



Because lawyers deserve an accounting department who works as hard as they do....

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Numbers Tell Stories Worth Retelling

The month ends.

One way to play it:

- I'm in charge of financial reporting, so I publish the usual financial reports:
 - income statement, balance sheet, cash flow statement; and
 - various time, billing, collections, realization, WIP and AR reports.
- The partners (may) give the reports a perfunctory look; maybe I get a question or two; three at the most.
- Then I quickly pivot to pre-bills, invoice prep and the myriad of other items on my extensive To Do List for the new month.

Meanwhile, in an alternative universe.

- Because I am in charge of financial *reporting*, I don my metaphorical journalist's cap and *I report*. Task #1: draft a brief financial memo, 5-6 pages to serve as the introductory chapter to the monthly reporting package. It is a brief narrative with 8-9 compelling charts highlighting key data – the good, could-be-better, and not-so-good – buried within the tsunami of data populating the various monthly reports.
- *Because I'm in charge of financial reporting*, like a journalist, I report, in narrative form, *All the (firm's financial data) News That's Fit to Print*.

Circulating financial data without narrative squanders a singular opportunity to talk directly to the lawyers about financial matters. Numbers tell stories but cannot speak for themselves. A narrator is needed to reveal their true meaning. Someone to assemble and present the information in proper context so the lawyers can quickly grasp the stories the numbers tell.

Financial storytelling, especially to an audience of lawyers, requires:

- an informed point of view as to the underlying data,
- a concise narrative framework, and
- an understanding that it is the lawyers who drive the data *not the other way around*.

Numbers alone are seldom persuasive. Instead, great accountants employ drama, like a John Grisham novel, to tell a story in three acts complete with a sympathetic hero, a compelling storyline, and a mighty challenge to overcome.

Act I, the opening narration, introduces the protagonist (the firm), and establishes the plot: *Will the firm achieve its quest for increased profitability?*

Act II is the messy part, where the protagonist encounters various challenges in the form of adverse data likely to impede the hero's quest.

Act III is where the storyteller resolves the dramatic tension by stating, "together, we address A, B and C to solve the problems and achieve success."

Financial storytelling humanizes financial data. It enables the law firm accountant to frame the financial discussion, postulate how key numbers are trending, present alternatives, and influence the manner in which the readers of the financial statements interpret the data. Storytelling is an empathy technique great accountants employ to chart new tactics and goals for the law firm without necessarily calling out individual heroes or adversaries.

Lawyers are suckers for a great story. They are trained to construct narratives from cold sets of facts so that judges and juries can understand and be persuaded by them. Accountants should use those same techniques when presenting numbers to the law firm. Great accountants become great storytellers in order to talk with lawyers in their native tongue – *the persuasive narrative*.

Financial reporting *done well* is so much more than reports and spreadsheets. It requires oral, written and non-verbal communication skills to inform, instruct and persuade. The objective is to ensure the lawyers understand the numbers as well as you, the accountant, do. It is in this manner that great accountants contribute to law firm profitability without ever recording a single billable hour.

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