

Wrapping Up 2021

HOW TO PREPARE YOUR
LAW FIRM FOR THE NEW YEAR.

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BEFORE CLOSING OUT 2021, LAW FIRM owners should apply these five tips to prepare their firms for the New Year.

Audit Key Cylinders

First, audit the key functions of the firm by reviewing the systems/operations, technology, staffing and labor, marketing, and financial cylinders. Upon conducting the audit, assess which cylinders are running successfully and which require more attention in 2022. Review key performance indicators and prior departmental initiatives. For optimal success in the audit, have the relevant employees in charge of overseeing each cylinder report their findings and discuss improvement in light of their successes.

Effectively Align With Your Firm's Mission and Vision

Second, identify the firm's core values and align it with the firm's mission and vision. Much like New Year's resolutions require reflection, goal setting, and realistic steps for achievement, firm owners should remain mindful of their firm's mission and vision. If a mission and vision were never established in writing and set forth as part of the firm's culture and ethos, this is the first step. Next, determine if this mission and vision still identify the essence, core values, and goals of the firm. A strong mission and vision emanates a solid culture and lodestar for decisions, goals, and success for years to come.

Review Goals for 2021 and Set Goals for 2022

Third, review 2021 goals and set

SMART goals for 2022. Goals must be specific, measurable, attainable, relevant, and time-bound for optimal success, hence SMART.¹ For some, goal setting is a natural and routine process. For others, goals are happenstance and vague. Goal setting, however, is crucial for all areas of the firm and for all staff members.² Goal setting provides owners with an outline to assess the firm's achievements and strive for new accomplishments as a team.

Year-end Housekeeping

Next, run through the firm's year-end housekeeping checklist. Make sure your finances are in order, regularly reconciled and ready for tax season. Apply for the Paycheck Protection Program forgiveness if you haven't already. If you have a shortage of funds and qualify, consider applying for the COVID-19 Economic Injury Disaster Loan or an increase in your prior loan disbursement. Additionally, review your firm's benefits packages and consider adding new benefits to help attract and retain staff during this labor shortage. While the usual benefits such as health, dental, vision, and life insurance might be the standard, explore 529 college savings fund programs, simple IRAs or retirement plans, and tuition reimbursement. Before the deadline of December 31, 2021, explore if your firm is leaving thousands of dollars on the table and might qualify for the employee tax retention credit.³ This credit could potentially be a significant source of funding for employers who kept employees on payroll during parts of 2020-2021. Review your finances and explore your options for potential raises and/or bonuses for staff or even a longer holiday break. Talk to your CPA, CFO, and/or financial adviser for recommendations.

Hold a Year-end Law Firm Retreat

Last, a great way to implement the tips above and reflect on the year-end

information at a high level is to hold a law firm leadership retreat. An ideal retreat is planned a few weeks in advance to allow adequate preparation. Homework for the retreat and reports to be shared in advance allow for sufficient time to plan, discuss, and reflect at the retreat. Whether it's a half-day, full day, or more, structure and planning are essential for success. This includes having a realistic agenda and timekeeper. Consider hiring a business consultant or coach to help guide and moderate the discussions to maximize the time.

The past two years in business have been challenging, but we are at the forefront of a new era of law practice management. This is the time to use proven tools to wrap up the year and build a strong foundation to enter 2022 with gusto. Happy New Year! **TBJ**

NOTES

1. *SMART Goals: How to Make Your Goals Achievable*, MindTools, <https://www.mindtools.com/pages/article/newsmart-goals.htm>.
2. Ruby L. Powers, *Build and Manage Your Successful Immigration Law Practice (Without Losing Your Mind)* (2019), <https://tinyurl.com/rsstvk3>.
3. *FAQS: Employee Retention Credit under the CARES Act*, IRS, <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act> (last updated Aug. 20, 2021).



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