

The Role of CFO Leadership in Driving Timekeeping Success at Sterne, Kessler, Goldstein, and Fox with iTimeKeep®



AFTER A QUIET MOBILE TIMEKEEPING ROLL OUT, STERNE KESSLER'S LEADERSHIP DEPLOYED A WINNING STRATEGY TO MAXIMIZE ADOPTION.

Executive Summary

Now, more than ever before, law firms depend on the leadership of their CFOs beyond fiscal responsibilities. Technology has brought about several changes in how finance professionals define and deliver value within their organizations. A recent article published by Ernst & Young stated "The role of the CFO will, as a result, become more complex and more unforgiving, but with new dimensions that make it ever-more interesting and rewarding. >>>

ABOUT STERNE, KESSLER, GOLDSTEIN, AND FOX

Sterne, Kessler, Goldstein, and Fox is a Washington, D.C.-based law firm dedicated exclusively to the protection, transfer and enforcement of intellectual property rights.



ABOUT TOM ANNICK

Tom Annick has 20 years of experience in corporate accounting and finance. After beginning his career as an auditor with a national accounting firm he became the chief accounting officer of a high tech NASDAQ-traded company. Later, he served as the controller of a large, multinational law firm. Prior to joining Sterne Kessler in 2003, he was the CFO of several venture-funded startups including an internet company that he helped found. With industry experience in legal services, electronics, e-commerce, telecommunications, software and financial services, Mr. Annick is well-suited to be running the accounting and financial operations of Sterne Kessler.



Organizations will look to CFOs to offer innovative solutions to business issues, when in the past creativity might well have been discouraged. CFOs are no longer just seen as the 'No. 2' in the organization, but as the partner of the CEO and board." Perhaps no one understands this better than Tom Annick, CFO of Sterne Kessler.

When evaluating and implementing a new solution, the CFO plays the obvious role of approving budgets and expenditures, but today's CFOs must play an integral role in driving engagement in order to ensure that the firm's investments in technology and human capital deliver on business goals.

There is an difference between having a firm-wide initiative with set goals and engagement, versus leaving it up to the attorneys to embrace technology - even if that technology can make attorneys more efficient, productive and profitable. The latter was the case at Sterne Kessler.

In this case study, we spoke with Tom Annick, CFO of Sterne Kessler, about how he lead an engagement program aimed at maximizing the firm's ROI in iTimeKeep.

Challenges

Sterne Kessler first ventured into mobile timekeeping while implementing a new accounting system in early 2014. Since the firm would be learning a new time & billing system, they wanted to have mobile time entry as part of that effort. By implementing both iTimeKeep and a new time & billing platform at the same time, attorneys could learn both new systems at once. Sterne Kessler's management team is known for its vision and innovative approach to technology, and wanted to bring the best-of-breed mobility to all of its attorneys.

As the firm's CFO, Annick understood the issue of time leakage and the importance of working with attorneys so they could record time contemporaneously. While iTimeKeep was initially implemented to address mobile time entry, it became clear after its initial use at the firm that the desktop version of the app would also be helpful for attorneys in practicing Anywhere TimeKeeping. In order for the firm to maximize the benefits and make good use of the solution, Annick started to work with the Bellefield team to drive engagement among attorneys and promote "anywhere timekeeping" throughout the firm.

You Cannot Manage What You Don't Measure

As a key aspect of the plan, the Bellefield team proposed creating a time entry analytics study for Sterne Kessler. This proprietary methodology measures the firm's primary time entry KPIs, right from the firm's time & billing system. This study resulted in the establishment of baseline data on Sterne Kessler's timekeeping performance.

"We promised attorneys that learning iTimeKeep would take only five minutes and that's really what happened."

- Tom Annick

"I have used iTimeKeep from the beginning...and I can't tell you how much it has made timekeeping easier than having to go through our other system"

-Associate

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This baseline provided invaluable information to the firm which would help in designing the rollout plan going forward and create an understanding of timekeeping performance at that point in order to start measuring progress.

One of the main KPIs measured in the study was “time velocity”, or the number of days between the work performed and when it was recorded. The larger the velocity a firm has, the more time leakage, write offs and invoice rejections are expected. According to Lynda Shely, State Bar of Arizona’s Director of Lawyer Ethics, “attorneys can lose up to 25% of billable time by not entering their time contemporaneously. Even if lawyers are billing on a flat-fee basis or contingent-fee basis, real-time timekeeping is a good idea.”

Sterne Kessler’s baseline indicated that the firm’s time velocity was not optimal, with 20% of the time entered contemporaneously. At this point, few attorneys were entering their own time.

Bellefield then compared the firm’s baseline results to those achieved by the firm’s attorneys that were using iTimeKeep at that time. The contrast was amazing. Attorneys at Sterne Kessler using iTimeKeep had improved timekeeping by 85%, compared to the group at large. For the firm’s iTimeKeep users, 78% of the time was entered contemporaneously (versus 20% in the baseline data). Most importantly, half of the iTimeKeep users were partners. Every attorney using iTimeKeep at the firm had improved his/her time entry velocity.

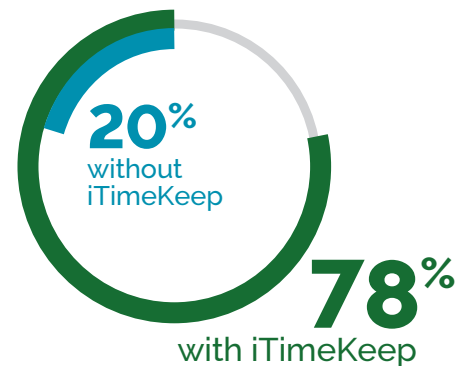
After analyzing these results, Annick was very enthusiastic about replicating the results of the existing iTimeKeep users at the firm. With that, Bellefield’s Customer Success team was on a mission, and met with Annick and his team, to plan an official relaunch of iTimeKeep based on the firm’s goals of maximizing attorney engagement.

How Sterne Kessler Increased iTimeKeep Adoption

With the assistance of the Bellefield team, Annick moved forward with the planning and execution of the iTimeKeep relaunch at Sterne Kessler. Based on the iTimeKeep Engagement Strategy, attorneys at Sterne Kessler received a series of email communications leading up to an on-site training day led by Bellefield’s Customer Success team. The goal of the pre-launch communication was to generate interest and excitement that would drive attendance of the official launch. More importantly, pre-launch messaging stressed two things that were in it for the attorneys: donuts and a 5-minute training. “We promised attorneys that learning iTimeKeep would take only five minutes and that’s really what happened.”

“Posting time immediately from iTimeKeep without going into the time & billing has saved me so much time.”

–Partner





Anywhere Timekeeping: iTimeKeep Desktop too, Not just Mobile

iTimeKeep Desktop played an essential role in the firm's rollout strategy. Annick realized the simplicity of iTimeKeep Desktop and how much easier this would be for users to enter time.

During the preparation and planning, Bellefield and Annick's team came up with the idea to create a fun video, led by one of the partners at the firm. The video presented timekeeping in a manner that was both lighthearted and relatable for other attorneys at the firm and encouraged them to take advantage of the convenience offered by iTimeKeep. The result was an entertaining four-minute video which was used as part of the iTimeKeep launch.

"iTimeKeep Desktop is a much simpler and easier interface."

CFO Innovation, Leadership and Commitment to Success

As a result of the formal relaunch, Sterne Kessler experienced an increase of 1275% in user adoption. On average, attorneys are typically able to record an additional hour of time each week when entering time contemporaneously with iTimeKeep. Based on this average, Sterne Kessler will be able to capture an additional 2,600 hours per year, which will have a tangible increase in revenue. Moving forward, Annick continues advocating for timekeeping success and iTimeKeep usage, as well as studying the financial impact that better timekeeping performance has had on the firm. Furthermore, Sterne, Kessler now does all new-hire training on iTimeKeep, even though their legacy system is still in place.

According to Annick, the CFO's involvement in selecting and implementing a mobile time entry solution is critical for law firms. "When attorneys are not entering time contemporaneously, they risk losing up to 7% of their time. For a 2,000 hour timekeeper, that's approximately three hours per week, which results in a lot of time," said Annick. "In order for Sterne Kessler to cover the annual bill for iTimeKeep, our timekeepers simply have to record one additional hour of time throughout the year, that they would not have recorded if not keeping time contemporaneously. As a result, we're going to get a paid-for system with the opportunity for more profit because of the potential for recording more time that would have otherwise been lost to poor timekeeping habits. In addition to the financial benefits to the firm, iTimeKeep has made time entry simpler for the attorneys."

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