

THE BIZILAW NEWSLETTER

March 2010

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MARCH 2010 ISSUE

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WHAT'S NEW AT BIZIBODY?

This year begun with a bang! Starting with the party IN CELEBRATION OF LAWYERS on 21 January. We thank you all for coming - YOU made the party memorable and fun!

We've since been busy with several new projects. We introduced our **E-Discovery & Litigation Support Services** with a 16-hour series over Feb and Mar called "The Essential E-Discovery Course" covering an in-depth study of PD3 and case law; inspection, collection and review of electronic evidence; litigation hold and the duty to preserve electronic evidence; and best practices and protocols for e-discovery.

If you missed the workshop, visit www.bizibody.biz/e-discovery for updates on upcoming courses. If you would like access to our e-discovery resources, email slim@bizibody.biz

We have also helped three new practices start-up at full throttle. If you are planning on starting up your own practice this year, visit our new website www.start-a-law-firm.com for FREE forms and templates; including a downloadable **START-UP KIT** which contains a useful Registration & Compliance Checklist.

It's compliance time again— getting your PC renewed and filing your tax returns. We have started a new "one-stop" administrative, bookkeeping and corporate secretarial service for sole proprietors and partnerships who **convert to an LLC**. Read more about the **potential tax benefits of incorporatisation** in this issue.

We hope you enjoy this issue. Send us your feedback, we'd love to hear from you.



DOCUMENT AUTOMATION—AN UPDATE

We introduced HOTDOCS to Singapore law firms in 2003, barely nine months from the abolition of fixed fees for conveyancing work. At the time, the conveyancing practices were reeling in shock and scrambling for a way to remain profitable while fees were "free falling" faster than stock prices in a recession. Short of quadrupling staff output without invoking a full scale mutiny (shift work, anyone?), these firms were looking at a significant cut in their revenue. A few top-tier law practices dropped their retail conveyancing departments to focus on more lucrative corporate work. Some lawyers predicted an erosion of conveyancing practice standards in a sunset industry and the demise of conveyancing focused law practices altogether.

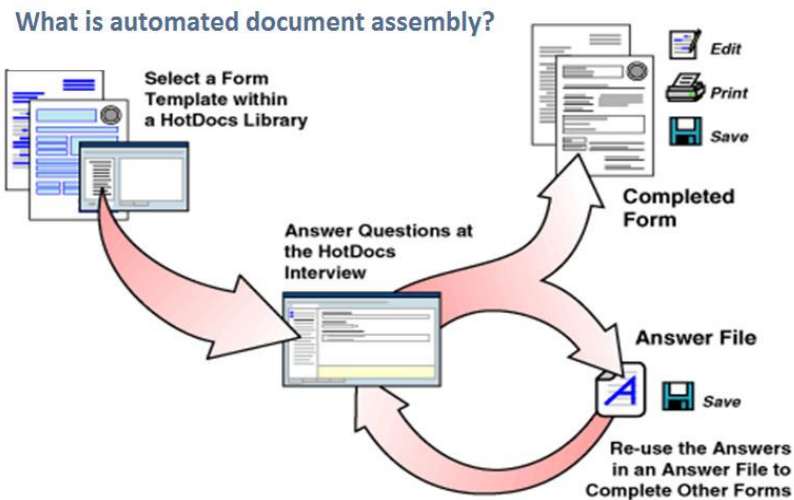
Yet successful conveyancing practices still exist today to prove the naysayers wrong. Progressive and dynamic conveyancing practices deploy a winning combination of document automation technology, best practices and staff motivation to keep their practices thriving and quality standards high.

[read more...>](#)

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DOCUMENT AUTOMATION—AN UPDATE

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From our experience working with conveyancing lawyers since 2003, we notice that successful practices observe this **cardinal rule** in undertaking high volume legal services - *to make money, you need to be efficient and to use your resources efficiently; to sleep well at night while doing it, you need to institute processes that diminish the risk of missed deadlines and renegade staff.*

How do successful conveyancing practices institute processes that are efficient yet en-

sure quality standards?

#1. Firstly, they all have an experienced conveyancing lawyer at the helm who cares deeply about quality – quality in work output and quality in the service to the client. These lawyers know from experience where the pitfalls are and where to focus their attention. They recognize that the key to a successful conveyancing practice is 50% process, 30% client care and 20% law.

#2. Secondly, they invest considerable time on implementing workflows to achieve a “zero-defect” conveyancing practice and on staff supervision and training. They insist on documentation that meets their practice standards. They enforce checklists for each type of routine conveyancing transaction to monitor output and matter activity. They stay on top of their case loads with a sound KIV and key date calendaring system.

#3. Thirdly, they invest in document automation systems so that staff can generate standard letters and forms in a fraction of the time. By using pre-fixed precedent templates, such systems also ensure that work output is accurate and consistent across the practice. These lawyers recognize that automation helps them to keep their costs down and mitigates loss of efficiency (and risks) in an industry where staff turnover is notoriously high.

WHY USE DOCUMENT AUTOMATION?

- # Consistent and Accurate Document Output
 - # Maintain Practice Styles & Standards
 - # Manage Precedents
 - # Greater Productivity
- # More Efficient Deployment of Staffing Resources
 - # Reduced Errors and Practice Risks
- # Spend Less Time checking documents; More Time on Client Care



NEW! Bank Forms Updating Service on HOTDOCS

We have launched a bank forms updating service for HOTDOCS Clients in Singapore. If you would like to join the community of Hotdocs users, contact us at 6236 2848 or sylvia@bizibody.biz

BEING PROFITABLE

Are you finding it increasingly difficult to realize fair and adequate financial rewards for your legal services?

In response to tightening profit margins, an instinctive response is to start looking at ways to reduce cost to remain profitable. Other lawyers believe that the only way to earn more is to work longer hours. Neither approach to increasing law firm profitability is the right solution.

Why Cutting Costs is NOT the Solution

The bulk of law firm expenses are either fixed or production-related. Apart from trimming discretionary (non-production related) expenses - in our experience of Singapore law firms, there appears to be very little of that! - cost cutting invariably has an adverse impact on a firm's production capability. Eliminating staff positions often means diverting potential fee earning hours to administrative tasks; not investing in technology means more hours spent producing the same work output.

Unlocking Hidden Revenue

Here is some Good News: ***you don't necessarily have to work harder to earn more!*** There are several places to look for revenue potential within your law firm -

1. Increase Billing Realization Rates: Are you billing enough, often enough? We notice that many diligent lawyers are so "blinded" by work that they don't stop often enough to bill. For such law firms, we install an easy-to-use electronic time recording software on their desktops; AND we train their staff to monitor the time records. When time records hit a pre-set target for any matter, an interim bill is generated by pulling in the time records into an invoice. How easy is that!?

2. Reduce Debt Cycles: What percentage of your bills are written off because they are not paid? How long does it take, on average, for a bill to get paid? If you can improve your collection turnover rate by as little as two weeks, you would enjoy a surge in your cash flow every month! The surest way to achieve this is to enforce a strict debt collection policy - appoint your staff to issue routine statements of accounts and late reminders (politely worded); if these are not still not paid, the fee earner is alerted so that he/she makes a phone call to the client and work is stopped on the matter. Non-paying clients will keep you from working for profitable ones!

3. Increase Efficiency of Production: The more efficient the fee earner, the more hours are captured as billable hours or (in fixed fee work) increased volume of work output. The goal is NOT to work longer hours, but to make better use of your time while at work. Fee earners lose potential billable time through inadequate support. Outsource non-core functions to professionals who will undertake IT support, bookkeeping, payroll, and even website maintenance and marketing functions in your practice; so that you focus on what you do best—deliver legal services.

Practices that undertake high volume, low margin transactional work in areas such as conveyancing or debt recovery know the equations well—by leveraging on cheaper labour for document generation and administrative tasks, they free up skilled fee earners to manage more cases without overworking them.

Reorganizing your practice for greater efficiency will take thought, time and commitment. It may also require an investment in technology and staff training. However, getting results in each of these areas will give you a positive return as long as the improved methods of operation continue. ***These are not one-time gains, but will continue to provide financial rewards year after year.***



Visit www.leapoffice.com.sg to find out more.

Are you paying too much income tax?

Have you considered corporate structuring for tax optimization?

Under our Income Tax Regulations, the Limited Liability Corporation enjoys attractive tax benefits – including Start-Up Exemption and the One-Tier Tax Exempt Dividends for Shareholders. You may enjoy substantial tax savings using the LLC as a corporate vehicle for your law practice.

Simply put, partnerships and sole proprietorships are see-through structures with the partner or owner being taxed on the income of the business at personal income tax rate. Assuming income of \$320,000, a corporatised entity will pay tax of \$20,400 vis-à-vis personal income tax at \$42,700 (difference of \$22,300!) due to startup exemption.

Tax Consultant, Ho Soon Wing of www.ascentiatax.com has helpfully provided a series of comparative scenarios using sample data to show the extent of potential tax savings at different levels of director's remuneration. For a copy of comparative study, send an email request to sylvia@bizibody.biz

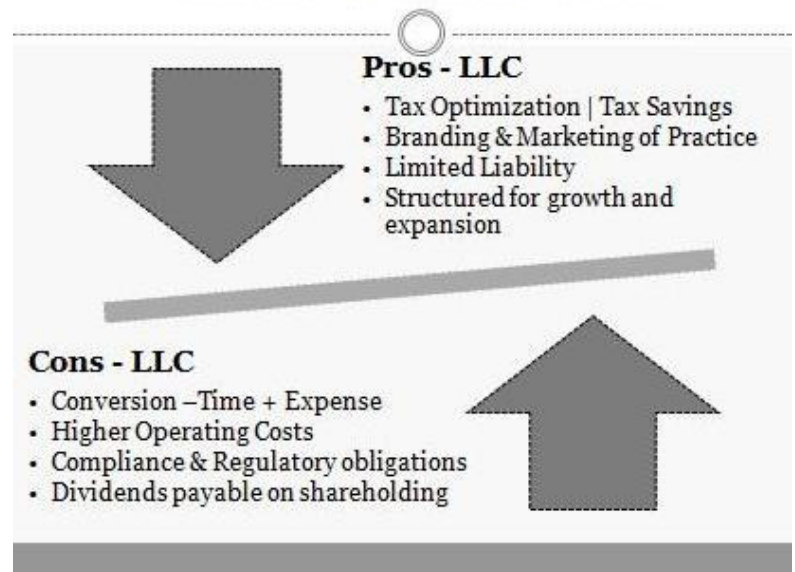
If this makes sense to you, the next step is to consider the PROS & CONS of an LLC—see table on the right.

Too Much Work to Convert?

Not if you have extra hands on board!

Bizibody offers an "LLC Conversion Service" which includes everything you need to incorporate an LLC; move your matters and financial balances to the LLC; and wind-up your existing practice. For a detailed and comprehensive Conversion Checklist (including Law Soc and ACRA Compliance), visit www.bizibody.biz/llc-conversion

Should I? Shouldn't I?



FREE ADVISORY SERVICES for start-ups, solos and small law firms. Call us for a chat if you wish to



- Start a New Law Practice
- Automate Your Law Practice
- Market Your Law Practice on the Internet
- Convert to an LLC
- Operate a Client Account
- Manage Practice Financials
- Litigate on a Case involving Email or other forms of electronic evidence



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