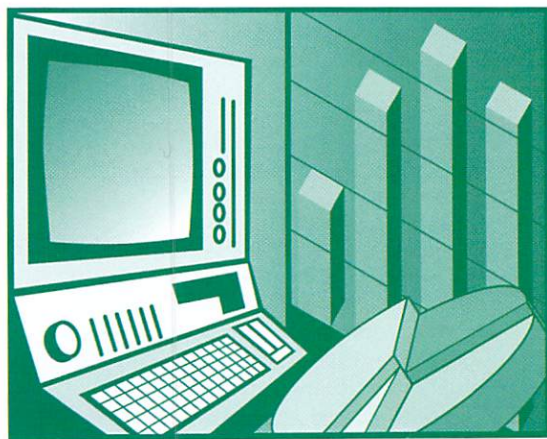


Do You Need a Legal Administrator?

By Paul Sullivan



Hiring a professional administrator may cost you less in the long run than going it alone.

Are you spending more and more time on little problems in your office that turn into major crises? Are there more questions than answers when you seek advice about specific needs or procedures for your office? Is your office the biggest headache of your practice? If you answered "yes" to any of these questions, read on.

Most lawyers prefer to practice law rather than use their time to manage the business side of their practices. Not only is it expensive in terms of lost billable hours, but it's nearly impossible to devote proper time to clients and still have enough time to be a good manager. That's why legal administrators are increasingly the rule rather than the exception in law offices.

Business administration and management extends far beyond hiring, billing, and paying the rent. The purpose of this article is to address some of those issues, then let you decide if you could benefit – either by hiring a full time administrator or by at least consulting with one occasionally.

An evolutionary process

From firm to firm, the job responsibilities of the administrator vary widely. It's an evolutionary process where responsibility and authority grow in relation to the partners' willingness to have a third party take charge of their business affairs. Some firms just can't bring themselves to do it and thus never fully experience all the benefits an administrator can offer.

The evolution proceeds rather predictably with single practitioners and small firms. As the organization begins to grow and the administrative tasks begin conflicting with the attorney's time, a trusted employee begins

taking on additional duties. The lawyer continues to make all the decisions and directs the employee to carry out his or her wishes. At this level, administrative headaches are usually minimal, and a lawyer can balance both the practice and the business. Technology decisions are pretty basic, and any operations, accounting, or personnel problems can usually be solved with a telephone call to a colleague who has experienced something similar.

The problems begin when more sophisticated technology is required, or when the firm takes on more employees and operating procedures and personnel policies need to be implemented. Many firms will appoint committees for various phases of the administrative process, while others will just let things go and deal with problems as they come up. It's at

this moment of truth that firms should seriously consider professional administration.

Organizations that just let things happen usually never address the real problems – they ignore them, hoping they'll go away. Many times the result is low morale, high turnover, and procedural chaos. In the long run it costs the firm far more than just the expense of hiring a professional manager. Committees do work in some organizations, but is the firm really getting the best results? Is the cost in loss of billable hours worth the result? Do the committee members really spend the necessary time, not only to make the decisions, but to keep themselves updated on trends and developments in the field of their committee assignment? And — if a committee member is replaced or resigns, is the replacement as knowledgeable as the person replaced?

Enter the legal administrator

Assuming you need an administrator, how do you find one? What qualifications should you look for? How much should you expect to pay?

Now in my eleventh year as an administrator in a 28-lawyer firm, I have found that the people who are most successful in this career are well-rounded managers who have been exposed to many kinds of business experience. The term "generalist" really does apply to the legal administrator, who must:

— oversee the purchase and maintenance of technology, which includes computers and everything that goes with them, e-mail, phone systems, voice mail, dictation systems, copiers, fax machines, and the like;

— administer personnel and benefits, which includes hiring, firing,

staffing, workloads, salary administration, sick days, vacations, family leave, 401(k) plans, workers' compensation, healthcare plans, and employee counseling;

— handle billing, accounts receivable, collections, payroll, taxes, budgeting, compliance with state and federal regulation, financial statements, cash flow, partner compensation, trust accounts, etc.;

— oversee space planning, building maintenance (everything from buying desks and chairs to hiring janitorial services), and risk management (property and casualty insurance, professional liability insurance, E&O insurance, and the like);

— try to keep the business running smoothly through balancing the needs of the lawyers, the staff, and the clients.

Legal administration is doing all this and more with regular interaction from partners who oversee and suggest adjustments when necessary.

Many of the tasks in the areas falling under my direction are delegated to other staff, but it is still my responsibility if something in that part of the organization breaks down. It is also my responsibility to know as much about these areas as I can, and to educate myself when necessary. My firm has given me the responsibilities, but also the tools to meet my responsibilities.

The salary requirements of a legal administrator are really based on the level of responsibility the firm wishes to assign. In very large firms, these people function in tandem with a managing partner or management team as does the CEO of a corporation, and salaries rival those of similar positions in the corporate world. In smaller and mid-sized firms, many administrators earn at the lower to mid-level tier of partners. There are no textbook answers to the salary question — just as there are differences from firm to firm in the level of responsibility assigned to a manager, there are differences in the amount of value an administrator adds, and salaries are structured accordingly.

You can usually find qualified candidates working in other firms at various levels of the administrative team. Movement from smaller to larger firms is a common career path for experienced managers, as is moving

up the ladder in an existing firm when the opportunity arises. Another resource is the Association of Legal Administrators, which has an active job bank of both qualified people looking for placement as well as employer listings (call ALA at (847) 816-1212 or visit their Web site at www.alanet.org). Placing your firm in the job bank should yield several resumes of qualified people for you to consider.

And so it's up to you — if you feel your organization needs a little fine tuning or a major overhaul, maybe you should consider a full-time

administrator, or at least consult with one on an occasional basis. That way, your firm can let its lawyers do what they do best — practice law. ▣

Paul Sullivan is the administrator of Quinn Johnston Henderson & Pretorius with offices in Peoria and Springfield. He is a charter member and the current president of the Central Illinois Chapter of the Association of Legal Administrators. For more practice management tips, read The Bottom Line, newsletter of the Law Office Economics Section (free to section members).

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