



PROTECT YOUR CLIENTS AND YOURSELF: PREPARE FOR DISASTER BEFORE IT HAPPENS

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Disasters come in many forms. There are those that affect the firm principal(s), those that affect the firm as a whole, and those that affect an entire region.

One generally thinks of disaster in terms of fire or flood. Certainly, we have seen a significant increase in Pennsylvania recently in occurrences of flood and hurricane damage. Maybe it is encroaching age which makes catastrophic events stand out in my mind, but I believe we have also seen an increase in other natural calamities such as twisters, lightning strikes, snowstorms and gale winds. These are the types of disasters which can affect not just the firm, but our employees, and even the region as a whole, making it even more difficult to recover as emergency resources are both diverted and strained to the limit.

Disasters can also come in unusual ways too, such as a sewer backup. I once worked for a firm which experienced a sewer main break, which inundated the building with festering foul liquid, cresting at five feet. Believe me, it was a true disaster, with all the associated disruption and loss, in every sense of the word. Even an extended power outage when a deadline is looming large can have a severe adverse impact on the firm's ability to render timely service to its clients.

Another type of disaster affects firm principals. These include events such as stroke, heart attack, or even an accident resulting in coma. For the solo or small firm, these events can be as crippling as a hurricane.

When it comes to disaster, reaction after the fact is no substitute for planning beforehand. I am constantly amazed at the number of attorneys who do not practice the most elementary form of disaster prevention — backing up the critical information on their computer system daily and taking that back-up off-

site every night. The purpose of this article is to identify some of the areas of vulnerability, and to provide some options which you can implement to minimize disruption and hasten recovery. Foresight and planning can make the difference between your practice surviving a disaster, or not.

Let's deal first with disaster which affects your entire firm, or maybe even your region. These include events like hurricane, blizzard, flood, fire and so forth. Here are some of the things you need to think about:

1. *Notification to clients, employees and vendors:* without access to your office, do you have the names, addresses and phone numbers of your clients handy? Can you quickly get in touch with all your employees to keep them informed and make sure they're ok too? Can you contact your vendors for emergency assistance? If you use something like Outlook or GroupWise personal productivity software for all your contacts, or a case management package which has a Palm interface, like TimeMatters, you can keep the information on a hand-held device for quick access, or print a master list and keep it off-site. If you use the print method, remember to do it regularly, like once a month or at least once a quarter. Put it on your to-do list so you don't forget.
2. *Access to firm documents, and client files:* If you have been smart enough to make a regular back-up of your computer system, and take it off-site, you will have access to all your form documents and client documents you created. If in addition your office has worked to embrace the "paper-less office concept" by scanning in as much of incoming documents as feasible, keeping telephone messages electronically, getting depositions on disk, using case management, and so forth, you will have access to most of the contents of your client files, even if the physical file is inaccessible or destroyed. (After the Meridian Bank building fire in Philadelphia, for example, law firms whose offices were not significantly damaged still could not gain access to retrieve their files for quite some time while it was being determined if there were building structural problems.) Keep in mind that having a current back-up tape off-site is one thing, having a computer capable of restoring the data (meaning compatible operating system and sufficient disk space) is another. Some forethought

has to go into that, or you need a good vendor relationship you can count on in a crisis.

3. *Access to insurance records:* Very few people think to keep a duplicate copy of their critical business insurance policies, or medical and other benefit policies, in a location outside the office. When the office burns down and you want to know your coverage, it isn't very helpful if the policy burned too, is it? Your agent can speak to your coverage, but waiting for a duplicate copy of the actual policy to arrive, should there be any disagreements, can take quite some time.
4. *Appearance on behalf of clients:* What critical dates are looming? Few people physically keep their calendar in their pocket anymore, unless it's in the form of a PDA (personal digital assistant, like the PALM device). If you don't computerize your calendar, and have it on your off-site back-up tape or on a PDA, how will you know what deadlines are coming up?
5. *Cash flow issues:* How will you record time, collect your receivables, and bill out your inventory? Will you know what is owed to you, or depend on the kindness and honesty of clients to send in their checks? Will they hold back payment because they are not sure where to send checks? If you are using a time & billing system, it also should be backed up, with the back-up stored off-site, so that you can restore it if necessary to have access to critical financial records.
6. *Keeping the doors open:* What if you are the sole principal of the firm and become seriously and suddenly disabled. Who will write checks? Who has authority to sign checks? Who can deal with your escrow account and disburse payments if necessary? Who will make sure that your rent and insurance premiums are paid? Who is designated to step in and temporarily handle deadline work for clients? Are they cleared for potential conflicts? Who will pay your staff, and if necessary deal with the media and/or notify clients on your behalf? You don't want to emerge from a coma only to find your client base eroded, your trusted staff gone, your insurance coverages cancelled, and several malpractice cases pending due to missed deadlines. Even if you have one or more partners, don't assume that they can access all the necessary accounts or information

without preplanning. Have they been included as signatories on any individual interest-bearing escrow accounts you've established? Can they get to your calendar to anticipate deadlines? Can they access all documents, or are some passworded, or hand scribbled?

This is not by any means a comprehensive list. It should, however, get you started thinking in the right direction about where you are vulnerable, and what you can do to plug up the holes. Three excellent reference sources for you are "Managing Emergency Situations in Law Firms: Minimizing the Damage" by Nina Wendt and L.J. Sklenar; "Emergency Management for Records & Information Programs" by Virginia A. Jones, CRM and Kris E. Keyes; and "Disaster Survival Planning: A Practical Guide for Businesses" by Judy Kay Bell (all available through the Association of Legal Administrators at 847-816-1212).

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Ellen has managed inside law firms for twenty years. Most of that time has been spent in a mid-size (thirty+ attorney) firm environment. Ellen has achieved the designation of Certified Legal Manager through the Association of Legal Administrators. She holds a Certification in Computer Programming from Maxwell Institute, a Certification in Web Site Design from Temple University, and a B.A. from Temple University, where she also did graduate studies in Criminology.

Ellen has been a frequent author and speaker on law firm management issues on a national, regional and local level.