Beyond Financial Reporting: Demonstrate Value, Increase Credibility and Become a Trusted Advisor

Presented by
Rebecca Haack

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Beyond Financial Reporting

Demonstrate Value, Increase Credibility, and Become a Trusted Advisor to Partners and the Management Team

A reliable legal management professional is essential to managing a successful law firm.

How do you make sure that your value is known to the leaders of your firm?

• The numerous spinning plates in the back-office of a business are vital — when one drops, everyone hears about it. When everything goes as it should, no one notices. The key to having your value noticed is to keep all your plates spinning on one hand, while also maintaining a strategic conversation with the partners on the other.
Objectives:

• Discover how to avoid your defensive mode to open-up communication and correct problems and moving forward.
• Discuss how to put the most vital topics all on one page so attorneys can glance at the info in a single place.
• Show how bringing facts and research studies to the attorneys can help make your case for myriad decisions.
• Outline how to add a summary to your reports with meaningful bits of information.
• Identify how relating all decisions and requests to profits is vital to success.

Drop the Defenses!

• Be as neutral as possible. Strong opinions are good, but not strong emotional responses.
• Responding defensively is a bad thing, and it may not be obvious to you, but it’s obvious to the person speaking to you.
• Drop the Defense! When you’re responsible for everything and everyone, something is bound to go wrong and it will reflect on you. And that is OK.
• When defensive mode, we automatically listen for inaccuracies in order to refute errors, make a case, and remind the other party of their own wrongdoings. Avoid this.
You are only the messenger, not the cause of a negative report.

It’s OK to produce a negative report.
Have solutions available, not excuses.
If costs are up, explain why and offer a solution.
  • Identify where and research ways to reduce them
Profits are down? Know why and have ideas to bring them up.

If overall hours are low, what is causing this? What’s your plan to bring them up?
  • Improve morale
  • Proved carrots for good work
  • Possible change in staff is needed

Put the most vital topics all on one page so attorneys can glance at the info in a single place.

• Bring your reporting to the 5K level. Attorneys are busy and want info at a glance. Best way to do that? Put the most vital topics all on one page.
• Use Excel to give snapshots of A/R, WIP, and Receipts.
• Dashboards
Typical Reports

Monthly Productivity – Time entered in Hours, Dollars
Billings per Attorney – Fees Billed during the period
Cash Receipts by Attorney – Fees paid during the period
Monthly A/R – Dollars – Fees left unpaid during the period
New Client Intakes
Income Statement
Balance Sheet
How to Make a Heat Map in Excel

1. Select your data
2. Home>Conditional Formatting>Color Scales
3. Choose the color scheme you like, and you’re done!
Heat Maps are HOT

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<th>Mar</th>
<th>Apr</th>
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Make a separate selection for the Total column

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How to add Spark Lines in Excel

1. Click Insert>Line
2. Enter the data to pull from for the line
3. Enter where you want the line to go

Add % of Total column to show ranking:
How to add % of Total:

1. Copy the Total Row and place in adjacent column
2. Rename Column “% of Total” or similar
3. Enter a formula to divide the value in Total row by the Grand Total value.
4. Make sure you use $s in front of the cell column and row, so that it doesn’t change when you copy/paste the formula
5. Copy the formula and paste into every row.
6. Select the entire %-of-Total column and change number formatting to be %
This one also looks better as a heat map, but sad there isn’t more green...
Edit the Conditional Formatting parameters to make the cash look “happier” 😊
Edit the Conditional Formatting parameters:
Home>Conditional Formatting>Color Scales>More Rules

Conditional Formatting Rules, Default Format:

Conditional Formatting Rules, Change To:
Adjusting the Formatting Rules draws more attention to problem months:

- **Green Indicator**: lowest cash-receipt number is acceptable
- **Yellow Indicator**: value that cash receipts would start to become worrisome
- **Red Indicator**: unacceptable level of cash receipts

### How to Make a Chart in Excel (to measure dollars over time)

1. **NO** empty rows or columns, an empty cell is ok
2. Select your data (exclude Total rows/columns)
3. Insert > Charts
   - Choosing “Recommended Charts” will let you browse through several
4. Manipulate the fields and attributes to get the appearance you want
5. Customize Title and details

**PRO SHORTCUT**: Select your data and hit ALT-F1 to make a chart.
Using the same data from our Cash Receipts example, below is what Excel spits out at first:

Will need to:
1. Change Title
2. Sort Data
   (sort table data to change the chart)
3. Format Numbers
   (also done on the table and not directly on the chart!)
4. Change Colors
   Chart Tools>Design
   TONS of custom options
Rainmakers are skewing data? Use the filters to hide them.

Combine All Three:
Life Cycle of a Fee Entry

Overlap all three reports.
Bring a little science to what you want.

• Provide facts, research studies, and show thorough thoughts about what you want to do, whether it’s an additional staff member, a remodel of space, or more snacks in the kitchen. Attorneys love facts. Actually, they probably hate facts. But, they respect them. And they’ll respect you for using them.

Report in 3-D.

• Always add a commentary to your reports about the meaningful bits of info, such that an attorney could read your summary and never have to open the report to understand the situation. Just like Cliffs Notes, but for financial reporting, you want the partners to ace the test when speaking amongst each other, even if they haven’t done all their homework.
What do you want to convey in these reports?

Monthly Productivity – Hours, Dollars
Billing per Attorney
Cash Receipts by Attorney
Monthly A/R – Dollars
New Client Intakes
Income Statement
Balance Sheet

Download Power BI Desktop – it’s FREE
Profits per Partner

• Show them their profits, how you’ve increased it, or plan to increase it, and you’ll win their hearts forever.

• Partners love to think about profits. It’s (usually) why they are in business—to make money.

• When asking for something (a new copier, change in office space, new employee, etc.) always know what it will cost the partner. When speaking individually, know how it will affect them based on their % ownership—i.e. cost is $100K, and your 40% share of that is $40K).

• Even better than what something costs, always be prepared to discuss how it could increase profits. Spend money to make money. Be prepared to back this up with research or case studies!

Thank you!

Please feel free to reach out:

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rhaack@Fullenweider.com
713-624-4122
Your opinion matters!

Please take a moment now to complete the evaluation.

Thank You!