

CHECKLIST FOR SOLO'S

The Sole Practitioner Committee of the State Bar has prepared this checklist for those considering opening their own office. We hope that it is helpful, but encourage you to seek input and advice from as many people as possible, both in and out of the legal community.

8 QUESTIONS TO ASK YOURSELF BEFORE YOU START

1. **Am I stubborn enough to see this through?** Being a sole practitioner is tough work. There's no one right there to ask questions, and you are entirely in charge. No one else is going to raise funds or find clients. It takes a certain determination, and those who are the most successful often share similar qualities.
2. **Am I excited about this, or just don't have any alternatives?** Either one may be an effective motivator, but those who really desire the independence and challenge of a solo practice are those who will more often succeed. Those who are getting into a solo practice because they don't feel appreciated or compensated enough in their current job may find a whole new set of frustrations.
3. **Do I believe in myself enough?** You need to have a confidence that you can do this (and we believe in you), and the willingness to see it through the tough times ahead.
4. **Can I convey that belief in myself to others?** Let's face it, convincing a client across the desk to hire you is the lifeblood of this profession. You need to be able to sell your services one-on-one.
5. **Do I have the time?** Especially when starting out (and it doesn't always get easier), you need to have the time and flexibility to get the work done, both for clients and to keep the office going with a myriad of administrative tasks. We know of no one who can start a solo practice on part-time hours.
6. **Can I handle disappointment?** And you'll have some. Clients that don't pay, cases you lose, days that seem endless, and bills that never go away.
7. **Am I really in this alone?** We strongly encourage everyone to contact the Sole Practitioner Committee and get a mentor assigned. We also strongly encourage you to talk to family and make sure you have support for questions and problems, both legal and personal.
8. **Can I afford to do this?** You need an understanding banker, if you're not independently wealthy. You need to weather the ups and downs, and still take care of yourself and any family you have. Projecting income is great, but you also have to earn and collect that income. Make sure you are prepared for those issues in the very best way possible.

CHECKLIST FOR FINDING AND KEEPING CLIENTS

If you're coming from a practice and bringing an instant client base with you, that's great. Most don't have that luxury, and need to figure out where their clients are coming from. We hope this checklist is a starting point in that process.

- 1. Yellow page directories.** It's first for a reason. The vast majority of clients come from referrals, court appointments, and advertising. Many people who need a lawyer are reluctant to ask their friends for a recommendation, embarrassed by their legal problems. The Yellow Pages are effective, and mapping out a strategy for placement, deciding which book or books, and how much you should spend are all important decisions. Remember that most books come out in late summer, and have deadlines of May or June to get in, so it might even be worthwhile to time the opening of your practice to coincide with the issuance of a new book. It's that important.
- 2. Online Advertising.** The directories will also try to sell you an online presence and will tout the number of "clicks" that they receive. But when there are 15 different online lawyer referral services, some costing several thousand dollars a year, it can be hard to pick one with confidence, and impossible to pick them all. These can also be added later if your other advertising is not generating enough new business.
- 3. Website.** Having one's own website is very valuable. You can introduce yourself to potential clients, give pertinent information, and lead clients to your door. Websites can be set up easily and relatively inexpensively, and your website should be advertised on your letterhead, your business card, and in all your other advertising. You should make sure that clients have a way to send you emails through your website. While most clients use the advertising directories, they also look you up before they decide. Having an attractive, simple, and informative website is a great tool.
- 4. Ask for referrals.** Ask other lawyers for referrals if they don't practice in the same area as you do. Make sure you are on any State Bar referral lists in your practice areas. Ask other lawyers how they get their clients, and use that advice. Ask family and friends for referrals. We generally don't advise directly soliciting clients for referrals in most cases, but doing a good job for them means that they are now one more person who is spreading your good name in the area.
- 5. Get on court-appointed lists.** If you practice criminal law, make sure to seek court appointments from the local judges and those in neighboring counties. It gives you a chance to introduce yourself to the judges personally, and most judges remember when they were starting out and are happy to give new lawyers appropriate appointments.
- 6. Create an intake sheet.** As part of your practice, every new client or initial consultation should fill out an intake sheet, complete with names, addresses, phone numbers, employment, and a question asking how they found you. We think that a multiple-choice box works best, with choices of Phone Book, Referral, Online, or Other (with a blank to fill in next to Other). Knowing where your clients are coming from helps you put your advertising dollars to the greatest use.

7. Trust Your Gut And Don't Take Every Case. If a prospective client comes in and something does not feel right about the case, just say no. Every experienced attorney will tell you that they regretted every single time they ignored this rule. Bad cases can sap your energy, your bank account, and your ability to do good work for other clients.

TIPS FOR OFFICE ORGANIZATION

1. Get a Good Computer (or Two). Laptops in the courtroom are becoming more common, and laptops are much nicer than they were a decade ago. Portability is nice, and having a place to store forms, information, and schedules, is vital as you travel from office to courthouse to home.

2. Get Support Staff As Soon As You Can. Having someone there to answer the phone, do billing, communicate and help clients with simple questions, and freeing up the lawyer to do billable work is a step that most people take too late, and regret the delay. It takes less than a billable hour a day to pay for most support staff, and they will free up far more time to do the work. Work with that person, if they aren't already a paralegal, to train them through the coursework available to become certified as a legal assistant, so they can bill their time as well.

3. Organize Your Files From Day One. While most small firms organize their current client folders by last name, that system doesn't work as well when the case is done. You will discover, a few years down the road, that you are spending entire days shuffling files from one drawer to another to make room for the new files. Better to start with a numbering system (2010-1, 2010-2) for closed files. That way, each new file can just be put in the cabinet at the back, until the cabinet is full and you need another one. Also, it is strongly encouraged to color-code cases by the type of case. That way, a quick glance through the files will show you what kinds of cases you are getting, and helps you make smart advertising decisions.

4. Figure Out How to Bill and Collect. Flat fees, hourly rates, contingency fees, there are lots of choices. Some just aren't available (no contingency fees in divorces!), and fine-tuning your system takes time. The most important thing to remember is this: it is far easier to get a retainer before the case starts than to get a bill paid once the case is over. Far, far easier. Talk to mentor lawyers and others. Keep track of your time and how much time different kinds of cases take you, and establish retainers accordingly. Stick to this rule and you'll save yourself a world of headache.

5. Buy Only What You Need. Secondhand furniture (which is often sturdier as well as less expensive), a used phone system, yellow pads, file folders, pens. You need a lot less than you might think. Make a list when things arise of what you need, and don't make trips to the supply store too often. There are some supplies, however, that must be kept around, especially if you practice in a rural area – always have at least one back-up toner for every printer, copier, and fax machine. Order a new one immediately every time you change the old one out. You can't afford to shut down your practice because of a lack of supplies.

6. **Copier, Printer, Scanner.** Some machines, now, are all three. You make a lot more copies than you think, and a copier can pay for itself. It's not necessary to buy the world's biggest copier that churns out 100 pages per minute, but having a solid copier is very handy. A printer that works well, prints nicely, and networks your laptop and your support staff's computer is worth every dime. Many offices have gotten in the habit of scanning every document that comes in the office, so it's all available in the computer at any time. This scanning process can also give you the freedom to use an online fax service, saving you the cost of a phone line every month.

7. **Forms.** Work with other lawyers, classmates from law school, your mentor lawyer. Get standard forms for things you do every day. That form file will build and build over time, but it has to start somewhere. Whenever you do a new type of pleading, save it, and then create another copy with blanks in all the places where they need to be. Save all the forms in a "Forms" file by practice area: will forms, divorce forms, criminal law forms, business forms, etc.

8. **Get Licensed.** Get a sales tax license before you start. Pay your bar dues and have a license to practice law. Join the local bar associations. Pay your sales tax on time, and pay your 941 (employer matching for Social Security and Medicaid, plus the employee's Social Security, Medicaid, and federal income taxes which you've taken from their checks) and unemployment tax for employees, and quarterly estimated federal income taxes for yourself, so that the obligations don't hit you all at once. Put all those dates on a master calendar in your software (put them a week ahead of when they're due, and file them online where possible). Decide if you need or want an accountant or bookkeeper, and get one if these issues make your head ache.

9. **Get Hooked Up.** Get a land line, a fax line (you should get a dedicated fax line, rather than using line two of a two-line rollover as your fax line, as anyone who's ever dialed an office and gotten the squeal of a fax machine can tell you), an internet connection, and your computer network connection up and running immediately. As suggested above, you can also use a scanner and do away with the fax line entirely by using internet faxing services. There are also internet stamp companies, and a variety of other methods of office streamlining. Being able to communicate and having people communicate with you is vital to your practice, and should be treated as such. Look at DSL, wireless, or other internet options available in your area. The money you spend on communications makes a real difference.

10. **Schedule, Schedule, Schedule.** Keep track of appointments and court proceedings. But just as important, schedule time on your calendar to do the work for your clients. Even on non-court days, it is important to set aside sufficient time to do the work that needs to be done, and schedule frequent breaks as well. This practice, over the long run, works far better than a long "To-Do" list in ensuring that clients don't fall through the cracks.

11. **Trust Accounts.** Make sure you keep client trust funds separate in a separate account. Information on how to set up a trust account and do trust accounting is available from the State Bar.

12. **Clerk's Office & Schedulers.** The clerk of court's office and court schedulers can be your best friends. They are vast sources of information on how to do things and respond best to people who treat them with respect.

FINANCING YOUR PRACTICE AND YOUR LIFE

1. **Start With a Plan.** A wise lawyer once told us that the best cases start with the closing argument and work backward. You make your closing argument, then gather evidence that enables you to make the closing argument you want to make. Law Office financing is the same way. Figure out how much money you need to make in order to live. Figure out what your business expenses are going to be, including rent, salaries, supplies, advertising, and insurance. Add the two together for a year. Divide that number by your hourly rate. That tells you the number of hours you need to bill and collect in order to survive. Divide the number by 250 and it tells you how many billable hours you need to put in every day, 5 days a week, 50 weeks a year. It usually isn't overwhelming, but understand that you often have a great number of tasks that don't earn income (especially if you don't have a support staff person), and unless you get all funds up front or work exclusively on commission, not all clients pay their bills on time.

2. **What Form of Organization Am I Going To Be?** The attractiveness of being a professional corporation, or a limited liability company is tempting, but is it worth the extra effort? Can it wait? Most banks, even if you are an LLC, are not going to loan money to the LLC, they'll require you to be personally responsible anyway. While the form of organization is important, it shouldn't add a layer of work and time and bother that slows down the functioning of your practice. There are many online resources that let you determine if incorporation is right for you, so spend some time studying those.

3. **Malpractice and Other Insurance.** If you don't have malpractice insurance, you need to state that fact on your letterhead. That is generally not something you want to put on your letterhead. Make malpractice insurance part of your business plan. Have liability insurance for employees, and insurance coverage for your premises. Other insurances, like long-term disability, can be decisions to make down the road.

4. **Have A Line of Credit.** An ABA publication suggested having a line of credit such that you could make no money for the first three years of your practice. We think that's unrealistic. However, you do need a line of credit to get you through the inevitable rough patches, slow paying, and necessary expenses of building your business. How much you need should be determined by your experience and your confidence level, but beware that having too large a line of credit is almost as bad as having too small a line of credit. Don't allow credit to make you lazy, and structure in repayment of the credit line in your financial plan.

5. **Revise Your Plan.** The plan you start with, in #1 above, is just a starting place. Make sure that your office is geared toward innovation and change. Keep track of things, like billable hours per month, collections as a percentage of billing, percentage of your billing that comes from retainers versus payment of bills, and keep adjusting your practice. You may find that you have to revise the number of billable hours you need because bills don't get paid on time. You may

find that you need to focus harder on retainers and collections. You may find that administrative work and free initial consultations are taking up more time than you can afford, and you might need to refine and narrow your practice areas so you spend less time learning new things and more time billing. Knowing what clients, and what areas of practice, are the most lucrative is the best way to determine the path to the future, or to make adjustments in the work you are doing so that you can balance the work you need to do to survive, with the work you want to do to be happy.

6. Write It Down. Billable hours are not billable hours unless you actually bill them. Sometimes the fancy all-in-one program for billing and timekeeping and scheduling is so cumbersome that you don't bother to write down the work you do, especially when confronted with a slurry of phone calls in an afternoon. A simple form on your desk, or daily planner, works well to remind you to write down the time and work you do for each client each day. You can transfer that over to a billing program later. The most important thing is that your time-keeper must be kept simple, and right in front of you.

7. Collections. Some of us are better businesspeople than others. Know your strengths and weaknesses. If you don't mind making a series of collection calls every week, by all means. If you don't like that area of practice, either change your retainer policy, or hire a collections firm to collect bills over a certain age. This is an issue for every lawyer, and those who are the most successful adopt all strategies – they ask for sufficient retainers, they remind clients to pay their bills regularly, and they hire collections firms to collect those bills.

8. Get Good Software. Whether it is traditional programs such as TimeSlips <http://www.sagetimeslips.com/>, Tabs3 <http://www.tabs3.com/>, or Quickbooks <http://quickbooks.intuit.com/>, or something else, this is an important piece of software to obtain. Keeping track of billing, sending out professional bills that you don't have to hand-type every month, and automatically aging accounts and adding overdue interest are tasks best left to a program and not to you personally. There are a lot of great software programs out there, and we'll also put in a plug for PhoneSlips <http://www.phoneslips.com/> which has a calendar program, and allows messages and notes to pass between networked computers, as well as online, and puts an end to pink phone message notes all over your office. For an internet fax service, try MaxEMail <http://www.maxemail.com/>

WHERE TO FIND MORE INFORMATION

For more advanced reading, we recommend Jay Foonberg's "How To Start and Build a Law Practice" available online or through the ABA at (312) 988-5522.

You can also plug a phrase like "Checklist For Starting a Law Practice" into your search engine of choice. Other bar associations have their own checklists, and that information may help you consider things not already covered here. Good luck!