

# An Evening-Talk for Lawyers on Basic Accounting and Finance

## Rationale for the Talk

For many lawyers, accounting and finance are mind-boggling and mind-blowing subjects. The good news is that it need not, and should not be the case. If you are a non-accounting and/or a non-finance trained person but have a good knowledge of the accounting and finance it will surely give you an edge over others and this may augment your career as a lawyer, if not at least make your life as a lawyer easier.

In the discharge of its legal roles and duties, lawyers invariably are involved, directly or indirectly, in the realm of accounting and/or finance, after-all accounting is akin to the eye of the needle wherein all threads must pass to enable whatsoever sewing to be done, while finance clothes the “dry-bones” of accounting. Similarly, all businesses and or commercials and/or corporate transactions, howsoever simple or sophisticatedly strategized must be reflected in accounting and/or finance languages. In the nutshell, it boils down to money.

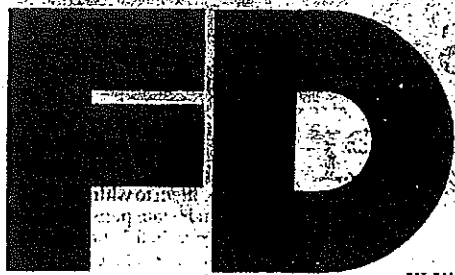
The duties and hence the liabilities imposed upon lawyers in their discharge of their fiduciary duties need no further elaboration. Suffice to say, it is heavy and ignorance is not only not bliss but is not a defence whatsoever.

The financial statements of your own firm and that of your clients are not only highly informative but also highly technical. The technicality of these documents are made more “confounding” as they are highly rolled up, summarized and condensed. Yet lawyers and partners rely on it to make and or take critical decisions. It goes without saying that an understanding these documents requires a good appreciation of accounting and finance, and hence the challenges. For instance, it is warranties regarding accounting and finance in a typical corporate transaction were asked and or conceded, not only from the legal perspective but a window into the accounting and finance dimensions.

A working knowledge of accounting and finance, arguably is beneficial not only to you personally, but in your other professional capacities like acting as a lawyer, as partner of a law firm, a corporate lawyers handling M & A and corporate litigation, independent directors of a public listed entity, etc., and the list of goodies goes on and on.

The speaker aims to simplify these complexities and thereby making the life of a career lawyer not only easier but rewarding, at least be or seen to be at comfort to speak and /or understand the accounting and finance languages.

How? The speaker, being a legally trained Chartered Accountant “speaks your language, as a practicing lawyer”.



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## Why a top law firm teaches its lawyers to be more like MBAs

BY NATALIE KITROEFF

TURNING law students into lawyers has traditionally been the job of law schools. One major New York firm has decided three years of traditional legal training is not enough to make its rookies practice-ready.

At Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates, one of America's largest law firms, new hires must undergo five weeks of intensive business training, which they refer to as a mini virtual Master of Business Administration (MBA). The approach is part of a growing push within the legal industry to equip lawyers with a deep understanding of finance and accounting at the start of their careers.

"We were looking for a way to prepare people to hit the ground running," said Jodie Garfinkel, director of attorney development and professional personnel at Skadden. "We want to prepare people to add as much value as they can, as quickly as they can."

Skadden's first-year associates, who generally start in September after graduating from law school, learn the basics of income statements, balance sheets and cash flows. They get a crash course in corporate valuation and learn the fundamentals of mergers and acquisitions. They learn how to talk to clients like an MBA and present their ideas like a chief executive officer. They film themselves giving presentations and review the videos to study their communication style.

"It's safe to say that it's the stuff

you would learn in your first year in business school, that — at least up until recently — law schools weren't focusing on," said Jennifer Panglone, an attorney development manager at the firm.

Law schools are increasingly incorporating business training, too. In the face of waning interest in legal education and weak job prospects for those who still want the degree, schools have revamped curricula to offer a slate of management and finance courses. Harvard Law is making its first-years take a crash course in MBA fundamentals. New York Law School is making room in its headquarters, so a business school can move in.

"Law schools are struggling with the fact that they are training people for many different things, not just working at large law firms," said Garfinkel, who heads attorney development at Skadden. Still, she said it makes her colleagues happy to see schools prepare students for the reality of corporate law, which often means knowing as much about corporations as the law.

For now, Skadden sees its investment, in what essentially amounts to remedial education, as a no-brainer. Garfinkel said the programme started on the heels of the recession, when corporate clients were paying additional attention to the cost of legal services.

"As there was greater need to prove that new associates were adding value, this was one of the places that seemed obvious to us," she said. — *Bloomberg*