

Leveraging FinTech

FOR PROFITABILITY FOR YOUR LAW FIRM

It's no secret that technology has transformed the law industry, changing lawyer/client communication, case management, and discovery. However, as law firms invest in solutions that will increase efficiency, they often overlook financial technology that could save the firm valuable time and resources.

"From an efficiency perspective, lawyers' dominant cost of revenue is people," says Stephen N. Gibbs, Sr. Managing Director, and Co-Head of Law Firm Banking at Sterling National Bank. This means that the old adage "time is money" is especially true for law firms. In fact, investing in the right financial technology, or FinTech, can multiply your firm's profitability by reducing the number of hours spent managing finances.

"Taking advantage of unique FinTech solutions saves valuable time and resources," says Jeffrey Mercado, CFP®, MBA, Sr. Managing Director, and Co-Head of Law Firm Banking at Sterling. "For example, we work with law firms of every size, and we're seeing more and more firms that seek flexible online banking capabilities to better manage both their own operating accounts and their client escrow accounts."

The ability to do more with less is critical in a world where every billable hour is vital to revenue growth, but not all banks are created equal when it comes to FinTech for law firms. When deliberating between different banks and the many available FinTech solutions—ranging from data analytics to cryptocurrency to customized online account management—there are five things you should consider to maximize profitability.

Look for solutions developed with lawyers in mind.

Law firms require unique FinTech solutions outside of the scope of regular business banking. For example, many law firms manage client banking accounts through escrow accounts, in addition to managing their own firm's operating accounts. General technology-based solutions for commercial banking may not maximize efficiency for law firm banking needs.



In 2019, Sterling's Law Firm Banking group will be a keynote sponsor at the NY Legal Awards, NJ Legal Awards, and the American Law Industry Awards to demonstrate their commitment to the law firm community and support their clients and firms who will be recognized by their law firm industry peers.

THE TECH SOLUTION

Sterling's technology allows us to provide unique law e-Treasury solutions that set us apart from our competitors. A few of our more popular solutions include:

→ **BANK CHECK XPRESS.** Our Bank Check Xpress solution enables law firms to remotely print official bank checks directly from their office. "Real estate law firms favor this solution because it saves them a trip to the local branch and allows them greater control when real estate closing dates are changed," says Mercado.

→ **ATTORNEY TRUST ACCOUNT.** Another popular solution is our Attorney Trust Account program, which allows law firms to manage their clients' subaccounts and allows individual clients to receive interest earned on their money.

→ **IOLA PROGRAM.** We can also provide law firms individual subaccounts in an IOLA program with consolidated monthly statements for fast, detailed client reporting.

Sterling leverages an in-depth understanding of law firm banking to provide proven, practical solutions, delivering services and amenities not found at other banks. "Sterling's technology, resources, and experience can fulfill the operational and financial needs of law firms of all sizes," says Mercado.

Look for FinTech solutions that will help your firm.

→ SIMPLIFY YOUR ESCROW

MANAGEMENT. Based on the financial demands of your firm, the right bank for you will offer Trust Checking Accounts (TCA), Client Benefit Trust Accounts (CBTA), and Interest on Lawyer Accounts (IOLA & IOLTA).

→ **FACILITATE YOUR BOOKKEEPING AND STREAMLINE RECONCILIATION.** Stay organized with individual subaccounts for each client, accessible online anywhere, anytime. Look for a bank that can provide separate 1099s on earned interest for each client account, with consolidated monthly statements for fast, easy reference on all components.

→ **IMPROVE TRANSPARENCY FOR YOUR CLIENTS.** "Lawyers provide advice and manage clients' matters, so direct immediate transparency is vital to what they do," says Gibbs. Separate accounts and real-time access can make it easier than ever for firms to remain transparent.

Embrace digital technology that supports both your firm and your clients.

As with personal banking, online services are crucial to a fully responsive, efficient law firm banking solution. When choosing a new bank for your firm, look for robust mobile account management tools, including check deposit and spending alert capabilities. Real-time access to balances, spending reports, and even analytics-driven forecasting can make the difference between a day spent chasing paper trails and a day spent serving your clients.

In particular, look for FinTech solutions that give you the flexibility to securely send wire transfers, remotely print official bank checks, and manage clients' subaccounts on the fly. "Efficient reduction of costs and branch visits helps law firms and attorneys focus on growing their practices and meeting with clients," says Mercado.

Don't settle for an off-the-shelf solution.

Different firms have different operational and financial needs based on their practice size, compensation approach, and specialties. Take the time to find the solution that fits your needs:

Smaller firms simplify day-to-day operations with a choice of checking and escrow accounts, higher interest rates on savings accounts, business credit cards with higher limits, employee banking, and more.

Mid-sized firms manage more complex needs with a full range of Treasury Management solutions and other services, including analysis checking with preferential relationship pricing, attorney trust accounts, and workplace banking.

Larger corporate firms customize their own banking solution, leveraging the depth and breadth of a bank's offerings, including Treasury Management, e-Treasury solutions, and greater lending flexibility.

The best law firm banking programs understand law firm issues and have created custom FinTech solutions to solve for them. The best program for your firm will always be the one that is tailored to your current needs and flexible enough to adapt to future needs.

Remember that tech is nothing without customer service.

No matter how spectacular a bank’s FinTech solutions are, incorrect handling at the branch or ill-informed responses from the customer service team can jeopardize productivity and cause unnecessary headaches. A customized banking plan is nothing without responsive support.

“Much of what lawyers do involves unique accounts and some amount of special handling. A banker unaware of escrow products or terminology can lead to delayed or inaccurate responses, which can ultimately put a client’s matters at risk,” says Gibbs. “As more banks utilize remote service teams, having local bankers with industry knowledge can be the difference in managing a client’s matter.”

Choose a bank that balances their innovative online banking services and FinTech with strong ties to knowledgeable and accessible bankers. Look for law firm banking managers with a wide range of experiences, including their own law practice or past work with other law firms.

Whenever possible, also look for bankers who are involved in their communities and have strong relationships with their local bar associations. These kinds of partnerships are a good indication of a bank that will be invested in your firm’s priorities, including continuing education opportunities and outreach activities.



To learn more about Law Firm Banking with Sterling National Bank, please contact Jeffrey Mercado, CFP®, MBA, Sr. Managing Director, and Co-Head of Law Firm Banking, by phone at (212) 575-2887, by email at jmercado@snb.com, or online at snb.com/lawfirmbanking.

