

# Financial Mastery for Law Firm Administrators Made Easy:

What Do Numbers Have to Do with  
It?



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# Introduction

Brenda A. Barnes is a graduate of the University of Texas at Austin in Accounting and has her MBA from Texas State University. She holds her CPA license. She is a legal and accounting professional with over 35 years of experience working with solo to mid-sized law firms across the United States. Brenda has an innate understanding of best practices in law firm accounting and financial management.

She is the founder of B2 Management & Consulting, an outsourced law firm accounting and billing company. After selling B2 in 2021, her consultancy practice has focused on attorney compensation, succession planning and law firm profitability. She is the co-author of a book titled, *RESPECT-An Insight to Attorney Compensation Plans*.

Prior to launching B2, Brenda served in the capacity of Firm Administrator in the Austin, Texas area. During this time she was active in the Association of Legal Administrators (ALA) and served in many leadership roles. She is is Past President of the Austin Chapter.

As a guest speaker and panelist, Brenda has frequently spoken on the following significant topics relevant to the effectiveness and efficiency of law firm practices:

- Budgeting and Cash Flow Forecasting
- Law Firm Compensation
- Succession Planning
- Legal Pricing for Profitability
- The Business of Law
- Financial Internal Controls

Recognized by her peers and law firm managing partners, as well as the business community, Brenda was nominated by the *Austin Business Journal* for the “Profiles in Power” series in 2013, 2014, and 2017; and by the Leukemia Lymphoma Society’s *Woman of the Year* in 2018.

During her time as the Managing Principal of B2, the company was awarded the following:

- 2016 “Best Places to Work” by the *Austin Business Journal*
- 2020, 2019, 2018 “Best Outsourced Support Company” by *Texas Lawyer*
- 2020 “Best of Hall of Fame” by *Texas Lawyer*

Camille Stell serves as President of Lawyers Mutual Consulting & Services. She is graduate of Meredith College and the Meredith College Paralegal Program where she has a scholarship named after her. She has multiple certificates in Diversity, Inclusion & Equity.

Camille has thirty years of experience in the legal industry including law firm experience as a paralegal and as a recruiting and marketing professional. In her capacity as a marketing professional, Camille was responsible for building law firm profile, coaching attorneys, developing marketing strategy and client targeting plans for the firm as well as individual practice groups.

Camille is a Fellow in the College of Law Practice Management. She also served on the North Carolina State Bar Regulatory Review Subcommittee from 2020 - 2022 and continues to serve as a member of the NC Pro Bono Resource Coordinators Network, the Advisory Group for the Duke Law Tech Lab, the Advisory Board for the Legal Aid of North Carolina Innovation Lab, and on the Steering Committee of the Raleigh Chapter of the Legal Marketing Association.

She has served on the editorial board of *Legal Assistant Today* magazine, *Women's Edge* magazine, *Carolina Paralegal News* and as the Supplements Editor for *North Carolina Lawyers Weekly*. She is a frequent contributor to *North Carolina Lawyers Weekly* and *Attorney at Work* online magazine.

In 2011, Camille was recognized by *North Carolina Lawyers Weekly* as a member of the inaugural class of "Leaders in the Law." In 2016, Camille was recognized by the *Triangle Business Journal* as a "Women in Business" award winner.

Camille is the co-author of two books written during the pandemic: *Designing a Succession Plan for your Law Practice: A Step-by-Step Guide for Preparing Your Firm for Maximum Value*, published in 2021 and *RESPECT: Insights in Law Firm Compensation*, published in 2022.

She is a frequent author and speaker on the topics of law firm compensation, retirement and succession planning, ethics and professionalism and law firm trends of the future.

<https://www.lawyersmutualconsulting.com>



What Do Numbers Have to  
Do With It?

**EVERYTHING!!!!**

*Wait, is that true?*

# Measurables

- Everyone in your firm should have a number – attorneys, paralegals, managing partner, business development
- Attorneys and paralegals typically can control their time so billable hours is the best way to measure their productivity
- Partners typically can control workflows and ultimate collections.
- Partners are typically responsible for originating new business and matters for the firm.
- Managing Partners role should be defined and a strategic plan for the current year and future years adopted.
- Administrative staff typically can control operational efficiencies – accounting, case intake, billing & collections.

# Law Firm Administrators Role

- Master the numbers.
- Incentivize personnel to live firm mission and core values.
- Right people, right seats.
- Document core processes.

# Master the Numbers

- Automate the fundamentals. Accounts Payable for example.
- Get serious about separation of duties.
- Spreadsheet savvy. Excel, Power BI.
- Track KPIs consistently.
- Partner compensation systems.

# Incentivize personnel to live firm mission and core values

- Make every employee feel like they are part of the team
- Provide employees with feedback on understanding mission and core values and what role they have in making those a success
- Express appreciation to employees regularly
- Recognize that incentives come in a wide variety of expressions other than simply law firm compensation
- As a manager, live the firm's mission and core values yourself – lead by example



# Right people, right seats

- Jim Collins, author of *Good to Great*, “The executives who succeeded in building their teams said this, ‘Look, I don’t really know where we should take this bus. But I know this much: If we get the right people on the bus, the right people in the right seats, and the wrong people off the bus, then we’ll figure out how to take it someplace great.’”
- **HIGH Skill and HIGH Attitude:** Lots of experience. Proven ability to perform at a high, high level. They’ve got a great attitude. People in the company love them. Customers love them. For these people, it’s onward and upward.
- **LOW Skill and LOW Attitude:** These people don’t have the skill. They don’t have the ability. Or maybe they were able dress up their resume. Or they know how to interview well. They also don’t have a great attitude. They feel entitled. They aren’t fun to be around. These people have got to go.
- **LOW Skill and HIGH Attitude:** This one is more difficult. They don’t have the skill. But they have an incredible attitude. People love to be around them. They are always looking to improve the company, but struggle executing. These people deserve a second chance. You need clarity about their gifts and talents to see how they fit. The goal is to get them train them to have both high skill and high attitude.

# Document Core Processes

Process documentation is important to make sure certain tasks are handled consistently and efficiently.

- Identify the process
- Document the beginning through ending of the process
- Consider the expected result
- Detail the steps along the way to complete the process
- Walk through the process to make sure it is complete
- Determine who needs to be a part of the process
- Start implementing to make sure you have the various step correct, if not, make adjustments

# Financial Tracking

- Billable Hours, Collections, Originations
- Realizations – Billing & Collections
- Utilization – Does the firm have enough work in the pipeline?
- Budgeting and Cash Flow
- Profitability Measures – by timekeeper, by practice group, by client

*Wait, where does associate mentoring, client satisfaction, and being a workplace of choice fit into your tracking plan?*

# Culture vs Numbers

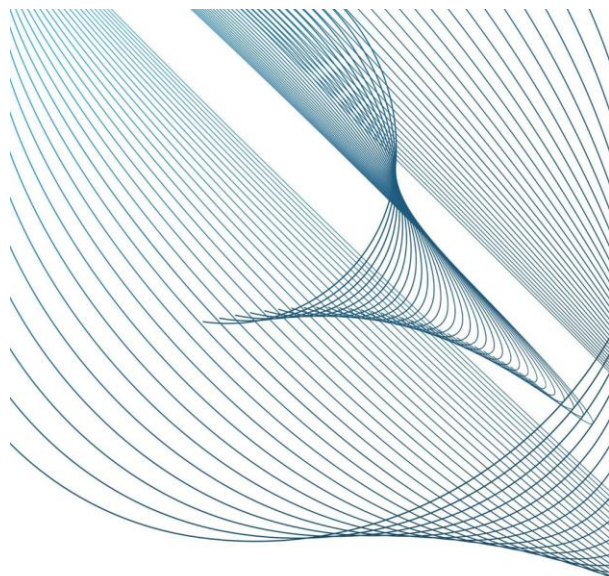
- There is an important balance to be weighed between people first versus numbers first.
- A healthy firm culture can provide many benefits including increased productivity, improved employees' health and wellness, reduced absenteeism and turnover rates, increased customer satisfaction, higher levels of innovation, enhanced employee engagement and retention rates.
- Having a strong balance sheet means you have enough cash, healthy assets, and an appropriate amount of debt. This provides the resources you need to remain financially stable in any economy and to take advantage of the opportunities that arise.

*There is no lack of studies and surveys that show companies with high-trust cultures are more profitable and show better financial results*

QUESTIONS OR COMMENTS?  
Thank you!



# Discount Code to Purchase the Book



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Attorney Compensation Plans**

Brenda Barnes, CPA, MBA  
and Camille Stell

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