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ALM

## Beware the Hidden Costs of Bad Formatting

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When talking to law firms about training, I often hear the following statements: “It’s so easy, you don’t need training”; “If you can’t learn it in an hour, it’s not worth knowing”; and my favorite, “We’re getting documents out the door.”

Law firms often use arguments like those mentioned above to skimp on training. However, there can be real bottom-line consequences to this kind of thinking. Training your users on proper document formatting can mean the difference between a document that will cost your firm unnecessary time, money and productivity and one that won’t. For example, you can compare two visually identical 30-page Word documents side by side. They may look exactly the same, but one could require 2 1/2 minutes to make three basic changes while the other takes more than 60 minutes. What makes the difference? Formatting!

Document formatting is not a sexy topic, but if you run the dollars on how much money it saves, you quickly realize how important a consideration it really is. A document that is poorly formatted behind the scenes is full of tabs, hard returns and manual numbering. With these documents, every time text is added or deleted, someone must go into the text and remove tabs, adjust hard returns and page breaks and manually renumber the paragraphs. All formatting is direct formatting so that if the point size for 50 paragraphs needs to be changed, all 50 paragraphs must be formatted.

Well-formatted documents, on the other hand, use smart features such as Word’s table feature to contain variable content such as the information in a caption box, which may change.

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The information is divided into table cells. When the content of one cell changes, the other cells are not affected and the editing takes seconds, not minutes. Space between the cells is easily adjusted by resizing the blank column between them. Here’s an example of a caption box prepared using the table function. “Fred Flintstone” has been added.



**CHELSEA OFFICE SYSTEMS’S ROBERTA GELB**

SUPREME-COURT-OF-THE-STATE-OF-NEW-YORK¶	
COUNTY-OF-NEW-YORK¶	
BETTY·RUBBLE,·WILMA·FLINTSTONE,·FRED·FLINTSTONE¶	Index·No.·12345¶
Plaintiff,¶	
vs.¶	
ANY·REALTY·CORPORATION¶	NOTICE-OF-APPEARANCE,¶
Defendant.¶	ANSWER,·COUNTERCLAIMS¶

How could such a simple function become complicated? If the users created a caption box using tabs, even modest changes to an item in the caption box, such as adding an additional plaintiff, becomes time-consuming. Notice what happens when one name needs to be added to the plaintiff.

SUPREME-COURT-OF-THE-STATE-OF-NEW-YORK¶	
COUNTY-OF-NEW-YORK¶	
BETTY·RUBBLE,·WILMA·FLINTSTONE,·FRED·FLINTSTONE	→ → → Index·No.·12345¶
→ → → → Plaintiff, → → →	NOTICE-OF-APPEARANCE,¶
→ → → →	ANSWER,·COUNTERCLAIMS¶
→ vs.¶	
ANY·REALTY·CORPORATION¶	
→ → → → Defendant¶	

Let's take a real-world example to see how correct formatting of a 30-page Word document can add up to big savings or costs for a law firm. The 30-page purchase agreement has been typed for the real estate department. The document has five subheadings that are underscored and 50 numbered paragraphs.

Secretary A typed the agreement using no advanced functions. Secretary B typed the document using automatic numbering and styles throughout the document.

The document came back at 4:30 p.m. with the following editing changes:

1. Change the five subheadings to 14 point and bold, remove underscore.
2. Delete paragraph 25.
3. Change the point size of the 50 numbered paragraphs to 13 point.

At 4:33 p.m., Secretary B has made the changes and is sending the document to print. At 5:33 p.m., Secretary A sends the document to print.

Why would there be a 60-minute difference in editing time, and how much does that cost the firm?

Some assumptions:

### Salaries

The difference in time is 60 minutes. The difference in cost based on average secretarial salary with benefits is \$40.46. The assumption that Secretary A changing 25 paragraphs would take him 12.5 minutes was generous. It could easily take longer. Remember that all Secretary B has to do is delete paragraph 25. We gave her 30 seconds but it could easily be less.

What does it cost for an associate to edit these documents? Difference in time is the same, assuming the associate understands styles. If the document is not formatted properly, the firm just wasted \$84.59.

What is the annual loss? Assuming that Secretary A works on two documents a day and she works 241 days a year, the total loss is \$19,500 for every Secretary A in the firm. Just 20 of them will cost the firm \$390,000.

What does it cost when an associate edits Secretary A's documents?

Given this evidence, it's easy to see how much money your firm can recover simply by teaching your staff and attorneys to format documents properly. For small firms, thousands of dollars can be saved. For larger firms, the costs recovered can span into hundreds of thousands or even millions.

And these figures don't even reflect the added benefit that the firm can save by making current employees more productive and in some cases avoid hiring additional staff.

Salaries			
	Low	High	Average
Secretaries	\$35,000.00	\$70,000.00	\$52,500.00
Associates	\$55,000.00	\$160,000.00	\$107,500.00
Partners	\$170,000.00	\$500,000.00	\$335,000.00

Salaries with Benefits			
	Salary	Benefits (30%)	
Secretaries	\$52,500.00	\$15,750.00	\$68,250.00
Associates	\$107,500.00	\$32,250.00	\$139,750.00
Partners	\$335,000.00	\$100,500.00	\$435,500.00

Real Per Hour Pay						
	Holidays	Vacation	Weekends	Days Worked	Per Day	Per Hour
Secretaries	10	10	104	241	\$283.20	\$40.46
Associates	10	15	104	326	\$592.16	\$84.59
Partners	10	20	104	231	\$1,885.28	\$269.33

	Minutes Secretary A	Minutes Secretary B	Difference
Secretary A Renumbers paragraphs 26-50	12.5		
Secretary B Deletes paragraph 25		0.5	
Secretary A Changes each paragraph	5		
Secretary B Changes the style for heading		1	
Secretary A Selects each paragraph	45		
Secretary B Changes style		1	
	62.5	2.5	60
Cost for editing changes:	\$42.14	\$1.69	\$40.46

Associate deleting the numbered paragraph	62.5	2.5	
	\$88.12	\$3.52	\$84.59

Secretary	
Loss per document	\$40.46
Number of documents — 2/day *241	482
Total loss PER SECRETARY	\$19,500.00
Number of SECRETARIES	20
Total Loss — Secretary	\$390,000.00

Associate	
Loss per document	\$84.59
Number of documents — 1/day *236	236
Total loss PER ASSOCIATE	\$19,964.29
Number of ASSOCIATES	20
Total Loss — Associate	\$399,285.71

These numbers prove the point that document formatting is clearly not just relevant for secretaries to learn. Instead, formatting tools are an essential point of education for all members of the firm who work with documents during their course of their day — including associates and partners.

True, document formatting may not be sexy — but now it will certainly attract your attention, especially if you're focused on the bottom line!

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