

# Overcome the Skills Shortage using Step-by-Step Legal Practice Guides

Richard Hugo-Hamman,  
Managing Director,  
LEAP Legal Software



**M**arket circumstances for profit growth have changed. Strong economic growth coupled with reduced immigration figures has caused low unemployment with a resulting skills shortage. Anyone with a growing business will already know that it is a lot more difficult to find good staff. This will quickly affect all small firms as they seek to replace staff lost through natural attrition.

There are other unique factors that exacerbate the situation for small law firms.

Becoming a legal secretary was once considered a desirable career choice. But at that time the majority of women had not enjoyed a university education.

Today, with so many young men and women gaining tertiary qualifications, secretarial work is no longer as popular as a career choice. So much so that the title has almost been abandoned and replaced by euphemistic titles such as support staff, administrative assistants and executive assistants. The result is that many small law firms struggle to employ great people to work in legal support capacities.

The situation with legal bookkeeping is even worse. Legal bookkeeping and accounting are also no longer popular career choices. Fortunately modern accounting systems automate many transactions whilst lawyers and paralegals are doing the work themselves. This substantially

reduces the bookkeeping workload and has allowed many firms to reduce costs by engaging part-time bookkeepers to look after reconciliations, private ledgers and BAS.

The position regarding graduate lawyers is slightly different. There are a lot of law graduates. However, most firms that I visit around Australia, in particular in regional and rural areas just cannot entice these graduates to move from the cities. Lifestyle career choices tend to be made by the older, more expensive and independent practitioners. This does not solve the problem for someone trying to build a practice. Recently, a managing partner in Maroochydore told me that she had work for four additional lawyers if she could just find lawyers willing to relocate.

In addition to this, disappointment in the literacy and numeracy skills of many current graduates is a problem for all of us and particularly so for the legal profession. Staff working in small law firms must be able to communicate well. Very often they are the frontline to clients because the principal is so involved in legal work. The shortage of these essential skills is further limiting the pool of potential employees.

Even if you find a suitable candidate, the chances are that she or he will not have had any prior experience in a law firm so the training burden will fall on you. This is costly and, of course, risky. Many principals tell me; the perception is that as

soon as they have trained a lawyer to be productive, they leave! A frustrating situation.

Another factor unique to the legal profession is that more lawyers are starting their own firms than ever before - because technology has empowered them to do so. This is a global trend. In New South Wales, according to Law Society statistics, there were 186 more law firms in October 2010 than in October 2009 and all of these were small firms. This growth of more than 5% annually is naturally creating increased competition for already scarce staff.

Fortunately for consumers, but less so for the principals of small firms, the market forces created by this increased competition are keeping charge rates down.

These are formidable challenges for any business. Increased competition; depressed prices and a lack of resources.

The options available to overcome this skills shortage are limited in a period of probable sustained economic growth.

There are five important ways in which to address this problem:

1. You need to do more work with available resources;
2. You must be able to delegate work confidently;
3. You must be able to practise confidently in new areas of law;
4. You must apply standard procedures as they will allow



you to:

- a. Maintain quality
- b. Introduce efficiency
- c. Manage risks at the same time.

5. You need to train all your staff better and more economically.

Let's consider these five points in more detail.

## 1. Do more work with available resources

This is a pretty obvious statement and the most effective starting point. You are probably the major fee earner, so anything that makes you more productive will have immediate impact. There is a limit to what even the best time management system can do. What is needed is great technology, pre-organised practices and procedures with accessible research materials and quality precedents.

The Step-by-Step Legal Practice Guides and Precedents were launched three years ago to provide practical guidance and precedents to lawyers in small firms. It is in effect a 'one stop shop' that provides all precedents and letters in sequence, accompanied by explanatory notes on the applicable law that may be required in a matter. For practitioners in small firms, with 'mums and dads' clients it is vital that the guidance is practical, relevant and cost effective.

Most law is not academic or precedent setting. The law is settled and the procedures are known. You mostly need to produce a document. Working from the Step-by-Step Legal Practice Guide, you quickly select the precedent, the fact of the matter required, check the law if you need to, generate the document merging data from the matter database (in LEAP Office) and immediately

email the document. Elegant, quick and accurate. When you work like this you will get more pleasure from practise, do more work and surprise your clients with the quality of service you provide.

Crucial to doing more work, is having the ability to create complete documents from standard precedent templates. It is just not cost effective for any law firm to manage its own precedents and to incur the cost involved in automating them. But it is crucial to your productivity.

Each Step-by-Step Legal Practice Guide includes extensive precedent letters, agreements and deeds that have been prepared by lawyers specialising in the field. All of these are automated to merge data. Of course, there are as many opinions about precedents as there are lawyers, so in this context it is worth remembering that a precedent is not always the finished product. You might need to customise a precedent to suit the facts in the matter or perhaps your personal preference, but it is still a lot faster than not having an automated precedent at all. In fact, many firms do not seem to have precedent systems at all, relying largely on memory of when they last saw/used the precedent needed, or searching for free documents on the internet.

In day to day small practise, you sometimes need to refer to the legislation and less frequently to case law. Our research showed that Austlii is the most widely used legal database that is relied on by small law firms. Each Step-by-Step Legal Practice Guide includes links through to the relevant legislation and case law in Austlii.

Another time saver is the ability to save your 'point in time' research directly to the matter in LEAP Office, so that it is instantly and accurately retrievable.

The Step-by-Step Legal Practice Guides and Precedents will enable you to do more work without any

additional resources, and with less stress.

## 2. Delegate work confidently

To achieve leverage you can delegate work to a junior lawyer or, as is the case in many small law firms, to a smart and trusted paralegal.

For many years paralegals have greatly assisted small law firms in areas such as conveyancing, debt collection and personal injury claims. But with Step-by-Step Legal Practice Guides you are able to delegate a lot more work than before. A wonderful example of this is a client of ours in Merimbula. He reported to me that since installing new software he had built a specialist Probate practice of three paralegals, all of whom use the Step-by-Step Legal Practice Guides to conduct the matters. This left him in a supervisory role, dealing with estate planning, difficult or complex client issues and the high level legal issues that so often surround probate matters, doing the work he studied law to do. By re-engineering his business in this way he is not only getting leverage from paralegal resources but overcoming the problem of not being able to recruit additional lawyers.

Many users of the Step-by-Step Legal Practice Guides also use them to delegate matters to junior lawyers. In a small practice the principal often spends a lot of time out of the office, particularly if the practice does court work, so supervision of a junior lawyer can be difficult. By instructing these junior lawyers to "just follow the guide and contact me if the guide does not cover it" the principal is delegating in the safest way possible. He or she has the comfort of knowing that the junior lawyer will, by using the Step-by-Step Legal Practice Guide, follow sound practical guidance, and quickly and easily produce the



letters and documents required to give the matter carriage cost effectively and safely.

Delegation provides leverage that will allow you to do more work as well thereby reducing the need for additional staff.

### 3. Practice confidently in new areas of law

It is quite common for a law firm to attract work that the principal is not familiar with. This is a common reason for looking for additional staff. An example of this is small law firms employing licensed conveyancers so that conveyancing work does not have to be referred away.

While one fully understands the arguments in favour of referring work away, that argument does not reflect the reality of many, probably most, small law firms. Clients are hard to come by, and for many lawyers referring the client to another lawyer and potentially losing the client is not a good strategy. Financial survival is what is important.

Having attracted the client, you need the tools readily available to you so that you can be versatile, competent and confident. For example, you might never have processed a victim's compensation claim. This is not necessarily complex law, but it will entail risk as well as require knowledge of process and access to the correct legal forms and precedents. By turning to the Step-by-Step Legal Practice Guide you can provide the client with the help they need from the person they trust and at the same time eliminate the risk of losing the client.

If you can do this, you will find that you need fewer clients and your return per client will be much higher.

Having visited hundreds of law firms, the reality is that many firms do the work that comes

in through the front door and I genuinely believe that providing these lawyers with appropriate support tools (that they can afford) is a far better solution than doing the work without adequate support materials, which is what so often occurs. The general practitioner always has been and always will be the foundation of the profession. There is little scope for specialisation in most small practices.

By accessing the Step-by-Step Legal Practice Guide from the matter you are working on you will be able to practise as a resourceful and versatile general legal practitioner, even if you are a sole practitioner.

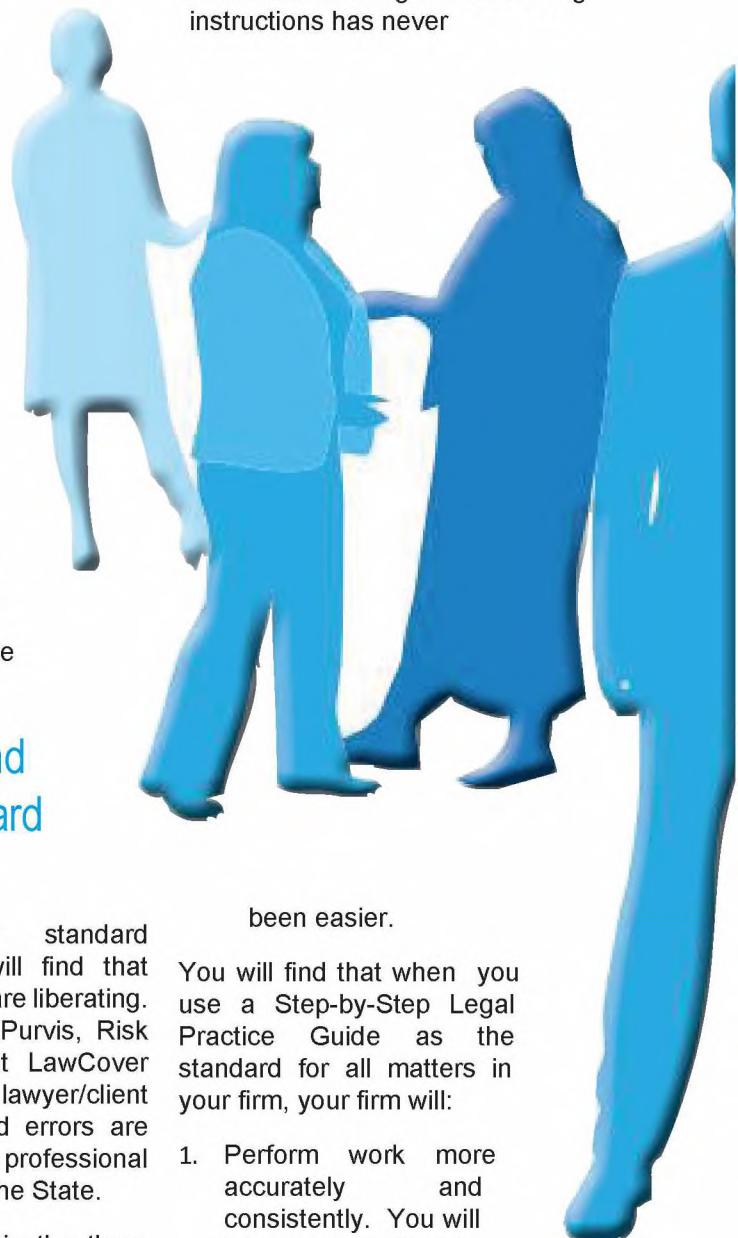
### 4. Introduce and apply standard procedures

You must apply standard procedures. You will find that standard procedures are liberating. According to Janice Purvis, Risk Services Manager at LawCover in New South Wales, lawyer/client communication-related errors are the biggest cause of professional negligence claims in the State.

According to Purvis, in the three years from 2006 to 2009, over 40 per cent of all notifications to LawCover (from sole practitioners as well as small, medium and large firms) were related to how the solicitor communicates with the client (*NSW Law Journal September 2009*).

Standard procedures will help you

avoid this embarrassment (and completely avoidable cost to the profession.) As each Step-by-Step Legal Practice Guide follows the typical sequence of a matter, and includes all letters to clients and others, all documents from instruction sheet to file closure, writing letters to keep clients informed and noting and confirming instructions has never



been easier.

You will find that when you use a Step-by-Step Legal Practice Guide as the standard for all matters in your firm, your firm will:

1. Perform work more accurately and consistently. You will introduce quality into all your work which will make the practice of law less stressful, more enjoyable and will also help you to create more satisfied clients;
2. Introduce efficiency. Inordinate amounts of time wasted performing basic legal research



and searching for up-to-date precedents and even running projects to automate those precedents, is saved. You have the legal guidance you need and the precedent the facts require at your fingertips.

You will do

common areas of law practised by small law firms.

## 5. Train your staff better and more economically

There is no such thing as cheap staff. More training for your staff is required. This is unfortunately possibly the single most ignored aspect in small law firms. I know for example that some firms are reluctant to train staff because they believe that there is a risk that they will leave. This is short-sighted and self-defeating. The better staff are

more work  
better than  
ever;

trained, the more productive they will be and Step-by-Step Legal Practice Guides make this training a lot easier.

Because the guides are written in plain English and presented in a way that a junior lawyer and paralegal can understand, the guide itself provides the outline of the training course, and the legal forms and precedents the practical application of the knowledge gained. Just a bit of time invested taking staff through the guides and reviewing the precedents with you will reap rich rewards for you. Not only will you have confidence that your staff can do a lot more high value work on their own, but you can expand into new areas of law as well.

If you are going to work over weekends (and many do), it is surely better to spend the time training staff to reduce the need, rather than always just doing the

legal work itself.

## Conclusion

If you focus on these five points, your ability to overcome the skills crisis is improved greatly and your practice will benefit at the same time. Of course, if you optimise your firm in the way that I have described, it is still quite possible that you will reach a point where you need to find additional help. But because you will have optimised profit the chances are that you will be able to offer more attractive financial arrangements than your competitors which will naturally help you recruit the best available staff.

Once you are using Step-by-Step Legal Practice Guides you will find that you are doing a lot more work, a lot faster than before. But the support does not end there. Online 'Author Chat and Feedback' enables you to provide feedback directly to the author of the guide you are working on to clarify a point of law, raise an issue you have with the content or even request a precedent that you need but cannot find in the guide. Instead of relying on the results of a Google search to help you (yes, our research shows that hundreds of lawyers each day do - and not just sole practitioners!) you have access to qualified and experienced practice support skills constantly striving to improve the usefulness of the guides and precedents.

The beautiful thing about this approach is that you overcome the skills shortage without additional staff, still do more work and increase your profit thereby taking full advantage of the growth in the economy. ●

*Richard Hugo-Hamman is Managing Director of LEAP Legal Software and has been involved in developing software for small law firms for more than 20 years. He may be contacted at [richard.hugo-hamman@leap.com.au](mailto:richard.hugo-hamman@leap.com.au) or on his mobile 0409 846 512. You*



3. Manage risks. Discipline and procedures are the most effective way to manage risk. By introducing the use of Step-by-Step Legal Practice Guides processes throughout your practice, it will be very unlikely you will ever trouble your insurer!

To be effective, standards should be applied to all matters dealt with by you. You are unlikely to enjoy much success if you try to apply a disciplined approach to only, say, the Family Law work; you need to have a disciplined approach to all your matters in all areas of law. You need guides to cover the