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First year survival guide for new attorneys: going **solo**.

Michelle Lore, Esq.

#### First Year Survival Guide

With big **firms** letting go of attorneys and recent **law** graduates having difficulty finding jobs, more and more lawyers are deciding to hang out their own shingle.

What do they need to know as they enter this new venture?

Several presenters at a recent Strategic Solutions for **Solo** & Small **Firms** conference provided some important advice on what to do -- and not to do -- when starting a **law firm**, as well as ways to overcome the problems that are bound to crop up from time to time.

"Going **solo** can be a land mine, but it can also be a thrill," said Minneapolis **solo** practitioner Phillip Gainsley.

Minneapolis employment attorney Leonard Segal, also a presenter at the event, ventured out on his own eight years ago after working for several large **law firms**. His **solo** practice has since grown into a **firm** of five attorneys.

A lot more goes into opening a **law** office than one might initially expect, Segal said.

The biggest piece of advice he would give to new **solos** is to avoid accepting every client that walks in the door, no matter how tempting it might be.

"Trust your gut. If a client or matter does not feel right, do not represent the client or take on the matter," he said.

Structure and space

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The first thing any new **solo** has to do is come up with a name and a **firm** structure -- partnership, limited liability company, sole proprietorship or corporation. There are tax and liability concerns surrounding each, Segal noted.

Next, decide on office space. Considerations include:

What can you afford?

Who is your target market?

Will your practice be full time or part time?

What image do you want to portray to the public?

Will you be meeting with clients or vendors?

Will you have staff?

With a home office, one has to be self-disciplined and self-motivated, said Segal, acknowledging he was easily distracted when he worked from home. He pointed out that there are tax and liability issues involved in working from home -- for example: What if a client slips on the ice on the front doorstep?

Segal said that while fixed office space is the most expensive option, an executive suite setup works well, providing access to a conference room, receptionist, copier, fax machine -- many of the items that make it easy to **run** a professional-looking **law** office.

Administrative activity

One of the biggest difficulties in going **solo**, according to those who've done it, is staying on top of the administrative responsibilities.

Gone are the days of having an office administrator order your letterhead and supplies, Gainsley said, adding, "We are everything and everyone."

He advised taking care of administrative stuff during downtime, when caught up on briefing and in between client meetings.

Segal agreed that running a firm takes up a lot of administrative time, but advised hiring someone to do at least

some of it. Having a staff person will allow you to focus on practicing law and generating business, he said, adding, however, that the hiring process can be difficult.

"It is really hard to get the right person ... and compensate them appropriately," he said.

Of course, staff compensation is something that must be incorporated into the budget.

"Think about expenses up front," Segal advised.

Decide how much money is needed and prepare a budget at the beginning. Review it after a few months and revise it if necessary.

"Stay within your budget if you can," he said.

#### Necessities

Significant start-up expenses are likely and may outpace revenues for a period of time so have sufficient reserves to cover expenses, Segal warned.

Supplies a new solo will need include:

Stationery

Letterhead

Business cards

Notepads

Writing instruments

Printer

Copier

Scanner

Computer

Telephone

Internet access

E-mail address

File cabinets

Furniture can be rented if need be, Segal said, adding, "you don't need high-end stuff."

He also advised setting up a Web site, even if it's just a simple one.

Other necessary technology includes accounting and billing software, such as Quickbooks, which, according to Segal, is easy to use, inexpensive and works fine for smaller firms.

It's also necessary to have PDF capability and a program that can do a conflicts check, he said.

Gainsley added that a good "tickler" or diary system is necessary to avoid missing deadlines and statutes of limitations. He also advises solo practitioners new to the profession to find a mentor, someone they can turn to with questions and to bounce ideas off.

Segal also recommended obtaining malpractice insurance coverage.

"Every new client you get is someone that might sue you. ... Protect yourself," he said.

Marketing matters

Segal recalled that when he went solo, he was lucky because he secured one major client during his first year. The problem, he explained, was that because it came in without any marketing, he forgot to work on that aspect of his practice.

Even when you think you have it made, keep marketing, he warned.

"Market even when you're busy," Segal said.

Think about your target market and how to get your name before that group. Write articles for trade publications; consider purchasing promotional products like pens and sticky notes; and don't be afraid to ask for referrals from clients, friends, family and other lawyers, Segal said.

"The goal is to make contacts, make connections," he said.

Practitioners also stress that one of the best ways to get new clients is to treat current clients right.

By keeping current clients happy it's inevitable that new clients will walk in the door, said Gainsley, who explained that the biggest complaint among clients in general is the feeling they are being ignored.

It makes good business sense to respond to client concerns and to do so promptly, he said, adding, "Responsiveness is mandatory."

Money matters

Deciding on an appropriate billing rate can be tricky.

Billing rates depend mainly on the attorney's location, clientele and experience, Segal said.

Small-**firm** practitioners don't have the overhead the large **law firms** do, so they should not charge what the bigger **firms** charge, he said. But, at the same time, avoid charging too little just because you're a small **firm** because that can give the impression that you're cheap.

"You want to charge what you are worth," he said.

In addition, keep accurate billing records and maintain a regular billing cycle, such as the first of each month. Avoid surprising a client with a really large bill; instead, warn them in advance that it's coming and explain why it's larger that month, Segal suggested.

He stressed that it's also important to track accounts receivables and take steps to collect, because the longer the client goes without paying the bill the less chance there is of the lawyer ever collecting it.

Give the client a fair chance to pay, but don't be afraid to withdraw if they don't, Segal said.

"Stay on top of that stuff," he said.

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Getting away

Despite the challenges involved in **running** a **law firm**, going **solo** doesn't mean that you never get to take a vacation again.

"**Solos** and small-**firm** lawyers need breaks from the practice of **law**, probably more than anyone else because our client's issues gnaw at us," Gainsley said.

"You need some time to get away," Segal agreed, adding that **solos** should arrange, however, for another attorney to handle any client issues that might arise while they are gone.

Michelle Lore is associate editor at Minnesota Lawyer, which, like Michigan Lawyers Weekly, is a Dolan Media Co. newspaper.

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