



Practice Management

Newly On Your Own: Best Practices for Starting Up New Solo or Small Law Firms

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Out On Your Own – Discussion

- Down Economy = Less Jobs
 - Leaving Large Firm
 - New to Law, Recent Graduate
- Want more freedom
- Want to work from or close to home



BIGGEST MISTAKES MADE By New Business Owners

- Lack of Planning prior to opening for business
- Not understanding the key elements of owning your own business
 - Need a Self-Starter Attitude
 - Perseverance to weather ups & downs
 - Define your Goals for Personal & Professional Success
- Not engaging in Experts to assist you

Experts To Engage

MUST HAVES:

- Technology/IT
- Accountant
- Bar Association - LOMAP

CONSIDER:

- Peer In Business for 1 + years
- Business consultant/Mentor

Before You Open Your Doors

- Choose your Name, Legal Entity, EIN
 - What does your state allow/require?
 - What are the benefits and consequences of each?
 - Tax Requirements
- Bar Association Registration
 - Obtain training or at least documentation on Trust Requirements
- Setup Bank Accounts
 - Will need at least 2, Operating & Trust
- Create Action Plans & Identify Processes



Where To Get Help

- Professional Organizations
 - ABA
 - State Bar
 - LOMAP
 - Small Business Association (SBA)
 - Online Courses
- Mentoring
 - State Bar and other Professional Groups
 - Peers
 - Law Schools
 - SCORE by SBA
- Websites



The Key to Leveraging Your Time & Your Work Load

- TECHNOLOGY (we are at LegalTech right?)
 - Meet regulations regarding Accounting and Record-Keeping
 - Won't need to hire staff on Day 1
 - You can work from anywhere
 - Able to handle more cases with same resources
 - Track & visualize your work-flow processes
 - Allows you to market yourself less expensively and more effectively

TECHNOLOGY MUST HAVE:

Workstation

- DO
 - Buy a name brand with a good warranty
 - Get plenty of RAM
 - Get a large hard drive (esp. if this is your only PC)
 - Make sure it has enough video power
 - Think about how you plan to work
- DO NOT
 - Forget what the workstation needs to do

TECHNOLOGY MUST HAVE:

Printer

- DO
 - Consider consumables
 - Think about all of the different paper types and envelopes you have to print
- DO NOT
 - Buy an inkjet, consumables are too high
 - Underestimate necessary paper capacity



TECHNOLOGY MUST HAVE: Scanner

- DO
 - Buy a scanner that scans to PDF by default
 - Consider a scanner at every desk
- DO NOT
 - Forget to consider where saved documents will be saved and how you will find them

TECHNOLOGY MUST HAVE: Redundant Backup

- DO
 - Have a rotation (5,6,10,11, or 12)
 - Have one copy offsite at all times
 - Perform a full backup
- DO NOT
 - Forget to test your backup regularly
 - Backup only parts of a mission critical PC or server
 - Forget to run application specific backups



TECHNOLOGY MUST HAVE:

Email

- DO
 - Use an email address with your own domain
 - Remember to backup your email
- DO NOT
 - Use a non-professional email address (aol.com, yahoo.com)
 - Forget that some email clients integrate with other applications and some do not

TECHNOLOGY MUST HAVE:

Phone & Fax

- DO
 - Consider Internet phone and/or eFax
- DO NOT
 - Forget about options like call forwarding, simultaneous ring, etc.



TECHNOLOGY

What SHOULD you consider?

- Website
- Online Search Optimization
- Smart Phone/PDA Synchronization

TECHNOLOGY

What **WOULD BE NICE** to have?

- Server (if more than just one attorney)
 - Servers make it much easier to share data, provide remote access, set security and manage computer users
- Digital Dictation
 - With digital dictation, you can dictate files to an electronic format and send them over the network or email

Where Will You Work?

- Do You Need an Office?
 - Today, it is possible to operate a “Virtual” office, especially if you do not routinely meet with clients in the office.
 - Perhaps, all you need is conference space from time to time. Consider a strategic partnership with a firm that has it.

Where Will You Work? (cont.)

- Other Options
 - Office Sharing
 - Opening Your Own Office
- Don't Forget the Cost of:
 - Building to Suit
 - Furniture
 - Cabling, wiring, networking



Find and Select Qualified Experts

- Best method is referrals
 - Use your network of peers and associations
- Contact at least 2 or more
 - Ask for references and follow-up
- Make sure to explain your priorities, goals and unique business processes

Capital and Financing

- Start Up Expenses
- Monthly Expenses
 - Fixed
 - Variable
- Budgets
- Financing Options



Operations Analysis

Keep Yourself & Your Client Happy

- Do your clients require special hours?
- How many hours do you need/want to work?
- What is standard in your industry?
- What are your client's expectations?
 - Setting reasonable expectations equals happy clients and happy lawyers.
- What do your competitors offer?
- How much work can you handle?

How Will You Get Your Clients?

- Existing Niche/Specialization/Reputation
- Traditional Marketing
 - Martindale Hubbell
 - Newsletters to existing and potential clients
 - Lawyer-to-Lawyer
 - Networking Groups
 - Print
- Article writing
- Press releases/Open House
- Online
 - Website
 - Blogs
 - Search Engines
- Social Marketing (LinkedIn, Twitter, Facebook, etc.)

What software will help you manage your office and service your clients?

- Case Management
- Document Management
- Time/Expense and Billing
- Accounting
- Legal Research

Case Management

- Stay Organized
 - Client phone numbers, history, etc. are easier to find.
 - Allows you to find and reuse the knowledge you have accumulated rather than reinvent each time
- Outlook v. Case Management
- Integration with other software Email, Documents, Internet, Time & Billing
- Track and visualize your work-flow processes

Document Management

- A Document Management System provides:
 - Organization and accessibility for documents
 - Consistent save locations
 - Consistent naming conventions
- Search by Client, Matter, Text and more
 - Searching is much faster and more advanced than Windows alone
- Security
 - Secure entire clients or specific documents

Time and Billing

- Track time
- Track expenses
- Invoice clients for services
 - Produce clear, accurate and professional looking bills
- Track Accounts Receivable*
- Receive Payments*
 - * An Integrated Accounting Software or a link will help to reduce double-entry.

Accounting

- Need to track cash in-flows and out-flows
- Trust Account
 - Make sure your accounting software is capable of tracking Trust Accounts in the way your state bar requires
- Financial Statements
- Tax Returns
 - Work with your Tax Professional early to make sure your accounting system can create the reports they will need



Legal Research

- Needed more in some areas of practice
- Free v. Registered v. Subscription-based resources
- Consider speaking with a few vendors to get an idea of what is available
- Whatever you choose, have a way to track your time spent and save back into your Case Management system



Is It Time to Hire? - Discussion

- When to hire
- How to hire
- How to vet
- Job Descriptions
 - Start with the processes they will be in charge of
- Setting Expectations
- Investigate payroll and tax requirements

You Made It – End of Your First Year In Business

- Tax Returns
 - Year-end opportunities
- Closing your accounting books and software
- Review first year
- Plan for next year
 - Budgets
- New clients

Questions?

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