

# STRATEGIES TO INCREASE REVENUE AND DECREASE EXPENSES IN YOUR PRACTICE

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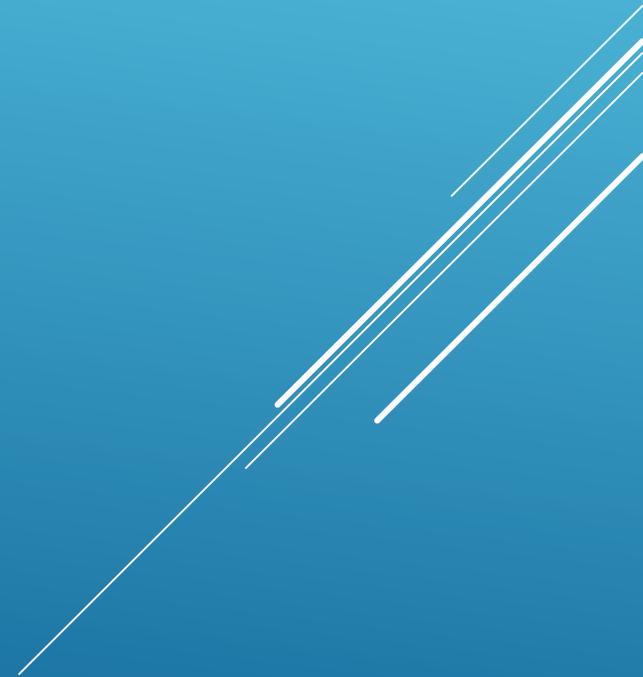
# GEOFF GILBERT, ESQ.

- Executive coach for attorneys.
- Led successful law practice for 15 years (17 employees).
- Former practicing CPA at Ernst & Young.

# REVENUE VS. EXPENSES

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How much time should  
lawyers spend on increasing  
revenue vs. decreasing  
expenses?

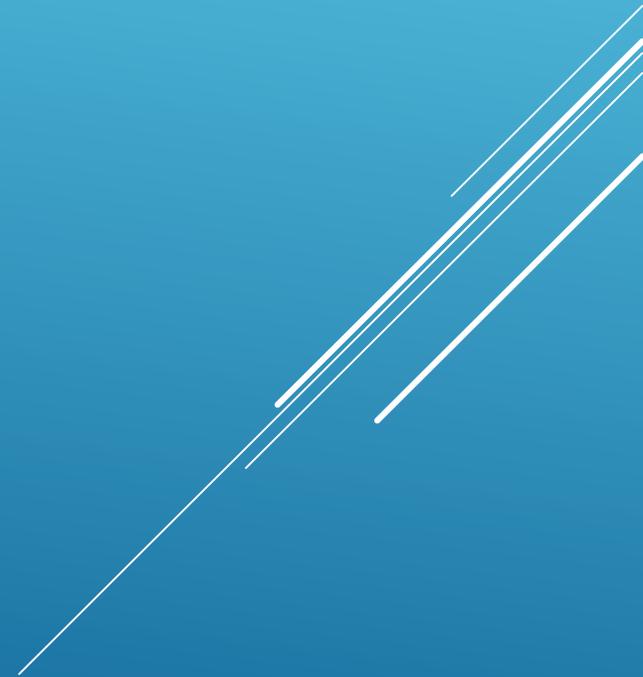


Lawyers who focus on new business do better than those who constantly focus on minimizing expenses.



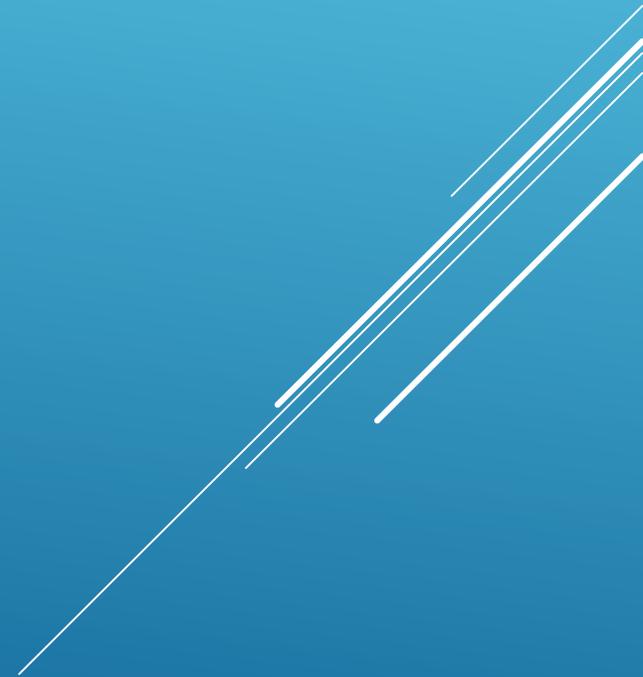
When I practiced as a CPA,  
I learned that most lawyers and  
business executives focus too  
much on expenses and too little  
on revenue.

While developing new business, analyze one expense category every 2-3 months for savings.



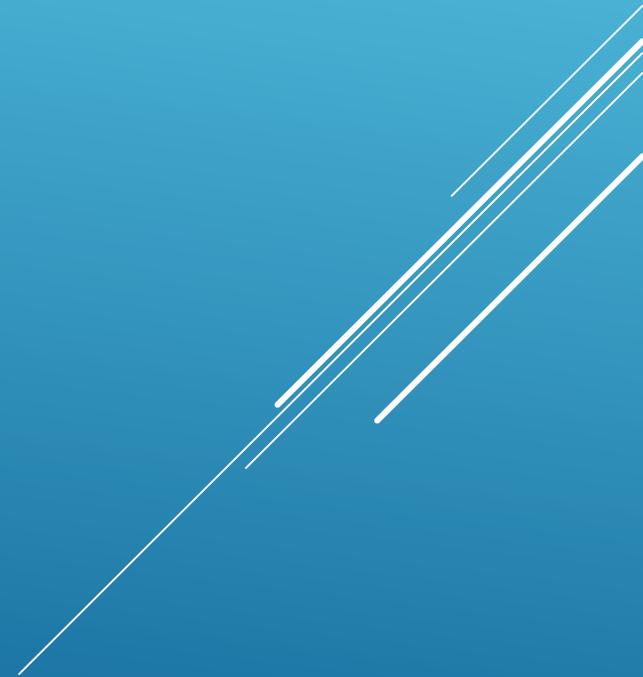
Increasing revenue solves a lot of practice problems – including expense problems.

It costs your practice your  
hourly rate for every hour you  
spend examining expenses.

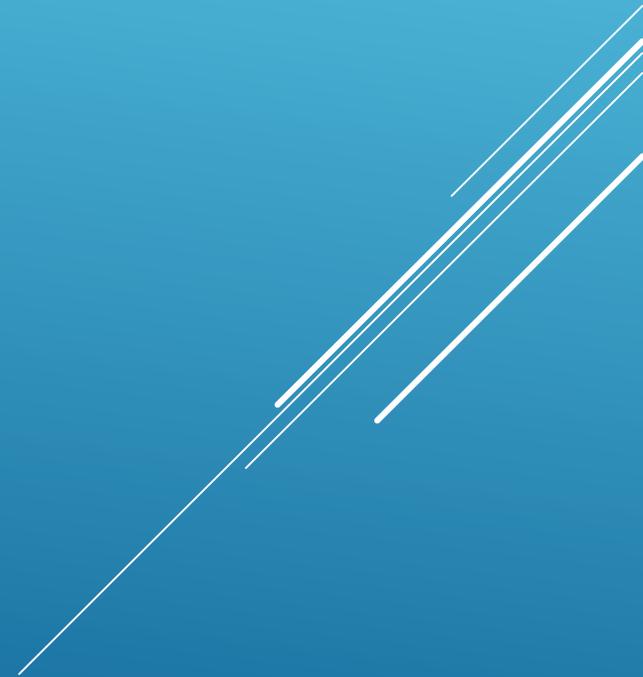


# TEN STRATEGIES TO INCREASE REVENUE

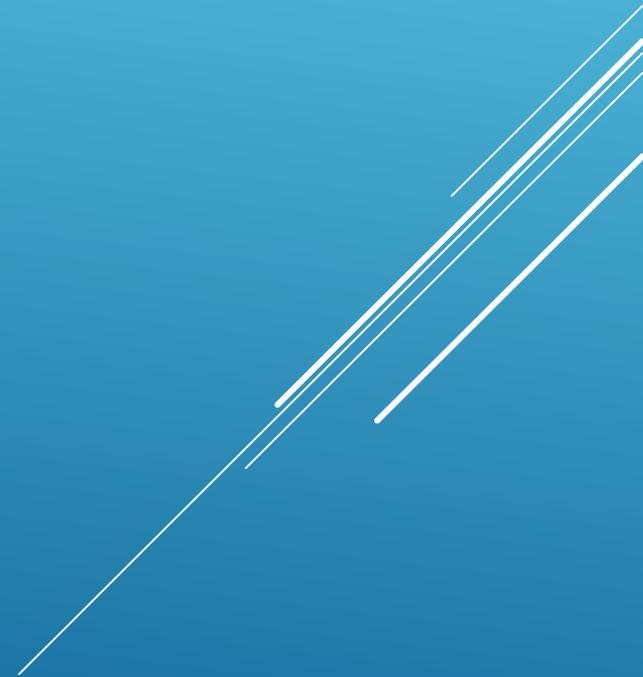
# STRATEGY #1: INCREASE NEW CLIENTS



Where did your clients come from over the last 2-3 years?

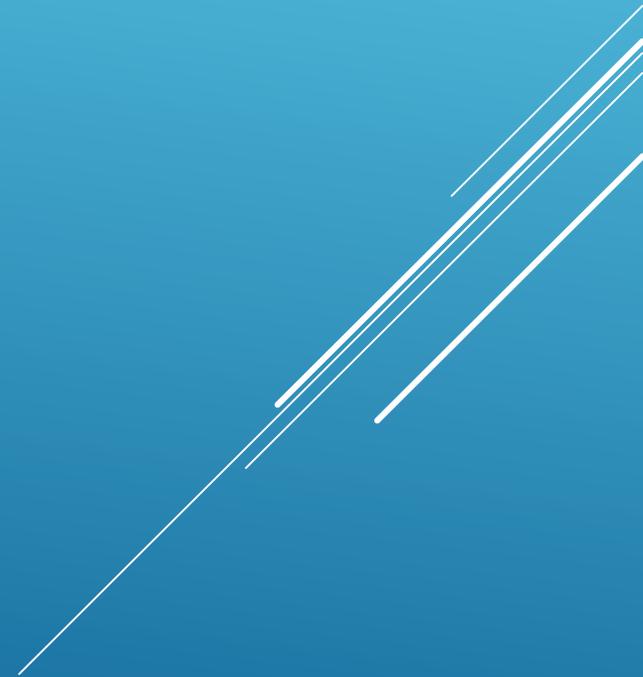


Do more of it.



The 80/20 rule: 20% of your effort produces 80% of your revenue (Pareto Principle).

Do more of the 20% that  
generates the most income.



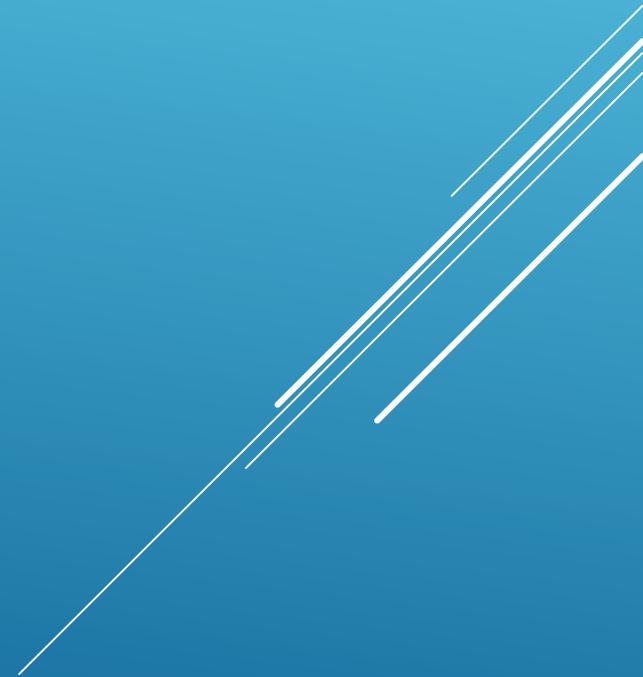
# EXAMPLE

*The managing partner of a firm I began to coach was mired deeply in administrative tasks and focused on his inefficient employees.*

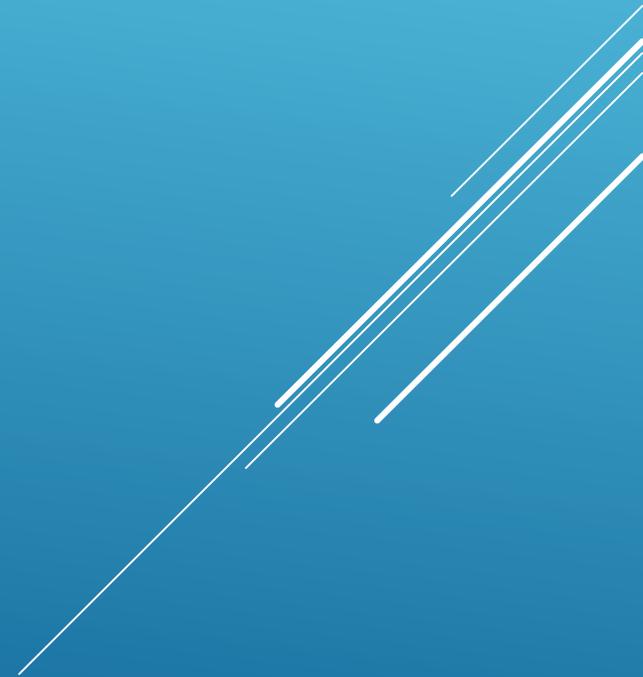
*Billable hours were down. No one was focusing on new business or revenue.*

*Recommended strategy:  
Increase new business and establish  
goals for billable hours.  
Add accountability.  
Address problems – particularly  
personnel problems – one at a time.*

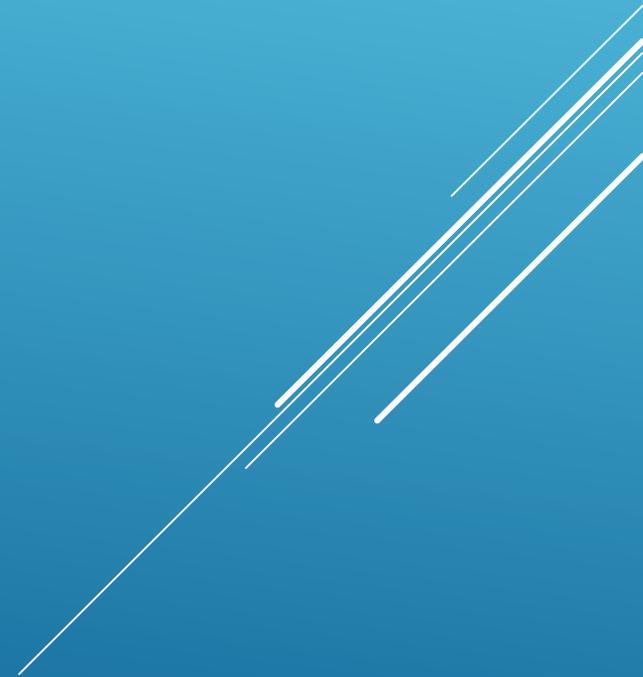
*The result: In terms of profitability,  
the firm had its best year ever.*



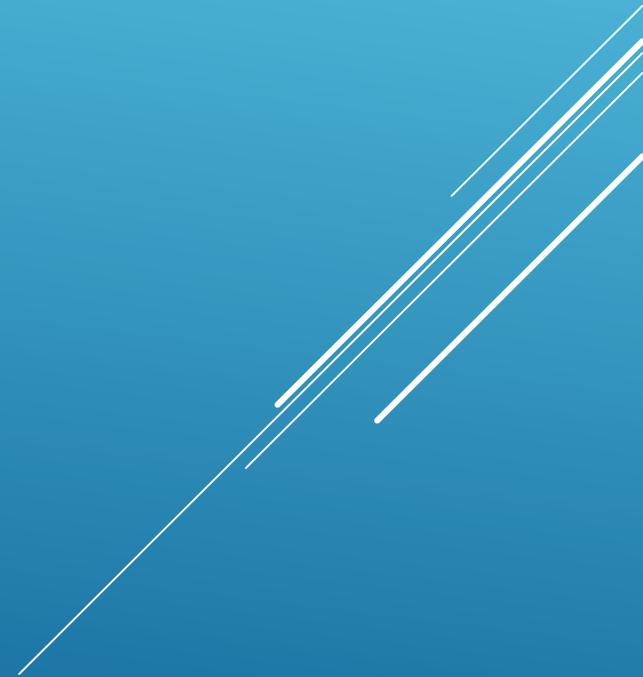
STRATEGY #2:  
INCREASE NEW CASES  
FROM EXISTING CLIENTS



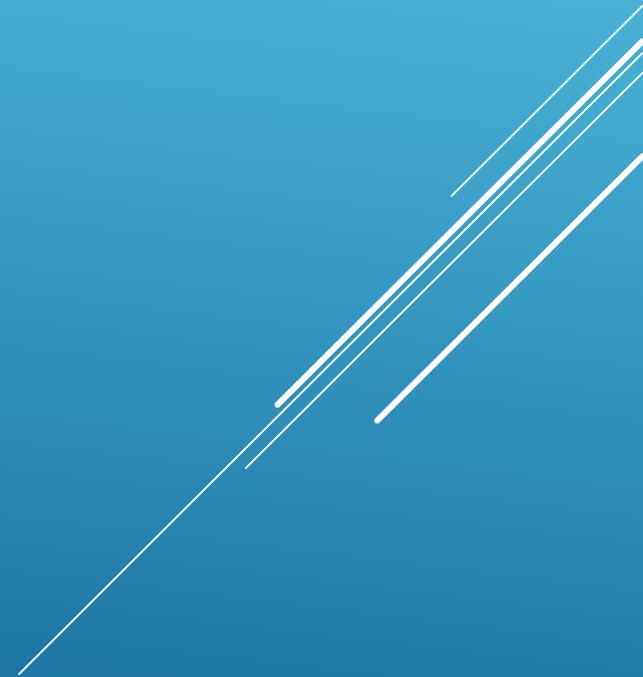
Make a plan to speak or write to existing clients every month and meet every 3-4 months. Build the relationship by regular and in-person contact.



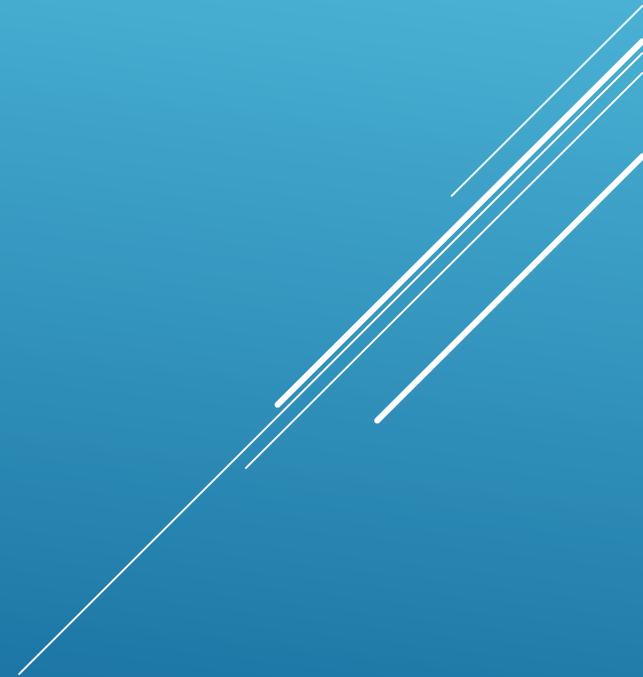
The more one-on-one  
contact with your  
clients:



A. The better you will  
advocate for them.



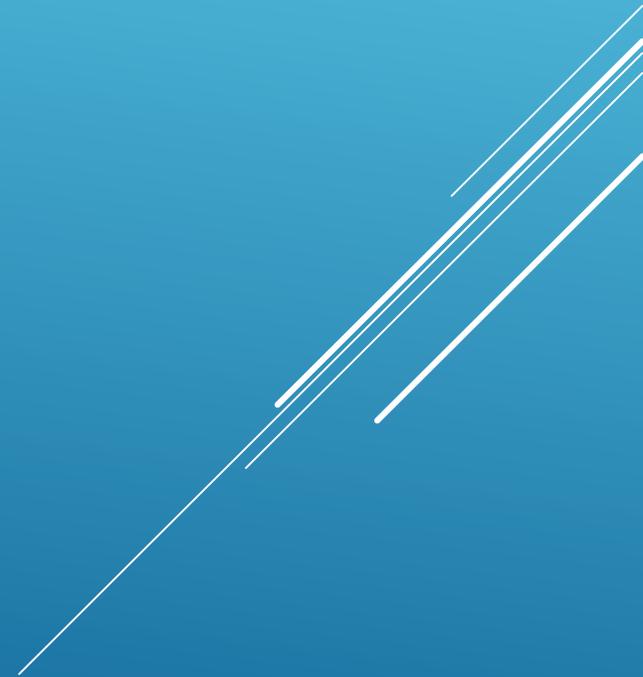
B. The more they will trust you.



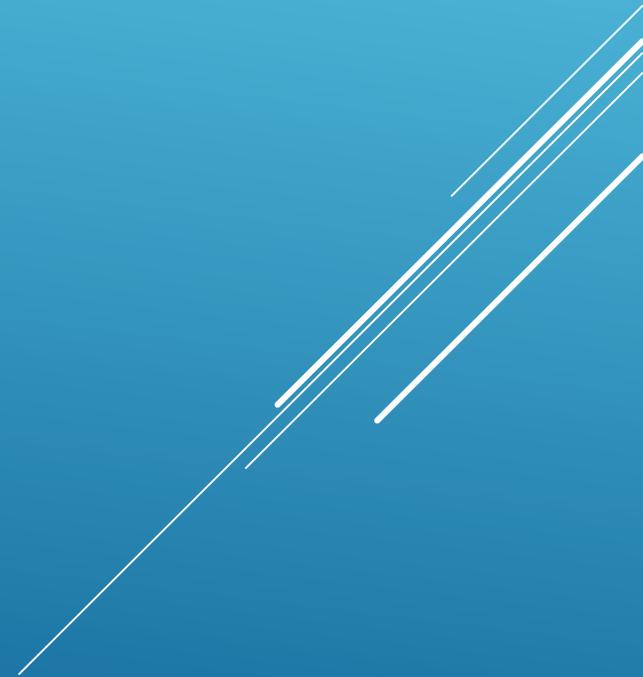
C. The more likely they are to refer new clients and new cases to you.

STRATEGY #3:  
IDENTIFY THE PEOPLE WHO HAVE  
REFERRED CLIENTS TO YOU

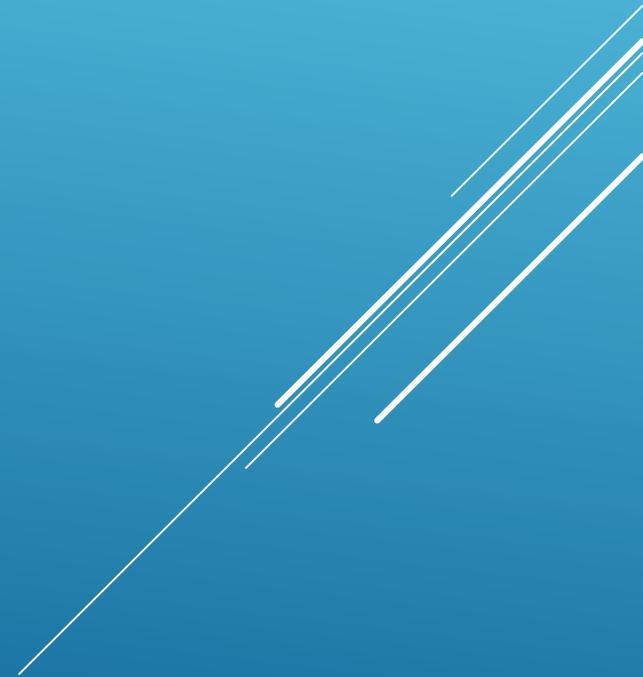
Make a plan to meet  
regularly with the people  
who already refer cases to  
you.



Again, you are more likely to get a referral from someone who has referred a case to you than someone who has not (80/20 rule).



# STRATEGY #4: CONSIDER INCREASING YOUR HOURLY RATES

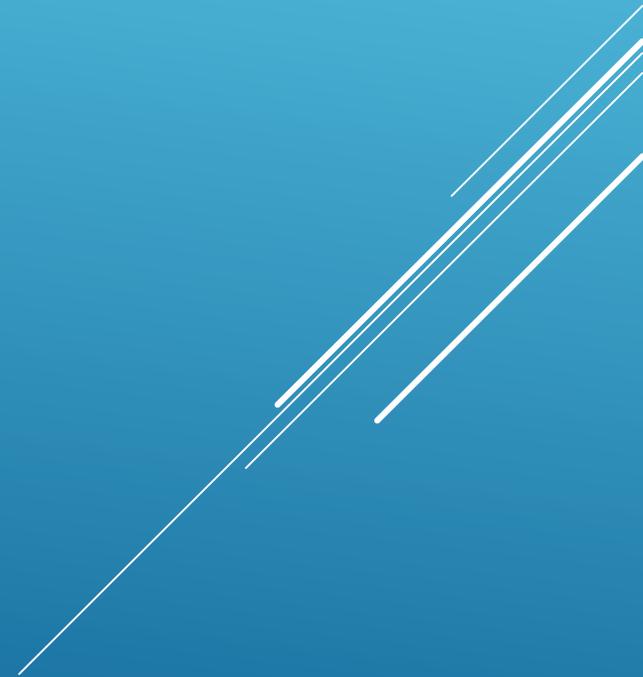


A \$50 per hour fee increase at 1,500 billable hours per year results in a \$75,000 increase in annual revenue.

\$25 per hour yields \$37,500.

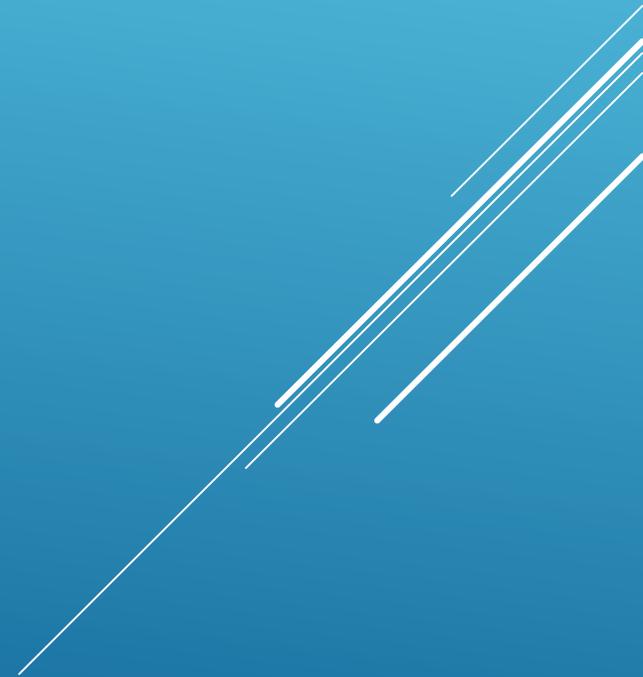
Are we worth the increase?

1. More experience raises the value we bring to clients.



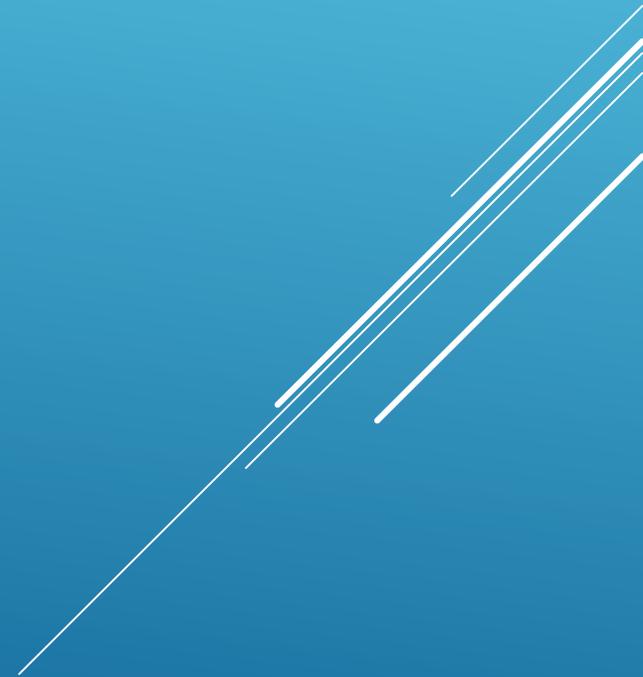
Are we worth the increase?

2. Each year we practice, we have a greater likelihood of success in cases.



# Are we worth the increase?

3. It's incredibly motivating to help more people and to increase your checkbook balance. We do a better job when motivated.



# STRATEGY #5: SET DAILY GOALS FOR BILLABLE HOURS



**Increasing or setting billable  
hour goals alone increased  
revenue for every one of my  
coaching clients.**

# ADDITIONAL REVENUE FROM INCREASING GOALS FOR BILLABLE HOURS

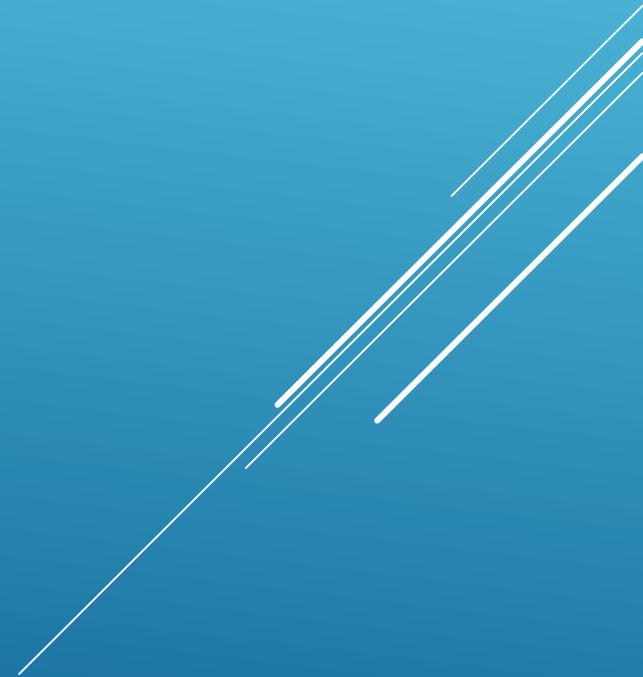
*Based on 200 days/year for one lawyer*

<u>RATE</u>	<u>1 HOUR</u>	<u>2 HOURS</u>	<u>3 HOURS</u>
\$200	\$40,000	\$80,000	\$120,000
\$300	\$60,000	\$120,000	\$180,000
\$400	\$80,000	\$160,000	\$240,000
\$500	\$100,000	\$200,000	\$300,000

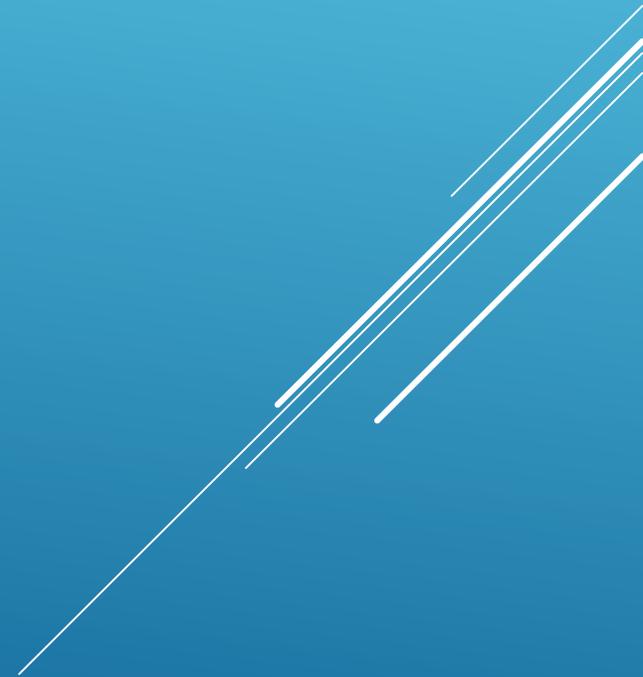
In six months, one of my coaching clients with five billing professionals increased net income by more than \$1 million by setting goals for billable hour goals.

However, not many attorneys are good at holding themselves accountable. As a coach, my job is to hold you accountable for your goals.

# STRATEGY #6: IMPROVE YOUR BILLING PRACTICES



A. Send bills out the last day of the month.



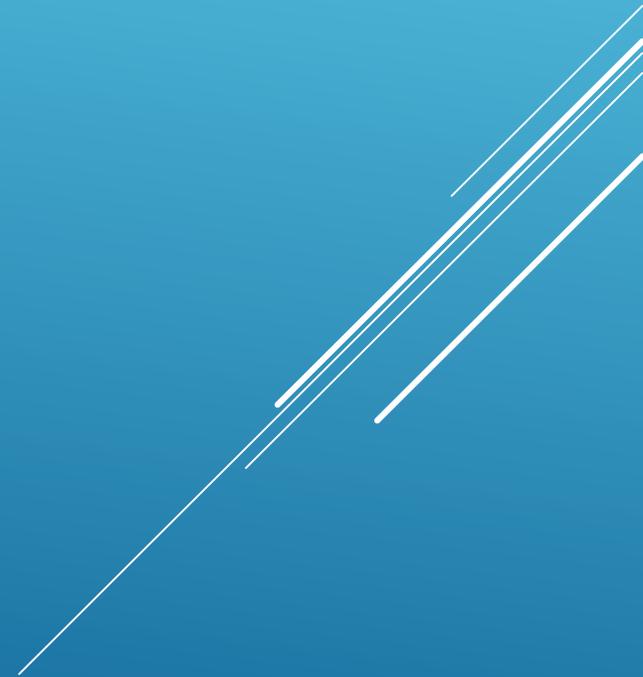
B. Put the due day and  
date on the bill:  
Wednesday, February 5th

C. Send bills out on the same day each month. Preferably, send bills on the last day of the month so yours are the first bill your client sees on the first day of the following month.

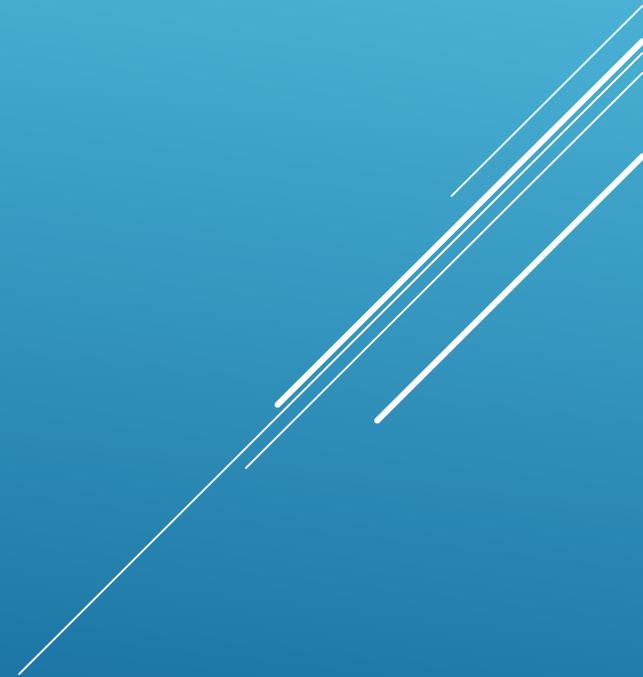
Good billing practices teach  
your clients to pay you and  
to pay you on time.

Each of these policies is worth a significant amount of money to your practice.

I teach a program just on billing practices and preventing or eliminating collection problems. Failure to get paid is a reflection of your billing practices and not your clients' habits.

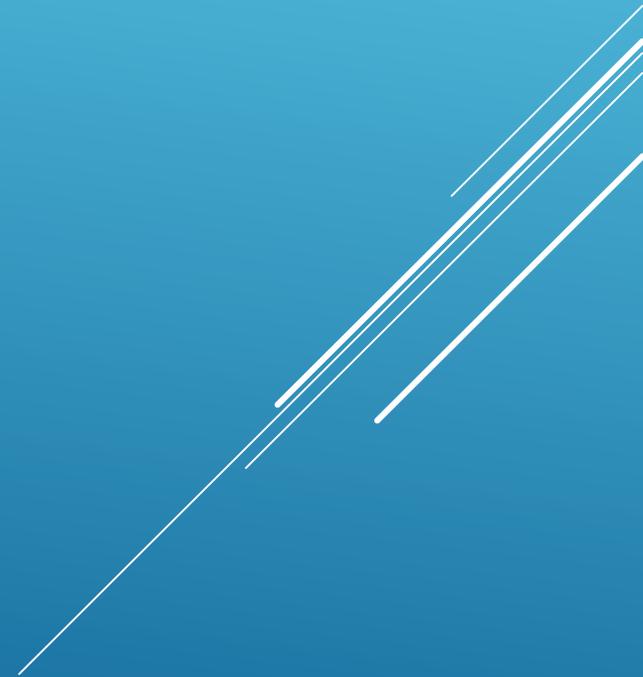


# STRATEGY #7: PREVENT COLLECTION PROBLEMS

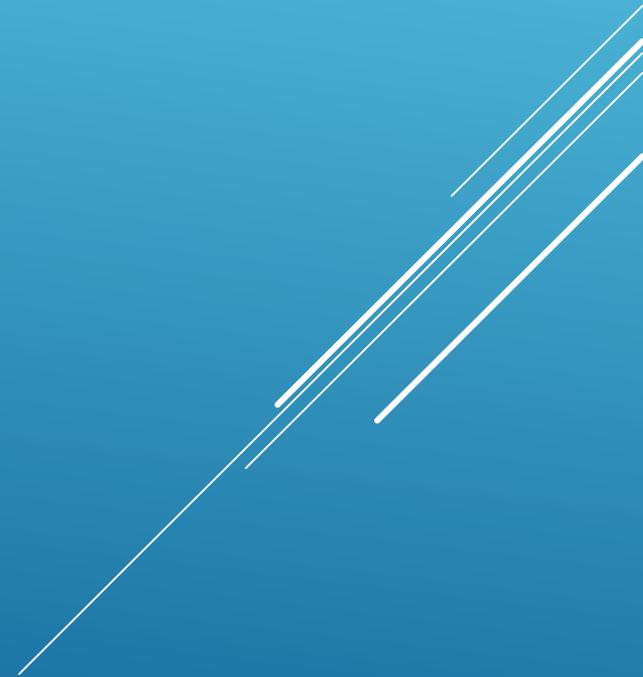


A. Get the retainer in your escrow account.

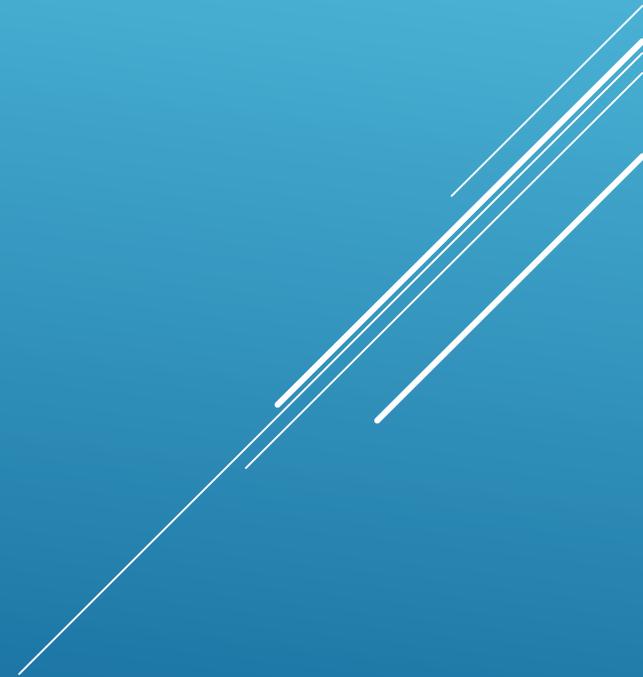
B. Get a credit card and agreement on file.



C. Get your retainer replenished.



D. Stop work immediately if not paid on time.

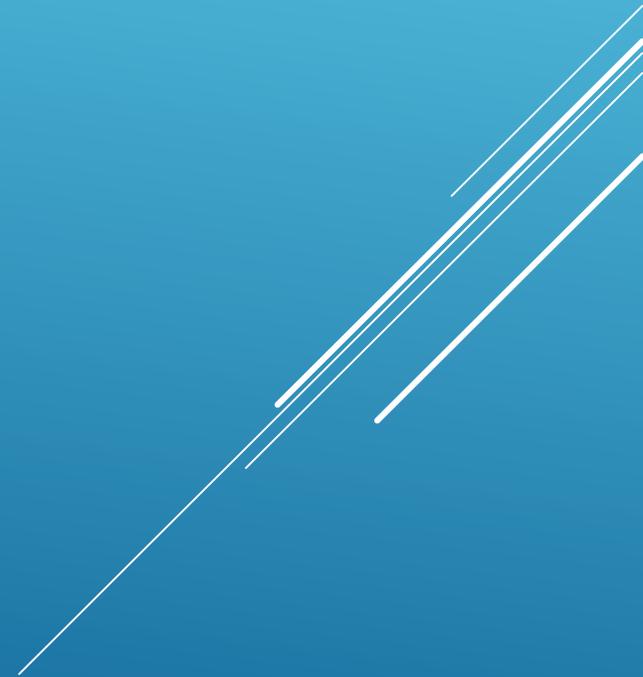


Again, all of these policies increase your checkbook balance.

*All lawyers are afraid of losing clients because of strong billing practices.*

If you lose a client because  
you take steps to get paid on  
time, you may be better off.

# STRATEGY #8: REDUCE OR ELIMINATE DISTRACTIONS

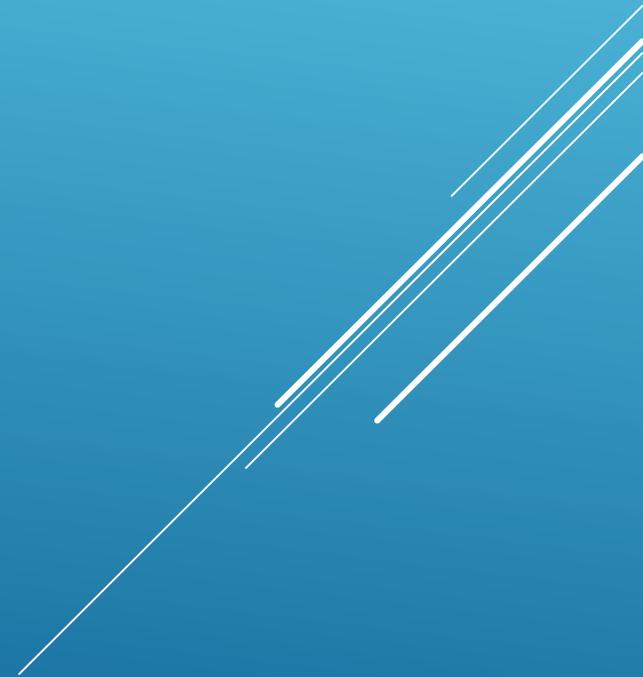


PRACTICE TIP: Get your billable hours in every day before you do any other tasks.

*“Are you crazy, Geoff? How do I do that?”*

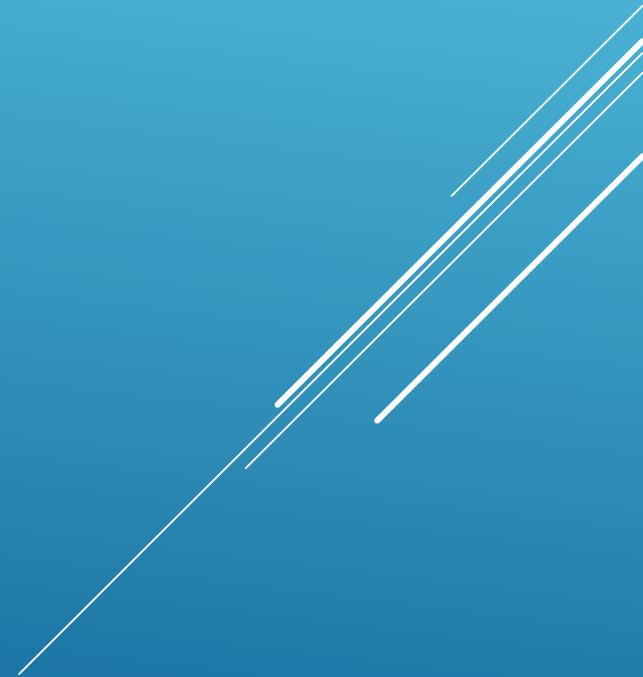
Limit texting, emails, and phone calls to 2-3 time periods during the day.

Interruptions during your billable work always cost you revenue.

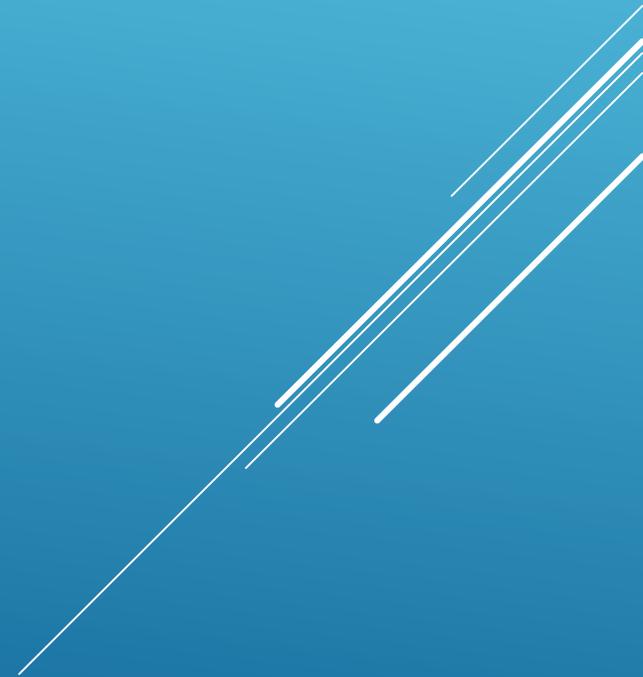


I teach a program on distractions and increasing billable hours each day.

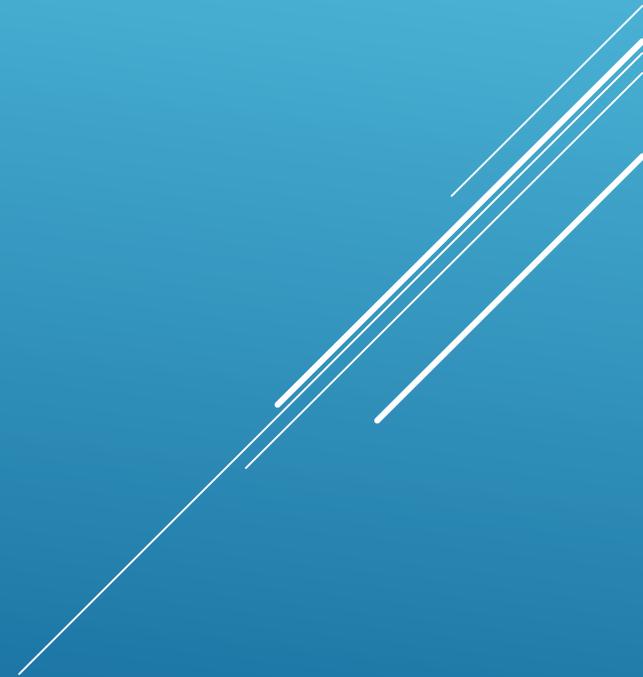
I work with attorneys every day on this. It takes discipline and accountability to have a great law practice.



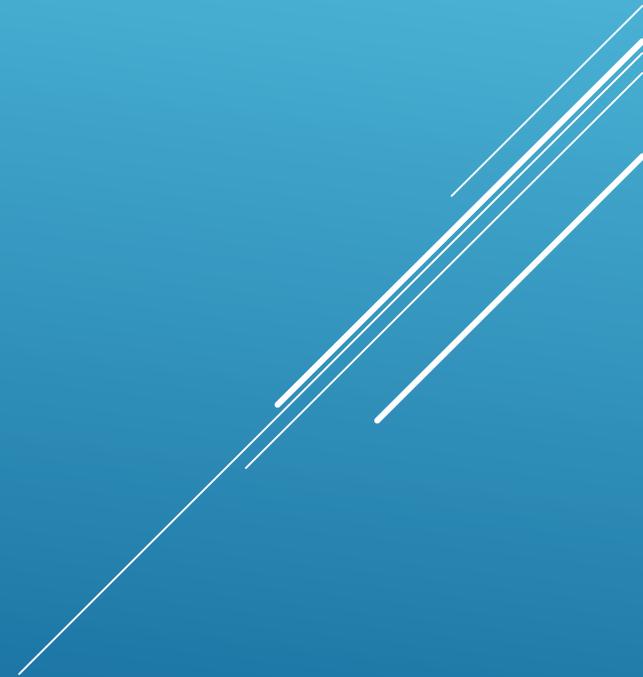
STRATEGY #9:  
THE MOST PROFITABLE  
ATTORNEYS AND FIRMS FOCUS  
ON TWO THINGS EACH DAY.



# 1. Billable hours.



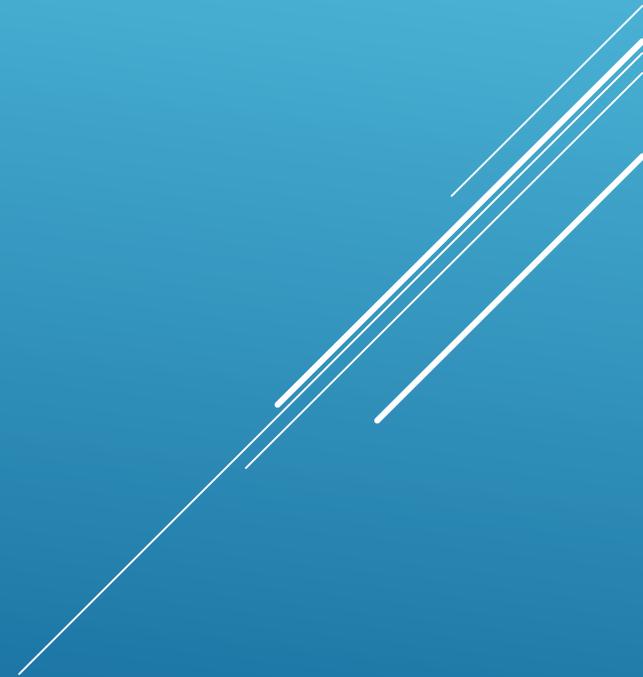
## 2. Activities that generate new clients.



STRATEGY #10:  
NEVER STOP YOUR BUSINESS  
DEVELOPMENT ACTIVITIES NO  
MATTER HOW BUSY YOU ARE.

Continuing business development activities results in higher revenue during the highs and higher revenue during the lows.

I teach my coaching clients how to put programs in place to develop business each day. Programs that happen even when you are in court or on vacation.

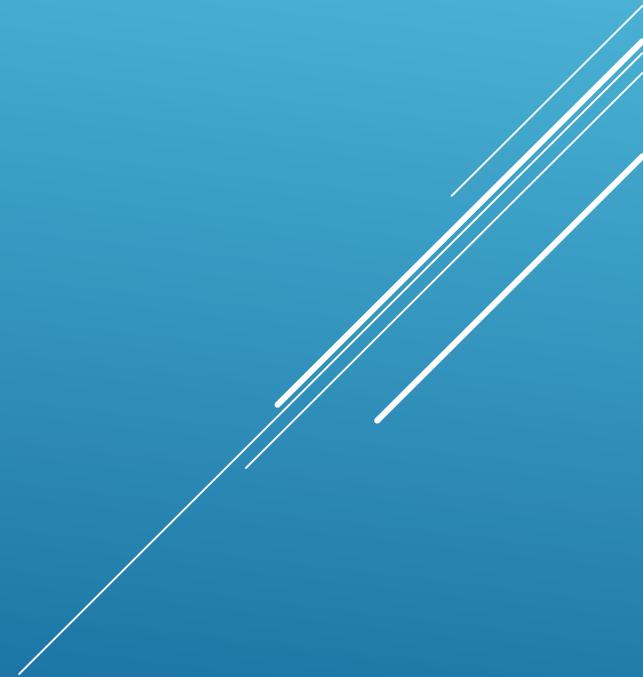


# NINE STRATEGIES TO REDUCE EXPENSES

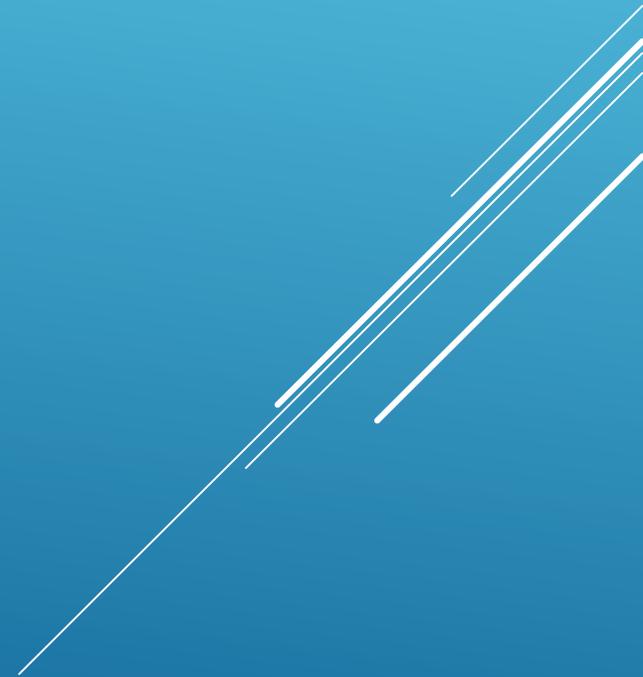


STRATEGY #1:  
REVIEW ONE EXPENSE  
CATEGORY EVERY 2-4  
MONTHS.

# STRATEGY #2: OUTSOURCE INSTEAD OF HIRE.

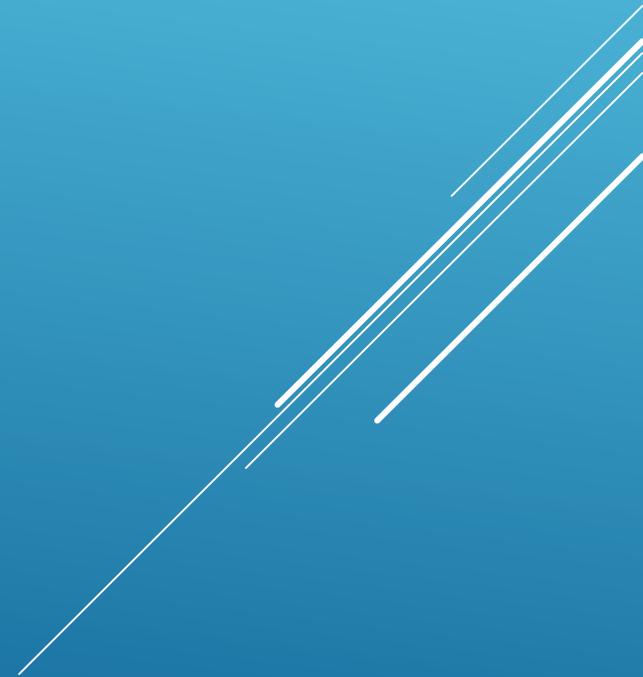


Remember, if you are doing research on expense items, you are paying \$300-\$600 per hour in lost billing for that research.



STRATEGY #3:  
CHOOSE THE EXPENSE ITEMS  
WITH THE GREATEST SAVINGS  
POTENTIAL FIRST.

STRATEGY #4:  
ASK OTHER LAWYERS FOR  
ADVICE. WHAT SYSTEM DO  
THEY USE?

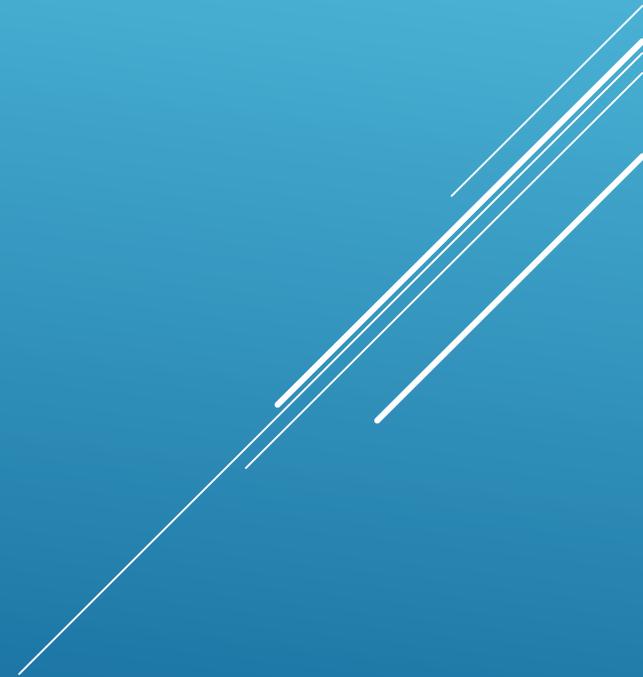


STRATEGY #5:  
SEE IF OUR BAR ASSOCIATION  
HAS RECOMMENDATIONS  
FOR GOOD VENDORS.

STRATEGY #6:  
INSTEAD OF TRYING TO GET A  
LOWER PRICE, NEGOTIATE TO  
GET MORE FOR THE PRICE THE  
VENDOR WANTS.

STRATEGY #7:  
NEGOTIATE FOR A LOWER  
PRICE IF THE SERVICE IS THE  
SAME FROM ONE VENDOR TO  
ANOTHER.

# STRATEGY #8: NEGOTIATE FOR A TRIAL PERIOD.



STRATEGY #9:  
GET AN EXIT CLAUSE IN THE  
CONTRACT.

# WHAT WILL YOU DO DIFFERENTLY IN YOUR PRACTICE?



# HOW I CAN HELP: AREAS I COACH

- ✓ Improve billing & collections
- ✓ Teach clients to pay on time
- ✓ Handle difficult clients
- ✓ Resolve employee problems
- ✓ Manage lawyers, paralegals, & staff
- ✓ Improve employee retention
- ✓ Decide what to outsource & what to keep in-house
- ✓ Increase revenue & reduce expenses
- ✓ Make lawyers more productive
- ✓ Eliminate distractions
- ✓ Get ahead on your cases
- ✓ Enjoy your practice
- ✓ Customer service for law firms
- ✓ Create a succession strategy

# QUESTIONS?

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