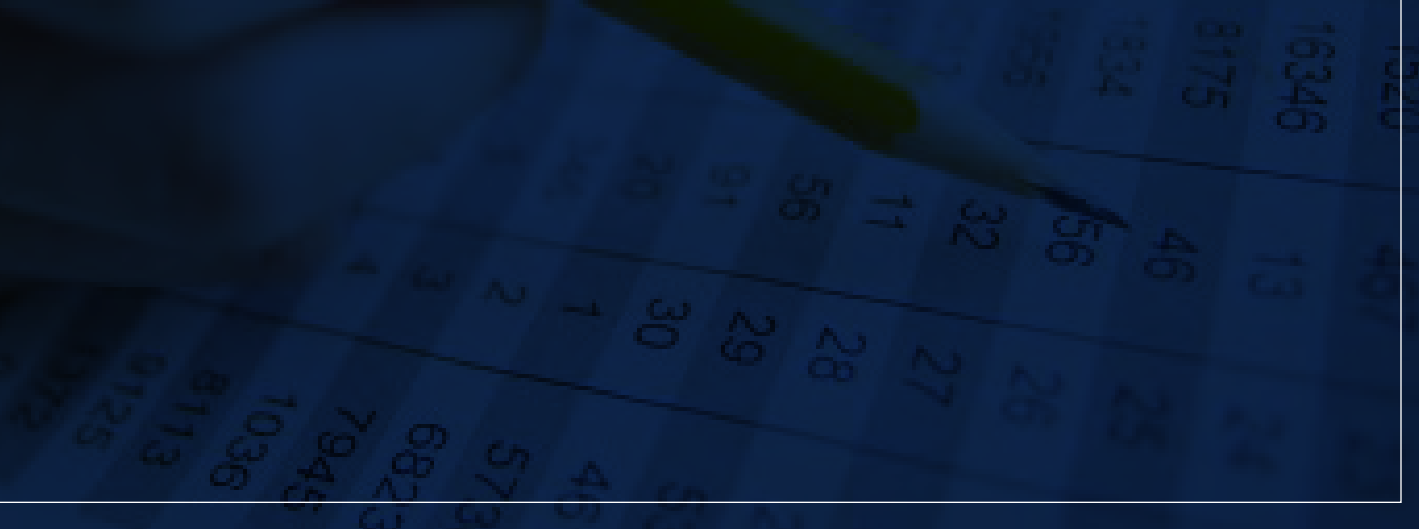




MANAGED ACCOUNTING LLC

8½ REASONS TO USE 4L ACCOUNTING DEPARTMENT BPO*



HERE ARE 8 REASONS TO CONSIDER OUTSOURCING, PLUS A FINAL (1/2) THOUGHT...

Midsized law firms require the same financial and accounting resources commonplace in AmLaw 100 firms. But such services come with a price tag often beyond the means of midsized firm budgets. As a result, midsized firm Accounting Departments are usually understaffed and Managing Partners lament, "I'm spending way too much time away from my practice dealing with accounting issues."

There is an alternative: 4L Accounting Department BPO*.

About 4L

4L – a decidedly different accounting firm – provides outsourced Accounting Department services to law firms.

Our mission is to partner with law firms to make them more efficient & productive, easier to manage and increasingly more profitable.

During calendar year 2020, 4L's billing team produced more than 171,047 invoices with a face value of \$624,471,624 for 80 law firms with lawyers in 33 states.

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YOU CAN'T BE YOUR OWN CFO

Practicing outside your core competency is inefficient and risky for lawyers. Moreover, a busy lawyer lacks the time and skill to be both Managing Partner and the law firm's CFO.

Managing Partners of midsize law firms wear many hats. In addition to serving their own clients, there are partner-level matters to manage, practice management tasks to supervise, business development efforts to lead and a seemingly endless number of administrative tasks – all continually vying for their attention. Without access to timely, accurate and insightful financial information, time is wasted, decisions delayed, and mistakes can be easily made.

The 4L Accounting Department BPO* model provides Managing Partners a financial strategy, sophisticated financial advice, assurance that daily accounting tasks will be executed, and assistance with growing the firm and avoiding potential lethal financial headaches. 4L has assembled the talent, technology, processes to provide financial guidance Managing Partners need.

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LOWER OPERATING COSTS

Law firm managers are under increasing pressure to reduce costs, boost productivity and improve profits per partner.

The Accounting Department BPO* model permits 4L to offer its services at a lower cost than a single law firm attempting to build and maintain on its own. It is a simple matter of economies of scale. 4L leverages the cost of experienced law firm accountants, cost- saving technologies and law industry best practices over multiple firms, each accountant handling a larger volume of transactions than are typically found within a single firm.

A higher volume of transactions means fewer workload peaks and valleys and yields greater productivity at a lower unit cost. By arbitraging people, technology and process, 4L can pass a portion of those efficiencies on to the law firm in the form of lower costs.

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GREATER FINANCIAL CONTROL / REDUCED RISK

4L Accounting Department BPO* means more (not less) control over your law firm's financial operations.

Maintaining formal internal accounting controls and separation of duties is problematic in firms with small accounting staffs. Bank reconciliations, data backups and other critical risk management duties are easily neglected when the day-to-day accounting workloads peak.

4L refers to this as accounting with accountability. It begins with the service level requirements (SLRs) which set forth those tasks to be performed by 4L each month. Few, if any, midsize firms have written SLRs governing what is expected from their internal accounting staffs.

Complete transparency is the hallmark of the 4L Accounting Department BPO* model. 4L must "show its work" which includes a full accounting of all financial transactions, exception reports, copies of bank statements and detailed monthly reconciliations, production reports, copious unbilled & billed inventory aging reports, financial reports, and checklists.

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BETTER FINANCIAL ANALYTICS

Law firms have been facing unprecedented business pressures over the last decade – including lower demand for legal services and enhanced competition in the form of RFPs, growth of internal corporate legal departments, and nonlawyer businesses. It is a challenging time to be a law firm manager. The Accounting Department must be a strategic resource in setting direction to meet those challenges.

The 4L Accounting Department BPO* solution means better financial analytics:

- Financial dashboards
- Online, real-time financial database queries
- Monthly (or on-demand) production reports detailing:
 - Hours recorded
 - Fee billing and billing write-off realization
 - Fee revenue and collection write-off realization
 - Aged unbilled time/costs/expense inventory
 - Aged accounts receivable fees/costs/expense inventory
 - Trust and retainer accounting
- KPI (key performance indicator) reporting
- A monthly production/revenue-focused memorandum designed to help the partners “get behind the numbers”
- Financial statements including:
 - Income Statement
 - Balance Sheet
 - Cash Flow Statement
 - Partner Compensation Details

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ENABLING TECHNOLOGIES (INCLUDED)

Newly launched law firms and existing firms seeking financial system upgrades can rely upon 4L to provide new accounting software for them without large upfront capital expenditures. 4L provides Orion® Financial Management Software designed for law firms to many of its Accounting Department BPO* clients, bundling the cost of the software and related Cloud services into 4L's monthly service fees.

Atlanta-based Orion Law Management Systems, Inc. is a leading provider of accounting software for law firms ranging in size from small firms up to 300 timekeepers and beyond.

The Orion software may be provided via 4L's private, managed Cloud. The Cloud is built upon established industry best practices, state-of-the-art technologies and a fine-tune architecture featuring security and ease-of-use. **AMONG THE SECURITY FEATURES:**

- Separate physical computing resources dedicated to each firm
- Advanced firewall protection and redundant power sources
- Server optimization for high performance/low latency
- Restricted user account administration
- Geo-redundant backup/recovery resources
- Unique IP addresses for each law firm
- Intrusion detection and prevention/penetration testing
- Data encryption

A 4L Orion software/Cloud service offering requires no upfront capital outlay for software, hardware or IT consulting, simplifies the law firm's on-premises IT footprint, reduces costs and negates expenditures for ongoing software or hardware maintenance and support costs.

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24/7 ACCOUNTING PROFESSIONALS

4L is a different type of accounting firm, comprised of former law industry professionals, with experience advising Managing Partners and COOs on a wide variety management and financial issues. Before joining 4L, we held titles like COO and CFO inside law firms where we owned real P&L responsibility. This extensive experience allows us to operate differently and focus on process redesign, customization and bottom line results.

THE TEAM AT 4L HAS A COMBINED

217+

combined year's
accounting &
finance experience

160+

combined years'
law firm accounting &
finance experience

110+

combined years' experience
holding senior accounting &
finance roles inside law firms

Our deep bench of accounting talent means the law firm need not worry about staff absences, bonuses, salary increases, benefit costs or expenses associated with turnover, recruiting or training new staff – all this is 4L's responsibility.



BETTER BILLING / IMPROVED CASH FLOW

Client billing is Job #1. Invoices must be processed quickly and accurately if the law firm is to be paid promptly.

4L's billing specialists understand the billing protocols required by different practice groups and are familiar with all major LEDES billing systems. We have developed proprietary procedures to ensure straightaway invoice preparation & delivery and to provide follow-up with third party billing sites.

We work with our Accounting Department BPO* clients to create a base of institutional knowledge and methods to enable continuous improvement of the client billing process. Our goal is to streamline the billing from Pre-Bill review to client delivery, and to reduce lawyer time spent on mundane billing tasks.

**PROMPT DELIVERY OF ACCURATE INVOICES BY OUR TEAM EQUALS
IMPROVED CLIENT CASH FLOW.**

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GREATER OPERATIONAL EFFICIENCIES

With extensive experience and knowledge of law industry best practices, 4L has established a track record of delivering measurable improvements in law firm business performance.

4L ACCOUNTING DEPARTMENT BPO* WILL INTEGRATE FRESH APPROACHES AND NEW TECHNOLOGIES TO:

- Enhance Accounting Department responsiveness.
- Liberate lawyers from many of the tedious aspects of time recording, expense reporting, and invoice generation activities.
- Create a base of institutional knowledge and methods to facilitate continuous improvement, ensure consistency and engender performance gains.

LAWYERS WILL DEVOTE LESS TIME FOCUSED ON ADMINISTRATIVE AND BOOKKEEPING CONCERNS AND SPEND MORE TIME LAWYERING.

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A FINAL THOUGHT....

The tangible benefits of 4L Accounting Department BPO* are capsulized in the 8 preceding points. But there is an intangible benefit, too.

PEACE OF MIND.

There are a lot of distractions to keep a Managing Partner up at night. Accounting Department concerns need not be one of them.

4L Accounting Department BPO* provides the Managing Partner the peace of mind that the day-to-day accounting issues are addressed, bank accounts reconciled, trust accounts balanced, invoices promptly issued, client payments posted, bills paid, and the financial statements are reliable, thanks to a team of dedicated financial professionals equal to the task.

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ABOUT THE AUTHOR

Mike Marget is an erstwhile large law firm manager with tours of duty as COO at Katten Muchin and at Jenner & Block, CFO at Holland & Knight, among others. He's currently president of 4L Managed Accounting and wants to help your firm grow. Learn more by calling 4L at 813.658.8575 or info@4L-Law.com

ABOUT 4L Managed Accounting

4L is a different type of accounting firm, comprised of former law industry professionals with experience advising law firm managing partners and COOs. Before founding 4L, we held titles like CFO & COO with real P&L responsibilities. Those experiences allow us to operate differently and to focus on customization, flexibility and bottom line results when tailoring solutions to firm challenges.

GET STARTED NOW

Contact Us

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