

# From Overhead to Opportunity

The case study of Total Sum Accounting's partnership with a substantial midsize law firm demonstrates how strategic changes in accounting practices and software can dramatically improve a law firm's financial performance and compliance. By outsourcing accounting, implementing evergreen retainers, and adopting specialized trust accounting software, the firm achieved significant cost savings and revenue increases. Let's explore three key strategies that contributed to their success and how you can implement similar changes to reduce overhead, increase realization rates, and ensure compliance in your own firm.

## STRATEGY #1



### Outsource accounting to reduce overhead

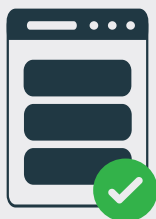
The law firm saved \$150,000 per year by outsourcing their accounting to Total Sum Accounting. To apply this at your firm:

- Calculate the full cost of your in-house accounting team (salaries, benefits, office space, etc.)
- Research law firm accounting specialists in your area
- Compare the cost and expertise of outsourced options vs. in-house team
- Consider the added value of specialized law firm accounting knowledge

**Potential impact:** Assuming a 30-lawyer firm, the \$150,000 savings equates to \$5,000 per lawyer per year in reduced overhead.

**Increased Profit: \$5,000 per lawyer per year.**

## STRATEGY #2



### Implement evergreen retainers to increase realization

The firm increased their realization rate from 50% to 90% by implementing LeanLaw's evergreen trust requests. To apply this at your firm:

- Implement billing software that supports automated evergreen retainer requests
- Establish clear policies for minimum retainer amounts and replenishment triggers
- Train staff on how to communicate retainer policies to clients
- Regularly review and adjust retainer amounts based on case complexity and billing history

**Potential impact:** Increasing realization from 50% to 90% on \$300,000 annual billings per lawyer would result in an additional \$120,000 in collections per lawyer per year.

**Increased Profit: \$120,000 per lawyer per year.**

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## STRATEGY #3



### Utilize specialized software for trust accounting compliance

The firm resolved their trust accounting compliance issues by switching to LeanLaw. To apply this at your firm:

- Evaluate your current trust accounting practices for compliance with bar association rules
- Implement legal-specific accounting software with built-in trust accounting features
- Ensure your accounting team is trained on proper trust accounting procedures
- Regularly audit your trust accounts for compliance

**Potential impact:** While difficult to quantify directly, proper trust accounting compliance can prevent costly ethics violations and potential disbarment. It can also increase client trust and potentially lead to more referrals.

 **Peace of Mind**



## Implementing Game-Changing Financial Practices

This case study illustrates the transformative power of specialized accounting practices and technology in legal finance management. By outsourcing accounting, implementing evergreen retainers, and ensuring trust accounting compliance, the firm realized substantial financial benefits and mitigated significant risks. **These strategies offer potential annual improvements ranging from \$5,000 to \$120,000 per lawyer, alongside invaluable compliance assurance.**

As you evaluate your firm's current financial practices, consider how adopting similar approaches could optimize your financial performance and operational integrity. Remember, these improvements not only boost profitability but also enhance client trust and firm reputation, positioning your practice for long-term success.