

MERIDIUS MATTERS

Firm in Focus — Gould & Ratner LLP



gould+ratner

Ken Koehn
Chief Financial Officer

On working with a strategic consulting partner to address lawyer compensation, firm profitability, time management, Business Intelligence reporting and risk management.

Thanks for taking the time to speak with me today, Ken. Can you introduce yourself and share a bit about your firm and your role there?

I'm the CFO for Gould & Ratner in Chicago. We have about 50 lawyers, all in one office, working with clients both locally and across the U.S. Despite our smaller size, we're able to offer a full range of services, from corporate to real estate to tax and litigation. We work not only with entrepreneurs and closely held family business, but also with large international companies and financial institutions.

While we're always looking to hire good people in strategic areas to help our clients, we're not interested in growing for growth's sake. Our partners and our clients value our stability

And I'm sure your clients appreciate that model and their relationships with you, as well.

It's amazing how long many of our clients have been working with the firm. The Crown family and many of their concerns are our biggest client, and they were our first client when we started nearly 80 years ago — we're now serving their fifth generation! We have built a wonderful culture of mutual trust and appreciation with them, a model that we strive to follow with all of our clients.

At this point, your firm clearly has the kind of deep understanding with the Crowns that many firms want to achieve with their own clients. You've nurtured that organically, over the years.

Charter and Strategy as CFO

I'd like to shift gears and ask about your role as CFO. Can you talk about your charter, your challenges, your objectives, your strategy for what you're trying to bring to the firm in this leadership capacity?

I'm the firm's first CFO. They created this new role as part of a broader strategic initiative to enhance financial and operational management. In doing so, the partnership understood that this meant adding a seat to the management table in these domains, giving me a mandate to lead. And over the past three years this has proved to be a great success. There is really great alignment across the firm's management committee, and a great trust relationship among the partners and C-level operational leaders.

In terms of my charter, I've focused on being a change agent and investing in improving internal processes and performance. A big part of that is adopting new technology and modernizing existing technology to make things better and more efficient.

Can you share more about your efforts as an agent for change and technology strategist?

When I started the firm had just finished an implementation of the Rippe & Kingston financial system. The transition had been very difficult, had disrupted some key operations, and had demoralized the staff. The firm was operating in a mode of trying to

map old processes onto new software, and not thinking about innovation or growth.

I've been through this before at other firms, and knew what to do — develop a short term plan and a long term plan, and make sure we didn't bite off more than we could chew at once. Because you have to achieve successes very early on, to build momentum, to build trust, to build credibility.

I just needed to find a way to optimize the software we had just put in place. And Rippe & Kingston has been a very good partner for us in this journey.

The first six months we were really focusing on a lot of low-hanging fruit. We got our cash conversion cycle from 170 days to 95 days, and improved our billing velocity.

To do that, we worked with the lawyers to empower our collections manager, Doretha Green, to more actively pursue those collections. That took defining a new policy and earning the buy-in and trust of our lawyers, building on the success we already had in modernizing financial operations.

The surprise for some was that collections handled the right way can actually improve client relations. The lawyers were very worried about that. But today our collections manager gets greetings cards from our clients — honestly. And our lawyers are much more at ease with more direct communications.

Working with a Trusted Partner

Now I'd like to shift the discussion and hear about your engagement and relationship with Wilson Legal Solutions.

I happened to be at a conference, where Russ Haskin, the head of their business of law consulting practice was speaking. He was phenomenal. So much so that I ended up attending Wilson's conference a few weeks later to hear more.

Russ has a strong understanding of compensation, which was one area our firm was looking to address. So we had him come do an analysis for us on that and profitability.

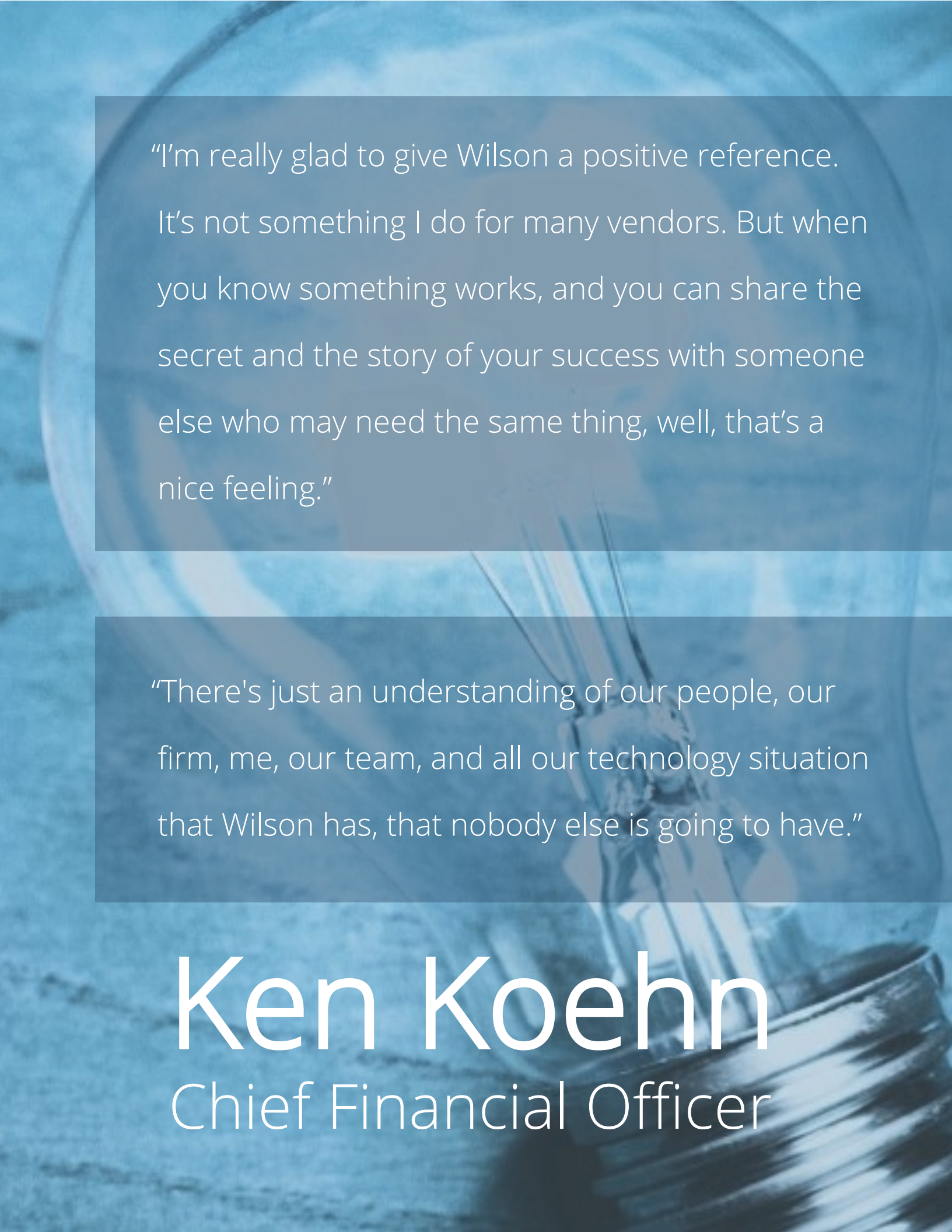
You certainly started with the easy stuff. I mean, those are really sensitive topics at most firms.

You joke, but it really turned out to be a good thing that we did both at once. Because the discussion included both topics, there was more focus and management discussion on profitability than we might have had otherwise.

You already had the patient open. So while you were at it...

Exactly. Russ came in 2017 and interviewed each of our partners, and developed a great rapport with the partners. So much so that today they often channel him in discussions. They'll ask: "What would Russ say to this?" and "If you remember what Russ said about that..." It's really striking what a level of trust and impact he had on the partnership.

At the start of 2018, we put the new compensation program in place. Leading up to that, we worked to ensure everyone understood all of its components. There were some challenges along the way, and I think our partners felt badly that it took almost a year — but then they learned that some firms take



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five or even ten years to get something like this done (and without touching profitability at the same time).

And the results are quite positive. Now I'm regularly asked for profitability analysis. It's really part of firm culture now, it's not questioned.

I had started the process before Russ joined the initiative, but he really helped refine the mechanics of it and, more importantly, how to introduce it to and educate the partners.

You used a word — you've used it a few times — I want to highlight, which is trust. It sounds like that was key to making this process work. A lot of consulting organizations strive for that kind of "trusted advisor" role, and want to work in that way. But that this was truly achieved between Russ, his Business of Law practice at Wilson, and you and your firm. And that created a foundation to do more and build on using that understanding.

Absolutely. This was just one engagement, and I expected it would end there. I didn't realize that Wilson was able to offer more until I connected with their CEO Bruce Wilson about how his team might assist us with Rippe & Kingston. I had just thought of them as the firm that did Elite. But I was pleasantly surprised about their capabilities here.

Right, they're responding in a more vendor-neutral way based on the needs of their own clients, supporting the technologies their clients want to adopt - and even helping them make the best decisions about change.

Exactly. We weren't going to be able to leverage Wilson's Ideate BI ecosystem on Rippe without some investment from them. And they were more than willing to invest, in partnership with us.

And that's really exciting. I've sat in on several Ideate sessions and really seen opportunities where we could really take advantage of it. There are areas where Rippe is lacking native BI capabilities and we also want to do more on the pricing front, for example. And Wilson is working closely with us to make that a reality. We appreciate the opportunity to really influence the product's vision and roadmap.

A Vision for Business Intelligence

Can you tell me more about your vision for Ideate and business intelligence at your firm?

Sure. At our firm, today, the mechanics of financial operations are a smooth running machine — from AP, to billing, to collections, to the general ledger — we've got the basics working well.

Now, it's the point where we can really start doing much more beyond bookkeeping. That includes advising the firm and helping share its own future — doing more analysis, looking at the practices and modeling different scenarios, and really using our data in a way that's going to make us a better firm.

Instead of just reporting what's happened, we want to use our data in a more forward-looking manner. And when we're looking at the past, we want to understand better what worked, what didn't work, and how to apply those lessons. And while it's advanced, Rippe & Kingston has some native limitations. It's not built for this, for advanced data analysis.

Well, this fits clearly with the themes we started our conversation with: the firm culture, in terms of embracing change; trying to evolve in measured ways; your mandate to step in and drive some change; and growing the capacities of the financial operations side of the house to actually provide visibility to empower management to decide where they want to go.

You talked a little bit about the native capabilities of Rippe. Did you consider any other options to try and deliver that kind of reporting analytic visibility?

Briefly. I looked at other BI packages out there. But then I asked: "Do you have the hooks into Rippe & Kingston?" And nobody really does. There just isn't anything ready to go work with Rippe.

There are other BI vendors. They call me all the time. But I keep thinking, I'm going to be starting from square one with whoever wants to try to make something work. And they won't have the understanding of my firm that Russ has. There's just an understanding of our people, our firm, me, our team, and all our technology situation that Wilson has, that nobody else is going to have.

Working with Wilson on Intapp

I know you've also engaged Wilson on Intapp projects, and I'd love to hear about those as well.

We engaged Wilson to implement Intapp Time. Originally we had planned to use the vendor for that, but it became clear that the resource on their end hadn't worked with Rippe & Kingston before. But I knew Intapp was a Wilson partner, as they were at the last Wilson Knowledge Summit. So I asked my account manager if Wilson could tackle this project, and they could, of course.

The Wilson team was absolutely amazing through the whole project. I mean, really, we couldn't have asked for anything more.

That's great. I want to touch on Intapp Time. How are the lawyers reacting to the new system?

The rollout itself was very painless compared to other kinds of roll outs. And the feedback was generally very good. Some of the associates just absolutely love it, they really do. In a few places we learned that to address individual lawyer preferences we needed to tweak the configuration of the software, and Wilson was quite responsive in helping us make that happen.

This is really a story about building on relationships and success with two vendors.

Indeed. That was 100% the case with the experience software. Our CMO said: "Well, I could use this option, or that one... And actually, I don't think the Intapp option is the cheapest."

But he also said: "Ken, I know you've had a really good experience with Intapp, and maybe it makes sense for us to keep it within the same family of software. And also I know you've got good people to implement as well."

So we still went with it, because of the connection to Intapp and to Wilson, as opposed to starting from scratch. Just like we talked about with the BI software, Ideate.


Because when you find somebody you trust, you can skip so many of the steps in the need to get done in building a project. You can start and move faster and more effectively. And not be on edge the entire time. Wilson doesn't have to prove themselves anymore.

Words of Advice

As we come full circle, I'd like to ask what advice would you give to your peers who are thinking about partnering with Wilson, or investing in any of these areas that we've touched on?

I'd definitely say make that first phone call to Wilson, even to just have a general discussion to understand what they're truly capable of.

For me, coming to the Wilson Knowledge Summit, probably something most people aren't going to do right off the bat, opened up a lot of ideas to me. A lot of what we're acting on now is a result of the education I've received over two years of attending this event — the conversations I've had with Bruce, the introduction to the Intapp Wilson connection, and more. It's been a win-win all around.

I'm really glad to give Wilson a positive reference. It's not something I do for many vendors. But when you know something works, and you can share the secret and the story of your success with someone else who may need the same thing, well, that's a nice feeling. 

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Dan Bressler