

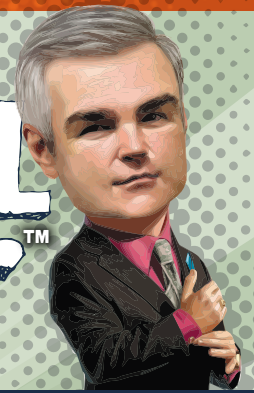
Sept/Oct 2024

MARC WHITEHEAD & ASSOCIATES
ATTORNEYS AT LAW, LLP
A NATIONAL DISABILITY CLAIMS LAW FIRM

Vol. 10

Issue: 05

THE NEWSLETTER YOU'VE BEEN WAITING FOR... Successful Barrister™



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This Halloween...



we're diving into the full-size treats Marc has handed out in past Halloween issues—**no fun-sized candies here!** From the eerie allure of Michael Jordan to the chilling presence of The Grim Reaper, and even the spine-tingling mindset of the CFO, we've got plenty of spooky topics to explore. **Join us for a creepy trip down memory lane!** ☺



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A FACTORY OF ONE Applying Lean Thinking to Your Work



MARC WHITEHEAD
BOARD CERTIFIED - PERSONAL INJURY TRIAL LAW
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NATIONAL BOARD OF SOCIAL SECURITY DISABILITY ADVOCACY

In this article I will give you some of the basic "Lean" principles that can be used in your law firm, as laid out in "A Factory of One" by Daniel Markovitz.

WHAT IS LEAN THINKING?

The term "Lean" was coined to describe Toyota's business during the late 1980s by a research team headed by Jim Womack, Ph.D., at MIT's International Motor Vehicle Program. A popular misconception is that lean is suited only for manufacturing. Not true. Lean applies in every business and every process. It is not a tactic or a cost reduction program, but a way of thinking and acting for an entire organization.

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Lawyers tend to think what they do is "different" and that standard business processes won't work when running a law firm. I argue this concept is dead wrong.

What are we as lawyers? We are simply knowledge workers in a service industry, no different than a doctor, accountant or your friendly customer service representative at your cable company. We use our brains to solve or prevent problems, plain and simple.

NEWS FLASH!



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The core idea of Lean is to maximize customer value while minimizing waste. Simply, lean means creating more value for customers with fewer resources.

A lean organization understands customer value and focuses its key processes to continuously increase it. The ultimate goal is to provide perfect value to the customer through a perfect value creation process that has zero waste.

WHAT IS YOUR JOB?



What aspect of your daily work creates real value for your clients? From the perspective of Lean, there are three kinds of activities:

1. Value added work,
2. Non-value added but necessary work, and
3. Waste.

For an activity to be considered value added, it must meet three criteria:

1. The customer must be willing to pay for the activity.
2. The activity must transform the product or service in some way.
3. The activity must be done correctly the first time.

The starting point for defining value is what your client has asked you for. Your client may be a paying client, a colleague, your boss, or even yourself.

The value of the work comprises the actions that move your work closer to what the client needs. Non-value added work, or incidental work, may not move the value forward but is essential to your ability to do value added work.



Finally, waste is just that. Waste. It is the difference between motion and action.

For a lawyer, value added activity could be drafting the claim, non-value added activity could be calculating billable hours, and waste would be correcting errors made by your associates.

You should always be mindful not to accelerate activities that look productive but don't actually provide value for your client.

WHAT THE HELL IS WORKING, ANYWAY?

Distinguish between your job and your work. Your work is your real value creating activities. To identify your work, you need to identify the various clients you serve in the various value streams in which you operate.

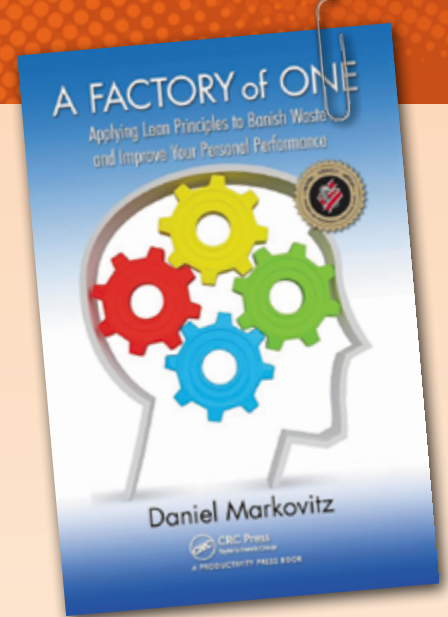
That's the first step in determining what value added work is for you. Your biggest client, most likely, is yourself: you are the beneficiary of your marketing activities, your bookkeeping and the classes you take. Focusing on the value of the client, even when you are the client, frees you up to improve both what you do and how you do it.

SPOTTING VALUE, SPOTTING WASTE INTRODUCING THE 5S'S

Knowledge workers face a daunting task identifying the real work. The job inputs arrive in a variety of formats. Emails, electronic document attachments, pieces of paper, voicemail, conversations in office, hallway, or break room-and much of it is intangible. Knowledge workers struggled to keep value visible. He gets buried in waste. This is where the Lean tool of 5S come in.

WHAT IS 5S INFORMATION?

Sort. Throw out obsolete and useless items. Sort remaining items by frequency of use and then making decisions about each individual piece of information that has accumulated over time. (emails, files, reports, journals, presentations, links to websites, and so on)



Straighten or set in order. Arrange tools in a manner that promotes smooth workflow: a place for everything, and everything in its place. This ensures that critical information can be found quickly and easily.

Shine or sweep. Keep the workplace clean, which includes the concept of preventative and corrective maintenance. Regular attention to information coming into your office ensures that you'll know if projects are in danger of falling behind schedule and enables you to act before the situation becomes critical. This also ties into the notion of visual management, the ability to see quickly and easily, any abnormalities in the status of your process.

Standardize or systematize. Develop a consistently organized workspace. This demands the development of a precise routine for the most easily controlled element in a chaotic environment: cleaning and organizing a workspace. Having a system for processing all the information in your office means that you'll get through the activity faster and with a little risk of missing something important. The deeper value is that it acts as a springboard for the development of standard work for other areas of your job.

Sustain-have a system for ongoing support and maintenance of the first four elements.

5S for knowledge workers means **5S** for the information you manage, not where you hang your coat. One of the main benefits of **5S** is the surfacing of abnormalities, waste and mistakes.

IMPROVING FLOW & ELIMINATING WASTE

When considering Flow in the workplace, all we are doing is looking at the timeline, from the moment when the customer gives us an order to the point when we click the cash. And we are reducing the timeline by reducing the non-value added waste.

In a Flow system, work is done on a product continuously from start to finish, with each step making just what is needed by the next step in the process.

The benefit of flow is that tasks almost always can be accomplished more efficiently and accurately when the product is worked on continuously. Flow eliminates non-value added steps in the process and aligns activities around value for the client.

Improving flow enables you to deliver higher quality work more frequently. Improved flow creates more value for your customer and has a profound psychological benefit for the worker. The key to reduce the variability and complexity of your job by improving the following types of task:

1. Daily work processes;
2. Routine, repetitive work;
3. Creative work that can be transformed into retention routine work.

7 KINDS OF WASTE

"Eliminating waste is not the problem. Identifying it is." – Taiichi Ohno. Waste is a Flow killer. Identifying waste in your processes and systems is key to improve Flow. Waste can be categorized in 7 different ways:

1. Correction or defects (e.g. errors in documents)
2. Conveyance (e.g. handoffs, movement of documents-even electronically)
3. Overproduction (e.g. doing work not requested, extra features)
4. Waiting (e.g. waiting for the next step)
5. Processing (e.g. extra steps, approvals, and sign offs)
6. Motion (e.g. unnecessary motion-looking for things, making copies)
7. Inventory (e.g. backlog of work-in your inbox, in piles on the floors)

Hopefully this article has given you some food for thought in identifying waste in your productivity that is preventing you from achieving your goals.

If you'll excuse me, I now need to get back to my value added work – at the ninth hole of the Golf Club of Houston. 😊



EVEN MICHAEL JORDAN NEEDED A COACH!



Leading a law firm is simple. All you must do is cast your vision, craft and execute your business strategy, develop talent, allocate resources, set the pace of progress, promote and protect your core values and finalize difficult decisions. Huh what? Oh, and also, you need to manage the day to day of your firm, market the firm to find new business and babysit your clients while you try to solve their problems. Holy Shit Batman! I can't even get my kids to school on time! **HOW DO I DO ALL OF THAT?**

WHAT?

With your liberal arts degree and a J.D., you can't figure it out (*sarcasm intended*)? What if I told you, you don't have to figure this out all by yourself? Michael Jordan is generally acknowledged as the greatest basketball player of all time. But did he develop his talent all on his own? Of course not! Jordan was fortunate enough to have some of the best coaches to bring out his talent. **So why not you?**

BUT MARC?

What can a coach do for me? I'm going insane with all the pressure. Don't I need a therapist instead? Good question. First, my wife

is a therapist, so I am not knocking that idea. But if the reason you are going insane is your law practice, let's work on that first.

WHAT DOES A GOOD BUSINESS COACH DO?

A good business coach focuses on your future. (*A therapist focuses on the past*). A coach is paid to ask the right questions, to focus on changing your behaviors in order to improve your performance in a business context and to help you set your goals. A coach will make you tackle your difficult issues. All coaching is about taking a player (*you*) where he can't take himself. Even the best need coaching.

A good coach will guide you in running your business by helping you clarify your vision of what you want your firm to be and how...

CONTINUES ON NEXT PAGE



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your practice fits in with your personal life. They will help lead you from where your firm is now to where you want it to be. A coach can assist you in creating goals and plans and keeping you accountable for executing your plan so you can achieve your definition of success.

I often preach that you should strive to build a law firm that serves your lifestyle and your passions, not the other way around. You need to have a reason to get up in the morning. You need to discover your "Why". A business coach will usually talk with you regularly, sometimes weekly or monthly to keep you on track with the business and personal commitments you previously made. They become what I call your "accountability buddy."

Many coaches bring years of experience to the table. Their job is to help you figure out what your goals are and to help you create a road map to reach them. They can help you see the forest from the trees and help you see your own personal blind spots. Remember, it is not your coach's job to do the work for you. It their job to keep you focused on the end result you plan to achieve. You and your coach may work together to develop goal tracking metrics or key performance indicators (KPIs) to track your progress.

SO WHERE DO I FIND A COACH THAT'S RIGHT FOR ME?

Well glad you asked. Full disclosure, I am an "Adjunct Practice Advisor" (i.e. a coach) for Atticus, a firm specializing in "helping law firm owners focus on what's really important in life."

Before becoming a coach with Atticus, I was their student for over 10 years. Atticus provides one on one coaching, group programs and webinars to provide solo and small law firm owners with the necessary tools to:

- Create a true work/life balance
- Earn a higher income
- Reduce stress and number of hours in the office
- Have more time for family and personal interests

I highly recommend the concept of business coaching for lawyers. Let's face it, we are generally poorly prepared in law school to lead a law firm. To truly be successful you must learn the business side of your law firm. If you are interested in exploring the opportunities with Atticus, my recommendation is to start with the Practice Growth Diagnostic, <https://atticusadvantage.com/practice-growth-diagnostic/>

Tell them Marc Whitehead sent you (Please! I get an extremely small cut and I have four daughters to support!). ☺



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DELAYING THE GRIM REAPER!

As I sit here and write this, I am approaching my 55th birthday. Facing yet another age milestone this Halloween, it makes me think I don't want to meet the grim reaper before my time. My doctor says it is not just about living a long time, it's about aging well. As he says, everyone's goal should be **to die young at a very very old age!**

My new doctor focuses on helping his patients age well. The first thing he did on our initial visit was to go over some startling statistics. While a lot of us pay attention to things such as cancer, we ignore what is really killing us - heart attacks, strokes and dementia. All of which is in our control if we do what we need to do and do it early enough in our lives.

Heart attacks and strokes are the number one cause of death and disability in America. Almost 800,000 Americans die from heart attack, stroke or cardiovascular disease in the US every year, literally dwarfing the number who die from all other causes combined. By way of example, 1 in 30 female deaths are the result of breast cancer while 1 in 2.6 deaths are related to cardiovascular disease. Many other conditions, such

as kidney and liver disease, have their root cause in poor cardiovascular health.

My doctor related to me that the problem in American medicine is that the "standard of care" is defined only by looking at risk factors and blockages of blood flow. Risk factors include things like age, gender, family history, blood pressure, cholesterol level and obesity. Blood flow is generally measured by tests such as calcium scores, Doppler studies, stress testing, and echocardiographic.

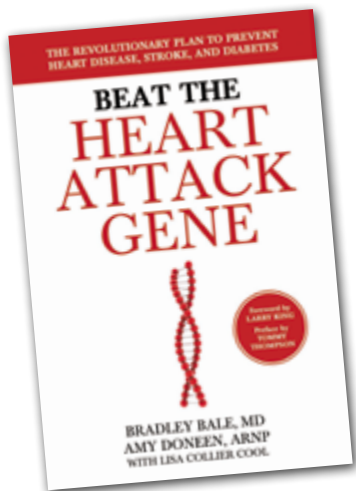
However, it's shocking to learn that nearly 50 percent of heart attacks and ischemic strokes happen to people with completely normal risk factors (i.e. *cholesterol levels*) and even more frightening is most of these individuals have virtually no evidence of blockage to their blood flow.

If you think about it this makes sense. How many people have you heard literally dropped dead at a premature age with because of a heart attack or stroke and otherwise had no symptoms? **Some prominent examples include:**

Tim Russert of NBC News who dropped dead at the age of 58,

just weeks after he'd had a normal physical.

Luke Perry of 90210 fame who died last year at the age of 52 from a stroke - again no prior symptoms.



Disturbingly, over half of individuals whose first symptom was a full-blown heart attack or stroke died from that event! When it comes to strokes and heart attacks, the standard of care in America is basically to wait until something happens and then do the best job possible to fix it for the half who survive. This is just plain stupid!

As my doctor explained to me, nearly 100% of deaths from heart attack and strokes are preventable. And the things needed to be done to make heart attacks and strokes preventable are very simple. However, simple does not mean easy and it's definitely not easy.

My doctor relayed to me that 65% of American men and women over the age of 45 have some plaque in the arteries. Plaque is caused by inflammation within our cardiovascular system. The vast majority of heart attacks, strokes,

and vascular dementia are all a direct result of the ongoing silent inflammation in the soft plaque located in our blood vessels.

I had never really understood the mechanics of what caused heart attack, stroke and dementia but my doctor explained it very simply as follows: plaque causes blood clots. If the blood clots are big and hit the heart you have a heart attack, if the big blood clot hits the brain you have a stroke, if you have a bunch of little blood clots they settle into the small veins that feed blood to the brain and over time this will cause vascular dementia. I had never heard it put so simply but it makes perfect sense.

Yet the normal standard of care in America does not regularly test for plaque in the arteries prior to some catastrophic cardiovascular event. Unfortunately, most clinics and physicians in America don't look for plaque until someone experiences chest pain, heart attack or a partial or full-blown stroke. They're not looking for the root cause and attempt to reverse the root cause prior to a catastrophic event. Again, stupid. But that's what you get when insurance companies get to set the standard of care.

There actually is a safe, simple and relatively inexpensive test for plaque in the arteries, known as a Carotid Artery B-mode Ultrasound Image (CIMT). The technique is readily available and reliable, but you must ask for it because CIMT testing is simply not the standard of care in American medicine. Annual CIMT testing, combined with advanced blood work, is effective in diagnosing and

treating vascular disease early on when there is still time to treat it before a catastrophic event.

So how do you maintain good vascular health and avoid a heart attack, stroke or vascular dementia? Like I said earlier it's very simple, however simple does not mean easy. Quite frankly, it's damn hard. First and foremost, it involves being proactive about your heart health and not accepting the standard of care that has become the norm in America. You must know whether you have plaque or inflammation in your vascular system and not put off taking care of it. A CIMT test will give you your "vascular age." Mine was 67, not good for someone just turning 55. The good news is now I know and can do something about it.

So, what do I have to do to get my vascular age to more closely match my real age? Here's what my doctor has prescribed:

1. Maintain a blood pressure below 120/80. For me this means medications.
2. Exercise every day for the rest of my life. Weightlifting/Resistance training of all muscle groups 3 times per week. 30 minutes of high intensity cardio, 5 times per week.
3. Eating healthy low calorie, low carb meals 4 times per day for the rest of my life (*You can't out exercise a bad diet*).
4. Get rid of belly fat. The number one indicator of vascular disease in men.

5. Take appropriate vitamins and supplements. Vitamin D and Omega, etc.
6. Accept these changes are forever, not just until I lose a little weight.
7. Monitor your health and actively advocate for yourself with your doctor. Don't accept aging gracefully.
8. Become educated about what it takes to age well.

To educate myself about what it means to be heart healthy, my doctor had me enroll in an online video program called **Arterial Health Assurance for Life** (www.AHAforLife.com). It is a great program I highly recommend, developed by Dr. Amy Doneen and Dr. Bradley Bale. The program consists of 12 modules of videos that comprehensively cover all aspects of heart and cardiovascular health explained for the layperson. The program covers topics such as discovering the root causes to what could be causing arterial disease and how you can treat them, as well as how to define and achieve your optimal health goals. The program is not free but **you are well worth the money**.

All of this helps me achieve my goal, which should be everyone's goal - die young at a very very old age!

For now, the Grim Reaper is fun to think about during the Halloween season, but let's keep the Grim Reaper in the closet where he belongs the rest of the year. ☺



The Cash Flow Nightmare!

Navigating the Complexities of Cash Flow Within Your Law Firm

Imagine the terror of realizing you have no cash the day before your employee payroll is due. This is the nightmare that many law firm owners have experienced at one point or another. Running a law firm comes with its unique set of challenges, especially if you are a contingency fee firm like mine. Balancing between the alluring prospect of a successful lawsuit and its monetary rewards, while maintaining acute financial awareness, is crucial. This



is true whether you are a riverboat gambler (*contingency fee lawyer*), an hourly biller or somewhere in between. This balance was brought to light when I stumbled upon the

illuminating insights of **Michael E. Gerber** and **Fred G. Parrish's** book, "*The E-Myth Chief Financial Officer.*"

The cornerstone of this book is the idea that every business either employs a Chief Financial Officer (CFO) or the owner inherently assumes this role. In essence, someone must navigate the complex

waters of business finance, akin to a ship's navigator who predicts the path ahead to avoid the icebergs.

The Core Role of a CFO

I have recently explored bringing on a fractional CFO and realized I really needed to learn what the role entails before I jump off the cliff. Hence, reading this book. A CFO's role transcends mere financial oversight; it delves deep into predicting the company's trajectory. They are tasked with recognizing the key drivers of success, anticipating market fluctuations, understanding the best revenue mix (*think case type*), and spotting potential cash flow issues. Essentially, they help firms avoid the peril of navigating blindly, ensuring decisions are based on more than just educated guesses.

Unpacking the Financial Landscape: The Four Types of Money

Gerber and Parrish brilliantly categorize business money into four distinct kinds:

- 1 Income** – Compensation for day-to-day work. Even as the firm owner, you should always pay yourself a market-based W-2 wage. Probably equivalent to what it would cost to replace your labor on the open market.
- 2 Profit** – The residual after efficient operations, i.e., as much revenue as you can generate with as few expenses as you can get away with.

3 Flow – The movement of money, distinguished by its dynamic nature, which can be unpredictable yet controllable. It always escapes me that repayment of loan principle or fronting client expenses are not an expense on the P&L statement yet suck cash.

4 Equity – The perceived value of the company, directly related to the efficiency of its operational systems. What would a willing buyer pay you for your practice?

This distinction broadens the perspective on financial health. While income and flow are imperative, the true value for a business lies in establishing systems that increase profitability and, consequently, equity.

"If that's true, if you don't know who I am, then maybe your best course would be to tread lightly."
– Walter White

The Roadmap to Growth

Most have heard the saying, "*If you aren't growing, you are dying.*" Maybe so, but the problem is that growth sucks cash! Growth means

more overhead, more labor costs, more marketing expenses. This year we launched a growth plan that targets a doubling of our caseload within the next three years. We call it Project 2025. It meant tripling our marketing budget, rapidly growing our staff, and investing in improved technology. However, we didn't do it without thinking it through, especially how it was going to affect cashflow. Growth isn't merely about expanding your team or resources. **It demands:**

- 1 **Clarity about the desired growth level.**
- 2 **A detailed roadmap to achieve it.**
- 3 **Quantifiable details and targets.**
- 4 **Continuous communication of these goals.**
- 5 **Efficient reporting structures and aligned compensation systems.**
- 6 **Periodic evaluations and plan adjustments.**

Balancing Strategic and Tactical Work

While routine tasks provide instant gratification, the long-term vision (*strategic work*) genuinely dictates a business's path. Predicting your law firm's financial trajectory is serious business. This is where CFO's live. This balance involves constantly asking and

answering pivotal questions like the purpose of one's business, envisioning its final form, and identifying key performance indicators.

Unique Challenges in Contingency Fee Law Firms

Much like how giants like Apple and Amazon adapt to market shifts, contingency fee law firms must be equally agile. The CFO's role here is magnified, encompassing strategic resource allocation, overseeing daily operations without overshadowing big-picture planning, and evolving from mere finance handling to forward-thinking. Key questions guide the CFO's focus, including evaluating case load performances, anticipating revenue stream shifts, and identifying potential markets and practice areas in which to compete.

Transitioning to strategic thinking requires, in my opinion:

- 1 **Engaging mentors or consultants familiar with the legal industry.**
- 2 **Employing efficient systems, including legal-specific software.**
- 3 **Dedicating time solely to strategic planning.**
- 4 **Staying rejuvenated fosters innovative thoughts.**
- 5 **Continuously learning from other successful firms and legal trends.**

So, save yourself from the terror of poor cashflow and pick up a copy of "*The E-Myth Chief Financial Officer.*"

It has been instrumental in reshaping my thought process on financial strategies. It underscores the importance of not just responding to the present, but also molding the future. As we implement Project 2025, our focus is on turning these strategic insights into tangible actions.

In the intricate realm of contingency law, preparation is more than a strategy; it's an imperative. Don't screw this up! 😊

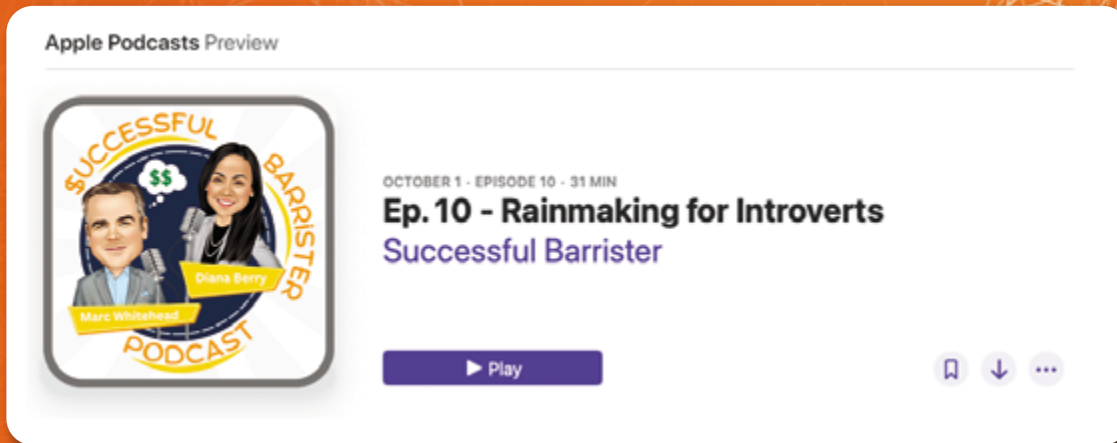


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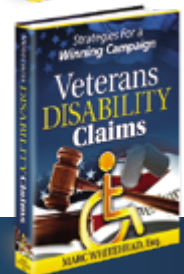
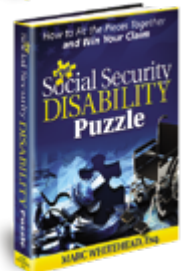
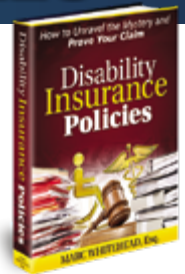
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