

October / November 2018
Vol. 2018, No. 5

FINANCE



DON'T MISS:

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President's Column

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Annual Financial Report

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The Stress Test: Leading
with Integrity, Even
Under Fire

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2018 - 2019 ALAMN OFFICERS & DIRECTORS

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ALAMN CALENDAR OF EVENTS

OCTOBER 2018

SU	MO	TU	WE	TH	FR	SA
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3

***PLEASE NOTE:**
SPECIAL INTEREST GROUP (SIG) attendees need not be ALAMN members

NOVEMBER 2018

SU	MO	TU	WE	TH	FR	SA
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

OCTOBER 2018

3 Large Firm SIG Meeting
12:00 pm – 1:00 pm
Briggs and Morgan

9 Young Professionals Meet ALA Leaders
4:00 pm – 5:00 pm
Greene Espel

10 CLM Study Group
12:00 pm – 1:30 pm
Brown & Carlson

10 2018 ALAMN Fall Social
4:30 pm – 7:30 pm
Elsie's

11 Technology SIG Meeting
12:00 pm – 1:00 pm
Ogletree, Deakins, Nash, Smoak & Stewart

16 Facilities SIG Meeting
12:00 pm – 1:00 pm
Gray Plant Mooty

16 ILTA and ALAMN – Women Who Lead
12:00 pm – 1:00 pm
Location TBD

18 Small/Medium SIG Meeting
11:30 am – 1:00 pm
Town and Country Club

23 ILTA CIO/Director Monthly Meeting
12:00 pm – 1:00 pm
Location TBD

24 Diversity and Inclusion Committee Meeting
8:30 am – 9:30 am
Foley & Mansfield

30 Community Service – People Serving People Lunch
11:30 am – 1:00 pm
People Serving People

30 Community Service – People Serving People Dinner
4:15 pm – 5:45 pm
People Serving People

31 CLM Study Group
12:00 pm – 1:30 pm
Eckland & Blando

NOVEMBER 2018

8 Finance SIG Meeting
12:00 pm – 1:00 pm
Moss & Barnett

13 Law Firm Leaders Networking Event
4:30 pm – 7:00 pm
Able Brewery

19 Community Service – Fisher House Dinner
3:30 pm – 7:00 pm
Fisher House

20 Facilities SIG Meeting
12:00 pm – 1:00 pm
Ogletree, Deakins, Nash, Smoak & Stewart

21 Community Service Committee Meeting
11:30 am – 1:00 pm
Henson & Efron

21 CLM Study Group
3:30 pm – 5:00 pm
Brown & Carlson

27 ILTA CIO/Director Monthly Meetings
12:00 pm – 1:00 pm
Location TBD

ALAMN has adopted ALA's Mission Statement

To improve the quality of management in legal services organizations; promote and enhance the competence and professionalism of legal administrators and all members of the management team; and represent professional legal management and managers to the legal community and to the community at large.

VERSATILE

Because one size doesn't fit all.

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PRESIDENTS LETTER – GOAL CHECK IN

By Abby Rooney, PHR, SHRM-CP



Autumn is a glorious time in Minnesota. I love the sights, sounds, and smells that accompany this season. From hot apple cider to the crunch of colorful leaves under my closed toe shoes, it is hands-down my favorite time of year.

The only problem with autumn is that it is fleeting. Sometimes we can blame that on an early snow storm or cold spell, or the lack of sunlight during our commutes. What keeps me from enjoying this time of year to the fullest is the thought of how quickly the holidays – and the end of the year – are approaching. Just thinking about everything I will be doing at home and at work for the next three months is enough to send me into a pumpkin-spiced coma!

To combat this, I'm doing some planning and reflection. I'm looking at those New Year's resolutions and personal and professional goals that I set back at the beginning of the year, as well as those new and revised goals that were added throughout the year. I've come to realize that not checking in on my goals at least once mid-year does not work for me. It leads me to set unrealistic goals that I know I'll never accomplish, or allows me to kick actual results to subsequent years. Which gets you nowhere, or at least not much better than where you started, and

sometimes even worse off. I have also found that if I fail to complete the goals I set for myself, I talk myself out of setting new goals for fear of failing to meet them again. Folks, this is what they call a "vicious cycle."

To that end, instead of being hard on myself for failing to check a couple of items off of my list, I'm re-evaluating. I'm being honest with myself about how far I've come and what has been left undone. Some items will need to be moved to 2019 and others I'll make a push to complete yet in 2018. I'm allowing myself to be flexible where I can, while still holding myself accountable for those things that I'm just putting off.

For example, it is probably a little late in the year to accomplish my goal of contributing the maximum amounts to my 401k, health savings account, *and* my Roth IRA. I really should have adjusted that earlier. But it is not too late for me to continue to make progress towards something that has been hanging over my head for a couple of years now – cleaning my office. I dread this task but it has become a necessity, and possibly a safety hazard. If I chip away at it a bit each day, it is accomplishable by New Year's Eve.

So take a few minutes to review your own goals for the year. What can you already check off as accomplished? Which things can you still get to? And how long is that list for 2019?

TAKE ADVANTAGE OF ALA WEBSITE RESOURCES

LEGAL MANAGEMENT DIGITAL MAGAZINE

The September 2018 Issue featured an article on Blockchain, in addition to columns, ALA Issues, and other News:

<https://www.alanet.org/docs/default-source/default-document-library/lm-sept2018-fullissue.pdf?sfvrsn=0>

CAREER CENTER

Check out the Career Center Job Banks, Resources and Articles, Job Description Toolkit, and Tips on Hiring a Legal Management Professional:

<https://www.alanet.org/career-center>

ONLINE COMMUNITIES

Connect with fellow ALA members, share ideas, and best practices on the ALA Online Community page:

<http://community.alanet.org/p/us/in>

VIP PROGRAMS

Find member-exclusive VIP services and discounts from nationally known companies:

<https://www.alanet.org/about/vip-program>

LEGAL MARKETPLACE

Search ALA's Exclusive Supplier Directory when looking for your next Business Partner:

<http://legalmarketplace.alanet.org/>

BUSINESS PARTNER LISTSERV

Subscribe to ALA's ALA-BP Listserv for sharing information, exchanging ideas and discussing matters of general interest to chapter business partner relations chairs:

<https://www.alanet.org/membership/chapters/chapter-leader-resources/chapter-business-partner-relations-resources/ala-bp-listserv>

The Road to CLM Certification



Earning your Certified Legal Manager (CLM)® designation takes time and dedication, and ALA is here to help. Here are four great tools to get you started:

- ✓ The Study Guide for the CLM Exam: Practice Questions, Preparation and Reviews
- ✓ The CLM Bundle – an ALA webinar package
- ✓ CLM Study Groups – check your local chapters
- ✓ CLM: A Good Start – a book bundle available in the Legal Management e-Store

For more information about CLM Certification, contact

Tracy Johnson (tjohnson@ecklandblando.com) or
Barb Romanko (bromanko@brownandcarlson.com).

Get started at [alanet.org/clm](https://www.alanet.org/clm).

2018 ALAMN BUSINESS PARTNER SPONSORS



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Atomic Data
Beacon Hill Legal Staffing
BigHand, Inc.
Business Essentials
Canon Business Process Services
Consolidated Communications
Coordinated Business Systems, Ltd.
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Thomson Reuters
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USI Insurance Services
Verus Corporation
Wells Fargo Bank
Willis Towers Watson**



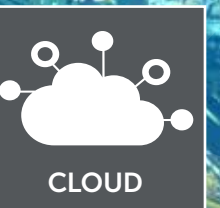
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FINANCIAL SIG MEETING

The Finance SIG met on Thursday, September 13, 2018 at Winthrop & Weinstine. Tom Pesch of Olsen Thielen was the guest speaker. The topic was on lease accounting compliance (IFRS 16 and ASC 842) and the impact to law firms.

Highlights of the presentation:

The new rule requires organizations that have qualifying leases with terms lasting more than 12 months to recognize the asset and liability on the balance sheet.

- Both types of qualifying leases (operating &

financing) will be required to be recognized on the balance sheet.

- It is effective for public entities with annual periods beginning after December 15, 2018; for privately held entities it is effective December 15, 2019.
- Law firms will need to consider the impact to bank covenants, as ratios may be impacted.

The next meeting for the Financial SIG Group will be November 8, 2018 at Moss & Barnett.

ANNUAL FINANCIAL REPORT

By: Kim Pepera, Finance Director



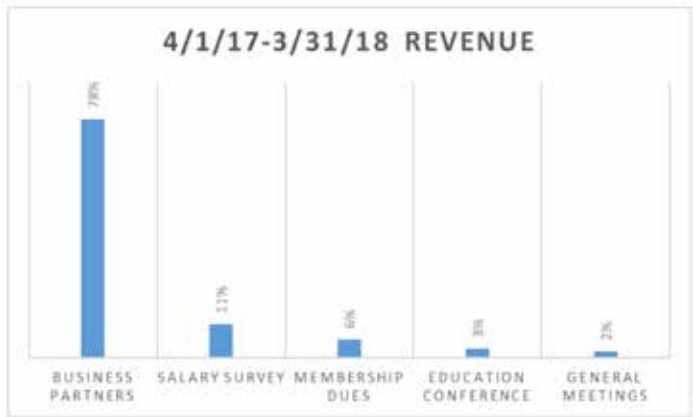
As this is my first year serving on the Board of Directors of ALAMN and more specifically as the Director of Finance for the Association, I have been pleased to discover how well our Minnesota Chapter is run and managed. This is especially true when

it comes to the organization's finances and the protocol that is in place for handling the funds. ALAMN is a non-profit with a fiscal year running from April 1 through March 31 each year. The mission of our local chapter replicates the larger Association of Legal Administrators organization that it belongs to. The mission is big, impressive, and is worth repeating, so here it is:

1. Improve the quality of management in legal services organizations.
2. Promote and enhance the competence and professionalism of legal administrators and all members of the management team.
3. Represent professional legal management and managers to the legal community and to the community at large.

To this end, our chapter has focused on providing programs and services benefiting its members to accomplish the Association's mission.

Below is a summary to show where our chapter receives funds and how these funds are used to benefit the members.



Business Partners

Business Partners Sponsors provided 78% of our 2017 revenue, which equates to just under \$218,000. They are a large part of the success of our chapter. Currently, we have 55 valuable business partners (listed on our website) who sponsor our association. In January of 2018, the organization rolled out a new format for Business Partner Sponsors with new pricing and benefits to them. One new category is for first-time sponsors and allows them to check

Continued on page 11

ANNUAL FINANCIAL REPORT - CONTINUED

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out our group for a year at a reduced price. This initiative resulted in seven new Business Partner sponsorships and a large increase in revenue in this category compared to last year. This is one example of the constant innovative work the Board is doing to stay on top of the needs of our members and sponsors. As a reminder, members are encouraged to consider our Business Partner Sponsors when making purchasing decisions. If you are using a resource that is not a sponsor of ALAMN please educate them on our group and encourage them to join.

Salary & Benefit Survey

The annual salary survey collects data on law firm salaries and is available for purchase every year. Salaries and benefits are surveyed every few years. The 2017 survey covered both items. The survey data is tabulated by an independent third party and circulated to members who participate at a reduced cost and to other members for a fee. This survey generated 11% of our revenue.

Membership Dues

Dues paid by members provided 6% of the Association's revenue. This is a decrease from last year due in part to a large number of members retiring during the past year. As an organization we are always looking to expand our membership, so please think of that if you meet someone in the legal field that is not a member and encourage them to join.

Education Conference

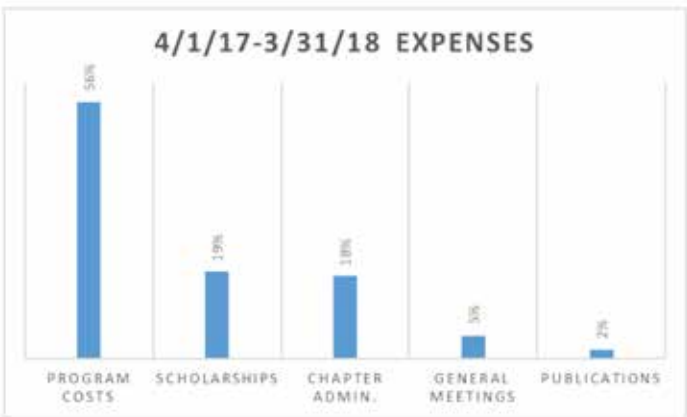
The annual education conference held in the spring generated 3% of our revenue.

General Meetings

There were six general meetings last year. These meetings provided 2% of our revenue. The revenue for general meetings will be reduced in the upcoming year, as general meetings were included in the members' fees at renewal, so these meetings will no longer be an income source.

Program Costs

56% of the Association's expenses last year were for program costs. Funds were used for the following programs: Salary Survey, Education Conference, Leadership Event, ALA Webinars, Business Partner Relations Events, and Membership Committees.



Scholarships

Annually, the Association offers numerous scholarships for its members. Scholarship program funding is based on a percentage of the Association's projected yearly revenue. Total scholarship expenses made up 19% of our costs. All members have an opportunity to receive a scholarship, at various points in the year, to be used towards education opportunities at both the local and national level. Please watch throughout the year for communications on scholarships.

Chapter Administration

The Association incurs expenses to run the organization. Expenditures for things such as accounting fees, credit card fees, insurance, communications, graphic design, supplies, and charitable activities are included in this category. Chapter administration totaled 18% of our costs last year.

General Meetings

Expenses for speaker fees, meals, and related postcards/ mailing made up 5% of the Association's cost last year.

Publications

Website maintenance and new banners accounted for 2% of the total costs.

The Association creates a budget each year to ensure the financial stability summarized above. The budget is monitored very closely by the Board. The Association is meeting its objective to provide programs and services for the benefits of its members while remaining financially stable.

VOLUNTEERS NEEDED FOR ALAMN NOMINATING COMMITTEE!

If you have been looking for a way to get involved in ALAMN with a short time commitment, here is your opportunity! Volunteers are needed to serve on the ALAMN Nominating Committee. The Nominating Committee has the important responsibility of selecting and presenting a slate of officers for the 2019-2020 term of office. The Committee will meet 2-3 times between November and January, and have a few hours

of work outside of the meetings. To be eligible for the Committee, ALAMN regular members must have at least one year of membership and cannot have served on the Nominating Committee last year.

If you would like more information on the Nominating Committee, please contact Sarah Evenson at sarah.evenson@btlaw.com or 612-367-8717 by November 2, 2018.

SEEKING NOMINATIONS FOR ALAMN BOARD OF DIRECTORS!

ALAMN has been blessed with a strong tradition of volunteering. Our volunteers contribute to the strength and prosperity of our chapter. To continue the tradition,

we are seeking nominations for the 2019-2020 ALAMN Board of Directors. I am asking for your assistance in two ways. First, if you know of any member who exhibits strong leadership skills who you feel would be a good candidate for the Board, please nominate that person! Secondly, consider nominating yourself for a position on the Board. Volunteer ranks commonly have members who were self-nominated.

Submit all nominations by Monday, November 12, 2018, by completing the online form on the website at <https://www.ala-mn.org/>.

Contact Sarah Evenson at sarah.evenson@btlaw.com or 612-367-8717 with any questions.

Eligible nominees must have chaired or co-chaired an ALAMN Committee in the past for consideration. Also, if you are interested in being considered for a Board position, you are not eligible to serve on the Nominating Committee this year. Thank you for considering this opportunity to serve ALAMN!

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COMMUNITY SERVICE COMMITTEE – CHRISTENSON GROUP



ALAMN co-sponsored event with Christenson Group at the Bridging dresser build. The day started with a tour of the Roseville location, followed by building five dressers.

Participants: Robin Asleson, Katy Mullin, Darlene Downs, Norma Thayer, Pat Stender, Karla Billehaus, Jocelyn Kortan, Peter Liska (not pictured: Eric Simmons)



BEGINNING



MIDDLE



END



WELCOME NEW ALAMN MEMBER

Sara Ruotsalainen

Office Manager/Paralegal
LINDELL & LAVOIE, LLP

2018 LAW FIRM LEADERS NETWORKING EVENT

Join us at Able Brewery on Tuesday, November 13 from 4:30 – 7:00 p.m. to network and hear Judy Hissong share her insights into current trends in the legal field.

Legal Trends and What To Do With Them

Let's look at the top trends in the industry, and business in general, and talk about how your firm can best attend to the future. We'll discuss mergers, AFA's and rates, as a few of the hot topics happening this year. Bring your questions and concerns and expect a thoughtful dialogue about how the industry shifts are landing in your firm.



Judy Hissong is the President of Nesso Strategies and Legal Leadership Institute. Nesso is the Italian word for connection, and connecting strategies

is Judy's passion. Her financial background pairs with her athletic mindset and her Executive Coach training as she partners with law firm professionals for strategic planning, leadership development, executive coaching, team-building, and training in conflict and communication skills. She has more than a decade of law firm leadership experience, giving her an insider's understanding of the complexities of the business of law.

For more information and to register for the event, [click here](#).

29TH ANNUAL ALAMN EDUCATIONAL CONFERENCE AND BUSINESS PARTNER EXPO

Date:

Thursday, February 28, 2019
7:30 a.m. – 4:45 p.m.

Location:

Earle Brown Heritage Center
6155 Earle Brown Drive
Brooklyn Center, MN 55430

Speakers:

Sunjay Nath, Engineering Human Performance
Judy Hissong, Nesso Strategies
Susanne Egli, Communication Navigation
Kate Bischoff, tHRive Law & Consulting

Paul Burton, QuietSpacing
Wulf Kaal, University of St. Thomas Law School
Todd Scott, MN Lawyers Mutual
Evan Francen, FRSecure
Lance Odegard, Thomson Reuters

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If you are a tweeter, don't forget to follow us! Our handle is **@minnesotaala**.
You will also find links to ALAMN's Facebook and LinkedIn pages above.

GET FOLLOWING & TWEETING!

THE STRESS TEST: LEADING WITH INTEGRITY, EVEN UNDER FIRE

By: Bruce Lach, President, SUCCESS Computer Consulting

In my near quarter-century in the IT sector, almost a decade of my experience has consisted of doing "turnaround work" as a sole practitioner. "Turnaround work" is a term used to describe working with distressed companies that are close to insolvency and desperately trying to avoid bankruptcy.

My job was to work with the bank (usually the troubled assets team) and other folks such as bankruptcy attorneys to help the business owner navigate a situation they were **ill-prepared to face**.

In that time, I worked with 101 companies across both product and service industries. The largest was

approximately \$30 million in revenue, and the smallest around \$3 million. I noticed that there are quite a few ways to get a business into financial trouble, and each one had its story. Since I worked with 101 companies, it seemed there were 101 ways to become a stressed/distressed business. It is under these conditions, when the owner has everything on the line, that we see leadership play out in real time.

Under severe stress, a lot of good and bad leadership behavior comes out. It is important to repeat that few are prepared to go through a business crisis leading toward bankruptcy. Most do not know what it takes to save a company. And to a person, they are all good people - they simply wanted to run their own business. But that's hard. And most of the time it doesn't work out, and a large majority of small businesses fail.

Here are some observations in working with those 101 companies, their owners, and their management teams.

Poor leadership traits

Placing blame everywhere but on yourself

It is generally not the fault of staff if the company is in decline; and regardless of the industry, economy, weather, suppliers, or business cycles, it is your job to lead the company given all these challenges, because that is what business leaders do. Every successful business has its own combination of challenges to navigate. So, don't think the world is uniquely stacked against you. It's not. It's stacked against every business.

When the business is in decline, assuming that doing more, faster, is the solution

Doing more of what got you in the distressed situation usually isn't the solution, so quit doing it. Looking at and dissecting forecasts and sales pipelines and analyzing

THE STRESS TEST - CONTINUED

Continued from page 16

product costing and margins and drilling deeper into detailed reports simply won't move the needle, especially when you need to move the needle fast. It was amazing to me that the most desperate leaders seemed to spend most of their time in their office "looking at spreadsheets." They seemed stuck in hope mode, as if they looked at and modified numbers enough, the business would turn around. It didn't, and it won't.

Not deciding is a decision, but under stress, it's easy to forget that

It's time to be decisive. It's time to do something different. Figure out how to fix the problem or find someone that does. Gain concurrence with your talented and motivated staff and move forward immediately. Imagine that you only have 24-48 hours and get started. Because if you don't, the bank or another major creditor may make a different decision more in their interests than yours. Don't get to that point simply because you won't decide.

Not realizing people know more than you think (and they are watching - especially now)

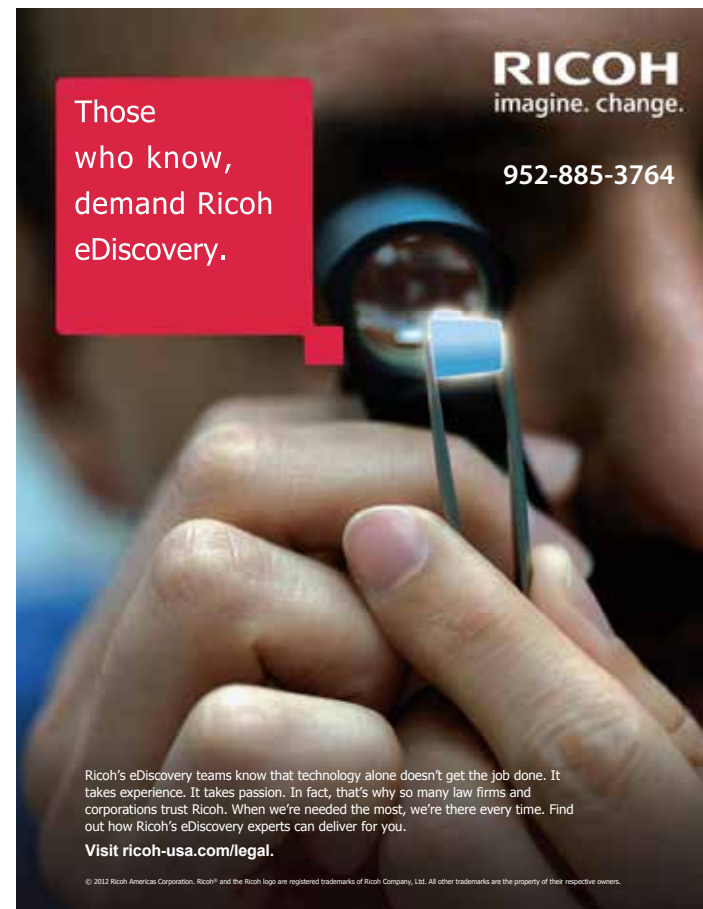
Your banker. Your accountant. Your suppliers. Your customers. Your staff. I have a saying about that: "Ugly doesn't stay in the boardroom." Even more, your entire family knows something is wrong, because remember, you're under extreme stress, and you can't hide that form of ugly either. Plus, it can kill you. Literally. So, don't think you are hiding anything from anybody - it will make it easier to do what needs to be done.

Not being open and truthful

As I mentioned above, people are watching. If you don't communicate, they will make up their own version of the situation, and it will likely be wrong. But that doesn't matter, because you're not talking. So, say something:

what you plan to do, how you plan to do it, when you expect results. Be truthful and open. If you tell a supplier you will send a check for \$100 dollars on Wednesday because that's all you can afford to do for now, do it. And come Wednesday, tell them you did it and when to expect the check. Follow up to make sure it happened. It seems simple and small, but it's big and important. Because, as a leader, at the end of the day, all you have is your word. And hopefully a company in recovery. And if it's not, you still have your word, and that will go a long way in your next chapter.

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THE STRESS TEST - CONTINUED

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Forgetting that others want to help, and abuse them when they do

People really do want to help, so don't be ashamed to ask for it. Remember when you told a supplier you'd pay \$100 by Wednesday and you did it? Well if the supplier is reasonably big, then you aren't the only one saying you'll "pay \$100 by Wednesday," but you may be the only one who actually does it. Believe me, it's true, and it builds a trust that pays lasting dividends and makes your partners much more willing to help if you are willing to maintain honesty and transparency. This works with suppliers, bankers, customers, staff, family, and friends. When you do get help, be grateful and appreciative; and say so to those offering and giving help.

Good leadership traits

Do the opposite of the bad traits listed above

Truly. Re-read them and think about doing the opposite.

Figure out a solution or find someone who can

This is worth repeating, because remember, you didn't go to school to learn this. Even the school of hard knocks doesn't teach you how to deal with this situation. Even if this was taught in school, you'd be acquiring book smarts, not hands-on, practical knowledge. Find someone who has been there, done that.

About the Author:



Bruce Lach has 40 years of IT and General Management experience. During his first 20 years, he spent time in "corporate America" with IT stints at Twin City Federal, General Mills, and Land O'Lakes. During this time, Bruce's IT experience included managing every department in a typical large enterprise IT organization. In the mid-90s, Bruce's experience switched to leading start-up and small businesses providing IT services to large enterprises in the Twin City area. Many of these services were focused on building data warehouses for familiar companies including Wells Fargo, Toro, Valspar, Harvest States and more.

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