

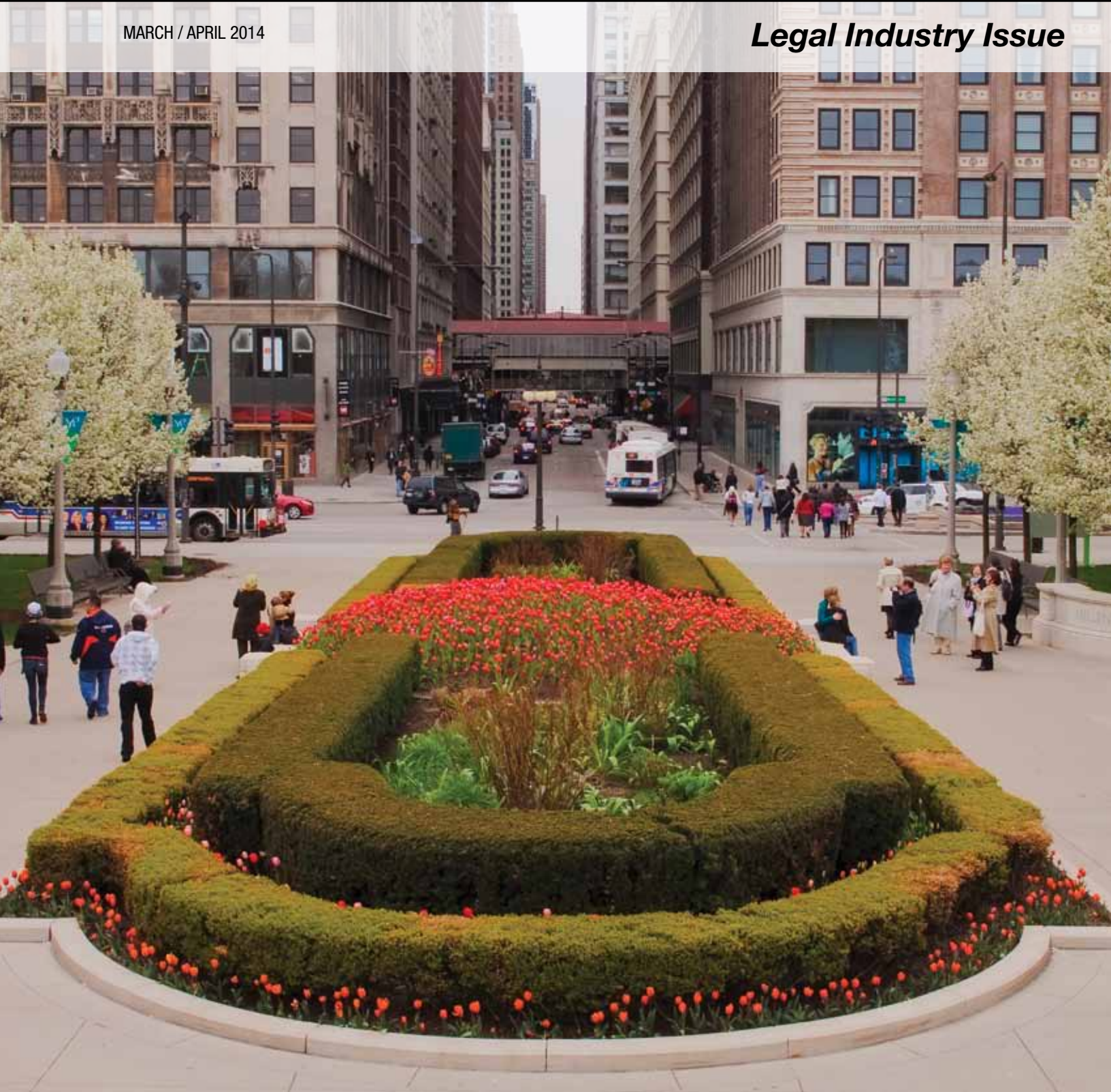


MARCH / APRIL 2014

Legal Industry Issue

INSIDE:

Eileen McArdle: Recycling Workplace Solutions	12
H. Edward Wesemann: The Administrator's Role in Law Firm Mergers	18
Kent Zimmerman: State of the Legal Industry	24
DJ Quinney: Next Generation Physical Records Management	32
Jon Vegosen: Avoiding Employee Handbook Pitfalls	34



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The Administrator's Advantage
March / April 2014

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ALA Mission Statement:

The Association of Legal Administrators' mission is to promote and enhance the competence and professionalism of all members of the legal management team; improve the quality of management in law firms and other legal service organizations; and represent professional legal management and managers to the legal community and to the community at large.

Legal Industry Articles

Recycling Workplace Solutions. 12

By Eileen McArdle

The Administrator's Role in Law Firm Mergers. 18

By H. Edward Wesemann

State of the Legal Industry. 24

By Kent Zimmerman

Next Generation Physical Records Management. 32

By DJ Quinney

Avoiding Employee Handbook Pitfalls 34

By Jon Vegosen

Features

From the Editor 5

President's Message 8

Welcome New Members 11

Upcoming Events 14

Business Partner Profile 15

Bi-Monthly Recap 16

AD Hoc Meeting Recap 26

Sunset Workshop Recap 28

Legal Levity 30

Casino Night Photos. 36

Got CLM? 38

Member Spotlight 41

GREATER CHICAGO CHAPTER MISSION STATEMENT

The mission of the Greater Chicago Chapter of the Association of Legal Administrators is to serve the diverse and evolving needs of our members and the legal organizations they represent by:

- providing high-quality educational programs;
- promoting peer networking opportunities;
- fostering professional alliances with business partners; and
- encouraging our members' active involvement and service in community efforts.

The Administrator's Advantage is published on a bi-monthly basis by The Greater Chicago Chapter of the Association of Legal Administrators. The newsletter is published as a service to The Greater Chicago Chapter members and others interested in law firm management. Any article or advertisement published here should not be considered to be an endorsement by The Administrator's Advantage of the opinions expressed in the articles or of the products or services advertised. Contributing writers are asked to disclose affiliations or interests that may influence their writing positions. Anyone interested in contributing an article or otherwise participating in the production of the newsletter is most welcome and should contact the editor.

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Algonquin Studios	31
DTI	40
Garvey's Office Products	42
Genesis Technologies.....	14
Next Day Toner.....	2
Novitex	44
nQueue Billback	39
Project Leadership Associates	42
Ricoh Legal	5
Special Counsel	44
UPS	45
Warehouse Direct Business Products & Services	10



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One of the many benefits of your Greater Chicago Chapter membership is receiving our bi-monthly newsletter, the ADMINISTRATOR'S ADVANTAGE. We are offering an opportunity to "go green" and "opt out" of the printed copy of the newsletter being mailed to you. Recipients who "opt out" will receive an email notification once the digital version of the newsletter is available for download from the Chapter's website, along with a link to the newsletter.

If you'd like to "go green," please send an email with "request to opt out" in the subject line to ala_optout@crayhuber.com.

From the Editor



By the time you read this, I am hopeful that spring will have finally “sprung”! This year seems to be moving along at a very fast clip. It is important that we keep ourselves informed about the latest news and innovations in the legal industry. To that end, we have several great articles for you.

We are covering topics such as creating green initiatives at your firm, a very informative question and answer session with Kent Zimmerman on the state of the legal industry and what trends we can expect to see in 2014, how to navigate a merger situation and, of course, the ins and outs of record retention, which is something I know I am always working on.

On the lighter side of things, we have a great article on starting an herb garden, top 10 reasons to love spring and other items in our Legal Levity section.

I would like to thank my wonderful committee of volunteers, Jane Klenck, Patsy Carey, Lisa Van Sant, Drema Woldman and Sue Burdett. I would not be able to put this newsletter together without each of your valuable contributions. I am so grateful to have your talents on the committee and look forward to continuing to work with all of you.

We would love to hear from other members on topics of interest to them so please feel free to send your comments, articles or ideas to me or another member of the newsletter committee.

Mary Lynn Wilson, CLM

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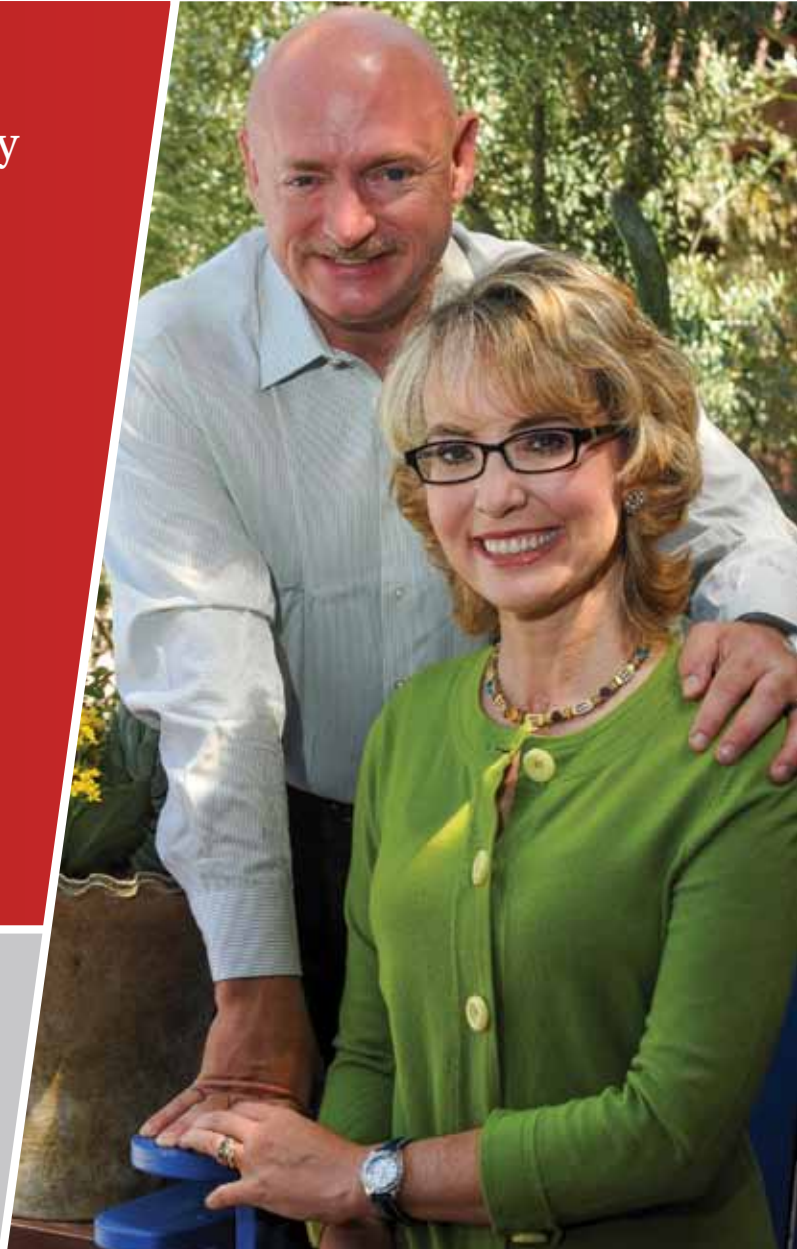
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ALA Announces Giffords and Kelly Will Be 2014 Keynote Speakers

The 2014 Annual Conference Committee is thrilled to announce that former U.S. Rep. Gabrielle “Gabby” Giffords and her husband, Captain Mark Kelly, a retired combat pilot and astronaut, are confirmed to appear as our opening keynote speakers for the conference. Our keynote program, sponsored by Thomson Reuters, will be entitled, Endeavour to Succeed.

Save the dates now to join us in Toronto, and watch your inbox and ALA social media outlets for more exciting conference details. Registration opens in November.



Gabrielle “Gabby” Giffords
Captain Mark Kelly

alanet.org/annual

President's Message



Deborah O'Donnell,
Office Administrator
Pattishall, McAuliffe,
Newbury, Hilliard &
Geraldson LLP

HAVE I GOT A STORY FOR YOU!

When my term began last year, I felt I was reasonably prepared for everything I might face as President except for one thing: writing these bi-monthly President's Messages. What would I write about? The freedom to write about anything is both liberating and terrifying. Couple these emotions with a desire to make the read a good one, and it's a recipe for some good old fashioned stress. Though I never set out to be a storyteller, it seems that this was the style that I adopted. Each

article was a journey: the final product was never at all what I imagined in the beginning. For me, and I hope for many of you, the destination was well worth the ride. So, as I sit down to write this message—my final President's Message—it occurs to me that my final story is one that already has been told. And, just like every good story, it's one that absolutely deserves an encore presentation.

As I mentioned in my very first article, I'm always amazed by what is accomplished in any given Board year, and this year was no exception. It is impossible to detail all the wonderful accomplishments and contributions made by each of our hard-working Board members; it's even harder to express those made by the various committees and member volunteers that support our Board members and the Chapter at-large. But, I'm a gal who loves a challenge! So today, it is my hope that I will share with you their story—our 2013-14 Chapter story—in a way that captures the essence of the year, even if just as mere glimpses in time.

The 2013-14 Board was fortunate to benefit from the service of four Past Presidents. It goes without saying that their sage guidance greatly enhanced our Board discussions and initiatives.

- Immediate Past President, **Cynthia LeGrand**, did anything but put her feet up and relax after her term as President concluded. Cynthia served as the 2013 GCC Educational Conference On-Site Coordinator. Contract negotiations here, AV specifications there; this was no small job, but Cynthia triumphed with aplomb! Thank you, Cynthia, for your tenacious and successful efforts.
- Special Events Director, **Carol McCallum**, served as the 2013 GCC Educational Conference Chair, and together with an incredible conference committee, organized an absolutely outstanding conference! Carol's calm demeanor quieted even the most stressful of situations, and trust me, we had our fair share. Carol is one of the most creative people I know,

and over the years the Chapter has truly benefited from her thoughtful creativity.

- Professional Development Director, **Diane Brummel**, led her team of talented advisors toward a unified goal for Chapter education: introduce new topical ideas and new speakers to the Chapter so as to better enhance the member experience. Mission accomplished, Diane! Diane has a superior eye for detail, and though we tease her about it mercilessly, we are grateful for all her little catches.
- Business Partner Relations Director, **Laura Thompson Sears**, served her post with passion and pride, as Laura has with every Board position she's held for the past 17 consecutive years. Laura is stepping down from Board service in the coming year, giving way to her new service opportunity as an ALA Regional Officer. Service is clearly in Laura's blood, and I hope that the Chapter benefits from her continued service on committees and other Chapter projects. Thank you for your service, Laura.



The 2013-14 ALA Greater Chicago Board

Adding to the 2013-2014 Board's strong foundation were several continuing and returning Board members.

- **Jim Beavers**, Vice President/President-Elect, is fantastically forward-thinking and is out-of-the-box creative. Jim is a strong leader, a wonderful collaborator and he is very quick on his feet. Jim has served on the Board many years, sharing inspiration and plenty of great ideas along the way. I look forward to Jim's leadership next year as Chapter President. I have no doubt that he will serve the Chapter extraordinarily well.
- Treasurer, **John Podbielski**, has been involved in the Chapter from almost the moment he became a member. As a Chapter, we've benefitted from his enthusiasm and his thoughtful approach to Chapter management. I am excited that John has answered the leadership call and will begin his term as Vice President next year.

President's Message

- **Deborah Kuchta** was literally the voice inside my head. Of course, this is mostly because she sat next to me at Board meetings! All kidding aside, in her critical role as Secretary, Deborah's service was unquestionably thorough and extremely diligent. Deborah was a great guide and confidant, and she successfully kept us (and me!) on-point and on-track this year.
- A huge high five to Communications/Website Director, **Betsy Kopczynski**, for her tireless work with the redesign of the Chapter's website. In addition, the introduction of Eventbrite (the Chapter's new event management technology) has significantly transformed the event registration experience, both for the end-user and for those who are managing events. Way to go, Betsy!
- **Marie Coffee** is one of the most charitable and civic-minded individuals that I know. She is personally and professionally committed to charitable service, and because of this the Chapter has truly benefitted from her service as Community Relations Director. Kudos to Marie and her committee for a very successful year. Can I just say that I'm still crazy about that school bus?!
- Mid-Size Firm Director, **Patricia Winter**, continued to serve as an incredible ambassador for ALA and the Chapter to new and prospective members alike. Those who attended the ever-informative monthly Mid-Size Firm Meetings, especially new and first-time attending members, were always welcomed by Patti's warmth and encouraged by her infectious enthusiasm.
- Newsletter Director, **Mary Lynn Wilson**, and her dedicated committee continued the tradition of excellence that is the *Administrator's Advantage*. The *AA* is an exceptional body of work, and I look forward to its bi-monthly arrival, as I know I'll be both enlightened and entertained. Mary Lynn is incredibly hard-working, and I am thrilled that she, too, has answered the leadership call and will serve as Vice President-Elect next year.
- **Ben Shames** has held Chapter board positions in eight of the recent ten years. He is a contemplative and critical thinker, which has served him well in his role as Survey Director. Together with a rock-solid survey committee, the Chapter continued to produce the tremendous resource that is the Greater Chicago Chapter Compensation and Benefits Survey. Ben's wit is to be admired and appreciated, as he has an innate ability to deliver one-liners and zingers at precisely the right times.
- Over the years, **Karin Jackson** has offered dedicated service to the Board and to the Chapter. She's inquisitive, focused and a font of knowledge. I've never had a conversation with Karin when I didn't learn something new. As Finance Advisor, Karin's passion for learning enhanced our educational programming efforts this past year.

A Board's strength lies not with experience alone. Rather, a Board grows and is enhanced by new thoughts and new perspectives. We were, therefore, honored to serve with and learn from our first-time Board members.

- CLM Director, **Jose Cheesman**, has been a kind and dedicated advocate for the CLM Program this year. Hosting and arranging weekly study sessions isn't easy, but Jose has done so with passion and a strong commitment to those who make the decision to take the CLM exam. "Got CLM?" has been an outstanding addition to the *Administrator's Advantage*, and I hope it has inspired members to consider taking the exam. Jose, you'll be hearing from me one day soon!
- As our Large Firm Director, **Courtney Landon** offered great insight and vision. Through spirited debate (and a heckuva lot of laughs), his perspectives helped the Board challenge the status quo this year, and as a result, incredible new member offerings have emerged, like focus-group style Large Firm quarterly meetings, including a new meeting specific to Secretarial Supervisors/Managers. I can't wait to see what this coming year will bring.
- Membership Director, **Jane Klenck**, embraced her role with grace, passion and a commitment to enhancing the new member experience. An outstanding rookie year for Jane and her committee, I'd say! For many years, Jane has served as the Chapter's photographer, capturing all of us in varying aspects of Chapter life. Jane, on behalf of everyone, thank you for publishing only our most flattering of poses (and quickly destroying those which are not!).
- **Randi Kohn**, this year's Small Firm Director, hit the ground running and never looked back. With her constituents always front of mind, Randi sought to enhance this year's small firm meetings. "How about...? Can we...? What about...?"—questions that encouraged us to reconsider existing approaches and consider new options. The Chapter was well-served by Randi's dedication and energy, and I know we can count on her for another great year ahead.
- In her role as Human Resources Advisor, **Ony Beverly**, offered exciting new programming ideas this year. Confident and anything but shy, we could always count on Ony to ask such insightful and probing questions. Ony is unflappable—a trait I greatly admire in her—and I know this trait will serve her well in future Chapter projects, in her new position at work and, especially, in her new role as Mommy.
- Legal Industry/Business Advisor, **Travis Larson**, took the Board by storm with his passion, fresh ideas and incredible sense of humor. Travis was active in several committees this year, quickly involving himself in many aspects of Chapter life. Travis exudes confidence—that anything and everything is possible—and together with a great team of advisors, as Professional Development Director he will no doubt continue the Chapter's line-up of fantastic programming next year.

Continued

President's Message

- **Jennifer Winters'** quiet confidence spoke volumes during educational enhancement discussions this year. Our well-attended Sunset DiSC Profiling Session was the product of Jennifer's vision and tenacity as Operations/Communications Advisor. Jennifer, if I were a "D" instead of an "Si", perhaps we would have come to consensus about the session much sooner!

To my colleagues on the 2013-14 Board, and on behalf of a grateful Chapter: Merci; Gracias; Danke. We can't say "Thank you" enough!


I'd be remiss if I didn't recognize former Vice President, Hailey Moor, on her contributions in the early part of the 2013-14 year. I hope that her new opportunity has been as exciting and challenging as any new opportunity should be.

I'd be equally remiss if I didn't recognize the efforts of all our Chapter committee members and volunteers. An organization like ours exists and thrives because of the willingness of its members and business partners to volunteer their time and talent. Though I can't name and thank each volunteer individually, I hope each knows how much their time is appreciated and valued!



The new 2014-15 ALA Greater Chicago Board

You might be thinking, "What about you, Deb? What's your story?" For me, it is simple: It has been an honor and a privilege serving as the 2013-14 Greater Chicago Chapter President. For someone who rarely is at a loss for words, trust me when I tell you that I cannot properly describe here today how amazing this experience has been.

Our 2013-14 story has come to an end, but I am confident that there's an exciting new story about to unfold in our 2014-15 year. Together, let's turn the page. 



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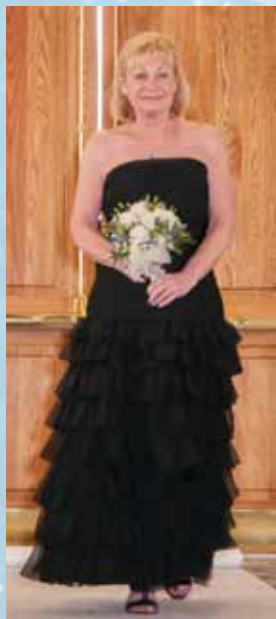
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Happy Retirement to Vivian Schroeder!



Congratulations to Greater Chicago Chapter Past President, Vivian Schroeder, as she retires after 27 years in the legal industry.

Vivian began her legal career with a small law firm in Elkhart, Indiana in February, 1987 after her husband was transferred from the Chicago Area to South Bend. She also joined ALA National that year. Luckily, her husband was transferred back to the Chicago area a few years later. She joined the Greater Chicago Chapter in 1990 and began her involvement on the Board in 1994, first as its IT Advisor (no longer a Board position), and later as Survey Director, Business Partner Director, Newsletter Director, Vice President, President, and Past President. She served on the Board for 11 years.

In addition to her Board service, Vivian had the opportunity to speak at several Regional Conferences, and she served on the local Annual Conference Committee when the National Conference was in Chicago in 1999.

Reflecting back on her years with the Greater Chicago Chapter, Vivian is grateful for all she learned and experienced in her involvement in ALA. "Being a part of this Chapter has given me many pleasures and the most rewarding experiences, but most of all I have met so many wonderful people and have developed long lasting friendships. I hope to continue those friendships in my retirement, wherever I land."

The Chapter wishes Vivian well in her retirement and thanks her for her valuable contributions over the years. You will be missed, Vivian!

Vivian's Board Positions over the Years:

2001-2005	Newsletter Director
2000-2001	Past President
1999-2000	President
1998-1999	Vice President/President Elect
1997-1998	Business Partner Relations Director
1996-1997	Survey Director
1994-1996	Info Tech Advisor

The Greater Chicago Chapter welcomes our new and returning members:

GREATER CHICAGO CHAPTER NEW MEMBERS

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RECYCLING WORKPLACE SOLUTIONS

By Eileen McArdle

What are your largest obstacles to starting or improving your workplace recycling program? What are some easy solutions that make recycling accessible and understandable for the staff? Are your firm's employees ready to change their behavior and become socially responsible?

One of the first steps to improve your work place is to create a **Green Team**. The team should consist of employees within various departments and position grade levels who are available to meet regularly and have a passion for social responsibility. A Green Team can be instrumental in creating behavior change among employees and promoting healthy sustainable practices for the firm. Here are six steps the team can take to initiate change:

1. Audit: If the firm is located in a shared office building, it is best to consult with the building management company first to see what type of recycling is available. Team members can begin by conducting a “visual audit” of their offices. They can walk around the office areas at the end of the work day and visually access what is in the waste and recycling containers. They should look for employees who need a recycling container at their desk, for common recyclables in the waste and for contaminants in recycling containers. This provides an idea of the current practices within your workplace and the type and number of containers that are needed. Look at the options available for employees based on your waste stream. Do they have recycling options for these materials?

**PAPER BOTTLES & CANS SHREDDING ELECTRONICS
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2. Develop a timeline and solution that can be easily adopted based on your audit results. Solutions can be as simple as:

- Hanging **recycling signage** in the break room that shows which items are acceptable and not acceptable in the containers. Pictures work best.
- **Labeling** and **color coding** containers.
- Making sure that a recycling container is placed **next** to a trash container. This makes it easier for employees to do the right thing and for the janitorial staff to collect the material.

- If your budget allows, order a **desk side** container for each desk. The United States EPA estimates that the average office worker produces 2 pounds of paper and paper board product every day.



- **Remove** the waste container from the copier area. Replace with a recycling container only.
- Create a list of **do's and don'ts** with findings from your audits. A common misconception I see every day is that employees believe that coffee cups are recyclable. Unfortunately, both paper and Styrofoam coffee cups are not recyclable in a commingled recycling program.

3. Educate and promote. The Green Team can educate employees on a recycling program in various ways. It will be important to keep your program fresh.



- Creating a **green bulletin board** in the break room will allow information to be easily seen and rotated throughout the year.
- Sending email blasts with **green tips** on a monthly basis and creating a recycling slide for new hire training.
- Hosting a **“lunch/break and learn”** is another popular option. Consider hiring a speaker to come in to discuss recycling optimization, waste reduction or other ways your firm can reduce its carbon foot print.
- Hosting recycling **incentives and contests** between departments.
- Offering an Electronic Waste drive or **volunteering** for off-site environmental causes. Check sites such as <http://www.nature.org> to see if volunteers are needed in your area.

4. Encourage reduce. The first step on the waste hierarchy is reduce. Actions that promote this are:

- Support paperless meetings. Use electronic files and create a sustainable message on your company signature. Look at the Green Meeting Council for ideas and webinars at <http://www.gmicglobal.org>
- Install **hand dryers** in the bathrooms to reduce paper waste.

- Install **water fountains** with refillable water bottle stations for employees.
- Set printers by default to print on **both sides**.
- Take your name off of direct marketing lists. Contact Dunn and Bradstreet at custserv@dnb.com and request to be “**delisted**” from their marketing directories, publications and mailing lists. You must be an authorized representative of your company to do this.
- Print **directly** on envelopes instead of using labels.
- Have employees bring a **mug** from home or provide mugs for reuse instead of disposable coffee cups. For fun have an ugly mug contest and ask employees to bring their entry from home.
- Provide **silverware and glasses** in the break room for the employees to use at lunch time instead of purchasing plastic.

5. Promote **Reuse and Donation**.

- Consider creating a **Green Closet**. This closet can be a source for unused office supplies such as binders left over from meetings, gently used files and out of date equipment. This can be ideal for home office use or as back to school supplies for the children of your employees.
- Look into **donating** used office furniture to a local charity. Many organizations will pick up material at no cost, provide the company with a tax donation receipt and save you costs on disposal. Companies such as <http://greenstandardsltd.com> will help you match your donation with a local not for profit.
- Reuse packaging peanuts or consider donating them to your local mailing and shipping store.




6. Measure and track your results:

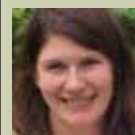
- Create a **waste reduction tracking report**. If you are in a managed building, your building management company should be able to provide you with the building's waste and recycling numbers. Add additional programs such as toner and cartridge recycling, donation, confidential document destruction and shredding, etc. These programs will determine the amount of material you divert from being landfilled. This is also known as your **diversion rate**. Track this number and share with upper management and

employees. As your program grows, set goals you want to achieve.

7). Close the loop. Adopt **Green Procurement** practices.

- Buy **recycled** content office supplies. It is important that there is an economic demand for goods with recycled content so that fiber recyclers always have demand for their material.
- Buy **remanufactured** office equipment and consider renting equipment that is not used often. These actions reduce the amount of raw materials and energy used in the manufacturing of new equipment and the transportation of such items.
- Ask suppliers to ship material in recyclable packaging or have a **take back** program.
- Use **environmentally friendly** cleaning products. This will also benefit your indoor air quality.

Having a comprehensive recycling program is an important business practice. Recycling services traditionally cost significantly less than landfill costs. The recycling of material saves energy, water and the use of virgin materials. Your carbon footprint is greatly reduced when you consider the transportation costs of new materials. In today's corporate climate it is an expectation that companies have sustainable practices in place and promote social responsibility amongst its employees. Behavior change within a company can greatly impact diversion rate and overall social responsibility. 



Eileen McArdle is the founder of ACT Recycling Solutions, LLC. She has worked with a diverse range of companies to reduce their waste stream and increase their recycling since 2008. In 2013, three of her clients were awarded the coveted Governor's Sustainability Awards for excellence in sustainable practices. Eileen can be reached at emcardle@wasteaudit.com. For more information, visit actrecyclingsolutions.com.

Upcoming Events

MAY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

May 13 – 11:45 AM – 1:00 PM
Bi-Monthly Meeting: Workplace Violence: Prevention & Intervention
The Standard Club
■ 320 South Plymouth Court

May 14 – 12:00 PM – 1:00 PM
Small Firm Meeting
■ Salvi Schostok & Pritchard
22 W. Washington, Suite 1600

May 21 – 12:00 PM – 1:15 PM
Webinar: Surviving or Thriving?
■ Clark Hill PLC
150 N. Michigan, Suite 2700

May 19-23 – ALL DAY
ALA ANNUAL CONFERENCE
TORONTO, CANADA

May 28 – 12:00 PM – 1:00 PM
Large Firm Finance Professionals Roundtable
Barack Ferrazzano LLP
■ 200 West Madison St., Suite 3900

JUNE

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June 4 – 7:45 AM - 9:30 AM
Law Firm Leaders Breakfast: Developing an Ownership Mindset
■ Union League Club of Chicago
65 W. Jackson Blvd.

June 11 – 12:00 PM – 1:00 PM
Small Firm Meeting
■ Saunders & Uhlenhop LLC
300 S. Wacker, Suite 1500

June 18 – 8:00 AM – 9:15 AM
Webinar: Medicare – The In's and Out's
■ Marshall Gerstein & Borun LLP
233 S. Wacker, Suite 6300

June 19 – 12:00 PM – 1:00 PM
Mid-Size Firm Meeting
■ Burke Warren MacKay & Serritella, P.C.
233 S. Wacker, Suite 6300

June 25 – 12:00 PM – 1:00 PM
Large Firm Principal Office/Administrators Roundtable
■ Quarles & Brady
300 N. LaSalle, Suite 4000

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July 16 – 12:00 PM – 1:15 PM
Webinar: Paradox of Profit: Using Metrics That Matter
■ Levin Ginsberg, Ltd.
180 N. LaSalle, Suite 3200

July 17 – 12:00 PM – 1:10 PM
Joint Small/Mid-Size Firm Meeting
■ Levin Ginsberg, Ltd.
180 N. LaSalle, Suite 3200

July 23 – 12:00 PM – 1:00 PM
Large Firm Secretarial Managers/Supervisors Roundtable
■ Dentons
233 S. Wacker, Suite 7800

**For a listing of all upcoming events,
visit: www.alachicago.org**



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Business Partner Profile

MY NAME IS: Bill Fitzgerald

I WORK FOR: Werner Printing & Engraving Company.

THE COMPANY'S PRODUCT OR SERVICE

IS: Printing and Branding services.

THE COMPANY HAS: seven different print processes in-house, plus online order stores and project management capabilities.

MY TITLE IS: Executive Vice President, Sales.

BEFORE BECOMING A BUSINESS PARTNER TO THE LEGAL MARKET, I:

sold chewing tobacco (before it was known how bad it was for people who used it). I have been in the printing industry, servicing mainly law firms, for over 30 years.

I ENTERED THE LEGAL MARKET BECAUSE: I worked at Fine Arts Engraving Company for over 25 years, so I know engraving has always been well received in the legal industry due to the high prestige of the end product. Having worked with law firms my entire career, I know there will always be a place for engraved business cards and stationery but have adapted to the new digital and multiple process materials.

I HAVE A DEGREE IN: Political Science (B.A.) from St. Michael's College in Vermont and was a four-year varsity baseball player.

I SUPPORT ALA BECAUSE: of all the great people I have been able to meet over my career. ALA has always supported their business partners and I appreciate that relationship.

TO BE SUCCESSFUL IN THE LEGAL MARKET, ONE HAS TO: be honorable, honest, hard-working and have an extremely thick skin!



THE THING I LIKE BEST ABOUT BEING A BUSINESS PARTNER TO THE LEGAL MARKET IS: the people you

meet over your career usually stay in your network, even if they move firms. The legal community tends to be very loyal.

THE BEST ADVICE I HAVE RECEIVED IS: to be a great listener.

THE BEST ADVICE I WOULD GIVE TO SOMEONE JUST ENTERING THE LEGAL MARKET IS: You'll always be rewarded when you work hard.

I TRY TO MOTIVATE MYSELF AND/OR MY STAFF BY: Pleasing the client every single day. Over delivering shouldn't be a surprise, It should be the standard.

THREE THINGS I DO WELL ARE: 1) Networking. Belonging to organizations like ALA has helped my career tremendously. 2) I've always been loyal and a great ally for my clients. 3) Meeting face to face. Everyone is always busy throughout the day so I am always willing to change my schedule and do what I need to do to get face to face time with my clients or prospects.

WHILE I LOVE MY CURRENT JOB, MY DREAM JOB WOULD BE: TV sports broadcaster. Move over, Harry Caray.

THE LAST GOOD BOOK I READ WAS: *Moneyball*.

THE LAST GOOD MOVIE I SAW WAS: *No Way Back* with Kevin Costner. It's not a new release but one of my favorite movies.

THE LAST VACATION I TOOK WAS: Spring training in Arizona in 2013. Go Sox!!

IN MY FREE TIME, I: am the CMO of my sister-in-law's salt cave in Naperville called Timeless. As you can imagine, working with my wife and sister-in-law always keeps me on my toes.

2013 Law Firm Financial Results

By: John Wilmouth of Citi Private Bank's Law Firm Group



Speakers Cliff Gill, Kathleen Soto, and John Wilmouth of Citi Private Bank

On March 18, 2014, at the Greater Chicago ALA's Bi-Monthly Educational Luncheon, representatives from Citi Private Bank's Law Firm Group (LFG) presented an overview of 2013 legal industry financial performance, as well as a summary of how the industry has changed

since the Great Recession and the ways in which law firms are responding to these changes.

Speaking on behalf of the Law Firm Group were Kathleen Soto, Senior Private Banker and manager for many of LFG's law firm relationships in Chicago; Cliff Gill, manager of law firm lending for Midwest-based law firms; and John Wilmouth, Senior Client Advisor.

John set the stage for 2013 by sharing key financial trends for a group of 121 law firms that had consistently provided LFG with financial data from 2002 through 2012. He shared how performance for these firms changed after the Great Recession that began in December 2007.

Of particular note was the drop in demand for legal services, as measured by total hours logged, that began in 2008 and continued in 2009 before beginning to stabilize. This drop was in large part responsible for many of the other changes that subsequently took place in the industry. One of those changes was a reduction in attorney headcount, which took place in 2009 and 2010, before creeping up again. Because the industry never fully adjusted headcount to the lower demand environment, however, the industry has remained saddled with excess capacity as compared to pre-Recession years. This excess capacity has in turn been largely responsible for the historically modest realized rate increases that the industry has experienced since the Great Recession began.

Firms also responded to the new demand and pricing pressure dynamics by cutting expenses, including reductions in non-legal staffing ratios, and delaying associate hiring and infrastructure spending. After two years of cuts in 2009 and 2010, firms began selective spending again –

starting delayed projects and bringing on deferred associate hires – but at lower annual increases than in the past.

Another trend during this time was that firms began managing equity partner headcount very closely. As part of this exercise, some firms lengthened the partnership track while others de-equitized partners who didn't meet increased performance standards. These moves also had the effect of shifting the mix of leverage toward more expensive attorneys.

Many of the trends described above continued in 2013, with demand still soft, excess capacity increasing, and billing rate increases at much lower levels than in the pre-Recession years. Firms also continued to keep tight control on expenses, as well as equity partner headcount. Of note, however, is that the larger firms, particularly those with a more global footprint, generally performed better than the rest of the industry.

Cliff shared the aggregate performance of Chicago-headquartered firms in LFG's database. From a net income and PPEP growth perspective, these firms did better than the broader industry on the strength of stronger effective rate increases, which offset a relatively greater decline in demand.



New GCC Members Arlene Sopata and Dan Campione join us for their first bi-monthly luncheon

John then provided some thoughts on what's in store for the legal industry in 2014 and beyond. For 2014, primarily on the strength of an expected cyclical pickup in demand and a continued focus on expense control, LFG is projecting net income growth of approximately 5.0% for the legal industry, up from 3.6% growth in 2013. This expected pickup in demand is due in part to the comparatively slow start to last year, but continued improvement in the global economy should also benefit the legal industry.

LFG also believes, however, that despite a possible cyclical uptick in 2014, demand growth will not likely reach pre-Recession levels any time soon due to changes in buyer behavior and in the competitive landscape, as well as the impact of technology. The change in buyer behavior refers to in-house legal departments that are increasingly disaggregating their needs, splitting them among multiple providers, and often keeping work in house. The change in competitive landscape refers to the increasing emergence of alternative lower cost providers of legal services, including the growing presence of accounting firms in their areas of expertise. And the reference to technology refers to its impact on reducing the amount of time required to perform legal work.



Law firms continue to look for new demand through mergers and lateral hiring, although an increasing number are re-focusing on existing clients by implementing formalized client feedback programs that often lead to new cross-sell opportunities.

Firms are also looking for ways to improve efficiency. This has become particularly important with the rise of alternative fee arrangements,

such as fixed and capped fees. Not only are partners being trained on how to price these types of matters, but they are also being given project management training to help ensure that these matters are delivered on budget. Some firms are also increasing the proportion of lower cost lawyers in their leverage mix. This has enabled some firms to mimic the model of alternative providers that have been successful going after lower-end commoditized type work. Others are making greater use of temporary attorneys that enable them to ramp up or down as the case may be, essentially shifting a fixed cost to a variable one. Still others are looking for ways to reduce the amount of underproductive and unprofitable timekeepers in their attorney leverage model. Finally, firms are continuing to reduce non-staffing ratios, and those who are moving offices or who have the option of making changes to existing space are finding ways of making more efficient use of space.

For more information, please contact Kathleen Soto, Citi Private Bank Law Firm Group, at Kathleen.soto@citi.com or 312-384-1457; or Clif Gill, Citi Private Bank Law Firm Group, at Clifton.l.gill@citi.com or 312-384-1447. **AD**

THANK YOU, LAURA SEARS!



Chapter President Deb O'Donnell recognized Laura Thompson Sears at the March bi-monthly luncheon for her long-time service to the Chapter, presenting her with an award for Outstanding Service. On March 31, 2014, Laura completed her 17th consecutive year as a member of the Greater Chicago Chapter Board of Directors. She is stepping down from Chapter Board service to give full attention to her new leadership opportunity: service as an ALA Regional Officer for the 2014-2016 term.

Make no mistake – Laura is not retiring! We are sure to still see her around at our many Chapter events.

The Greater Chicago Chapter thanks Laura for her leadership and for all of the time and energy she has devoted to the Chapter over the last 17 years, in so many important capacities. Her efforts and her dedication have contributed greatly to making the Greater Chicago Chapter a dynamic and successful part of ALA.

Laura's Board Positions Over the Years:

2012-2014 Business Partner Relations Director
2011-2012 Professional Development Director
2004-2011 Newsletter Director
2003-2004 Website/Communications Director
2002-2003 Past President
2001-2002 President
2000-2001 Membership Director
1999-2000 Business Partner Relations Director
1997-1999 Secretary
1996-1997 Business Partner Relations Director

THE ADMINISTRATOR'S ROLE IN LAW FIRM MERGERS

By H. Edward Wesemann

INTRODUCTION

The precise role that an administrator can play in the consolidation of two or more law firms largely depends upon the circumstances of how the merger comes about, the administrator's existing role in his or her firm and, of course, the administrator's capabilities. In any merger discussions, however, the legal administrator can be a tremendous resource for credible information and objective judgment. Without doubt, the objectivity of the information provided by the administrator can determine whether or not a merger moves forward. The accuracy of the information may determine if the merger is successful.

THE PRE-MERGER ROLE OF THE ADMINISTRATOR

In preparing for a merger, an administrator can play two important roles:

- Helping the firm understand the objectives it is trying to achieve through a merger and identifying the characteristics of a merger partner that fulfills those objectives; and
- Preparing information about the firm for presentation to potential merger partners that is accurate, yet represents the firm in the most favorable possible light.

UNDERSTANDING THE OBJECTIVES OF A MERGER

In the very best of circumstances mergers are traumatic, expensive and risky actions for law firms. Clearly no firm should enter merger discussions capriciously or simply in reaction to a proposal from another firm. The best mergers are those that either fill specific, identifiable needs of each firm or permit the exploitation of genuine opportunities that are not available to either firm alone.

An important role of the law firm administrator can be to present an objective and accurate analysis of the firm's needs and to consider whether a merger is a rational strategy to fulfill those needs. Ideally, such an analysis should be performed before the firm engages in merger discussions with another firm. However, the consideration of the firm's objectives is of such importance that it should be prepared even if merger discussions already have begun.

THREE AREAS FOR STRATEGIC ANALYSIS

Although the focus of the analysis can be on any aspect of the firm, there are three immediate places the administrator can begin:



The Existing Strategic Plan

Presumably, the firm's strategic plan is a thoughtful, objective and accurate analysis of appropriate actions necessary for its long-term growth.¹ A valuable activity for the legal administrator is to review the plan, item by item, and prepare a report on strategic plan activities that have occurred to implement the plan, whether a merger could contribute to that implementation, and what characteristics of a merger partner would benefit such implementation.

Analysis of the Firm's Practice

One of the most important justifications for most mergers is the creation of strengths through the marriage of the practices of two firms. The preparation of a practice analysis by the legal administrator in advance of merger consideration provides two valuable results. The first is the creation of an understanding of the ideal practice of a merger partner. The second is the fact that the analysis will have to be created as part of merger discussions. Having a substantial portion of this analysis completed in advance allows the administrator time to focus on other forms of analysis that will have to be done during the discussions.

The analysis should gather as much quantitative data as possible about each practice and present it in a condensed form, together with subjective evaluations of areas of expertise obtained from conversations with the practice group leaders. Depending on what is available from the firm's financial management system, statistics should include billable hours devoted to the practice, the rates obtained, realization history, collected revenue, lawyer compensation and other appropriate factual information. Often, this is best presented in a simple spreadsheet format.²

Evaluation of Competition

For many mergers, one of the most valuable results is how the consolidated firm can be positioned in relation to its competition. The pre-merger evaluation of the firm's competitive position may be highly objective, focusing on the number of lawyers each competitor has, the location of offices and the areas of practice offered. In other situations, it may involve issues of name recognition. A simple competitive analysis should provide the information and draw conclusions as to the strengths and weaknesses of the firm in relation to each competitor.

PREPARING INFORMATION

If a firm becomes involved in a merger situation, one of the first activities to occur is the massive exchange of information. Often, in a rush to be responsive to informational requests and in an effort to be completely

candid, a firm will put forward large amounts of data without attempting to place it in context. The result may lead to the termination of valid merger discussions because one side has misinterpreted information presented by the other. Since we know, or can reasonably predict, what information will be required, the preparation of objective and accurate information in advance and in a manner that places it in an appropriate context and the most favorable light, is an important role for a legal administrator.³

INITIAL INFORMATION REQUESTS

It can be anticipated that four types of information will be requested early in most merger discussions:

- Financial performance information;
- Attorney statistical information;
- Client lists; and
- Practice capabilities.

If the legal administrator has this information available in advance in a format that provides an interpretation that is both accurate and fair, it will greatly enhance the fact-finding process, elevate the level of conversation and cause the attorneys of both firms to favorably view the capabilities of the administrative staff.

PRESENTING INITIAL INFORMATION AS A PROSPECTUS

One way of presenting this information is in the form of a prospectus that discusses each of these areas, as well as the history of the firm and the capabilities of individual attorneys. Even if the firm does not engage in merger discussions, the prospectus could be a valuable tool in talking to lateral candidates or in preparation for a strategic planning process.

THE ROLE OF THE LEGAL ADMINISTRATOR DURING MERGER DISCUSSIONS

The role of the legal administrator during merger discussions involves three specific tasks. The first task is to take the information prepared in advance of the discussions and combine it with information received from the other firm to present an analysis of the benefits and problems of a consolidation. The second is to prepare pro forma operating statements demonstrating the profitability impact and cash flow ramifications of a merger. A third task, which is less glamorous but equally important, is the continuation of the firm's normal operations so that profitability, client relations and employee loyalty are not disrupted.

VALUE ANALYSIS OF CONSOLIDATED FIRM

The most important value analysis the administrator can prepare is not that of each individual firm, but rather the creation of a variety of perspectives on how the consolidated firm will appear after the merger.⁴ This value analysis includes how the consolidated firm will appear to the partners or shareholders of each firm, to both firms' clients, to the legal market in general and to the firms' business partners and referral sources.

COMBINED CAPABILITY

From the perspective of capability, the administrator should focus on four areas:

1. How the practice of the two firms combine, including possible new areas of strength or areas of weakness that are not assisted through the merger under consideration;
2. If the firms are in two different cities or if either is a multi-office firm, the benefits and difficulties of the "footprint" created by the combined firm;
3. Any unique capabilities or resources (government contacts, unusual legal experience, prestigious clients, etc.) from which both firms would benefit through a merger; and
4. The experience and capability of both firms in creating marketing programs and the level of willingness of the partners in each firm to participate in an aggressive marketing program.

EXISTING CULTURE AND VALUES OF EACH FIRM

The legal administrator should consider the culture and values in place at each firm:

- The compatibility of both firms' visions, and how the merger serves those visions;
- Whether the strategies followed by each firm in pursuit of its vision are in conflict with the other;
- The compatibility of the two firms' cultures and, to the extent that they differ, which firm's culture likely will dominate; and
- The partner compensation systems of the two firms, both in terms of how compensation decisions are made and those activities that are valued.

Some measure of the quality of both firms should be made in terms of:

- The educational background and sophistication of practice experience of the lawyers in each firm;
- The firms' respective client lists; and
- The level of each firm's capitalization and the means by which it is created and maintained.

The comparative profitability of the firms and the impact of a merger on the factors that affect the profitability of the consolidated firm should be considered, including:

- Profit per partner;
- Billable hour standards;
- Billing rates for attorneys with comparable skills and experience;
- Operating expenses as they affect margin;
- Leverage and the nature of how it is created (non-equity partners, associates, paralegals or technology); and
- Realization of collections as compared to the value of time worked and billings.

PREPARATION OF PRO FORMA STATEMENTS

One of the most challenging and important roles of the legal administrator during merger discussions is the creation of pro forma statements that will serve as the operating plans against which the performance of the combined firm will be measured. There are two forms of pro forma statements that must be created at some point in the discussions:

- How the profit and loss statement will appear at the end of the first year of the merger (or perhaps the first two or three years);

- and
- A month-by-month cash-flow projection showing the projection of revenues and expenditures, and estimating the cash deficits that will require funding from the combined firm's internal capital sources and/or borrowing.²

CONTINUATION OF OPERATIONS

Merger discussions can jeopardize the profitability and morale of a law firm. These discussions, particularly if they are protracted, can divert the attention of the firm's attorneys and cause a decrease in hours worked, reduced diligence in billing and receivables collected or excessive expenses. At the same time, employees are conditioned from news reports of corporate mergers to believe that mergers result in layoffs. This fear can be disruptive at all levels, even if the fear is clearly irrational.⁶ Therefore, an important role of the legal administrator is to be the source of accurate information to staff as the merger discussions progress. Even more important, however, is the legal administrator's responsibility to make sure that the partners involved in the merger discussion are aware of the issues that will be present in employee consolidations and the need to provide information and reasonable assurances to associates and staff.

IMPLEMENTING THE MERGER

Even before the partners approve a merger, it is important that the legal administrator, or the legal administrators of both firms, carefully plan all aspects involved in the implementation of a merger. This largely involves at least four areas:

1. The physical consolidation of the offices of the two firms (assuming the merger is between two firms in the same city);
2. The consolidation of the two firms' technologies, including the financial management systems;
3. The marketing aspects of announcing the merger to the marketplace and maximizing the business development benefits of the merger; and
4. The creation of appropriate practice, governance and operating procedures.

To accomplish this, it is important that the administrator(s) create, with the input of all administrative employees, a comprehensive action plan that details specific responsibilities and timetables.

CONCLUSION

The role of a legal administrator should be responsive to the needs of the partners involved in merger discussions. It should not, however, be limited by these requests. That is, in many ways the legal administrator is in a unique role to provide guidance and input to those partners on a proactive basis. In the best of circumstances, the legal administrator should be actively involved as a member of the merger team as soon as possible in the merger discussion process. Recognizing that many of the partners involved in the firm's merger discussions may have never participated in a law firm merger, it is important that the administrator be prepared to present information, advice and guidance in whatever manner is most valuable to the firm.

Printed with permission from the Association of Legal Administrators. For a longer version of this article including links to sample documents and a complete listing of additional resources, visit the Members Only section of the ALA Website at: www.alanet.org/research/alame/GM_Strategic_Planning/THE_ADMINISTRATOR'S_ROLE_IN_LAW_FIRM_MERGERS.

END NOTES:

- ¹ For further general information, please refer to these strategic planning articles:
Hildebrandt, Bradford W. "Strategic Thinking: Planning is No Longer Enough." *Legal Management*. May/June 2000.
Wesemann, H. Edward. "The Awful Truth: 10 Facts About Law Firm Strategic Planning (and Why It Often Fails)." *Legal Management*. March/April 2000.
- ² For an example of the spreadsheet format, please refer to "Creating a Merger Financial Model" article. Specifically, see the Merger Financial Model Workbook.
- ³ A useful resource for understanding the due diligence requirements for a successful law firm merger are presented in the treatise *Anatomy of a Law Firm Merger: How to Make - Or Break - The Deal, Second Edition* by Hildebrandt International. IL: ABA LPM, 2000.
- ⁴ A thorough discussion of this process is presented in the article "Evaluating Merger Opportunities: A Managed Process" by H. Edward Wesemann of Edge International, available at www.edge.ai/article/articleview/73/1/16/
- ⁵ For further discussion and a sample work book, please refer to the article "Creating a Merger Financial Model."
- ⁶ From a staff member's point of view, the fear of merger may not necessarily be irrational, as mergers may result in layoffs. "The Human Factor: Consider the Effects of Firm Mergers on Your Staff" by Susan Manch may provide additional resources in designing a communication model to notify staff of the facts and effects of the merger.

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Ed Wesemann is a member of the consulting firm of Edge International. He is also a co-owner of Legal Resource Group, a recruiting firm specializing in senior administrative staff members. Ed has written four books on legal management issues. For further information visit the Legal Resource Group website at www.LRGLLC.com or at the Edge International Web site at www.Edge-International.com. Ed also maintains a blog site at www.edwesemann.com. He can be reached at 1-912-598-2040 or by email at ed@edwesemann.com.

PRACTICE COMBINATION TASK CHECKLIST

I. Due Diligence

- A. **Media Search.** A media search of NEXIS and the appropriate local media.
 - 1. Responsibility: Library Director
 - 2. Target Date:
- B. **Credit Report.** Run and evaluate D&B credit report.
 - 1. Responsibility: Credit & Collections Manager
 - 2. Target Date:
- C. **Conflicts Check.**
 - 1. **Initial Check.** Prepare an initial conflicts check.
 - a. Responsibility: Office Administrator
 - b. Target Date:
 - 2. **Follow-up Conflict Check.** Detailed follow up on possible conflicts noted.
 - a. Responsibility: Office Administrator
 - b. Target Date:
 - 3. **Interim Conflict Checks.** Manual review of potential conflicts from clients accepted from date of initial conflict check to Target Date.
 - a. Responsibility: Office Administrator
 - b. Target Date:
- D. **Malpractice History.** Obtain and review history of malpractice claims and incidents.
 - 1. Responsibility:
 - a. Obtain - Office Managing Partner
 - b. Review - General Counsel
 - 2. Target Date:
- E. **Legal Community Reference Check.** Solicit A&H attorneys to seek references from contacts in legal community.
 - 1. Responsibility: Office Managing Partner
 - 2. Target Date:
- F. **Statistical History.** Statistical history for all merging attorneys from source documents.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:
- G. **Departed Partner Reference Check.** If merger, contact representative sample of departed partners.
 - 1. Responsibility: Office Managing Partner
 - 2. Target Date:
- H. **Client Reference Check.** Contact representative clients with merging entity permission.
 - 1. Responsibility: Office Managing Partner
 - 2. Target Date:
- I. **Due Diligence Procedure.** Obtain due diligence forms for all merging attorneys.
 - 1. Responsibility: HR Director
 - 2. Target Date:

II. Marketing

- A. **Contact List.** Interview each partner to determine existing and potential referral sources, and potential sources of interoffice referral.
 - 1. Responsibility: Office Managing Partner
 - 2. Target Date:
- B. **Marketing Plan.** Develop schedule of contacts for first 90 days after acquisition.
 - 1. Responsibility: Office Managing Partner
 - 2. Target Date:
- C. **Public Relations.**
 - 1. **Press Relations.** Designate party in A&H and merging entity to respond to press inquiries prior to merger.
 - a. Responsibility: Office Managing Partner
 - b. Target Date:
 - 2. **Publicity.** Develop appropriate publicity program both internal and external, including press releases, announcements, tombstones, etc.
 - a. Responsibility: Marketing Director
 - b. Target Date:
 - 3. **Collateral Material.** Develop appropriate collateral material for merging partners.
 - a. Responsibility: Marketing Director
 - b. Target Date:
- D. **Business Cards and Letterhead.** Have photos taken. Order appropriate business cards and letterhead for merging partners.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:
- E. **Directory Listings.** Contact Martindale Hubbell and other appropriate directories.
 - 1. Responsibility: Marketing Director
 - 2. Target Date:

III. Personnel

- A. **Staffing.** Determine staffing of merged entity.
 - 1. Responsibility: Office Administrator/Firm Directors
 - 2. Target Date:
- B. **Severance Package.** Determine severance packages for employees who will be terminated.
 - 1. Responsibility: Office Administrator/HR Director
 - 2. Target Date:
- C. **Orientation.** Plan and conduct orientation for merged employees.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:

- D. **Benefits.** Determine pre-existing condition problems and conduct benefit enrollment.
 - 1. Responsibility: HR Director
 - 2. Target Date:
- E. **Training.** Plan and conduct Word and other training for merged employees.
 - 1. Responsibility: Office Administrator/Firm Directors
 - 2. Target Date:
- F. **Culture Conveyance.** Determine employee concerns via interviews and develop appropriate welcome programs.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:
- G. **Pension.** Review pension plans and develop plan for transfer and dissolution.
 - 1. Responsibility: HR Director/Tax Department Chairman
 - 2. Target Date:

IV. Technology

- A. **Equipment Requirements.** Survey existing equipment and usage; order appropriate equipment.
 - 1. Responsibility: Chief Information Officer
 - 2. Target Date:
- B. **Identify Special Technology Needs.** Provide data on cost and plan for acquisition of special requirements.
 - 1. Responsibility: Chief Information Director
 - 2. Target Date:
- C. **Word Conversion.** If necessary, plan conversion of WP documents to MS Word.
 - 1. Responsibility: Chief Information Officer
 - 2. Target Date:
- D. **Telephone.** Plan addition of attorneys to A&H phone system.
 - 1. Responsibility: Chief Information Officer
 - 2. Target Date:

V. Office Consolidation

- A. **Inventory.** Prepare an inventory and usage/disposition plan for all surplus fixed assets and supplies as called for by agreement.
 - 1. Responsibility: Office Administrator/CFO
 - 2. Target Date:
- B. **Office Assignment.** Prepare plan for reassignment of offices to accommodate attorneys.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:

- C. **Moving Plan.** Preparation of a moving plan, contract with moving companies and termination of services to office.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:

VI. Financials

- A. **Balance Sheet Analysis.** Prepare and analyze proforma balance sheets. Determine asset values and impact on A&H balance sheet and financing needs for acquisition.
 - 1. Responsibility: Chief Financial Officer
 - 2. Target Date:
- B. **Prepare Profit and Loss Proformas.** Preparation of proformas and revenue objectives.
 - 1. Responsibility: Chief Financial Officer
 - 2. Target Date:
- C. **Integration of Financial Systems.** Review merging entity's financial software and hardware systems. Develop integration plan and timeline.
 - 1. Responsibility: Chief Financial Officer/Chief Information Officer
 - 2. Target Date:

VII. Insurance

- A. **Malpractice Insurance.** Assure that appropriate notifications are made to ALAS to include new attorneys.
 - 1. Responsibility: General Counsel/Chief Financial Officer
 - 2. Target Date:
- B. **Other Insurance.** Add appropriate liability coverage for personnel and office space.
 - 1. Responsibility: Office Administrator
 - 2. Target Date:

A Flawed but Meaningful Experiment

By Randi S. Kohn

My unbelievable and challenging learning experience goes back to 1986 when I suddenly learned that Reuben & Proctor (R&P), my first employer for ten years was merging with Isham, Lincoln & Beale. What seemed like a great idea became a disappointing reality. The merged firm dissolved two years later, in April, 1988.

At R&P my position was Director of HR. My role changed pre-merger and included harmonizing the two law firms' policies and procedures, employee benefits, and salary structures, and reassigning attorney office space by area of practice. After the merger, relocation issues became a major challenge because we occupied two office buildings. I quickly learned that no one likes change, especially a move to another building. We did our best to keep the secretarial staff together; however, it was not always possible, and some reassignments were made. In order to get new offices ready quickly, I did whatever it took. This included working late hours and even vacuuming, dusting, and unpacking boxes so that partner offices were set-up perfectly for their arrival the following morning. We wanted our lawyers to be able to work immediately and efficiently!

Several non-lawyer administrative roles were merged; some staff moved into other positions or left the firm. We held occasional meet and greets in the office, however, they were unfortunately not well attended, despite our best efforts to promote them. We created a photo book of the attorneys and paralegals that included information about their practice areas, education, and civic and social activities. Our receptionists on each floor needed a "facebook" in order to know whether or not the person getting off the elevator was an employee of the firm or a guest.

Unfortunately, the two firms' strikingly different cultures created a problem from the outset. R&P was a relatively new and brash firm, having spun off from Kirkland & Ellis. Isham was an old-line, conservative firm going back to the days of Abraham Lincoln. At R&P, if you needed to speak with an attorney, you would simply knock on the attorney's office door and enter. At Isham, the process was to make an

appointment, even for a brief discussion. R&P employees were all on a first name basis. At Isham, most attorneys expected to be addressed as Mr., Mrs., or Ms.

Efforts to brainstorm and integrate attorneys into other client matters were few and far between. The professional styles were so dissimilar that even client bills were not consistently customized into the same format. Keep in mind, in 1986 there weren't many "blueprints" about how to merge law firms, and there was no strategic plan in place to aid us in blending the cultures and customizing procedures, let alone guidance about best practices for managing employees.

In early 1988, less than two years after the merger, the Executive Committee announced that the firm would dissolve. By that time, several attorneys had resigned to start their own law firms. My role evolved into "Outplacement Manager" for the staff. Several hundred lawyers and staff were scattered to a variety of other firms and organizations, many undergoing substantial stress. Most of us were very fortunate and landed new positions. I have been with Funkhouser Vegosen Liebman & Dunn Ltd. (FVLD) since my former firm dissolved, and I am truly fortunate to have found a wonderful home. When I joined FVLD, it was only seven years old. Twenty-six years later we are still going strong! My experiences with the merger have been invaluable in helping me to develop programs to orient and train staff and attorneys at FVLD, especially those who have joined us from other firms.



Randi Kohn is the Director of Administration and Development for Funkhouser Vegosen Liebman & Dunn Ltd. in Chicago. This article is dedicated to the memory of Don Reuben and Ed Proctor. They were wonderful gentlemen who provided remarkable opportunities and learning experiences.



State of the Legal Industry: Q&A with Kent Zimmerman

Q: What do you find as the common trends law firms are practicing in 2014 to grow financially stronger and emerge as the top competitor?

A: Most firms have too many lawyers for not enough work. To grow stronger, firms are: shedding chronically under-performing attorneys, practice groups and offices. They are also getting smarter about resource allocation and pricing, to protect or even improve their margins even though most firms are continuing to experience severe downward pricing pressure.

Q: The legal industry has changed to a buyer's market and clients are increasingly making fundamental decisions about how legal services are being delivered. Please explain how these trends affect each of the large, mid- and small size firms.

A: All size firms have great incentive to make hard choices about what they want to be known for in the markets that they serve. I define markets broadly, to mean practice areas, industry sectors and geographies. Most firms want to be the best, or among the best, in one or more markets that they serve. To do that, they need to have breadth and depth in those markets and they need to perform at a level where they can effectively compete for top talent in those markets. Some people forget that all firms compete in two markets: the market for clients and the market for talent. Talent is critical. There is a widely held perception in the industry that there is a virtuous cycle in which the most profitable firms get the best talent, those with the best talent get the best clients and matters, and those with the best clients and matters get the best rates and perform ahead of other firms. Then the virtuous cycle repeats itself.

Q: Why is Chicago such a hot legal market compared to NY, LA and Washington DC?

A: In 2013, profits per equity partner were up highest among top firms in New York. Second place was Chicago. So while it trails NY, it is a major contender as one of the most powerful and sought after markets in the country. That has everything to do with the corporate headquarters that are located here, the

industry base that is here, the multiple global firms that have grown out of Chicago, the talent pool here, and other macro-economic factors. The legal profession is a follow the money profession. Generally speaking, demand comes from where the money is. Chicago is widely perceived as one of the most business-friendly cities in the U.S. It is also, according to the 2012 McKinsey study, the only U.S. city on track to surpass 10 million between now and 2025. Other hot U.S. legal cities are Houston (due to energy sector work, which is booming) and SF/Silicon Valley (due to tech sector-related work). LA is widely seen as a middle market city that has lost a lot of its historic client base. DC is seen as a good litigation and regulatory town, but light on corporate work compared to other top markets.

Q: What are other hot spots/industries/practices for 2014?

A: Hot spots include the following geographies:

- New York
- Washington DC
- Los Angeles and San Francisco
- Houston and Dallas
- Chicago
- PRC, particularly Beijing and Shanghai (SHFTZ)
- South Korea
- Latin America

Hot spots also include the following practices and industries:

- Energy
- Financial Services
- Health (health care, life sciences, pharmaceutical)
- Patent Litigation
- Private Equity
- Project Finance
- Real Estate
- Regulatory
- Tax
- Tech
- White Collar/FCPA

Q: Clients are now asking their firms to work with LPOs (Legal Service Providers) – what impact does this have on associates?

A: Firms are hiring far fewer associates than they used to. One *Am Law 100* firm we work with is on track to hire 25% fewer entry level associates over a three-year period. In 2012, only 50% of approximately 46,000 law school graduates got full-time jobs practicing law anywhere, including in government and pro-bono. The bottom line is that clients value junior associates less and so they don't want to pay for them. That's because they are perceived as an expensive way to get low level work done compared with other options.

Q: Why does the billable hour model seem to have nine lives?


A: Because many lawyers, both clients and in firms, are not good with change. Many find it hard to do things differently. Also, lawyers are typically very risk adverse. With AFAs, there is a perception of risk more than charging by the hour. However, the reality is that many firms, taking a portfolio approach, do far better using AFAs than hourly rates. Either way, as the market gets more efficient, the most resilient law firms will adapt to their changing environment.

Q: For the past several years, firms have been cutting expenses to help improve the bottom line. What is the outlook in this area?

A: Most firms have cut very deeply, and realize that you can't cut your way to profitability, as the old saying goes. Building gross revenue, by expanding the size of existing relationships and also by developing new ones, is more challenging and rewarding over time for many firms than managing expenses effectively, which is essentially minimum ante for being competitive. The only expense that many firms still need to do better on is compensation expense for chronic underperforming attorneys. Chronic underperformers need to be counseled out more often in most firms, except among an elite group, which have built a culture that does not tolerate under-performance.

Q: For firms who want to have a written "formal strategic plan" how do you recommend they develop one?

A: They should appoint a planning committee of five to fifteen partners who are composed of the formal and informal leaders in the firm. That group should work together to make hard

choices about what the firm wants to be known for in the market over the next five to seven years. Building consensus in the planning group is heavy lifting. As a result, it is often helpful to have a neutral facilitate the planning meetings. It is also helpful and informative to the planning group's work to conduct one-on-one interviews with all of the members of the planning group and other formal and informal leaders in the firm. The planning group ultimately develops a vision for the firm's future. It should be aspirational, but credible, and should distinguish the firm favorably in the minds of clients and talent the firm most wants to keep and attract. Once consensus is reached on a vision, the next step for the planning group is to develop a plan to achieve the vision, or, in other words, to get from wherever the firm is now to wherever it wants to be. Planning is about making choices to effectively and efficiently prioritize the use of the firm's most valuable resources, time and money, to get to where the partners agree they want to go. More on our planning approach at: Strategic US markets www.consultzg.com/strategic-planning/. 



Kent is a former general counsel and CEO. He focuses his consulting on strategic planning (at the firm-wide, practice group, industry sector and office levels), law firm combinations and client service interviews. Earlier in his career, he was one of three equity partners who transformed Hubbard

One into one of the fastest-growing private companies in North America, according to *Inc. Magazine* and Deloitte & Touche. In 2004, on behalf of his partners, he negotiated and led the sale of the business, ultimately to a public company, now known as Thomson Reuters. Subsequently he was appointed chief executive and led the turnaround of West Legalworks, an education business, which became a unit of Thomson Reuters. He is a contributor to *The National Law Journal* and appears on-camera regularly on the FOX News Channel, FOX Business News and the Wall Street Journal's WSJ Live. He also appears in publications as diverse as *The Wall Street Journal*, *BusinessWeek*, *The American Lawyer Magazine*, *Law 360*, *Crain's Chicago Business*, the *Chicago Tribune*, and on Reuters wire stories. He is a frequent speaker at law firm retreats and in law firm management committee meetings.

New Affirmative Action Regulations: What Should I Do Now?

by Angela Adams, CEBS, SPHR, Director, Human Resource Services, Management Association

Last fall, the Office of Federal Contract Compliance Programs (OFCCP), the division of the U.S. Department of Labor that oversees affirmative action (AA) compliance for federal contractors and subcontractors (“contractors”), released new regulations on veterans and the disabled, to be effective March 24, 2014. Many law firms fall under AA regulations and are required to do an affirmative action program (AAP) due to government contracts or subcontracts. Affirmative action programs require outreach efforts on the part of a contractor to promote employment of minorities, females, those with disabilities and protected veterans.

Some of the new elements for veterans and the disabled are not required until a contractor’s AAP expires after the effective date of the regulations. For instance, for those who have a calendar year AAP of January 1 – December 31, 2014, certain changes will not be required until January 1, 2015. For those who have an AAP that runs from April 1 to March 31 (with the current AAP expiring on March 31, 2014), all changes are required to be in place starting April 1, 2014. Other changes are effective for all contractors starting March 24. Below is a synopsis of each phase.

Part 1- Changes Effective March 24, 2014

Posting jobs with the local job service. Under the prior veteran regulations, every job, with the exception of executive level openings and jobs lasting three days or less, had to be posted with the local job service. This requirement is continuing with a few new twists. Job postings must be in a format “permitted” by the local office. Also, in every state in which the organization does business, the local job service must be sent a notice that states: a) the company is a federal contractor/subcontractor; b) the organization wants priority referrals of veterans for all job locations within the state; and c) the name and city of each location in the state along with the hiring manager’s name. If the employer uses temporary agencies or job search firms, the names of these organizations and their contact information must be provided to the local job service. The above can be accomplished in one letter to one

location of the state job service and can accompany the first job posted with the service on or after March 24.

Equal opportunity clause – EEO is the Law Poster. For each location, the “EEO is the Law” poster must be “accessible and understandable” to people with disabilities and disabled veterans. The OFCCP indicated this poster will most likely change from its current format. Also,

remote employees must have access to the poster, which can be accomplished by putting the poster in a “conspicuous” place on an organization’s intranet or sent via email. Finally, the poster must be integrated into online application systems to ensure applicants see it.

Equal opportunity clause – additional issues. While not relevant to law firms in most cases, a contractor’s union must be notified that the employer is committed to affirmative action and shall not discriminate

against protected veterans or those with disabilities; in addition, the organization’s AAP policy statement must be sent to the union, with the organization requesting the union’s “cooperation” in its AAP responsibilities. In job ads, the equal opportunity tagline must include a reference to veteran and disability status. While in the past contractors have been able to use “EOE” or “m/f/d/v” in ads, this appears not to be sufficient any longer; we suggest using “minority/female/disability/veteran.” In addition, subcontracts and purchase orders must contain proscribed new language, specifically in bold text, about the new regulations.

Online application process. Contractors should ensure that for online applications, there is a process in place where applicants who can’t use the system due to a disability can request an alternate method of applying. Many contractors already have this system in place, typically by putting an easy-to-see statement on the front page of the application process that includes a phone number to call if help is needed.



AD Hoc Meeting Recap

Part 2 - Changes for an AAP that Starts on or After March 24, 2014

Disability utilization goal and veteran hiring benchmark. For each job group in each AAP, a contractor must establish a 7% disabled utilization goal, unless the AAP has less than 100 people in it, in which case the goal can be site-wide, not by job group. For veterans, a flat 8% hiring benchmark should be established by each AAP in its entirety (not by job group). These goals and benchmarks will change in future years and will be published on the OFCCP's website. There is an alternate method of figuring the veteran benchmark where contractors calculate it themselves. We do not recommend this approach.

Changes to veteran categories. The current category of "other protected veteran" has been renamed "active duty wartime or campaign badge veteran." Contractors need to change their systems/HRIS to reflect this alteration. There is some concern that the VETS-100A reporting categories have not been changed along with the category name change, leaving questions about how to file the VETS-100A in September.

Self-ID procedures pre-offer and post-offer. At the applicant stage, once someone has met the organization's definition of an applicant (which in most cases, should be the OFCCP's "Internet Applicant" definition), applicants must be asked if they are veterans (at this pre-offer stage, just a yes/no question) and/or disabled. Post-offer, but pre-employment, they then must be asked whether they fall into specific protected veteran categories and again asked if they are disabled. Note that for the disabled identification, employers must use the OFCCP-issued form. For veterans, sample self-ID forms were published in the regulation. Self-ID forms should be kept separate from personnel files and medical files, as well as from any application materials. A confidential file should be created to store these forms.

Employee disability survey. During the 12-month period of a contractor's first AAP that starts after March 24th, and thereafter at five-year intervals, contractors must again ask whether an employee is disabled, using the OFCCP-mandated form. Again, the responses should be kept separate from personnel/medical files and held in a confidential file. Sometime between five-year intervals, the employer must also remind employees they can self-ID as disabled at any time. There is no corresponding "every-five-year" veteran survey requirement.

AAP policy statement. The CEO or most senior executive of an organization must make a statement of support for a contractor's affirmative action program, and the policy statement must be in the employee handbook or otherwise made available to employees; most employers handle this via a bulletin board posting with other required posters. This statement must also be accessible and understandable by those with disabilities.

Policy dissemination. Each organization must notify subcontractors/vendors of the AAP and their possible obligations as subcontractors.

Outreach program & assessment/audit and reporting system.


Each contractor must establish a plan for reviewing the effectiveness of the organization's outreach efforts towards those with disabilities and veterans. This evaluation must be documented and kept for three years, and it must contain the new data collection points below (which therefore must also be kept for three years). Effectiveness of outreach efforts must be "reasonably" evaluated. At minimum, it should involve looking at whether recruiting efforts using chosen veteran/disabled sources were successful and, if not, discontinuing use of those sources and finding others. In addition, while contractors have always had a requirement to implement an internal audit/reporting system (measuring AAP effectiveness, need for remedial action, assessment of whether objectives have been obtained and whether all protected individuals have been able to participate in company activities), there is now a mandate that the audit/reporting system be documented and retained as employment records for two years.

New data collection. Contractors need to collect disability and veteran data. Analysis of this data will help "reasonably evaluate" whether sources are worth continuing to use. The data below can be excluded if an employee asks to see the AAP.

Disability & veteran data required:

- Number of applicants that self-identified as disabled and/or as protected veterans, or who are known to be disabled or a protected veteran
- Total number of job openings and total number of jobs filled
- Total number of applicants for all jobs
- Number of applicants with disabilities and/or protected veterans hired
- Total number of applicants hired

Written narrative for veterans/disabled. There are additional changes required for the written narrative portions of an AAP.

While these changes may seem overwhelming, they are actually less onerous than those originally proposed in the draft legislation. We would be happy to assist you if you have questions or if you would like more information about our AAP services. 



Angela Adams, CEBS, SPHR, Director, Human Resource Services, Management Association
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DISC Profiling: It's Not What You Say But How You Say It: Communicating Effectively When The Chips Are Down.



Speaker Aleen Bayard

**It's Not What You Say,
It's How You Say It –
A Conversation with
MarketZing Consultant
Aleen Bayard**

ALA's Chicago Chapter's February Sunset Meeting was a special workshop focused on communication. More than 30 members completed the "DiSC" communication profile and then debriefed their reports with our guest speaker, Aleen Bayard, of MarketZing. Aleen owns her own consulting practice in

Chicago and works with clients in the areas of communication, culture, change management and leadership development. She also teaches at Northwestern University. Aleen has a lot of experience in the legal profession and spent some time with us after the session answering questions about the importance of communication in building professional rapport and success.

Why do firms use tools like the DiSC to develop leadership?

Increasingly organizations use assessments to help leaders identify traits that are either building blocks to developing relationships or in some cases, backfire to erode them. It is one thing for a supervisor or partner to provide subjective feedback about communication; it is more effective to present a manager with an independent, research-based tool as a foundation for a conversation about leadership development. DiSC is used worldwide by organizations to develop leaders and enhance team effectiveness.

You mentioned Emotional Intelligence during the session. Why does EQ matter if someone has technical expertise and a strong resume?

During our communication workshop, I referenced research by Harvard University noting the following statistics:

- 8- 9 percent of success is due to IQ;
- 8- 9 percent is due to technical skills;
- 80 percent is due to "relational skills".

Relational skills is a code word for emotional intelligence: the ability to know and manage your own emotions and pick up cues and manage the signals from others. Communication is our primary channel to translate relational skills. That's why we focused so much on flexing your style during the workshop.

Can you explain each of the four basic communication styles?

The DiSC model is based on two primary behavioral spectrums: one focused on taking action v. needing some process time and the second notes the differences between being more accepting and open v. being a bit more skeptical. Most people have a 'default' style they are using in their current work environment. The good news is, we all have the ability to flex our natural style in order to close the gap when working with people who communicate from a different perspective.



Amy McCormick, Pattie Wagner, Julie McCormack, Melinda Horn

How can we connect better with people whose priorities and preferences differ from ours?

The first step is to recognize the difference and rather than judge the other guy or chalk it up to a difficult personality, to appreciate we may have a crossed wire. A common disconnect occurs between people, for example, who have a strong bias for action and may not need facts or data to make a decision and colleagues who need details and a chance to review materials before moving ahead. That difference can either be a cause of frustration or an opportunity to partner.



Karen Hammersmith, Chris Vickers, Randi Kohn, Colette Hazard
and Lisa Van Sant

Do you recommend sharing our assessment results with our managing partner? Why?

ALA members completed the DiSC for Managers, which includes tips about how to deal with your manager, your direct reports, and your peers. Sharing highlights of your report with all of those colleagues can result in a powerful conversation. Particularly if the report contains statements that don't resonate, those could be blind spots. By sharing the results and asking for feedback, you are demonstrating professional humility and a willingness to change. Sharing the DiSC with your manager is also a way to practice managing up.

What do you mean by “managing up”?

Managing up refers to being mindful and savvy about how you interface with your supervisor. It is the best antidote to being “micro managed” as most professionals who complain of being micro managed are feeling the pain of a supervisor feeling out of touch with the work. Managing up typically takes two forms:

- Being excessively responsive to the leader's sense of urgency and follow-up
- Flexing your style to match the leader

In either case, you are proactively anticipating your manager's expectations.

Can you explain the leader styles that most positively affect the office culture? For example, coercive, authoritative, etc.

I referenced six leadership styles identified by Daniel Goleman, the noted management thinker who coined the phrase “emotional intelligence.” Goleman has written several bestsellers about leadership and has published landmark research on the

correlation between a leader's style and the culture he or she creates. The style with the most positive impact on culture – or work environment – is Authoritative, which can be summarized by the phrase “Come with me.” It is easy to make the connection between one's communication style and the ability to convey or express a “come with me” message to colleagues. You can read more about these styles in Goleman's article “Leadership That Gets Results.”

You said listening is not the same as not talking. Tell us more.

Most people have never taken a course on how to listen. We tend to think that being a good listener is the absence of talking. By not interrupting, we are able to authentically connect with another person. Active listening involves the ability to not only hear what the person is saying, but beyond that, appreciate the context and deeper meaning and principles underneath or behind those words. When someone is really listening, they are able to provide feedback and reframe the original conversation in a way that provides insights to the speaker. When you think about it, that's the essence of what most clients mean when they say their counsel is a trusted advisor. The lawyer earns that reputation because he or she has listened to the client and given advice that gets to the heart of the matter.

How is listening a leadership skill?

Leaders often feel pressure to have the right answer. The irony is, as you advance in your career, your greatest value is asking the right question. That can only happen when you slow down, observe, reflect and listen. That's why I assert that listening is critical leadership competency. Unfortunately they don't teach that in business or law school.

Do you have any advice on how we can improve our communication – both in terms of communicating and listening?

Feedback is a tremendous development tool. I'm not talking about your annual formal performance reviews. Feedback comes to us all the time —in a facial expression, a voicemail message, being selected – or not – for a project team. By soliciting feedback and then being open and receptive when someone gives it to you, you will accelerate your professional development. ■■

THE TOP 10 THINGS I LOVE ABOUT SPRING

1. Not having to put on six layers of clothing to go outside.
2. Not hearing the words “Polar Vortex” every time I turn on the news or open a newspaper.
3. Seeing colors other than gray and white.
4. Being able to get in my car and drive without spending ten minutes warming it up and cleaning the snow off.
5. Being able to see the lines on the highway.
6. Being able to sit on my lawn chairs in my backyard instead of using them to save my parking space.
7. Not having to let my faucet drip all night so my pipes won't freeze.
8. Being able to see the sun before I arrive at work in the morning and after I arrive home at night.
9. Not having to spend half of my weekend shoveling snow.
10. Being able to feel my fingers and toes by the time I arrive at work.

START AN HERB GARDEN THIS SPRING!



Now that spring has sprung, you will want to start your herb garden. Nearly every dish you prepare is enhanced with fresh herbs from your own garden. Besides the tasty value herbs provide to your own plate, they add pleasurable scents to your home, bright flowers and

foliage to your table and some even have healing properties when used properly.

HELPFUL HINTS

Plenty of sunshine. Six hours a day is preferred. You can plant your herbs in a windowsill as long as you can offer adequate window light or supplement grow light.

Allow for good drainage. Herbs thrive on a healthy root system. If they sit in water long enough, you will destroy the root. The plants need to absorb minerals and moisture. It is a good idea to add a quality top soil around your plant to secure the right consistency to absorb moisture.

Water often. The plants rely on the nutrients from the minerals in the soil dissolving when you water on a regular basis. Again, too much water will drown the roots, so water in moderation.

Be smart when harvesting. For most of your herbs it is a good rule of thumb to take no more than one-third at a time. Then, for your next harvest, wait a bit more for your plant to grow back before you take from it again. You should let seedlings grow to eight inches or so before the harvest.

By placing the need of the plant first, you will enjoy the fruits of your labor.

HERBS WORTH GROWING

Basil (*Ocimum basilicum*): A leafy herb with a licorice-clove flavor. Key ingredient in Mediterranean cooking.

Bay (*Laurus nobilis*): Herb that is a tree or shrub used in soups, stews and such.

Chervil (*Anthriscus cerefolium*): One of the four traditional French fines, from the parsley family, commonly used to flavor mild-flavored dishes.

Chives (*Allium schoenoprasum*): From the onion family, very hearty plant used in salads.

Dill (*Anethum graveolens*): Plant of which both leaves and seeds are used as seasoning.

Marjoram (*Origanum* spp.): Herb that is used on pasta sauces, egg dishes, omelets, poultry stuffing, soups and stews.

Mints (*Mentha* spp.): Plants in the mint family are very hardy perennials with vigorous growth habits (careful—these plants will take over).

Oregano (*Organum vulgare* ssp. *hirtum*): Perennial herb that is very aromatic used in many Italian, Greek and Spanish dishes.

Parsley (*Petroselinum* spp.): Wonderful healing properties, though popular role as a table garnish.

Rosemary (*Rosmarinus officinalis*): Woody, perennial herb with needle-like leaves used to season omelets, chicken and lamb dishes.

Sage (*Salvia officinalis*): Earthy herb with a hint of lemon used in stuffings, sauces, soups, chowders and meat pies.

Thyme (*Thymus* spp.): Both fresh and dried, thyme is used with lamb, poultry, tomatoes, beans, eggs and vegetable dishes.

Things Mother Taught Me



TO APPRECIATE A JOB WELL DONE.

"If you're going to kill each other, do it outside. I just finished cleaning."

RELIGION. "You better pray that will come out of the carpet."

About **TIME TRAVEL.** "If you don't straighten up, I'm going to knock you into the middle of next week!"

LOGIC. "Because I said so, that's why."

MORE LOGIC. "If you fall out of that swing and break your neck, you're not going to the store with me."

FORESIGHT. "Make sure you wear clean underwear, in case you're in an accident."

IRONY. "Keep crying, and I'll give you something to cry about."

OSMOSIS. "Shut your mouth and eat your supper."

CONTORTIONISM. "Will you look at that dirt on the back of your neck!"

STAMINA. "You'll sit there until all that spinach is gone."

About **WEATHER.** "This room of yours looks as if a tornado went through it."

About **HYPOCRISY.** "If I told you once, I've told you a million times. Don't exaggerate!"

The **CIRCLE OF LIFE.** "I brought you into this world, and I can take you out."

About **BEHAVIOR MODIFICATION.** "Stop acting like your father!"

About **ENVY.** "There are millions of less fortunate children in this world who don't have wonderful parents like you do."

About **ANTICIPATION.** "Just wait until we get home."

About **RECEIVING.** "You are going to get it when you get home!"

MEDICAL SCIENCE. "If you don't stop crossing your eyes, they are going to freeze that way."

ESP. "Put your sweater on; don't you think I know when you are cold?"

HUMOR. "When that lawn mower cuts off your toes, don't come running to me."

HOW TO BECOME AN ADULT. "If you don't eat your vegetables, you'll never grow up."

GENETICS. "You're just like your father."

About my **ROOTS.** "Shut that door behind you. Do you think you were born in a barn?"

WISDOM. "When you get to be my age, you'll understand."

About **JUSTICE.** "One day you'll have kids, and I hope they turn out just like you!"



IT'S 8:30 P.M.

Darn it, wasn't there just one more thing on your to-do list for today?

1. ORDER OFFICE SUPPLIES? CHECK
2. UPDATE SOFTWARE? CHECK
3. SIGN NEW LEASE? CHECK
4. REFRESH WEB SITE? CHECK
5. RESEARCH BILLING SOLUTIONS? CHECK
6. PICK UP JIMMY FROM BASKETBALL OH

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Next Generation Physical Records Management

By DJ Quinney

Is your firm managing its physical records collection, or just maintaining it? Managing meaning, does your firm's physical records collection have a competitive advantage over other firms? With increased competition, firm administrators are looking to reduce costs and improve operating efficiencies during litigation. While storage costs for both on-site and off-site are key, and expenditures associated with discovery are critical as well, in the end successful and profitable outcomes for the firm are most important.



In the electronic document world, quick access to information is king, and can set a firm apart from its competition. We now see big data analytics being introduced into firms for electronic information to find profitable efficiencies and for important decisions in case strategy. What about your paper files? Shouldn't big data principles apply to physical files also?

Often, firms keep boxes that they don't even know what is in them. In the beginning, firms typically have a handle on their content, but lawyers come and go and firms merge and split. The information can quickly spiral out of control and become a mess that no one wants to deal with.

In order to gain back control and realize profitable efficiencies, firms need to evaluate their entire file collection, not just client files. This needs to include all departments. Firms need a full understanding of where their files are stored. How quickly they can find them, the accuracy of contents, activity levels, delivery methods (physical or digital), why the firm still has possession, and when the files can be destroyed or need to be placed on hold. Each firm is unique and some are further along in their process than others. Understanding the value of physical records and how it can give forward-thinking firms an edge is key.

This article focuses on three critical areas that will help your firm reduce operating costs, become more profitable and improve efficiencies to better serve your staff and clients.

- Information Governance
- Business Intelligence
- Going Paperless

1. Information Governance

Information governance has been creating a lot of buzz in recent years. How can it help your firm be more

competitive? Gartner Research, Inc. defines **Information Governance** as:

"The specification of decision rights and an accountability framework to ensure appropriate behavior in the valuation, creation, storage, use, archiving and deletion of information. It includes the processes, roles and policies, standards and metrics that ensure the effective and efficient use of information in enabling an organization to achieve its goals."

Most firms apply some sort of information governance, but typically without any framework or measurables. To help support information governance, ARMA International developed a new de facto standard for all industries, including law firms—the Generally Accepted Recordkeeping Principles. "The Principles", as they're known, represent a strategic framework for information governance that identify and define those strategic areas that need be addressed in order to have successfully compliant organizations. The eight principles--Accountability, Transparency, Integrity, Protection, Compliance, Availability,

Retention, and Disposition - are each independently important, but must be taken in total to ensure a comprehensive program. Retention schedules have a tendency to be over-engineered, which means they can be hard to follow and more importantly,

hard to enforce. A new approach to consider is “Big Bucket” retention schedules. Big Bucket simplifies the process and eliminates over classification of records to help with consistent compliance adherence, defensible destruction, and reduction of storage costs.

Implementing and updating an information governance program has shown a 30% reduction of the need for off-site storage. This can save thousands of dollars. These are real and serious numbers that no firm should ignore.

2. Business Intelligence – Know the Lifecycle

Once an information governance program is in place, the firm should take advantage of knowing the lifecycle of each file for all departments. Files take on a life of their own, regardless of whether a retention schedule is in place or not. Some reach the retention schedule and are destroyed, most are over-retained, or even have a permanent status. When considering the lifecycle, also consider the activity. A recent study showed that 92% of files are never touched again once sent to off-site storage.

To reduce and manage costs, firms need to look to their off-site vendors for technology that allows complete visibility into their collection and monitor the activity, which includes services, retention and destruction dates.


The old cost model was to charge the same price for an active file that had been sitting on a shelf for one day as it is to charge for an inactive file that had been sitting on a shelf for 10 years. Talk to your vendor to see if they offer tiered storage pricing that is based on the lifecycle of the file, active or inactive. Applying a cost model to match the lifecycle of your files can dramatically reduce storage cost.

3. Going Paperless

Firms have varying opinions about going paperless and what it means to go paperless. Some believe paperless means just scan everything and store it on a shared drive. Others believe that paperless means every file starts as a digital file, and no paper should ever exist within the firm. Finally, a select few don't believe in paperless at all.

The reality is generally a mix of all of the above. A path to paperless should evaluate the lifecycle, activity and retention dates of a file to determine if it should be digital or not. Scanning can be expensive. If you do decide to scan, make sure it is structured in a fashion where it can be quickly accessed and shared securely.

For example, with inactive HR files, where the probability of your needing access is low, it may be more economical to keep them as physical records. If you do need access, rely on your vendor to scan-on-demand and upload the files into your document management system as needed. This helps manage costs, provide instant access, and moves forward with your paperless initiatives.

In closing, with ever increasing pressure to do more with less, it's critical for all firms to evaluate their entire records collection. The focus of this article was on physical records, but this applies to electronic records as well. Having a sound information governance program allows firms to know what they have, keep what they must, and eliminate what they should. This will not only drive down costs and improve profitable efficiencies; it will allow firms to progress to a more paperless environment. 

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DJ Quinney has more than 12 years of enterprise software experience. Prior to joining Archive Systems, DJ held senior positions in various sales roles within the voice / data and print industries. He has a wide range of industry experience including document management, information governance and HR technologies.

Avoiding Employee Handbook Pitfalls

By Jon Vegosen

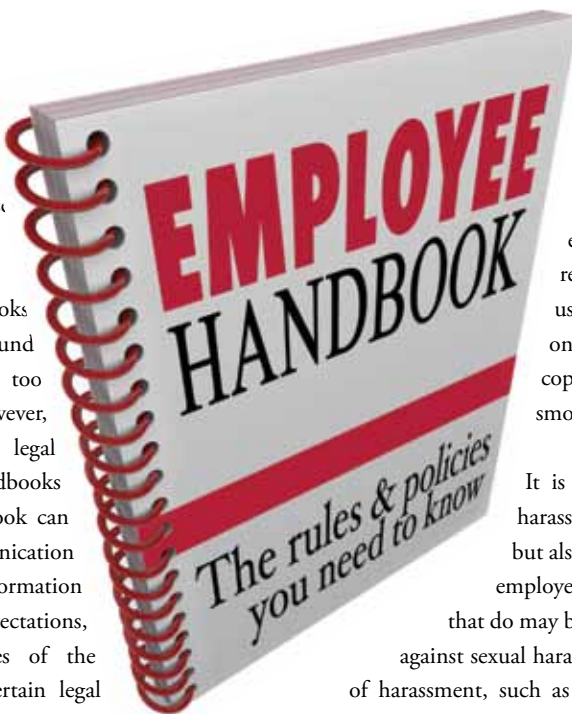
Employers sometimes make mistakes regarding employee handbooks: they don't have them at all, simply copy another employer's handbook, or don't update them. This article discusses these pitfalls.

Some employers don't believe handbooks are important, haven't gotten around to preparing one, or believe they are too small to adopt one. There are, however, compelling human resource and legal reasons for employers to issue handbooks and update them regularly. A handbook can promote employer-employee communication and a sense of belonging, provide information about the history, mission, values, expectations, compensation, benefits, and policies of the employer, advise employees about certain legal matters, foster uniform discipline, and assist in defending discrimination and other legal claims.

Problems can arise when an employer simply copies another employer's handbook. The handbook may contain unlawful, unnecessary, or outdated policies. Or, it may omit important policies. In addition, copying can foreclose the opportunity for an employer to share its culture and values.

With regard to copying, some employers have employee handbooks that contain policies prohibiting discussions of compensation. That might seem advisable, but such a policy is an unfair labor practice under the National Labor Relations Act ("NLRA"). The NLRA gives both union and non-union employees certain protections, including the right to engage in protected "concerted activity." This can include a conversation between two or more employees about their compensation. An employer may not prohibit such discussions or take adverse employment actions against employees who engage in them – whether or not a union is in place.

Many employee handbooks contain a policy authorizing an employer to deduct from an employee's paycheck for cash or inventory shortages or damage to property. Again, that might seem advisable, but Illinois prohibits deductions from an employee's paycheck for shortages and damage unless the employee's express written consent is given freely at the time the deduction or demand for reimbursement is made.



Some employee handbooks contain policies that prohibit employees from smoking in the workplace. Some also prohibit employees from smoking at all – even outside the workplace. In Illinois, an employer may not discriminate against or refuse to hire a person based on his or her use of lawful products (including tobacco) on an employee's own time. Therefore, simply copying and applying another employer's "no smoking off the job policy" would backfire.

It is critical for an employer to have an anti-harassment policy – not only to prevent harassment but also to defend against harassment claims. Some employee handbooks don't have such a policy. Those that do may be flawed. For example, there may be a policy against sexual harassment but not one prohibiting other forms of harassment, such as racial, national origin, religious, age, and disability harassment. Likewise, the policy might require employees to report harassment to their supervisors, but not provide other avenues to redress harassment. If the person engaging in harassment is the employee's supervisor and the policy provides that complaints must be filed with the employee's supervisor, the policy will not insulate the employer from liability.

Some employee handbooks contain a Family and Medical Leave Act policy. This kind of policy is required for employers that have 50 or more employees. If another employer with fewer than 50 employees blindly copies another company's handbook that contains an FMLA policy, it would be unnecessarily adopting it. Or, the policy may be outdated and not include qualifying exigency and military caregiver leave provisions. Moreover, copying could result in an employer neglecting to include a leave policy protecting employees under the Illinois Victims' Economic Security and Safety Act.

If an employer copies another employer's handbook verbatim, it could fail to include appropriate disclaimers. For example, the handbook may not contain, as is advisable, a conspicuous disclaimer that an employee is at will. Likewise, the handbook may not reserve the employer's right to change or eliminate benefits, policies, and procedures or it may have mandatory language with respect to discipline. These types of failures have been used against employers in employee lawsuits to have their employee handbooks considered an employment agreement guaranteeing them extended employment.

A more recent concern is that the National Labor Relations Board (“NLRB”) has determined that some disclaimers are overly broad and violate the NLRA. For example, the NLRA has invalidated a disclaimer providing that the at-will relationship “cannot be amended, modified, or altered in any way.” The NLRB has found the disclaimer contrary to the NLRA protection granting employees the right to join together, with or without a union, to improve wages and working conditions. This is not to say that all at-will disclaimers will be suspect. On the contrary, the NLRB’s General Counsel has stated that disclaimers not requiring employees to refrain from seeking to change their at-will status are permissible.

Another problem with simply adopting another employer’s handbook is that the handbook may omit important policies. This includes policies to help an employer deal with a union organizing campaign. If a union knocks at your door, are you ready? For example, does your organization have in place properly crafted “no solicitation” and “no distribution” rules that were not adopted in the face of a union organizing campaign? When an employer improperly deducts from an ostensibly exempt employee’s salary, it can result in the loss of exempt status for employees in the same job classification and working for the same manager responsible for the improper deduction. Regulations, however, offer a “safe harbor.” If an employer has a “clearly communicated policy” that (a) prohibits improper pay deductions, (b) contains a complaint mechanism, (c) reimburses employees for inappropriate deductions, and (d) makes a good faith commitment to comply in the future, then the employer will not lose the exemption for any employees unless the employer willfully violates the policy by continuing to make improper deductions after receiving employee complaints. An employee handbook is ideal for such a policy.

With advances in technology, it is important for employers to have their handbooks keep up with technology and the law. In this fast-paced, high-tech world, employees routinely use cell phones while they drive. Increasingly, when employees are involved in accidents while using cell phones, their employers are being sued for their employees’ alleged negligent operation of their vehicles. After all, employers usually have “deeper pockets.” An employer may be held responsible when an employee, acting within the scope of his or her employment, causes damage or injury to someone else.

Employers should have a portable electronic device policy and ensure that it is consistent with recent changes in Illinois law. Except for reporting or communicating with emergency personnel during an emergency situation, it is illegal for drivers in Illinois to use a portable electronic device while operating a motor vehicle unless the device is in hands-free or voice-operated mode; the driver is parked on the shoulder of a roadway; or the vehicle is stopped due to normal traffic


being obstructed and the driver has the motor vehicle transmission in neutral or park.

A social media policy is becoming popular and advisable. An employer, however, must exercise care in crafting the policy because the NLRB has flagged a number of social media policies as unlawful and overly broad – including with regard to matters such as intellectual property and confidential information. Fortunately, the NLRB has shared in a report a social media policy that it views as lawful. While not binding, the report provides useful guidance. Employers may also need to update their existing social media policies to reflect recent amendments to the Illinois Right to Privacy in the Workplace Act.

Employers should adopt a strong anti-violence policy advising that violence will not be tolerated in the workplace. It can be similar to an employer’s written anti-harassment policy. For example, it can encourage, if not require, employees to report any instances or threats of violence and even list the types of behaviors that need to be reported. The policy can also include procedures for investigating and responding to threats of violence. In light of recent changes in Illinois law, an employer that owns its facility must exercise care with regard to a policy about weapons on its property. An employer may prohibit employees and others from bringing firearms inside its offices or premises; however, it may not prohibit them from storing firearms in their vehicles parked on the employer’s property.

Effective January 1, 2014, Illinois has a so-called medical marijuana law. Supporting regulations will be adopted this year. Once they are implemented, employers will undoubtedly need to consider whether and how to amend their drug and alcohol policies.

There are many other policies to consider including in a handbook, including policies covering pay, vacations, holidays, sick and personal days, equal opportunity, lactation breaks for nursing mothers, child pornography reporting, use of electronic equipment, and guidelines for conduct, just to name a few.

In sum, an employer would be wise to adopt and issue an employee handbook. It must, however, do so with care and make sure that it is lawful and up-to-date. 



Jon Vegosen, a founding member of Funkhouser Vegosen Liebman & Dunn Ltd., concentrates in labor and employment law and has more than 37 years of experience practicing law.

Casino Night 2014

The Greater Chicago Chapter held its annual Casino Night on Thursday, March 13. The funds were raised to benefit Cabrini Green Legal Aid. Thank you to our wonderful members and business partners for a very successful event!



Debbie Breclaw of 1st & Fresh Catering sold Jane Klenck the winning ticket for Split the Pot.



Attendees trying their luck at the roulette wheel



John Helm of HiTouch presents one of the door prizes to Ashley Bradarich



Gretchen Slusser, Joe Mole, and Shannon McDonnell of Cabrini Green Legal Aid



Event Organizer and ALA Chicago Rock Star Marie Coffee



Mel Sears and Phil Knox of Gregg Communications play poker with Bill Bishop of DataSource Ink



Marie Coffee congratulating scholarship winner Ivie Cohn



Tony Perrino (UPS), Leslie Clark (UPS), John Helm (HiTouch) and Ashley Emmett (UPS)



Laura Sears and Bill Fitzgerald of Werner Printing & Engraving



Volunteers Teri Herbstman and Jenna Altobelli (standing) with Ivie Cohn and Lauren Mayo (seated)



The Levenfeld Pearlstein Firm was out in force with attendees Melissa Schwartz, Eliot Levy, Angela Hickey, Andrea Crews, Kevin Corrigan and Shelly Leonida

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Test your knowledge.

By: Jose Cheesman, CLM

- In today's multi-generational workforce, which of the following does not belong –
A) Generation X
B) Baby Boomers
C) Generation Y
D) Generation i
- Which is not a type of employment arrangement designed to provide a better work-life balance?
A) Telecommuting
B) Compressed schedules
C) Traditional 40-hour work week
D) Flex-time
- As the legal industry remains in a state of transition, which of the following can be expected to continue to grow?
A) Outsourcing of functional services such as IT, Office Services, e-Discovery
B) Entrance applications to law schools
C) Internships and externships for graduating students
D) Staffing and head-counts
- Which is not an expected trend in the legal industry in the near future?
A) Increased diversity
B) Decreased need for security
C) Increased use of technology
D) Decreased profits per partner



Join Jose Cheesman, MSLA, CLM, CLM Director, at his office every Monday at 5:30 p.m. (Baker & McKenzie Global Services LLP), 300 East Randolph Street, Suite 5000) for the weekly study group.

Answers: 1) D 2) C 3) A 4) D

Future Study Dates FOR 11/10/14 EXAM
(Application Deadline 9/8/14)

I. Financial Management - 30%

General Accounting (14%)

Monday, May 12, 2014

Knowledge of legal organizational structures and the laws and regulations regarding accounting procedures for each structure. Knowledge of banking/investment policies and procedures and types of accounts.

Monday, May 19, 2014

Knowledge of general accounting procedures, terms, concepts and policies, including a familiarity with general ledger, general journal entries, cost accounting, fixed asset accounting, accounts receivable, and accounts payable. Knowledge of financial controls (e.g. division of responsibilities).

Monday, May 26, 2014

Knowledge of trust accounting procedures and regulations.

Monday, June 2, 2014

Knowledge of special issues in accounting for law firm operations, including time and billing systems, alternative billing methods, collection procedures, and cost recovery guidelines.

Monday, June 9, 2014

Knowledge of professional liability issues. Financial Information and Analysis (16%).

Monday, June 16, 2014

Knowledge of methods of financial analysis including reading and interpreting financial statements, calculating and interpreting various financial ratios, and analyzing comparative financial information across fiscal years.

Monday, June 23, 2014

Knowledge of budgeting, financial reporting, cash flow analysis, and variance analysis.

Monday, July 7, 2014

Knowledge of financing methods and investments (e.g. lease vs. buy); Knowledge of U.S. federal payroll and employee benefit procedures, and tax and reporting requirements (e.g. Internal Revenue Service Code).

II. Human Resource Management - 35%

Employee Selection and Promotion (12%)

Monday, July 14, 2014

Knowledge of procedures and tools for recruiting, selecting and promoting employees; Knowledge of U.S. Federal employment laws (e.g. Civil Rights Act of 1964, ADA, ADEA etc.).

Performance Management & Compensation (18%)

Monday, July 21, 2014

Knowledge of U.S. federal employee benefit laws (e.g. FLSA, COBRA, FMLA, HIPAA, ERISA); Knowledge of performance management systems (e.g. appraisal, disciplinary, and termination procedures).

Monday, July 28, 2014

Knowledge and expertise in personnel training and development systems/methods; Knowledge of employee motivational techniques. Knowledge of incentives/rewards systems (e.g. compensation, employee benefits).



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■ LitShare® Web Hosting for Litigation Matters

■ DealShare® Web Hosting for Transactions

■ Local Image Capture and "Blowback" Printing

■ E-Discovery Services and Consulting



Kelly Dillon
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MY NAME IS: Josh Dugan

I WORK FOR: Bryan Cave LLP

THE FIRM PRACTICE IS: international law with a diverse practice including litigation, transactional, and IP law.

MY TITLE IS: Regional HR Manager

BEFORE BECOMING AN ADMINISTRATOR: I've worked in HR and have been tied to the legal community. I began in legal recruiting, and then went on to work in law firms, worked in a large corporation as the HR manager for the legal department, and at a legal software company.

I HAVE BEEN WORKING IN THE LEGAL FIELD FOR: about 13 years.

I HAVE A DEGREE IN: Sociology /Psychology from Eastern Kentucky University.

I JOINED ALA CHICAGO CHAPTER BECAUSE: I enjoy collaborating with others and the learning opportunities offered.

TO BE SUCCESSFUL IN LEGAL ADMINISTRATION:

- 1) One has to be able to operate in the gray and be comfortable there – nothing is ever black and white.
- 2) One should be patient and compassionate. Most people are decent with good intentions and we have to keep in mind that everyone has challenges.
- 3) One should work to diffuse situations. In our industry, people are often worked up and operating from an escalated disposition. I try to bring people down from that and then work on finding a solution for them.

THE THING I LIKE BEST ABOUT BEING IN HR IS: We have the opportunity to influence people in a positive way every day. I can either present problems, or I can present solutions. It's fun to me to solve the problems and makes me feel good when you can go back to someone with something helpful.

ONE OF THE CHALLENGES OF BEING IN LEGAL

ADMINISTRATION IS: Our jobs are often fixing things – it can be exhausting that so much of our time is dealing with things that have gone awry.

THE BEST ADVICE I'VE EVER RECEIVED IS: There is a quote I like about patience and diligence that resonates with me. It is: "Have patience. All things are difficult before they become easy." I like to try to keep that in mind when something is especially challenging. Through practice and repetition, all things get easier.

THE BEST ADVICE I WOULD GIVE TO SOMEONE WHO IS JUST ENTERING THE LEGAL MANAGEMENT FIELD IS: Be mindful of the relationships you create and try to keep them positive. The legal community is exceptionally well-networked and burning one bridge can severely impact your career. Keep in good graces and be respectful when you leave a position.

I TRY TO MOTIVATE MY STAFF BY: Doing my best to listen to them and respond in a way that suits their style. When we meet, I try to focus that time on them and not think about my list of to-do items (but it can be hard to do!).

IF I WEREN'T AN HR MANAGER, I WOULD: want to work with animals in some capacity. I'm a huge fan of cats and dogs, but like all animals.

THE LAST GOOD BOOK I READ WAS: *Allegiant* - it's an easy read and the third in a series about post-apocalyptic Chicago. I'm reading Cinder now, and Hyperbole and a Half. I like to read, but I always keep my literature light. It keeps it fun.

THE LAST GOOD MOVIE I SAW WAS: *Non-Stop* - excellent movie, but as an already nervous flier, it did rattle me!

THE LAST VACATION I TOOK WAS: New Orleans, LA.

THE ONE APPOINTMENT I NEVER MISS IS: I try not to miss any of them!

IN MY FREE TIME, I ENJOY: reading, gardening, movies, and exploring Chicago

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STRATEGY & EXECUTION



BUSINESS OPERATIONS



APPLICATIONS



INFRASTRUCTURE



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ALA MEMBER SURVEY: PRODUCTIVITY AND PROFITABILITY TOP OF MIND

UPS surveyed 450+ attendees at the 2013 Association of Legal Administrators (ALA) National Conference to uncover the most pressing business and operational challenges and key focus areas of law firms in the future.



ups.com/lawfirms

TECHNOLOGY & EFFICIENCY

The greatest day-to-day challenges

56%

Time management



46%

Managing costs
& expenses



30%

Office inefficiencies &
technology issues



49%

Nearly half of ALA members surveyed reported that their firms plan to invest in technologies in the next year to increase competitiveness and grow their business

CLIENT SERVICE

Key focus areas for law firms in 2013



49%

Client
service



47%

Business
development



41%

Cost
management



87%

of respondents identified
client service as
their top priority

MARKETING & BRANDING



Reported
marketing and
branding as
a key focus
in 2013

31%

46%

Will invest in
marketing and
branding in 2014



More than half of
respondents report
that printing a firm's
logo or branding on
an express shipping
envelope is beneficial

+50%

DIGITAL VS. PAPER

Following general correspondence items,
invoices and court briefings are the most
common documents moving to digital formats



Invoices



Court briefings

Overnight shipping is essential for contracts and
client proposals, which are the documents least
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