

## **RISK AND PRACTICE MANAGEMENT TIP: Improving Your Bottom Line**

The New Year is a great time to reflect on and incorporate some changes to improve your business practice. The American Bar Association's Law Practice Magazine provides suggestions on how to manage your time and your business' cash flow more effectively to increase your bottom line. These include developing a business plan and a cash-flow statement to give you the knowledge you need to ensure your business is generating enough income, or indicate when you should increase your marketing or collection efforts, in order to remain in business. Keep in mind that your business plan should consist of four main areas: a general description of your business as well as your financial, management and marketing plans. One easy piece of advice to implement – make your bills client-friendly. Your bill is the most important piece of communication you will send to your client and it should indicate how the fee was calculated in a way that is easy for them to understand. With the various different electronic timekeeping systems available, there is no reason to let money and time slip through your fingers. Be sure to enter time as you go from task to task – lawyers who enter time contemporaneously capture a significantly greater portion of the work that they have done.

Lastly, think about revisiting your rates. During the LIANS Solo and Small Firm Conference, one speaker told attendees to consider increasing your rates and do not make small changes. For example, increase them from \$180 to \$225, not \$180 to \$185. If your client objects to the increase, suggest that you will charge them at the old rates if they pay up front. This ensures that you will get paid and your client is happy that they are continuing to get work for a lower rate.