

# CHAPTER 13

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## CREATING A FIRM

### SOLO SUCCESS: LAUNCHING YOUR OWN PRACTICE

Rachel Edwards

*Professional Liability Fund*

*Practice Management Attorney*

## Solo Success: Launching Your Own Practice

1. PowerPoint Slides
2. PLF-covered attorneys by county in Oregon- <https://www.osbplf.org/blog/inpractice/you-may-be-needed-elsewhere--how-a-market-analysis-can-help/>
3. ABA Technology Resources- <https://www.osbplf.org/assets/forms/pdfs//ABA%20Technology%20Resources.pdf>
4. Resources from the PLF Risk Management Services provides a great variety of free CLEs, practice aids, publications, newsletter articles, and blog posts:
  - a. PLF publications available at [https://www.osbplf.org/services/resources/#plf\\_books](https://www.osbplf.org/services/resources/#plf_books)
    - i. A Guide to Setting Up and Running Your Law Office
    - ii. A Guide to Setting Up and Using Your Lawyer Trust Account
  - b. PLF CLEs available at <https://www.osbplf.org/services/resources/#cles>
  - c. PLF practice aids available at <https://www.osbplf.org/services/resources/#cles>
  - d. PLF blog, *InPractice*, at <https://www.osbplf.org/blog/inpractice/>
  - e. PLF newsletter, *InBrief*, available at <https://www.osbplf.org/services/resources/#inbrief>  
(use the search box to help you locate articles on topics you are interested in)
5. Resources for Topics Covered Today:
  - a. Client Relations
    - i. PLF Practice Aids *see Client Relations*
      - a) Client Relations Best Practices
  - b. Engagement Letters and Fee Agreements
    - i. PLF Practice Aids *See Engagement Letters and Fee Agreements*
      - a) *Engagement Letters and Fee Agreements*
  - c. Entity Formation
    - i. PLF Practice Aids *see Entity Formation for Lawyers*
      - a) Choice of Entity for a Legal Practice in Oregon
  - d. Marketing
    - i. PLF Practice Aids *See Marketing*
      - a) Create a Marketing Plan for Your Small Law Firm
      - b) Marketing and Business Development Worksheets
      - c) Marketing and Business Development: Crucial Skills
      - d) Marketing Plans- Sample and Completed
    - ii. PLF blog articles
      - a) Marketing: Your Law Firm, Yourself  
(<https://www.osbplf.org/blog/inpractice/marketing--your-law-firm-yourself/>)
  - e. Office Systems and Procedures
    - i. PLF Practice Aids *see Office Systems and Procedures*
      - a) Creating an Office Procedures Manual
      - b) Docketing and Calendaring Checklist
      - c) Mail Handling
      - d) Office Systems Review Checklist
      - e) Reminder and Tickler Systems
      - f) Setting Up an Effective Filing System
      - g) New Client Information Sheet with Disclaimer

- ii. PLF blog articles
  - a) Phone Systems: What Works for Your Firm?  
(<https://www.osbplf.org/services/resources/#blog>)
  - b) Manage Your Law Office with Documented Systems and Procedures  
(<https://www.osbplf.org/blog/inpractice/manage-your-law-office-with-documented-systems-and-procedures-/>)
  - c) Client Intake: Making it More Effective and Efficient  
(<https://www.osbplf.org/blog/inpractice/client-intake--making-it-more-effective-and-efficient/>)
  - d) Electronic Payment Processing Software for Law Firms  
(<https://www.osbplf.org/blog/inpractice/electronic-payment-processing-software-for-law-firms/>)
  - e) Reduce Malpractice Risk by Properly Managing Files  
(<https://www.osbplf.org/blog/inpractice/reduce-malpractice-risk-by-properly-managing-files-/>)
- f. Opening a Law Office
  - i. PLF Practice Aids *see Opening or Moving a Law Office*
    - a) Checklist for Opening a Law Office
    - b) Office Sharing Guidelines
    - c) Home-Based Law Office
    - d) Law Office Business Plan Worksheet
    - e) Start-Up Budget
    - f) Monthly Budget
    - g) Cash Flow Worksheet 12 Months
  - ii. PLF blog articles
    - a) Why is More Than a Question: Understanding Your Firm's Purpose  
(<https://www.osbplf.org/blog/inpractice/why-is-more-than-a-question--understanding-your-firms-purpose-/>)
    - b) Getting it All Done as a Solo (<https://www.osbplf.org/blog/inpractice/getting-it-all-done-as-a-solo/>)
    - c) Business Planning for Your Practice  
(<https://www.osbplf.org/blog/inpractice/business-planning-for-your-practice/>)
    - d) The Basics of Your Financial Statements  
(<https://www.osbplf.org/blog/inpractice/the-basics-of-your-financial-statements/>)

# Solo Success:

## Launching Your Own Practice

 Professional  
Liability Fund

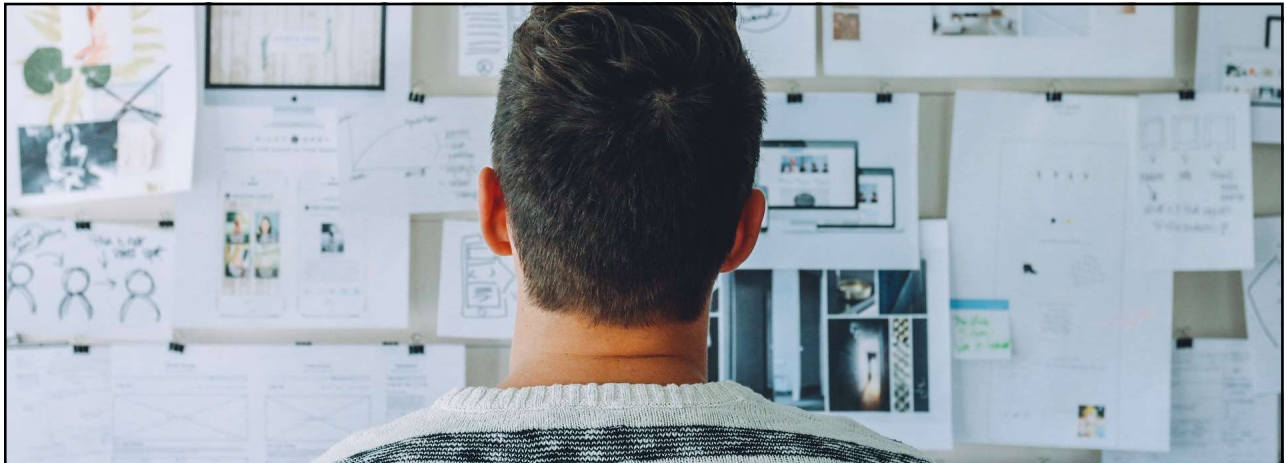
Rachel Edwards  
*Practice Management Attorney*

## Overview

- Planning
- Equipping the office
- Office systems and procedures
- Marketing and client development
- Assessment
- Resources







# Planning



# Practice Area

- Know your practice area(s)
- Types of clients
- Avoid general practice

## Firm Name

- Cannot be false or misleading
- Trade names allowed if no connection implied with a government agency or other organization



## Choice of Entity

- Sole proprietorship
- Single shareholder PC
- Single member LLC

[www.osbplf.org](http://www.osbplf.org) > Services > CLEs & Resources > Forms > Entity Formation for Lawyers



# Location

- Changing legal landscape
- What are you and your clients' needs?
- Accessibility
- Office sharing



# Business Description

Vision Statement

Mission Statement

Where do you want  
your firm to be in  
the next 3-5-10  
years?

How do you intend  
to achieve your  
firm's vision?

[www.osbplf.org/services/resources/#forms](http://www.osbplf.org/services/resources/#forms) > Opening or Moving a Law Office > Law  
Office Business Plan Worksheet

# Vision Statement



- WHO are you?
- WHAT problems do you want to solve?
- WHERE are your services needed?
- HOW do you reach those clients?

# Sample Vision Statements



- To be the premier personal injury firm in the Pacific Northwest.
- We strive to be the standard for excellence in the field of marital and family law.
- To serve as the state's leader in the field of employment and labor law.

<https://www.osbplf.org/inpractice/vision-and-mission-statements-for-your-law-practice/>



# Mission Statement

How do you  
achieve  
your vision?

Purpose	Business	Values
At ABC Law Firm, we help families overcome their differences and put their lives back on track.	Our firm is committed to delivering top-notch traditional and non-traditional legal services tailored to clients of all financial abilities.	We take our time to listen to and understand our clients' concerns and customize a solution that directly responds to their individual needs.

## Startup Budget

- Hardware/software
- Furnishings and décor
- Supplies
- Research
- Marketing
- Entity registration
- Bar/PLF dues



[www.osbplf.org](http://www.osbplf.org) > Services > CLEs & Resources > Forms > Opening or Moving a Law Office > Startup Budget

# Monthly Budget

- Rent/utilities
- Phone/Internet
- Recycling/shredding
- Supplies
- Bar/PLF dues
- Organization dues (ex. Local bar associations)
- CLEs
- Business insurance
- Marketing
- Subscriptions (ex. Paid research, software)
- Tax withholdings
- Accountant/bookkeeper
- Credit card processing
- Miscellaneous (ex. Lunches, travel)
- Salary

[www.osbplf.org](http://www.osbplf.org) > Services > CLEs & Resources > Forms > Opening or Moving a Law Office > Monthly Budget

# Opening Bank Accounts

- General office
- IOLTA
  - Oregon Law Foundation Tax ID
  - Proper naming
  - Bank charges
  - Management

<https://www.osbplf.org/services/resources/#forms> > Trust Accounting > Notice to Financial Institutions-Opening an IOLTA Account in Oregon



## Equipping the Office



## Type of Office

- Know your desired setup
  - In-office
  - Hybrid
  - Virtual
- Be ready to work remotely
- Efficient office space



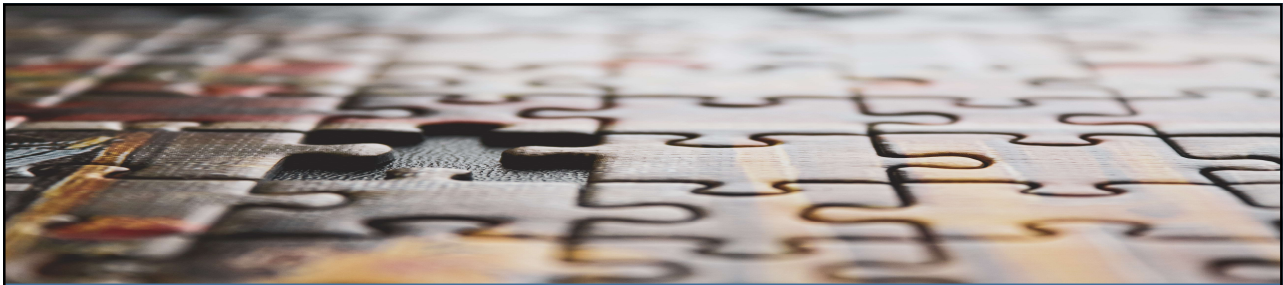
# Furniture and Supplies

- Desk
- Chair
- Headset
- Office supplies




# Hardware and Software

- Desktop/laptop/tablet
- Internet
- Phone system
- Printer/scanner/copier
- Word processing
- PDF
- Email
- Calendar
- Conflict checking
- File management
- Timekeeping/billing
- Accounting

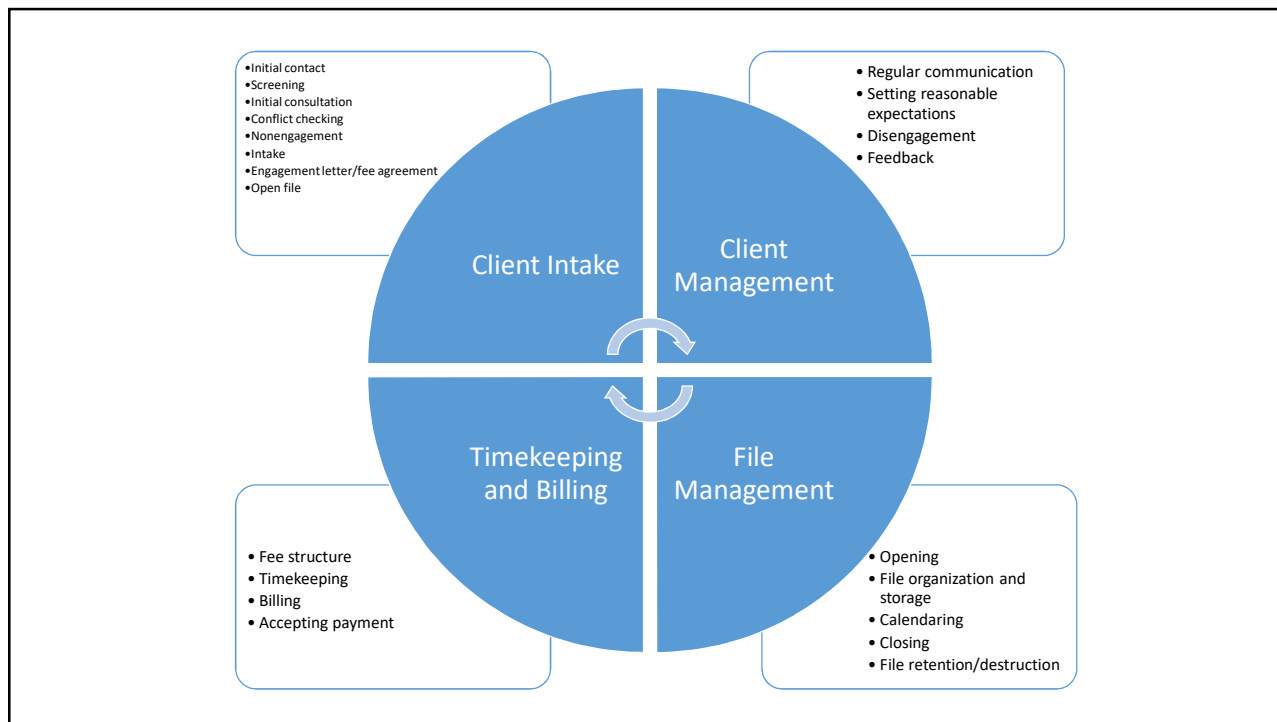


# Software Options

Practice Management Software	Standalone Software
	<ul style="list-style-type: none"><li>• Accounting</li><li>• Client relationship management</li><li>• Cloud storage</li><li>• Dictation</li><li>• Document automation</li><li>• Electronic signature</li><li>• Encryption</li><li>• Notetaking</li><li>• Payment processing</li><li>• Videoconferencing</li><li>• Virtual private network (VPN)</li><li>• Virus protection</li></ul>



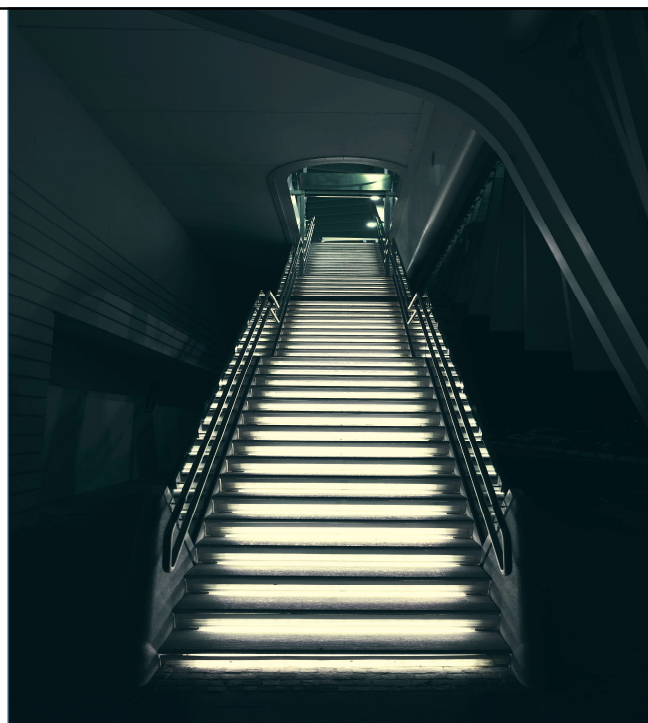
## Office Systems and Procedures



# Client Intake

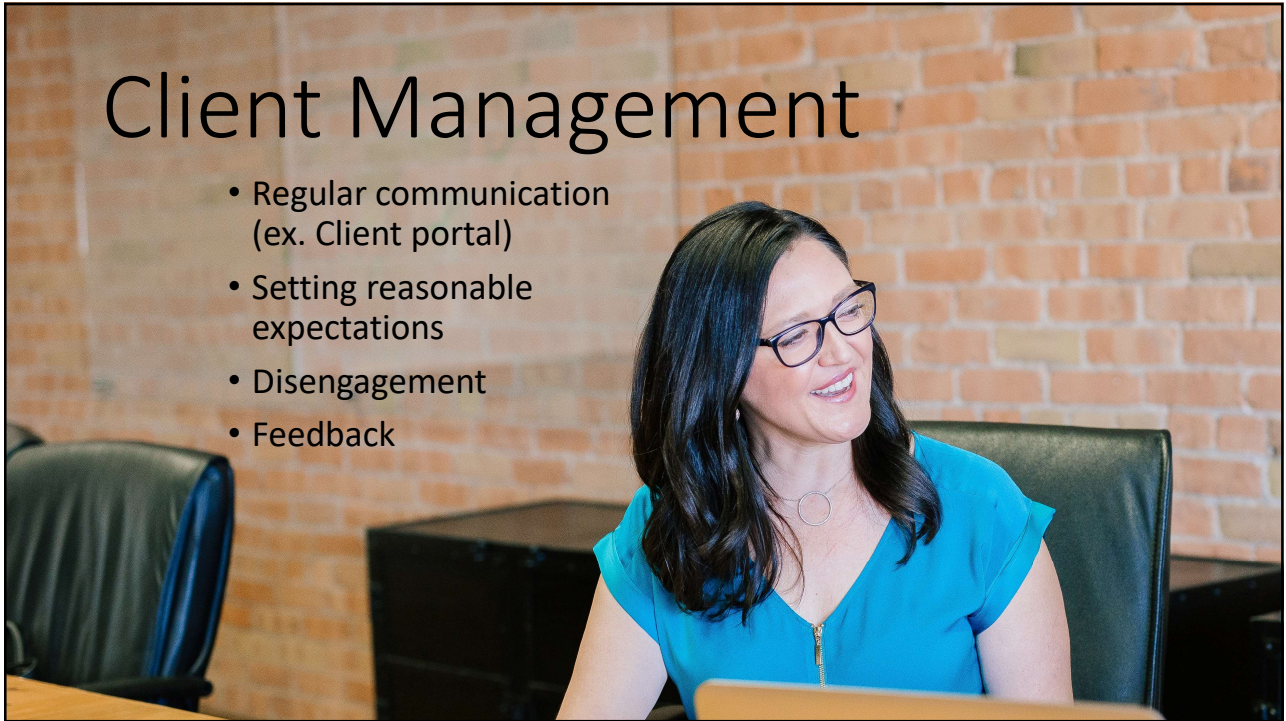
1. Initial contact
2. Screening
3. Initial consultation
4. Conflict checking
5. Nonengagement
6. Intake
7. Engagement letter/fee agreement
8. Open file

<https://www.osbplf.org/blog/inpractice/client-intake--making-it-more-effective-and-efficient/>



# Client Management

- Regular communication (ex. Client portal)
- Setting reasonable expectations
- Disengagement
- Feedback



# File Management

1. Opening
2. File organization and storage
3. Calendaring
4. Closing
5. File retention and destruction

<https://www.osbplf.org/services/resources/#forms> > Office Systems and Procedures > Setting Up an Effective Filing System





# Timekeeping and Billing



- Fee structure
- Timekeeping
- Billing
- Accepting payment



# Attorney Fees

- Hourly
- Flat
- Contingent
- Hybrid
- Subscription
- Alternative

<https://www.osbplf.org/blog/inpractice/establishing-reasonable-fees/>

# Track Your Time

- Track immediately
- ALL time and expenses (administrative, flat, project, etc.)
- Be diligent
- Be consistent

<https://www.osbplf.org/blog/inpractice/managing-our-time-managing-ourselves/>



# Utilization Rate

- Number of hours billed divided by the number of hours worked
- Average utilization rate for lawyers was 31% in 2020 (2.5 billable hours per day)



# Getting Paid

- Online payments
- Flat fee earned upon receipt (ORPC 1.5(c)(3) and 1.15-1(c))
- Accurate retainer
- Evergreen (replenishable) retainer
- Follow-up
- Payment plan
- Discounts for aged invoices

<https://www.osbplf.org/blog/inpractice/options-for-getting-paid/>

# Online Payments

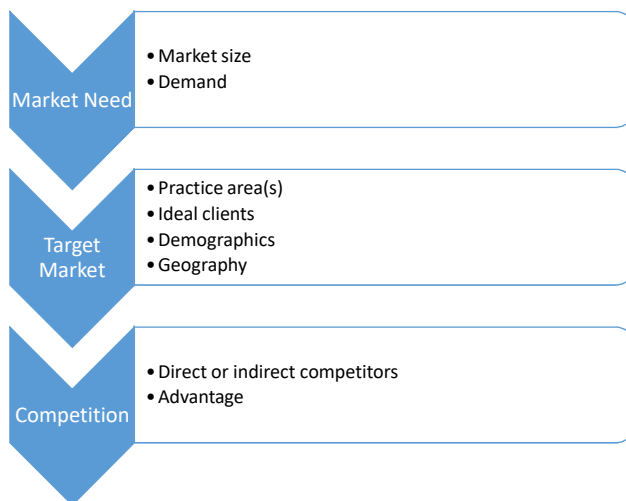
Practice Management Software	Standalone Software
    	  





## Marketing and Client Development

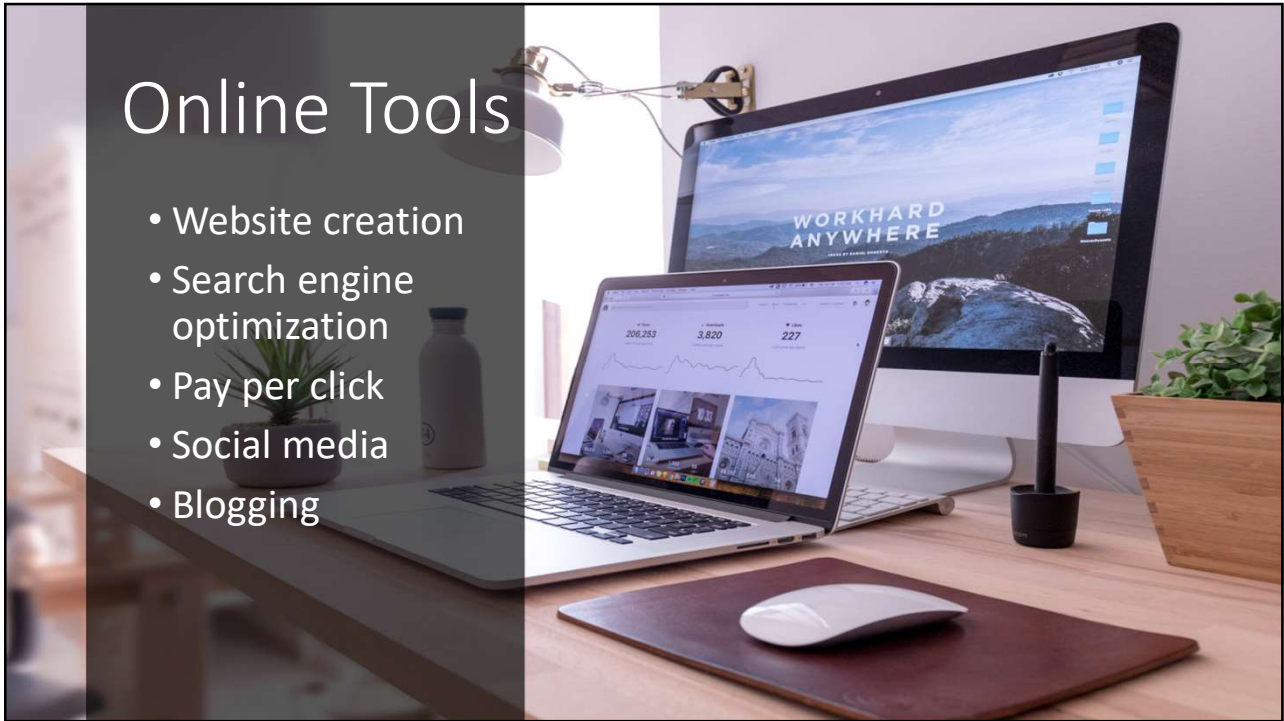
## Market Analysis and Goals



- Set goals
- Track marketing
- Adjust marketing and intake strategies accordingly

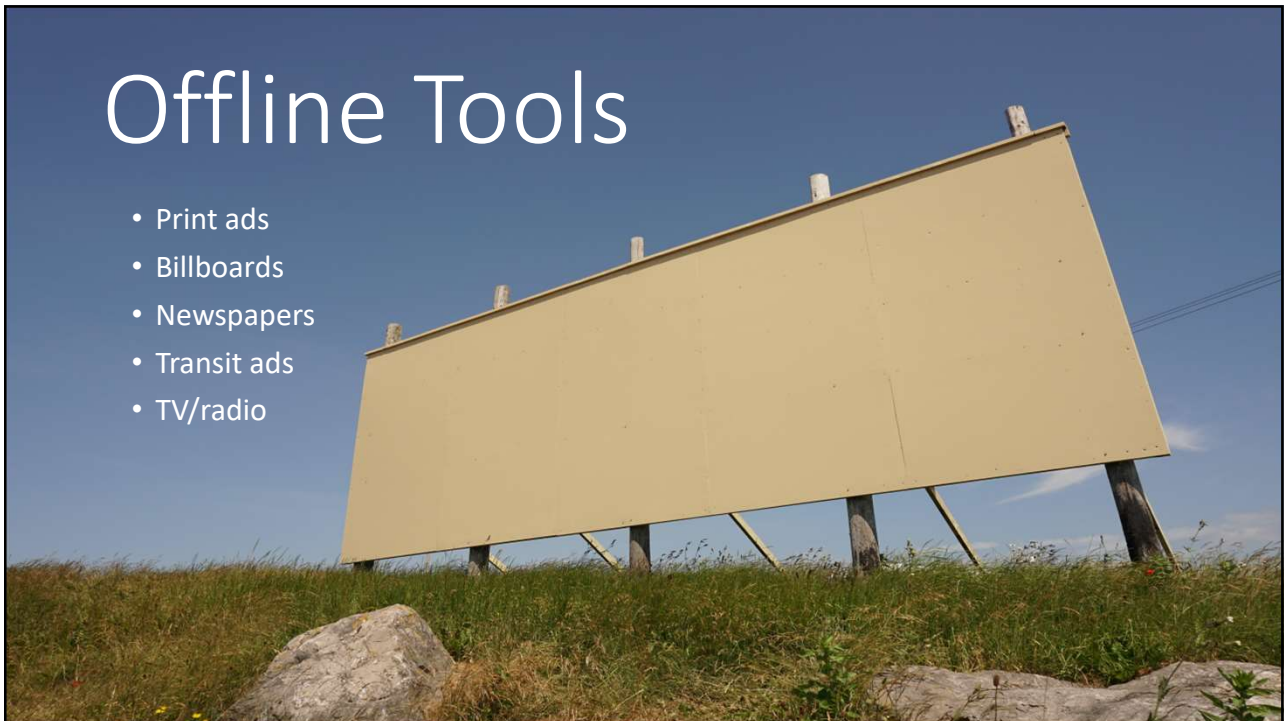
# Online Tools

- Website creation
- Search engine optimization
- Pay per click
- Social media
- Blogging



# Offline Tools

- Print ads
- Billboards
- Newspapers
- Transit ads
- TV/radio



# Referrals

- Client referrals
  - Customer service
  - Exit survey/request
- Network referrals
  - Attorneys
  - Non-attorneys



# Networking (attorneys)

	Local	National
General	<ul style="list-style-type: none"> <li>• New lawyer mentoring (OSB &amp; MBA)</li> <li>• OSB committees</li> <li>• County bar associations</li> <li>• Oregon New Lawyers Division</li> <li>• Oregon Women Lawyers</li> </ul>	<ul style="list-style-type: none"> <li>• American Bar Association</li> </ul>
Practice-Area Specific	<ul style="list-style-type: none"> <li>• OSB sections</li> <li>• Oregon Trial Lawyers Association</li> <li>• Oregon Criminal Defense Lawyers Association</li> </ul>	<ul style="list-style-type: none"> <li>• American Immigration Lawyers Association</li> </ul>

## Networking (attorneys)

- Current contacts
- Listserves
- Attending CLEs
- Attending social events/fundraisers
- Writing projects
- Cold calls/emails

## Networking (non-attorneys)

Know your  
target  
industry

“Location”

Best way  
to reach

**\* Remember ORPC 7.3 (solicitation)\***

# Client Development

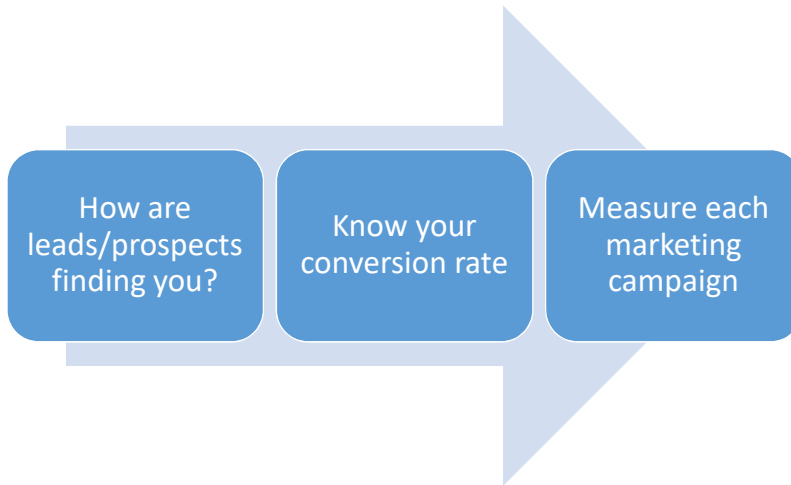


# Conversion



- How many leads become clients?
- Track your conversion rate
  - $\# \text{ of clients} / \# \text{ of leads} \times 100$
  - 20 leads  $\rightarrow$  2 new clients = 10% conversion rate

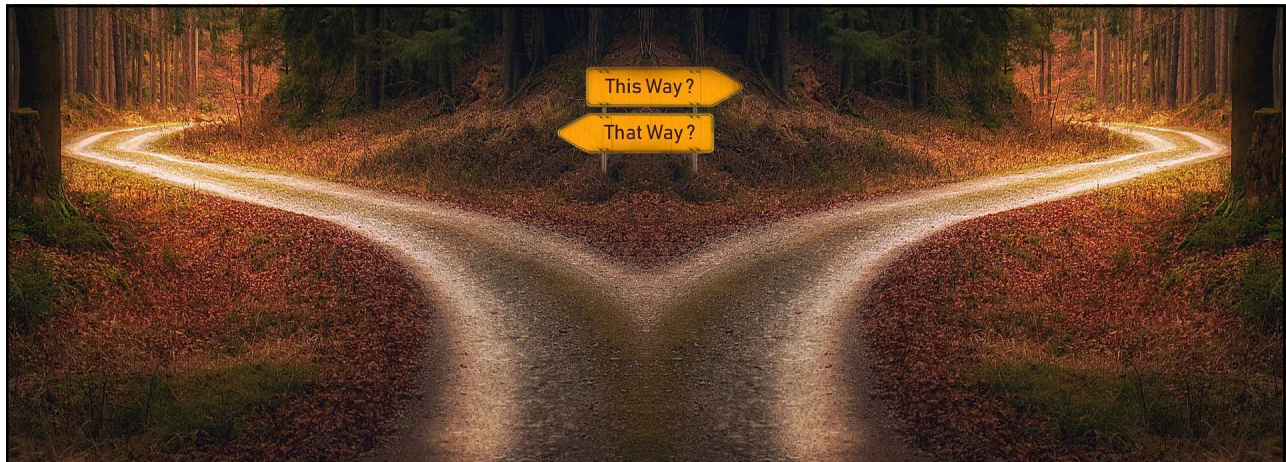
# Marketing Effectiveness



# Client Relationship Management (CRM)

Practice Management Software	Standalone Software
	 





# Assessment

## Financial Health

	Income Statement	Balance Sheet	Cash Flow Statement
<i>Purpose</i>	Profitability during a specific time period (ex. 1/1/21 to 2/28/21)	Snapshot of firm's financial position at a point in time (ex. End of year)	How cash flow has changed over a specific period of time (ex. 1/1/21 to 12/31/21)
<i>Calculation</i>	Revenue earned minus expenses incurred	Assets, liabilities, owners' or stockholder's equity	Cash coming into the firm

<https://www.osbplf.org/inpractice/the-basics-of-your-financial-statements/>



# Measure Progress

- Maintain written, measurable goals
- Track information
  - Financial
  - Number of leads/prospects/clients
  - Conversion rate
- Adjust as necessary



# Hire?

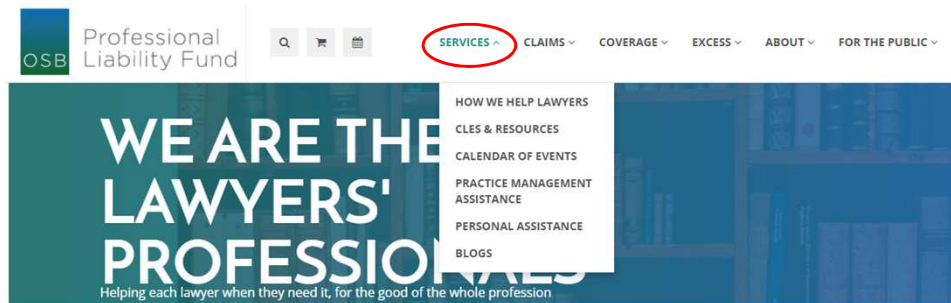
- Administrative vs. billable hours
- Budget
- Know your needs
- Attorney/non-attorney
- Employee or independent contractor
- Hiring process
- Supervisory duties



FOR  
HIRE

<https://www.osbplf.org/services/resources/#forms> > Staff

# PLF Resources



<https://www.osbplf.org> > Services

- Forms
- Books
- CLEs
- *InPractice* blog
- *InBrief* Newsletter
- Practice Management Assistance Program (PMAP)
- Oregon Attorney Assistance Program (OAAP)


## Contact Us

Practice Management Attorneys

[www.osbplf.org](http://www.osbplf.org)

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