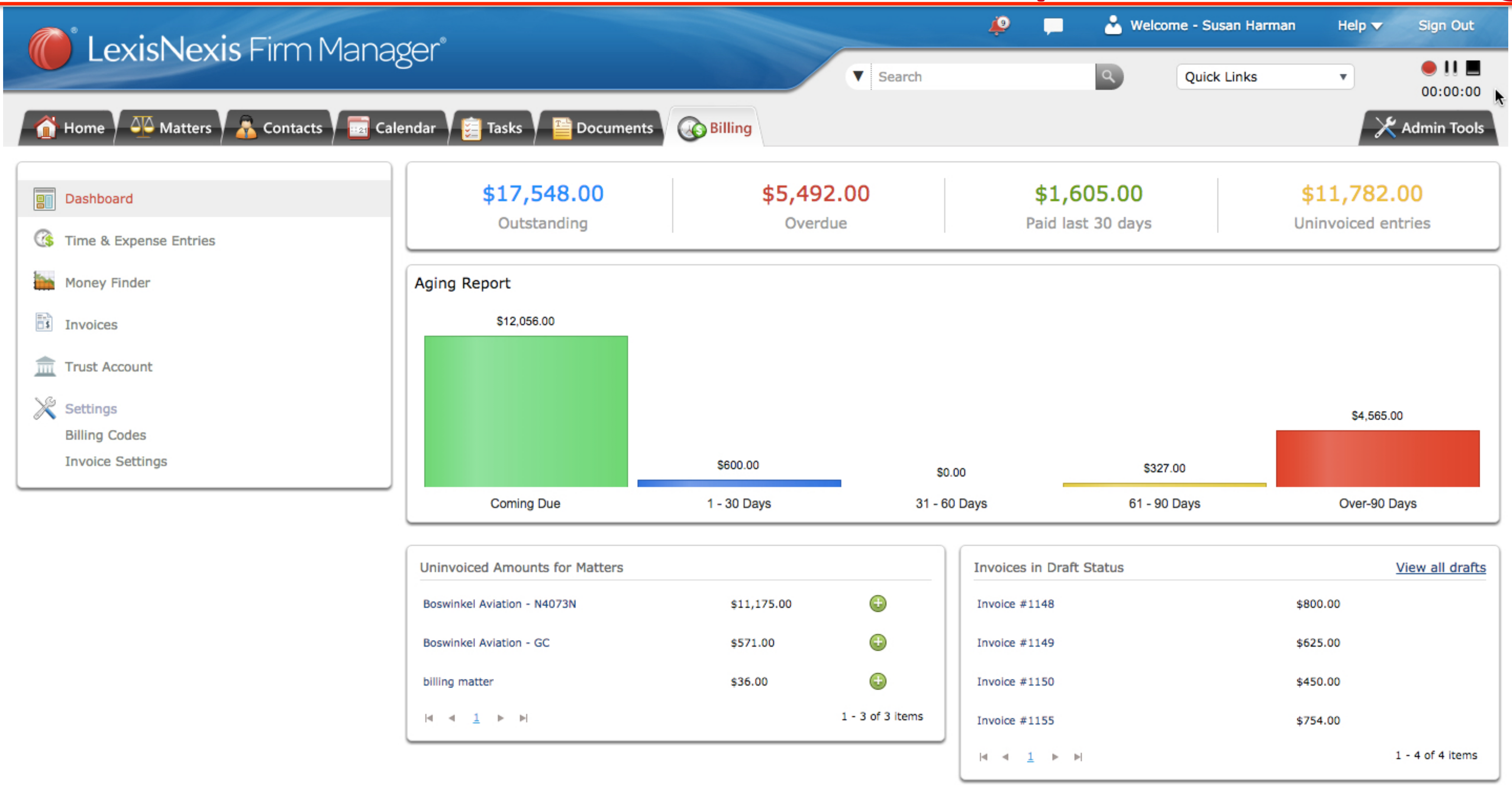
Home Page – Helps with Organization



360° View of Matters–Organization



AR Dashboard – Helps with Billing



Technology and Small Law Firms

Mobile devices solve for under-earning

Your clients don't care where you are

"Since Firm Manager is Cloud-based… with just a cellular WiFi connection and a mobile printer… I find that wherever I am, my full office is right there with me."

- **Douglas William Vitt**

Attorney

Technology and Small Law Firms

Why Solo/Duo Firms Use Firm Manager

1. Easy to use – Intuitive and fast
2. Control the practice from anywhere – computer, mobile, devices, tablets
3. Make more money with no extra work
4. Quickly access information and tasks via date, client, matter, keyword, or practically anything else
5. Store an unlimited amount of files with easy drag & drop document uploading and share them safely and securely
6. No conflict of interest worries
7. Synchronized office calendaring
8. Capture T&E and generate professional style invoices
9. Manage trust accounts and fixed fee billing
10. Developed by LexisNexis® so you have confidence & support from an industry leader.

Technology and Small Law Firms

LexisNexis® Firm Manager®

Technology and Small Law Firms

Firm Manager has two tiers:

1. **Firm Manager Essentials:**

   In market today.

   - Designed for 1-2 attorney firms that are not sophisticated in their use of technology; they need basic practice management functionality along with simple billing and invoicing

2. **Firm Manager Deluxe:**

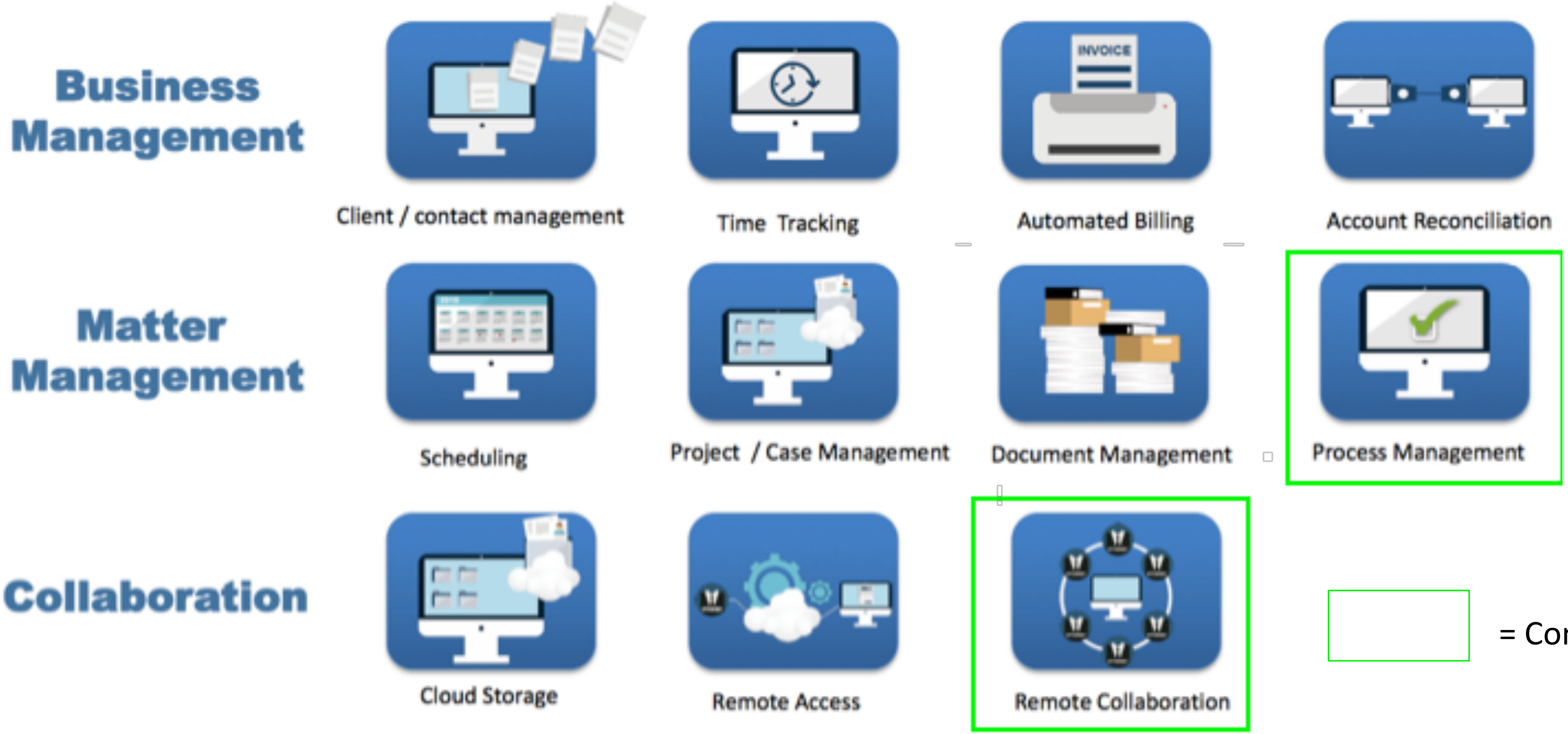
   Beginning beta release of additional functionality; to launch in 2016.

   - Designed for more progressive firms, 1 -10 attorneys; they need more advanced functionality and automation

LexisNexis Firm Manager®

Technology and Small Law Firms

Functionality in Firm Manager



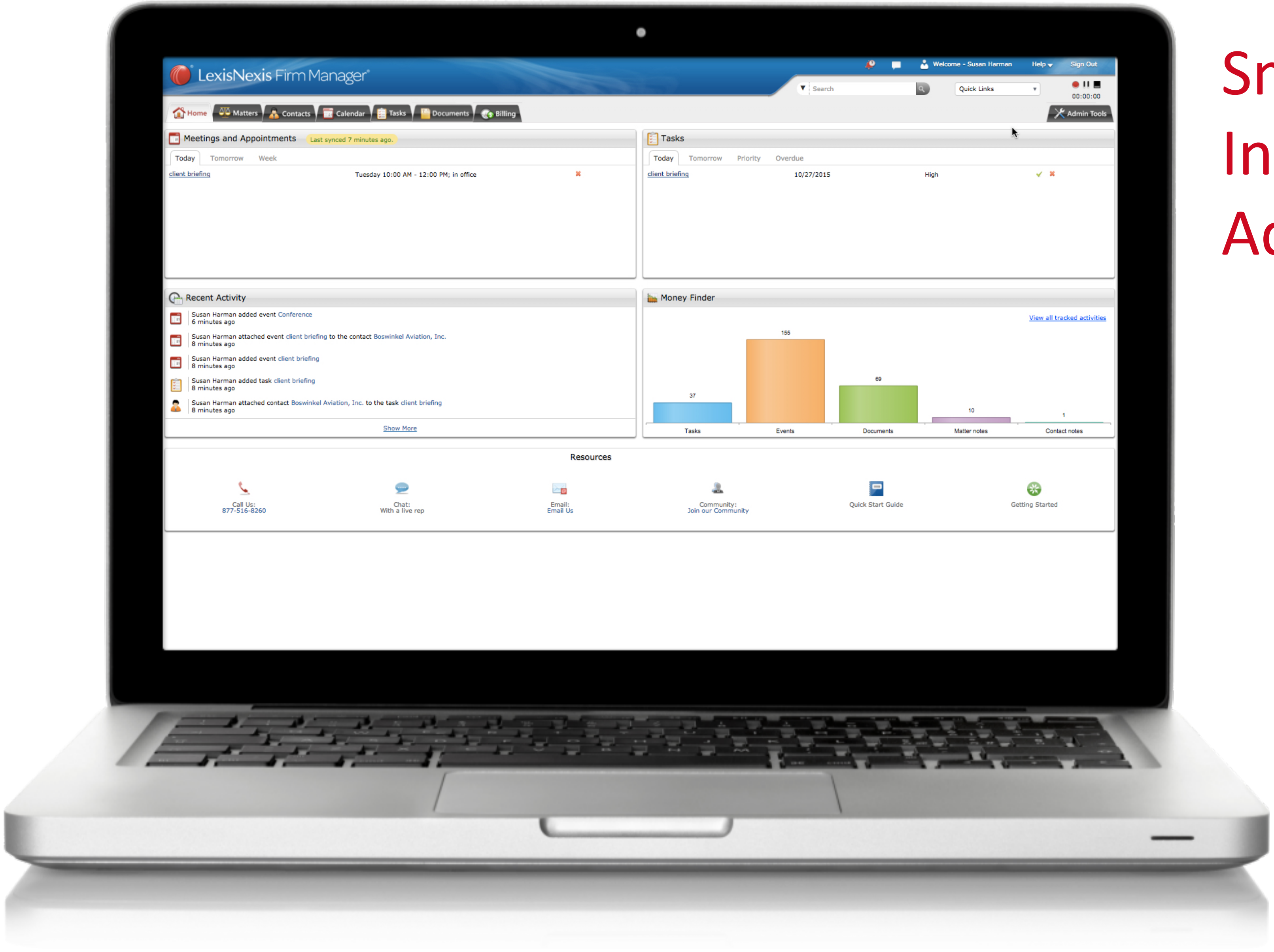
= Coming Soon

Technology and Small Law Firms

	Key Areas of Functionality						
	Matter & Document Management				Accounting, Billing & Views of the Business		Reports
Deluxe	Advanced Matter Intake (ie. customizations) **BETA**	Workflow ** **BETA**	Doc Assy **Q3 2016**	Advanced Data Import (mapper to premise / competitive products) **BETA**	Portfolio View** **BETA**	Advanced Billing and Tracking (ie. client level invoicing, write offs, billing workflow) AU accounting integration **BETA**	More Canned Reports (ie productivity, allocation of revenue, billing realization) **BETA**
	Content Integration **						
Essentials	Basic Matter Management with Intake Forms			Basic Document Import & Management **New in H1 2016:** Enhanced document sharing	Simple Billing T&E Tracking Simple AR Dashboard QBO/QBD Integration **Q4 2016** **New in H1 2016:** Additional billing		**New in H1 2016:** Limited Canned Reports

** Delighter, Market Differentiator

LexisNexis Firm Manager®



Small Firm Attorneys Need Intuitive Tools & Trusted Advisors

LexisNexis® Firm Manager®

Law Firm Advisor Network

LexisNexis, in conjunction with Woodard Consulting, has launched a program specifically aimed at helping you grow your ProAdvisor business; expanding into the legal marketplace.

1. **Become a trusted advisor to the largest growing law market segment**
2. **Secure stable monthly revenue and increase your income**
3. **Gain a competitive advantage as a member of the LexisNexis network**

LexisNexis® Firm Manager®

Where You Can Add Value

Run Their Firm As a Business – With Metrics that Matter

Help identify KPIS along with the right technology to improve their profitability <u>without</u>:

- Raising billing rates
- Winning new business
- Billing more hours

Where You Can Add Value

	Set Up	Monthly	Quarterly & Annual
Run as A Business	• Initial business process assessment and recommendations report • Initial financial performance assessment and recommendations report • Document monthly operating procedures • Document new client setup process • Document client billing process • Set business performance goals (billable hours, monthly revenue, active clients, lead development, etc.) in collaboration with owner • Prospective client lead process setup	• Track and report on monthly financial performance; highlight areas needing attention • Review cash flow; plan cash requirements and forecast revenue • Update financial trend reports • Facilitate monthly performance review meetings	• Overall health check on key metrics • Tax reporting and filing • Bank LOC reporting and bank relations updates
Firm Manager	• Setup clients in FM database • Setup link to QuickBooks	• Create and send invoices • Manage Accounts Receivable (notify and call on late payments) • Track / reconcile billable hours • Review new client account documents (agreements, conditions of service, etc.)	• Review FM metrics • Plan process refinements
QBO	• Setup QuickBooks chart of accounts • Setup standard monthly and annual reports in QuickBooks	• Review key metrics • Identify top priorities • Agree on needed actions	• Track progress toward goals • Define budgets • Adjust goals

QUESTIONS?

TOMORROW: GETTING REAL

- Deep dive
- Delivering the high-value service
- Fast-start plan