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— CHANGE . . . RESULTS . . . SUCCESS —

CREATING A PLAN FOR NEXT YEAR

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Here we are, poised to start another year. Where did the year go? I don't know about you, but my year went by in what seemed like the blink of an eye. I had so many hopes and plans for the year.

Sure, I got some things accomplished. But a whole bunch more exceeded my time and ability. Are you in the same position? I bet more of you than care to admit are silently smacking yourselves on the side of the head, frustrated that another year has flown by without your best ideas being accomplished.

Keep the self-flogging to a minimum. You're not alone. But you — we all — can do better. Let's start now with the planning process for next year. And hopefully doing some of this together will enable you to execute your plans better in the coming year. Because we're going to be a bit more systematic. Way more realistic. And manage our calendars a bit better.

Let's start with some guidance from Pittsburgh-based consultant Wendy Witt (<https://www.milliondollarattorney.com/>) who focuses on helping overworked, underpaid and overwhelmed attorneys transition to the life they love. Wendy's research leads her to believe that “. . . happiness comes first and success is a result of happiness. . . You can change your life and be happier by modifying how you allocate the 168 hours we each get every week.” If you haven't read Wendy's inspiring article, “*Formula 168: How Lawyers Create the Life They Want*,” you should ask her for a copy.

For our planning purposes, your starting point is to calculate the amount of time you can actually devote to work. Now separate that time (if applicable) into time available to spend on client work, building and managing your firm, and marketing. Marketing will include client development, retention, building your brand, and building your networks.

If you have your own firm, you should do some math to determine whether the time you (and any associates) can devote to client work is sufficient to give you the income you need and desire. Remember that you will not actually record all your time at work. Most attorneys manage to record only about 60 – 80% of the time actually worked.

There are many ways to calculate potential income. For example, if your work is straight hourly, multiply your realistically recorded percent of time at work by your rate. Reduce it by the billing write-down typical for you. If you don't know, go conservative with 5%. Then mark down the remaining number for your receivable write-down. If you don't know, go with the national average of 7%. That gives you your approximate gross revenue.

If you do work on a contingent basis, look at the trend lines from past years, and what you have in the pipeline as you enter the new year. Take a conservative guess.

Deduct your typical overhead (based on prior years) excluding your own compensation and benefits. What's left is your projected earnings to cover your benefits and take home pay. Not enough to meet personal goals? Raise your rate and recalculate.

Other strategies, other than working a whole bunch more hours? Keep in mind that any shortfall is rarely on the expense side. Don't waste too much time making expense cuts to pick up pennies. Revenue is the culprit you have to address.

Consider converting repetitive transactional hourly work to flat fee to increase the profit margin. Capture a greater percentage of your time at the office. Maybe you should be using software to make this improvement. Write down less at billing. Improve collection procedures. Speed up your billing and collection cycles.

Do a rate increase. (I literally have to twist arms when it comes to rate increases. Attorneys are always positive that an increase will cause client loss. With the exception of institutional clients, this fear just isn't justified!)

Now that we've gotten past the point of making sure revenue and earnings will be sufficient, we need to take available hours in your 168-weekly allotment and allocate available time to all the other work-related activities. Depending on whether it is your firm or not, and whether you have others dictating your activities, or you can do so yourself, some or all of the following may apply.

How many hours will go into the following categories? Hint: Be sure to include travel time where appropriate.

Law firm administration

- financial management
- systems maintenance (IT, HR, etc.)
- committee activity
- firm / partner meetings
- firm projects
- mentoring / recruitment
- chairing a department / department meetings
- **Continuing Legal Education**
- **Professional Activities**
 - bar leadership & service
 - bar events
 - professional, trade or other association participation
- **Pro Bono**
- **Marketing & Business Development**
 - speaking engagements
 - writing articles for professional or industry publications
 - writing newsletters, blog posts, client alerts, social media
 - networking / development of referral sources for new business
 - planning client events, including educational
 - mailing / emailing list maintenance

So now what? Here's where you get to really dig into the weeds to develop your plan for the new year. By starting out with how much time is available, we keep it realistic. You will find, for example, that if you try to allocate time in every single marketing category above, you may have insufficient time to really accomplish anything. So now you have to determine how much you can delegate. And what really matters.

What are the most important goals to reach? Break each goal down into the objectives necessary to get there. What will it take to accomplish the objective? Which aspects can be delegated? How much oversight (time) must you provide? Which do you have to do yourself? When do you want it all completed?

As you go through this back-and-forth you will fine tune, eliminate, add, recalculate, defer some goals, all while looking at the total commitment of time. When you finally have your realistic goals and mostly-defined objectives to get there, it's time to actually schedule the work. That means blocking out increments

of time on your calendar, starting in January, and running throughout the year to the end of December. This step is the most important and makes the difference between having great ideas that never come to fruition versus reaching your goals. This is the step most attorneys miss.

It's not enough to have a great idea. It has to be broken down into the steps needed to convert the idea into action. And then all the steps need to have time set aside on the calendar to accomplish them. Otherwise, work and life will always push them to the next week, the next month, and ultimately the year will end with little accomplished. Let's not repeat that mistake!

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