

Starting Your Own Law Firm?

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Perhaps you are a victim of widespread layoffs that have plagued our industry, are a recent law school graduate having difficulty securing full-time employment, or have always dreamed of being your own boss. Whatever the reason, if you plan to open your own law office, this article provides a few things to consider before getting started.

Prerequisites. Before you begin, ask yourself some serious questions. Do you have the practical experience to open your own office? If you have not developed significant experience in a particular practice area, are you willing to devote additional time to learning a new area of the law or to co-counsel with a more experienced practitioner? Remember, by agreeing to represent a client, you undertake ethical obligations to provide competent representation. If you are satisfied with your answers to these questions, you are ready to take the next step.

Where Will Your Clients Come From? Start by identifying the types of cases you want to handle. I recommend selecting a few practice areas, no more than five, and marketing the services you offer in those areas. A Website is almost essential. If you are computer savvy, consider creating your own. Alternatively, many companies will design a Website for you. Identify your price point, and find an appropriate Website designer. Many design firms cater to solo and small-firm practitioners, and legal research leaders like Lexis or FindLaw also offer Website design services.

Don't Forget to Network! Become involved in bar associations and networking groups. Talk about your new business to friends, and those with whom you share hobbies. Tell classmates and other colleagues about your plans, and identify the type of client that would be a good referral for you. Send a postcard to colleagues, friends, and family members announcing your new office, location, and contact information. You never know who could become a referral source.

Location. Location. Location. I recommend renting traditional office space with other professionals. Sharing space with an established practitioner can also provide a source of referrals. If traditional office space is cost prohibitive, consider virtual office options as a less

expensive alternative. In this scenario, monthly expenses typically include a receptionist and a fixed number of hours of conference room use. The receptionist will answer your phone and transfer the call to a location of your choosing, such as a home-office line or a cell phone. The least expensive option, however, is a home office. But ask yourself—is it quiet enough? Will you feel comfortable, and safe, meeting clients in your home?

Phone, Fax, and Mail.

You will need to establish a business telephone number, and possibly a fax. Some e-mail programs, like Microsoft Outlook, may solve your fax needs. Despite our digital culture, letterhead and envelopes are still a necessity. Create your own design, or hire a marketing and design consultant.

Computing and Information Storage. Determine if a desktop or a laptop computer will better serve your needs.

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If you plan to be mobile, go with the laptop. Remember to include secure, electronic file backup. The inception of your practice is a great time to consider creating a paperless office. Seek out consultants who provide document scanning services, which often enable you to backup your files and reduce file storage from a warehouse full of papers to a shelf of CDs. Buy a laser printer that produces high-quality, professional-looking documents. In addition to your Website, I would suggest a firm e-mail account with an address like name@lawfirm.com.

Financing Your Business. Consult a CPA regarding the financial impact of your business decisions. Your CPA may recommend accounting software to track your profits and expenses. Practice management software is available to manage client lists and invoices; however, many contact management programs are sufficient to meet your initial database management needs. To save money, find a less expensive, stand alone accounting program.

Before beginning any journey, you should have a destination in mind.

Legal Research. Bar association memberships may include free legal research options. Alternatively, your law school or a local law library may meet your needs. You may decide that access to Lexis or WestLaw is worth the cost.

Managing Your Cash Flow. If you plan to incorporate, do so before opening any bank accounts, as a business tax identification number is needed to open them. You will need a business bank account, and probably an IOLTA to hold client funds. For future financial stability, it can be beneficial to establish business credit through a business line of credit or a credit card.

Protect Yourself. Don't forget to protect yourself with both general liability and professional liability policies. Talk to other lawyers in your area, or your local bar

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association for suggestions on finding competitive rates.

Plan Your Business. Before beginning any journey, you should have a destination in mind. Likewise, when opening a law firm you should have a general idea of your business goals, and how you plan to meet them. Your business plan may be as simple as identifying profitability goals for each of your first five years, as complicated as a 20-page proposal with multicolored graphs, or anywhere in between. If you plan to apply for a loan, you will almost certainly need to present a formal business plan as part of your loan application package.

Further Reading. For additional suggestions, consult Carolyn Elefant's Website, www.myshingle.com, and the indispensable *How to Start and Build a Law Practice*, by Jay Foonberg. ■