



Success Requires More Than Hard Work, It Requires Systems

By: Ted Gudorf, JD



Most of us who own our law firm have invested considerable time attempting to define success and more importantly, search tirelessly for the keys to achieving it. A few years ago, I discovered that creating and maintaining law firm systems is the unlikely answer.

For some of us, law firm success is measured solely by profitability, while others define it in relation to the quality of work we produce. Regardless of the definition, successful business owners usually attribute their success to hard work. However, we all know that hard work does not guarantee success.

For instance, my father owned his own retail business. Its doors were open 65 hours per week. Once the doors closed, it was time for him to run the register, prepare the bills and schedule the deliveries. On top of that, he owned a laundromat to provide extra income for his wife and 10 children. Despite his incredible hard work, he never achieved significant financial success.

When I started my own law firm, I eliminated billable hours and performed all legal work on a contingency or flat fee basis, believing that somehow this approach would produce a better financial result. The remarkable thing is that I worked just as many hours under the new regimen, as I had under the big law firm billable hour model, with nearly identical bottom-line results. Moreover, it would not be unusual for me to work as many hours being a lawyer as my father had in his retail store! Had life really gotten any better? Would the financial outcome be any different?

In the book, *For Doctors Only*, the authors define leverage as follows: "Leverage makes your life easier. Leverage frees you to do the things that are most important, most profitable, or most enjoyable to you. Leverage is what allows you to achieve greater levels of financial success."

The authors continue: "A little leverage is good. A lot of

leverage is better. The goal of all attempts at leverage is to maximize efficiency. Efficiency is achieved when leverage is increased to a point when you have approached your capacity without going over." They further state: "You could theoretically increase capacity by working harder, but that is only acceptable if that is the most valuable and profitable use of your time and energy. Leverage is about working smarter, not harder."

In my opinion, leveraging systems, processes, and protocols are the key to the long-term success of any law firm. And lawyers need to spend much more time working on them. With the help of our friends at Atticus, we are spending significant time in this effort and are achieving substantial results. Systems for big things like production, time management, marketing, staffing and cash flow are critical. But just about everything we do has a system even if it is one that is not fully developed. For instance, we have systems for answering the telephone, opening the mail, scheduling, closing the office, greeting a new client, preparing and filing a deed, opening a file, tracking our inventory of cases, balancing our checkbook, reviewing our monthly financial reports, scheduling our marketing lunches, etc. Each week we allocate time and effort to refining our existing systems and developing new ones. Interestingly, we are becoming much more client selective so that we have more time to work on our systems, processes and protocols. This in and of itself is having a positive impact on our bottom line.

The systematization of the law practice, when combined with hard work, allows the attorney to own a profitable business which provides high quality legal services while enabling the attorney and team to live a life worth living. This "smarter working" lifestyle is the answer.

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