



**eBook:**  
**Why Accounting Firms  
Should Work With  
Law Firms**



# CONTENTS

## **Chapter 1: Why attorneys make for great clients** 3

Aside from the fact that attorneys make enough money to pay their bills, they also make good clients because they are willing to do detailed, sometimes tedious work (sound familiar?) so that their clients can achieve the best outcomes. They are like you: smart, detail-oriented, service providers.

## **Chapter 2: How accountants can help attorneys build a better law practice** 5


Accountants and bookkeepers are poised to help law firms operate more efficiently with direct ramifications to cash flow, attorney compensation, staff efficiency, client profitability and compliance with their state's bar association as to how they manage their funds held in trust. (We've included a checklist.) When financial data is organized and well prepared, it can offer critical insights into the operations of a firm.

## **Chapter 3: How to get law firm clients** 10

Demonstrating that you speak "their language" and understand how they operate will go a long way toward securing their trust. An example is to have a general understanding of how attorneys compensate themselves: how they invoice, how they pay themselves and what insights can they get from that data. It will differ from law firm to law firm, but they all follow basic concepts of who originated the work, who was the working attorney and what is the overhead. And, we'll give you a checklist of things to do.

## **Chapter 4: The law firm opportunity for accounting firms – fast start guide** 14

Now that we've gone over that lawyers make for great clients, how to get them as clients and how accounting firms can help attorneys, we'd like to get you up and running with your new focus on attorneys. Following are 9 quick tips to make this happen.



# WHY ACCOUNTANTS SHOULD WORK WITH LAW FIRMS

## WHY DID WE WRITE THIS GUIDE?

A significant aspect of the LeanLaw movement is to streamline your operating workflows - especially timekeeping and billing -- and for that, lawyers and their bookkeepers / accountants need to foster strong working relationships which will advance understanding and efficiency. LeanLaw wants you to know that small law firms are excellent clients.

LeanLaw's founder, Gary Allen, a lawyer with 30+ years of experience, has a bird's eye view of how pricing pressure and other changes are shattering the traditional practice model centered around the billable hour and paper-intensive workflows. Lawyers need to adapt to this new reality to achieve a healthy, lean law practice. Accountants and bookkeepers are the people to help them get there.

## WHO IS THIS GUIDE FOR?

This guide is for accountants and bookkeepers who are looking to niche into the legal world, especially for small and solo law practices. But any accountant or bookkeeper who has a service provider for a client can benefit from this guide. This guide will help you understand what lawyers are looking for in terms of financial guidance and how to position yourself as an expert. We'll help you get there.



# CHAPTER 01

## WHY ATTORNEYS MAKE FOR GREAT CLIENTS

Aside from the fact that attorneys make enough money to pay their bills, they also make good clients because many lawyers are attracted to legal work in the first place in order to provide “justice for all.” (See: [Lawyers are Heroes](#)) They are willing to do detailed, sometimes tedious work (sound familiar?) so that their clients can achieve the best outcomes. They are like you: smart, detail-oriented, service providers.

Lawyers get a bad rap and the stereotype is wrong. We’ve been working with thousands of lawyers over the years. We know why they are good clients.

- » Many have interesting cases with altruistic missions. (again, [Lawyers are Heroes](#))
- » Lawyers ask good questions, are detail oriented and care about their clients.
- » Attorneys are intellectual – these are the clients who have the capacity to learn about their accounting – making your job easier and more fulfilling.
- » Attorneys take direction well – they are used to giving direction and appreciate it when it’s done in a professional way.
- » Lawyers also have specific accounting rules established by their bar associations. Once you have ingested and understood the rules of say, trust accounting (bookkeeping, reconciliation, auditing, etc.), you can use the same expertise for all of your other attorney clients in that state. The rules are the same.
- » Attorneys are a great referral source. And if you can get more lawyers as clients, you’ll be interfacing with similar businesses which speak the same language and see you as a fellow service provider.

**Being recognized as an accountant who has a lot of lawyer clients  
will elevate your brand and give you the positive association with a  
sophisticated group of professionals.**



---

**LAWYERS WHO RECEIVE TRUST  
ACCOUNTING RETAINERS FROM  
THEIR CLIENTS ARE LAWYERS  
WHO HAVE A HIGH LEVEL OF  
TRUST FROM THEIR CLIENTS.  
THIS IS A MARKER FOR YOU AS  
WELL: TO BE ASSOCIATED WITH  
TRUSTWORTHY ATTORNEYS.**

---





# CHAPTER 02

## HOW ACCOUNTANTS AND BOOKKEEPERS CAN HELP ATTORNEYS BUILD A BETTER LAW PRACTICE

### HOW LAW FIRM ACCOUNTANTS SUCCEED

Accountants and bookkeepers are poised to help law firms operate more efficiently: They can help managing partners and principal attorneys get a better grasp of their business – with direct ramifications to cash flow, attorney compensation, staff efficiency, client profitability and compliance with their state's bar association as to how they manage their funds held in trust.

#### IT'S MORE THAN ACCOUNTING.

When financial data is organized and well prepared, it can offer critical insights into the operations of a firm.

Most lawyers run their law practices from their gut, assessing their cash flow in real time based on their work in progress and receivables. Accountants and bookkeepers won't necessarily stop that, but you can augment gut feelings with data.

Accountants and bookkeepers have the opportunity to lay the foundation, establishing best practices so that the attorney can focus on his or her practice. A tool like QuickBooks Online paired with LeanLaw can offer a more robust view of timekeeper efficiency, which clients are the good clients (fiscally speaking) and the firm's profitability.

### DATA ORGANIZATION

Another example is helping the lawyer tune the invoice so that the data is presented in the most effective way. This also creates the opportunity to add electronic payments such as the QuickBooks Payment Network.

The value add is that the more effective the law firm invoice the more quickly it will receive payment. This helps both the attorney and the client, making the attorney's practice feel more professional.

Accountants and bookkeepers can make a lawyer's life better and help her run the law firm more efficiently by thinking beyond bookkeeping and accounting: showing how best practices can stabilize and offer insights into the practice.

This is what will differentiate your accounting practice from others. You already understand this because the same principles apply to your work. Time trackers, professional services invoices, good clients and bad ones... your work is similar to theirs.



# SELECTING AND IMPLEMENTING THE RIGHT TOOLS.

Accountants and bookkeepers can help law firms choose which accounting tools will best serve them and then teach the law firm how to use them so that they become institutionalized. Attorneys look to accounting professionals to validate the timekeeping to invoicing workflow as it relates to accounting. There are other areas that you can be familiar with but you don't need to be an expert — just validate that the tool you suggest can handle their accounting needs.

## THE MECHANICS OF HOW A TIME TRACKING SOFTWARE (LIKE LEANLAW) WORKS.

- **Tracking time**
- **Accommodating how the firm bills:**

HOURLY



FIXED FEE



HYBRID



RETAINERS



CONTINGENCY



- **Invoicing:** The attorney will understand if and how she likes to track time, but it's your job to make sure the software can produce and present an invoice that the attorney can approve.
- **Integration:** A secondary concern is how that tool integrates with the accounting. Does it reflect real time financials, does it sync on demand or is it manual? All of these play into the work needed to make the workflow operate efficiently.
- **Trust Accounting**
  - Know the basics of the rules for the state in which the attorney practices.
  - Does the accounting and invoicing tool accommodate the requirements for the firm to be compliant?
  - If so, what will the workflow be based on the lifecycle of a client trust account?







Remember, there are different situations where money is held in trust. The most common is in the form of a retainer. But lawyers will use trust accounts to manage transactional activities and/or settlements.

- **Reporting:** This is commonly overlooked as most accounting firms limit their thinking to financial reports such as a P&L, Balance Sheet or an accounts receivable report. In addition to these reports, attorneys need reports related to:
  - Timekeeper production
  - Partner compensation
  - Client origination
  - Client profitability
- **Migration:** Help the firm not only select the tool, but develop the roadmap for changing:
  - Schedules
  - Training
  - Data migration
  - Best practices

All of the work related to the migration is an opportunity to create the proper foundation, both technically and fiscally. It can also stage how the relationship with the law firm will work and where to highlight your value-add.

**This is a great opportunity to join forces with an IT firm that can assist with other aspects of technical migration.**

**While your firm will lead on the accounting side, the IT firm can assist with document or email migrations. More value-add for the law firm and possible referrals for your firm.**





# BEST ACCOUNTING PRACTICES - A CHECKLIST

You can help establish best practices for basic bookkeeping and other transactional activities for the flow of money in and out of a legal practice. This is critical, as the firm/attorney wants to be told what to do.

In some instances you may be performing the bookkeeping and in others, the firm will have someone in-house, doing some or all of this work. Regardless, you get to lay down the rules as to how the bookkeeping gets done.

This puts you in a position to get the right data into the accounting engine. This will translate into better reporting and less manual work.

## WORKFLOWS TO CONSIDER SYSTEMIZING:



### The Invoicing Workflow

- Client onboarding and setup
- Receiving trust or retainers
- Staying compliant to ABA rules (audit ready trust accounting)
- Tracking staff time
- Billed, non-billed, how much time and when - this will paint a picture as to how effective a timekeeper is
- Fixed fees vs. hourly or hybrid fees - this kind of flexibility helps the lawyer find the best way to bill the client for profitability and affordability
- Reimbursable expenses or client costs
- Invoice presentation and delivery
- Receiving payment by check or electronically
- Making payments from trust.

Checklist continued on next page:



## Accounts Payable Workflow Reconciliation and Reports

- 3-way trust reconciliation

## Fiscal Compliance

You'll need to know the proper architecture for handling trust according to ABA standards in QuickBooks Online – we have two videos that can show you the overview – [the easy way](#) (with LeanLaw) and [the hard way](#) (without LeanLaw)

Proper best practices for trust requests, the handling the transactions of funds held in trust, and the reporting of trust.

How to ask for trust requests (SEE VIDEO, ABOVE)

- The trust request form
- How to receive the retainer – check or electronically
- What / How to memorialize
- How to deposit
- How to keep track of trust balances against active matters
- How to disperse funds held in trust
- Paying an invoice from trust
- Paying a fee related to a matter directly from trust
- Disbursing trust money for a settlement or refunding back to client.
- 3-Way trust reconciliation

- How to generate trust reports
- How to archive trust from an accounting perspective

## Outsource the invoice production and accounts receivable.

You could invoice for the law firm — service that you can offer — it's all online, they would submit timekeeping reports.

## Help them interpret:

- The health of the firm
  - Typical financial reports (P&L, balance sheet, AR, cash flow)
- The health of the law firm's clients
  - Is it profitable?
  - AR collected?
  - Trust balance
  - Timekeeper reports
- The health of their law firm staff
  - Staff productivity
  - Time billable vs. billed

---

**LeanLaw works with hundreds of lawyers every day. Our mission is to help every law firm create a lean practice, unencumbered by log jammed workflows and inefficient software. If you have a question about law firm efficiency, contact us. We have probably already thought about a solution for that exact problem.**

---

*And to get a better sense of how LeanLaw legal software can improve your law firm client's operations, sign up for a free account with our [LeanLaw Accounting Pros program](#).*



# CHAPTER 03

## HOW TO GET

## LAW FIRM CLIENTS

### LAWYERS ARE JUST LIKE YOU

Lawyers by definition are highly educated, detail oriented clients who expect the same sort of professionalism from you as they deliver to their own clients. Demonstrating that you speak “their language” and understand how they operate will go a long way toward securing their trust.

An example is to have a general understanding of how attorneys compensate themselves: how they invoice, how they pay themselves and what insights can they get from that data. It will differ from law firm to law firm, but they all follow basic concepts of who originated the work, who was the working attorney and what is the overhead. Larger firms will have more complex profit sharing based on partner status.

### PRODUCTIZE YOUR OFFERING

In your initial meeting with a law firm, you'll be more apt to secure their business if you tell them how you work and exactly what that would look like — specific to this client. If you can productize your work, for example: my offering costs \$x / month and I will do these specific things for you, you give them a framework with which they can understand how their money will be spent. This is critical. They will be hiring you to create workflows and consistently repeatable tasks. Let the attorney know your process and what they can expect in terms of cost, both onboarding and ongoing.

Along with productization, you can offer additional services. Your core offering might be monthly account reconciliation and reporting. You could add outsourced invoicing or compensation reports. You don't want to nickel and dime them, but you can offer value-added services that will increase your profitability with the client and make you and your team more valuable.

Compensation reports may be part of the monthly reports or if they are complicated, can be an add-on. There also could be timekeeper reports and client profitability reports.

The success for most service providers is about managing clients' expectations. When they understand that you do more than just bookkeeping in addition to your expertise with law firms, and that you can give them extra advice (through reporting) – you will be the most desirable candidate as they search for an accountant.



A man with grey hair and glasses, wearing a grey suit and a blue tie, is sitting at a desk in a modern office. He is looking down at a white document he is holding with both hands. The office has large windows in the background, letting in bright light. There are other desks and computers visible in the background, but they are out of focus.

# UNDERSTAND THE LEGAL INDUSTRY

It's important to be familiar with legal industry software. You don't need to be an expert, but a law firm will need either a practice management tool that includes invoicing or they will want a stand-alone. You can use this know-how and possible certification (depending on the vendor) as a sales tool. This doesn't mean you can't adopt to a different tool based on the client's preference, but by developing a list of preferred tools, you're beginning to speak their language.

This also creates an opportunity to develop the best practices and basic workflows in your organization, thus making your team more efficient in servicing your clients. Remember, if your client uses an inefficient time tracking tool that doesn't speak to QuickBooks Online, you will inherit inefficient workflows and manual work. This may not be the client you want. Understanding how this tool will integrate with the overall accounting workflow is crucial.

You'll also need to understand how a law firm operates:

- *Who the players are, what they do and their seniority. Make sure you know the difference between an associate, paralegal and partner.*
- *What kind of law they practice and how that impacts their invoicing and accounting.*
- *How they bill (hourly vs. fixed fee vs. hybrid).*
- *Do they work with trust / retainers?*



## IDENTIFY THE SIZE AND TYPE OF FIRM THAT FITS BEST FOR YOU.

Solo, Solo + (solo attorney plus staff), micro (2-4 partners), small law (5-10 partners) or larger firms. Each group has their own needs and accounting requirements. Don't think you can be all things to all firms. Pick your niche and be perfectly clear as to why you are best suited for these folks.

You can also decide if you want to work with specific niches of law. General Practice, Defense, Family Law, Transactional, Estate Planning, Litigation, etc. While most of these firms bill hourly, you will see differences based on the law practice. As an example, estate planners will have a heavy use of fixed fee work vs. a transactional attorney who bills hourly. Understanding these subtle differences goes a long ways to building trust and rapport with the firm.

## CREATING CLIENT FLOW

Part of sustaining your accounting practice is to make sure you have a consistent stream of clients. Many accounting firms rely on networking to generate referrals, but social media and SEO marketing can also help get you there.

For most accounting firms, social media is about being found online. So, what you really need to consider is how a prospective client — a lawyer — would find you. Online search is the most important marketing effort an accounting firm needs to get right.

True social media efforts are comprehensive and require SEO optimized websites, a true content production schedule and a very methodical social media posting routine. It's time consuming, requires investment and is highly competitive. This doesn't mean that search can't be of service to you, but you need to think about how to get clients or how you want to get clients. If it is referral, then you need to be found. If it is search, then you need basic SEO and SEM tactics.





# ONLINE PRESENCE

A few tips. An accounting firm's social media / digital marketing activities are directly related to three agendas:

**Being Found:** If I search "Law Firm Accountant Dallas" I see a slew of information that helps me both qualify and contact that specific accountant. While I know XYZ Accountant didn't proactively drive these search results, it happened organically from her website and other web locations, (LinkedIn, news articles, YouTube, etc.). Every accounting firm should make sure their information is accurate and complete in the following locations:

- Your Business Website
- LinkedIn
- Google Plus
- Google Business Listing
- Twitter
- Bing Business Places
- Any accounting specific listing sites
- Refer.com

If you are already a law firm accountant or bookkeeper or have some other "consumer" facing practice, Search Engine Marketing (SEM) can be very useful as it relates to folks specifically looking for legal services on the web. You would actually pay for those folks that click your search links.

All accounting firms should make a decent looking business website. You'll need a current headshot, a short two-sentence bio, a longer 10-14 sentence bio, and your contact info.

If you want to engage law firms, make sure you speak directly to what lawyers are looking for: Get specific about how you know the legal industry and can add value to their bottom line. The lawyer will engage when they find a vendor that speaks to their needs. Remember, you're not closing a deal when someone looks up your bio, you're just trying to get them to make the first call.

You should also consider a service like [Refer.com](https://refer.com). They help facilitate a process that drives referrals. This process will make sense to accountants and bookkeepers and work within their core competency.

Every accounting firm needs to deal with search engine optimization and social media marketing. LeanLaw can point you in the right direction, get you in front of experts and give you viable alternatives if sales coaching for law for your accounting or bookkeeping firm seems overwhelming. If you want this kind of thoughtful, curated-for-you advice, give us a call / email / IM at LeanLaw. Our mission is to help you have a lean practice: efficient and cost effective.







## 9 THINGS YOU CAN

## DO TO ATTAIN LAW

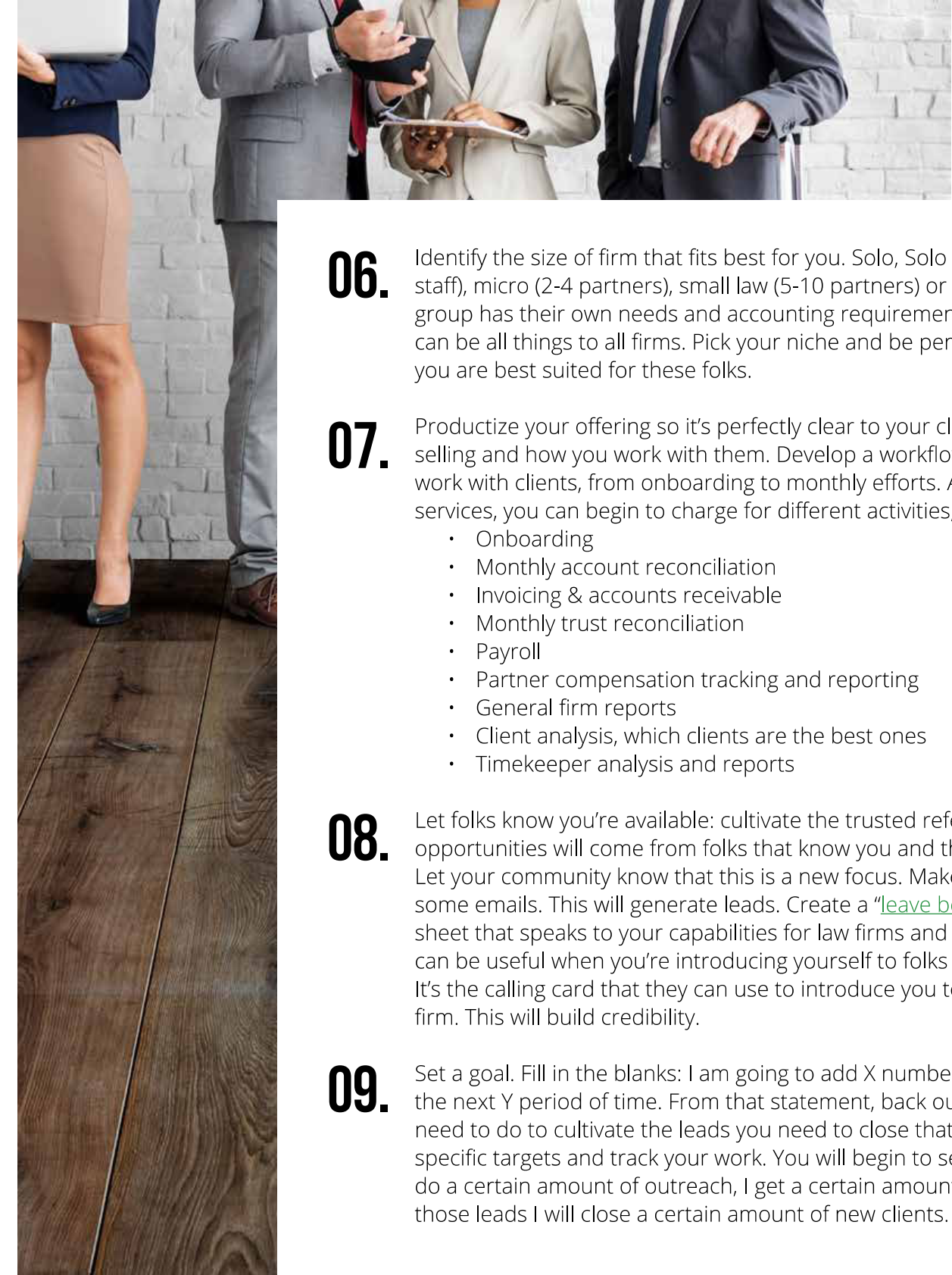
## FIRM CLIENTS

## CHAPTER

# 04

- 01.** Get familiar with law firms. This means knowing legal lingo and legal practice areas. Speaking law firm language goes a long ways to building trust. All law firms bill differently: hourly, fixed-fee, hybrid.
- 02.** Know the software tools related to timekeeping and invoicing for law firms. You don't need to be an expert on practice management, but you should know the leaders in the industry and have your preferred tools. This knowledge will allow you to better communicate how you work with a law firm. Lawyers will look to you for guidance. There is a real difference between supporting QuickBooks Desktop and TimeSlips vs. QuickBooks Online and LeanLaw. Both do similar things, but the latter solution offers the flexibility of the cloud and the efficiency of automation.
- 03.** Know the rules. Study [trust accounting](#). It's well documented from the state bar associations. Your value-add is that you can assure the law firm is compliant in their trust accounting. This is meaningful because we've encountered firms that are about to stop accepting retainers because they are too difficult to manage. With LeanLaw's automation and built-in compliance, trust accounting becomes streamlined.
- 04.** Make sure you communicate your expertise via your online and social marketing efforts. LinkedIn, Facebook, your webpage, and most importantly your QuickBooks Online ProAdvisor page. Anywhere a client may want connect with you, make sure you articulate the service, expertise and value you bring to their firm. Try to be specific to the types of law firms that you serve. Think through the value you bring and what they need to read/hear to initiate a phone call.
- 05.** Interview an attorney or three. Make a call, buy an attorney a coffee. Listen to their pain points and think about how your offering can make things easier. Think: workflows. Ask them how they invoice, from start to finish. You want to get a sense of how you would improve that for a firm. Feel free to reach out to us. We coach accountants and bookkeepers all the time.





**06.** Identify the size of firm that fits best for you. Solo, Solo + (solo attorney plus staff), micro (2-4 partners), small law (5-10 partners) or larger firms. Each group has their own needs and accounting requirements. Don't think you can be all things to all firms. Pick your niche and be perfectly clear as to why you are best suited for these folks.

**07.** Productize your offering so it's perfectly clear to your clients what you're selling and how you work with them. Develop a workflow around how you work with clients, from onboarding to monthly efforts. As you develop your services, you can begin to charge for different activities, such as:

- Onboarding
- Monthly account reconciliation
- Invoicing & accounts receivable
- Monthly trust reconciliation
- Payroll
- Partner compensation tracking and reporting
- General firm reports
- Client analysis, which clients are the best ones
- Timekeeper analysis and reports

**08.** Let folks know you're available: cultivate the trusted referral. Your new opportunities will come from folks that know you and think you're capable. Let your community know that this is a new focus. Make some calls, send some emails. This will generate leads. Create a "[leave behind](#)" — a one sheet that speaks to your capabilities for law firms and your offering. This can be useful when you're introducing yourself to folks that will be referring. It's the calling card that they can use to introduce you to the rest of their firm. This will build credibility.

**09.** Set a goal. Fill in the blanks: I am going to add X number of law firms over the next Y period of time. From that statement, back out what work you need to do to cultivate the leads you need to close that many firms. Set specific targets and track your work. You will begin to see the pattern: If I do a certain amount of outreach, I get a certain amount of leads, and from those leads I will close a certain amount of new clients.

**IF YOU HAVE MORE QUESTIONS ABOUT HOW TO GET STARTED OR  
WOULD LIKE TO BE A PART OF OUR LEANLAW ACCOUNTING PROS,**

**[GIVE US A CALL OR SIGN UP HERE.](#)**





---

Join the Movement!

[LeanLaw.co](http://LeanLaw.co)