Law Office of
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LLC

Attorneys venturing into solo practice often feel an overwhelming pressure to obtain and maintain the trappings of a BigLaw firm. Out of the chute, they rent an office, hire a secretary, install a fancy phone system, lease a huge piece of office equipment, and drop a ton of money on expensive law practice management software. Add student loan payments and turning a profit becomes quite an elusive proposition.

I started my firm on a shoestring. Rather than become "office poor," I decided I'd rather grow into an office. Currently I have a virtual office, work from home, answer my own phone, and do all the work. This approach isn't for every lawyer and depends in large part on the practice areas you choose. Keep in mind my frugality informs my part of the presentation.

#1 Resource for Solos: Solosez - http://www.abanet.org/soloseznet

- Create a separate gmail account to manage the hundreds of messages a day.
- Be sure to read the Administrivia and introduce yourself properly.
- If you have a question, search the archives first.

Bookkeeping, Recordkeeping and Billing

Traditional Office vs. Paperless Office

I. Traditional Office

a) Files, Files, Files
b) Who puts them away?
c) Where is the file?
d) What happens in case of fire or burglary?

II. Paperless Office

a) Green
b) File document as soon as named and saved
c) Federal courts use E-Filing; 8^{th} district court will be all electronic by 2/1/2010
d) Easier to find a document, provided the file is properly named
    i) Tip: Save the final version, not the editable document, in the client folder so you know what was delivered to OC, or what was filed with the court
    ii) Get a PDF writer – CutePDF writer (free), or ScanSnap that comes with full version of Adobe
        (1) Speaking of Fujitsu ScanSnap – get one!
        (2) ScanSnap + RapidFax and basic printer
e) Backup backup backup, onsite and "in the cloud"
    i) Carbonite, Mozy, Dropbox for pure backup
    ii) SugarSync for backup and mobile access

Law Practice Management Software vs. None

There are almost as many practice management software programs as there are practice areas. From conversations on Solosez, it's clear that every program has its shortcomings and paying a lot of money for a program doesn't guarantee its superiority. I don't use LPM software, and rather than leave it at that, I took an informal poll of Solosez members – what they use, their areas of practice, and what they'd change about their LPM software. The results are in Appendix A.

I. LPM Software

- a) Lots of programs, all have shortcomings. Utilize free trials, if available.
- b) Many are expensive
- c) SaaS (software as a service)
  - i) Clio $50/month
  - ii) Freshbooks free for up to 3 clients, $19/month for up to 25, $29/month for up to 100

II. No LPM software

- a) Organize files on desktop
  - i) Rules and Alerts in Outlook or Apple Mail
  - ii) Establish and maintain system of naming files
    - *(1) [Matter]00.Filename DATE*
    - (2) Litigation Folders: Correspondence, Pleadings, Invoices, Discovery
- b) Timesheets
  - i) QuickBooks Enter Time, Apple dashboard widget iChrono 1.1
- c) Without LPM software, you must keep track of your billing and when to transfer money

Billing

Setting fees and sticking to them has been my biggest challenge. From conversations on Solosez, it's a problem for many new solos. It's especially difficult for solos who have no senior partner to blame for the fee.

I. Setting Fees

- a) Hourly billing
  - i) Big Mac method (price of Big Mac in your area x 100 = your hourly rate)
  - ii) http://www.freelanceswitch.com/rates/ (keep in mind this doesn't consider taxes)
  - iii) Falling by the wayside even for BigLaw firms
- b) Alternatives to hourly billing
  - i) Flat fees
    - (1) Number of hours it takes X hourly rate (for new solos, this isn't helpful)
      - (a) Remember, you're the boss, you can always change your fees.
    - (2) Clients will appreciate knowing how much it will cost.
    - (3) Benefit – subordinates fees to the service; client knows what they're paying
    - (4) Tip: you must be VERY specific in the fee agreement about what will be delivered for the fee.
  - ii) Value billing
    - (1) Fee is based on the value of the service to the client, rather than the time expended to complete the project.

II. Sticking to Fees

a) Clients have no idea what we do, you must educate them on what they're receiving for the fee.
b) Very difficult to fight the temptation to lower fees for someone in distress.
c) The longer you're in practice, the more confidence you'll build and the more you'll stick to a fee.
d) Quote a fee and SHUT UP. Don't feel compelled to fill the empty air with "well, I'll discount for you." If you must say something, tell the client you accept credit cards, or tell them what that fee includes.
e) Confidence in quoting your fee inspires client confidence.

III. Collecting Fees

a) Ideal world: Get payment up front! (from Foonberg)
b) Evergreen retainer: client gives you $2,000 retainer. Deposit into trust account. Do work, send client an invoice. They replenish retainer. Trick is to always have that $2,000 in your account so if the client disappears, you can withdraw or finish the transaction and still get paid.
c) Always send your bill when the client is still grateful for your help, right after delivering the final project, or after court, or after a settlement agreement is signed. Foonberg p309 (Gratitude Curve)
d) Make sure your bookkeeping is kept up to date so that you aren't working beyond the money in trust.

IV. Recording Fees

a) Need two bank accounts – Operating and Trust (IOLTA)
    i) Most banks understand the concept, but double check. If you say "IOLTA" and the banker looks puzzled, RUN.
    ii) Usually need an EIN, Articles of Incorporation, and a business license to open accounts.
    iii) Don't shy away from community banks – lawyers opening a practice are coveted clients and small banks often provide superior service with NO phone trees.
b) Bar counsel: all fees should go into the trust account until officially earned, unless it's a true retainer, one paid for your availability. "Here's $10,000. Drop everything and get my divorce handled (at additional hourly fees) by Monday."
c) If you do both flat fees and hourly billing, keep a manual record of when you've completed work and when you've transferred fees (see example attached).
d) Method of dealing with trust account deposits in QuickBooks
    i) Receive Payment, Make Deposit into trust account, do the work, send an Invoice and apply the credits. To show client what they have left, use Create Statement or send Customer Balance Detail report filtered by Name.

V. Accepting Credit Cards

a) Makes it easier for the client to pay, and easier for you to get paid.
b) Merchant fees are often a small price to pay for the ability to get paid.
c) WARNING: credit card payments can be disputed months after the work is complete and the credit card company will take the money from your trust account without warning.
d) If you accept credit cards, make sure you find a processor who understands the importance of taking fees out of the operating account ONLY. (e.g. Law Charge)

Ethical Marketing and Business Development

Marketing efforts in any business should be viewed from the client's perspective. This means marketing efforts should differ among practice areas, but the goal for any practice is to be top of mind when the client is ready to hire someone.

Ask yourself: does your prospective client understand the value of your services? For example, my target clients are small business owners. Over the last year I've discovered that most small business owners don't see the value in calling a lawyer before things go wrong. My biggest hurdle, therefore, is educating them on how I can keep their businesses out of trouble. Consumer-based practices (personal injury, bankruptcy, collections defense, family law, estate planning) don't have this particular hurdle. Most people understand what a personal injury lawyer does. The goal for a consumer based practice, therefore, is to be top of mind when someone is injured. This is why billboards and TV ads work more effectively for consumer-based practices than a practice like mine.

Keep in mind lawyers are subject to ethical rules which regulate our methods of advertising. Those rules will be addressed later in this section.

Marketing Channels

- **ONLINE**
  - <u>Website</u>
    - To blog or not to blog?
      - A blog is an opportunity to educate current and prospective clients on the value of your services. Also sets you apart as an expert in your field and lends you some credibility.
      - Disadvantage: nonbillable time commitment
    - E-mail Newsletter
      - If you have a blog, you can incorporate a newsletter which is sent monthly with helpful information and helps keep you top of mind.
      - Lawyers are often seen as knowledge hoarders. "I'm not going to answer your question unless you pay me." While this is true, and how we make our living, a newsletter allows you to share some information with a potential client who walks away feeling like they got something for nothing. They're more likely to return to you when they need a lawyer because you've established that goodwill.
      - Tip: Make sure your e-mail address is NOT @hotmail or @gmail. Pay $20/yr for a domain.
    - Contact Form
      - Tip: Do not put your e-mail address on your website. There are bots that surf the internet looking for e-mail addresses to spam. Instead, use a contact form.
      - Great opportunity to qualify your contacts
    - Google analytics
      - Amazing tool for measuring the effectiveness of your online presence

- Social Media
  - Twitter, Facebook, LinkedIn
  - Highly effective tools to drive people to your website.
  - Twitter
    - Global reach: Cocktail party with 1 million people
    - Tip: if you're going to embrace Twitter and use it regularly, make sure your posts (tweets) are a blend of personal and business information. If you're posting all business, people will unfollow you because you are no more than a robot. If you're posting all personal, you're missing an opportunity to educate your clients. Strike a balance.
    - And follow me on Twitter! @lawyergina
  - Facebook: business page or no business page
    - On Facebook you have the opportunity to create a personal page and a business page. There are differing philosophies on whether it's best to separate them and the answer depends in large part on your practice area and what you have on your page.
    - I only have one page and my friend list is comprised of actual friends, other lawyers, networking contacts, clients, and potential clients who have asked questions. I'm careful not to reveal too much personal information or post inappropriate photos.
  - LinkedIn
    - More professional setting than Facebook or Twitter
  - WARNING: Social media has gotten many lawyers into trouble. If you're going to tell the judge you had a family emergency and can't make the hearing, do NOT tweet about your golf score.

- **ADVERTISING**

Nevada Rule 7.3. Communications With Prospective Clients.

(a) Direct contact with prospective clients. Except as permitted pursuant to paragraph (d) of this Rule, a lawyer shall not solicit professional employment from a prospective client with whom the lawyer has no family or prior professional relationship, by mail, in person or otherwise, when a significant motive for the lawyer's doing so is the lawyer's pecuniary gain. The term "solicit" includes contact in person, by telephone, telegraph or facsimile, by letter or other writing, or by other communication directed to a specific recipient.

(b) Direct or indirect written advertising. Any direct or indirect written mail communication or advertising circular distributed to persons not known to need legal services of the kind provided by the lawyer in a particular matter, but who are so situated that they might in general find such services useful, shall contain the disclaimers required by Rule 7.2. The disclaimers shall be in a type size and legibility sufficient to cause the disclaimers to be conspicuous, and in a size at least as large as the largest of any telephone number appearing in the ad.

(c) Additional disclaimer on mailers or written advertisements or communications. Direct or indirect mail envelope, and written mail communications or advertising circulars shall contain, upon the outside of the envelope and upon the communication side of each page of the communication or advertisement, in legible type that is at least twice as large as the largest type used in the body of the communication, in red ink, the following warning:

NOTICE: THIS IS AN ADVERTISEMENT!

(d) Target mail to prospective clients. Written communication directed to a specific prospective client who may need legal services due to a particular transaction or occurrence is prohibited in Nevada within 45 days of the transaction or occurrence giving rise to the communication. After 45 days following the transaction or occurrence, any such communication must comply with paragraphs (b) and (c) of this Rule and must comply with all other Rules of Professional Conduct.

*** All advertising must be submitted to the bar for review 15 days after they're published. (Does not apply to internet advertising.)**

- Direct Mail
  - Opinions differ on whether direct mail is effective. Statistics suggest you must "touch" someone seven times before they will remember you. This can get very expensive, with the rising cost of postage.
  - Again, look at it from the perspective of a potential client. If I got a postcard from a lawyer in the mail and I didn't happen to need the services at the time, am I going to save the postcard for future reference?
- Television Advertising
  - Opinions really differ on this one. Again, it depends on your practice areas whether you'd reach your clients through TV.
- Billboards
  - Good for consumer practices, but expensive.

- **NETWORKING**
  - LeTip, BNI, Las Vegas Chamber of Commerce, Vegas Young Professionals, Meetup.com
  - How to choose a group?
    - Lockout groups allow only one person from each industry
    - Who are the members of the group? Would you be marketing directly to your clients or marketing to your sales force?
      - Marketing to clients = spinning your wheels
      - Marketing to sales force = more effective, broader impact
        - Think about good referral sources for your practice
          - Business law: CPAs, payroll companies, HR consultants, business coaches
          - Estate planning: funeral services, family lawyers, marriage counselors
    - Membership dues
      - Chamber: $500/yr
      - VYP: $50/yr + $10/event
  - Disadvantages: time consuming, takes a while to find the right groups
  - Tip: Attend some free meetings and ask the people there, especially good referral sources for your practice, what other meetings they attend.

Resources

Solosez e-mail listserve	http://www.abanet.org/soloseznet
Solo Practice University	http://buildasolopractice.solopracticeuniversity.com/
MyShingle, Carolyn Elefant	http://www.myshingle.com
Jay Foonberg	http://www.foonberglaw.com
Ross Kodner, IT guru	http://rossipsa.com/
Total Attorneys	http://www.totalattorneys.com/
The Mac Lawyer	http://www.themaclawyer.com
Virtual Office, Bookkeeping Services	http://www.theofficesquad.com
Virtual Receptionists	http://www.callruby.com
ABA General Practice, Solo and Small Firm	http://new.abanet.org/divisions/genpractice
GP|Solo Magazine	http://www.abanet.org/genpractice/magazine/index.html

ABA Solo and Small Firm Conference — Austin, TX October 21-23, 2010

"How to Start and Build a Law Practice" by Jay Foonberg
"Solo by Choice" by Carolyn Elefant

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Appendix A
LPM Poll of Solosez Members

I had hoped that one LPM software program would emerge as a clear leader, but you'll see from these responses that every program is different. It all depends on the practice area, how much you have to spend, and what features you need. For this poll, I asked these three questions:

1. What kind of LPM software do you use? Please also let me know if you don't use any LPM software.

2. Your practice area and whether you think your LPM software is geared toward lawyers in that area.

3. What you would improve about the software, if anything.

I'm a solo **estate planner** (I also do probate and trust administration, guardianship/conservatorship and related litigation), and I don't use any PM software. I use **QuickBooks** for my bookkeeping. I use "**Remember The Milk**" (free online) for a 'to do' list. I keep notebooks of clients, opponents, etc. for conflict-checking (but mostly do it by memory at this point).

I tried 'free trials' of many different practice mgmt. packages and found they all required way too much data entry, were hard to learn, and just didn't click with my way of working. I'm still looking.

I do **research and writing for other attorneys on civil litigation matters**, so I do not have full-fledged litigation case files. So here is what I use:

Practice Management: **Outlook, Word 2007, Adobe Acrobat Pro**. I just keep my files organized in Windows, and will archive emails with Adobe. I think if you come up with a naming convention and are very small (I am a solo), then you can keep organized with just Windows folder. I also have a scanner to keep paper off my desk, and have a large monitor, which I have found to be indispensable, so I can keep multiple docs opened at once and not have to flip back and forth. The weakness here is being sure to archive emails--so much correspondence is by email that I need to remember to put in the Windows folder.

Accounting / Time Keeping: I use **Fresh Books** and love it. Although, with the recent emails on terms of service, I am starting to download that information regularly--it seems say they can remove your information at any time for any reason. But it is super-easy to enter time and generate invoices. I also track my expenses in it, and do not use anything else. I am paying my CPA to do bookkeeping for this, my first, year, but I may just have him do the very basics that they need to do for taxes in the future given the ease of Fresh Books.

Backup: Mozy and Dropbox

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1. I use a home-brew system that I put together myself. I didn't find any software package that would do exactly what I want, so I made my own. :) More about it here:

http://www.legalandrew.com/2009/09/19/my-custom-business-management-system/

2. **Traffic / misdemeanor defense**. No, I haven't seen any software that really fits this practice area. It seems mostly geared for traditional firms that bill by the hour, not high volume, flat rate traffic work.

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3. I'm constantly improving it. That's the coolest benefit to doing it myself. If me or my assistant thinks of an improvement, I do it. The one caveat to what I've done is that it took a number of hours and programming knowledge to make it work. My wife says I should sell it, but then I'd have to support it. Not a fun prospect. But you can separately use the programs without automatic integration. That's what I did for a while. Works just fine, especially if your practice isn't high volume.

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1. What kind of practice management software you use. If you don't use any, please let me know that too.
SOS - Small Office Suite - a $25. month add-on to my ProDoc's package

2. Your practice area and whether you think the software is geared toward lawyers in your specific area.
Family law and civil litigation

3. What you would improve about your software, if anything.

(1) Would integrate with QuickBooks

(2) Billing would allow me to take a % off or otherwise take a courtesy discount off in the Billing Manager

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1. What kind of practice management software you use. If you don't use any, please let me know that too.
ABACUS AND ABACUS ACCOUNTING

2. Your practice area and whether you think the software is geared toward lawyers in your specific area.
GENERAL PRACTICE AND LITIGATION

3. What you would improve about your software, if anything. DOCUMENT MANAGEMENT WOULD BE UPGRADED / ACCOUNTING SHOULD BE MORE LIKE QUICK BOOKS

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1. We use **Lexis/Nexis Practice Advantage**, which is a variant of Time Matters, I think. We used Tabs for billing for years, and are planning to -- but haven't yet -- switched over to that aspect.

2. I am an **appeals specialist**, and my two associates work on appeals with me.   The software works well for us; it is powerful enough that it appears capable of being "geared" toward a wide variety of practice areas. And I am certain it would work even better if it had been set up properly from the start. A former employee who THOUGHT he knew what he was doing built in some glitches that we are still sorting out.

3. The help menus are not very user friendly and there doesn't seem to be a good book on the subject available. I know there are people like Ross Kodner who could make sense of the whole system for us, but we're not quite ready to make that investment (one of these days, Ross!)

I use **Infusionsoft** and **Outlook**. Before that, I used **TimeMatters**.

I gave up on TimeMatters mainly because it became too difficult to make the software follow my natural process for getting the work done. That's purely a personal decision, of course. I have just grown tired of trying to change my natural way of doing things just to match the way that my software wants to work.

So, I use Infusionsoft to handle marketing and bring in new clients. Once the clients hire me, then I use a purely paper-based checklist process to get the work done. (I use software to do the work, but not to track it.)

Once, the work is completed, I transition back to Infusionsoft to handle follow up and client maintenance.

This works for a **transactional practice** like mine. I don't think it would work for a litigation-based practice.

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1. What kind of practice management software you use. If you don't us> any, please let me know that too.

*I use **PracticeMaster***

2. Your practice area and whether you think the software is geared toward lawyers in your specific area.

*I handle **P.I., small family, consumer defense, social security, immigration**. The software does a decent job (customizeable) at handling my practice areas.*

3. What you would improve about your software, if anything.

Pretty satisfied with my "out-of-the-box" setup (small tweaks).

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1. We use **Amicus** for Case Management and **PCLaw** for Billing/Accounting.

2. We have two "niche" practices within our firm, **representing licensed professionals** before their respective licensing boards and appellate court work. In the course of Ms. Ballard's representation of Attorneys I've worked with TimeMatters/Billing Matters, Tabs3, SoftPro, TSS and Needles. Got to play with Clio and Rocket Matter at TechShow.

Soft Pro and TSS are HUD Statement software packages with Trust Accounting packages included. Needles is often used by large (because they can afford it) PI firms.

3. Amicus, PCLaw, TimeMatters are not practice area specific. We prefer Amicus for its user interface (it looks and feels like the way we work more than the rest). Not crazy about the document management feature (to cumbersome for our practice - but then we were organized before the implementation of the software) or the email feature (when you get 75 emails and attachments a day - getting them all attached to the right file and the attachments saved causes a significant reduction in actual billed time). Precedents are a wonderful tool if you don't have people constantly asking for extensions (or an enlargement of time as I've found it is referred to in a federal practice).

Amicus Attorney Small Firm Edition. Best $500 I have ever spent in my LIFE!!!! (And I really don't like computers, software, etc.) Changed my life from wall of color coded sticky notes to a coherent process that also allows me to keep records, contact info, and time, which is the only thing I really, really hate about being an attorney.

As a plus, the Torontons who run the place are friendly and helpful. (Well, most Canadians are, but these folks, especially so).

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1. I have used all kinds of software: Amicus; PCLaw; TimeMatters; PracticeMaster and TABS3; and now Daylite.

If I were still using PC's, we would still be using **PracticeMaster**. Their software is excellent. But we switched to Mac and Daylite.

2. GP. No.

3. Make it easier to bill.

I use **PC Law**. It keeps me organized. **Litigation** involves a lot of deadlines. It is simple to use. Negatives: The yearly fee for tech support is expensive but since I have a computer person, I did not get it this year. Also, there are updates but when I updated it messed up my system causing some problems which required tech support. So from then on, I do not update - what I have works for me.

Gina, I'm a big fan of **Practicemaster** for calendaring. It's inexpensive (under $200) and functional. I find new things to do with it everyday.

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1. What kind of practice management software you use. If you don't use any, please let me know that too.

Time Matters

2. Your practice area and whether you think the software is geared toward lawyers in your specific area.

Family Law -- Yes, it can be customized and has worked fine for me.

3. What you would improve about your software, if anything.

I HATE their pricing, and their ridiculous tech support prices.   I think the software is great.

Client Worksheet

Client	Work	FA Sent (date)	FA Exp (date)	FA Received (date)	Fee Quoted	Fee Paid (date)	Pmt Method	Fee Deposited (account)	Work Done (date)	Invoice Sent (date)	Fee Transfer (date)
Mr. Landlord	Demand letter to tenant	11/10/09	11/20/09	11/16/09	$500.00	11/16/09	Visa	IOLTA	11/20/09	11/20/09	11/21/09