

Guide to Starting a Law Firm

Introduction

Starting your own law firm can be a rewarding next step in your legal career. It might seem intimidating at first, but a little planning goes a long way. For any law firm just starting out, you'll need to learn how to think like a business owner in addition to thinking like a lawyer.

Before you make the decision to start your own law firm, you should consider whether this is the right path for you. Many lawyers decide to hang their own shingle for better work-life balance, financial freedom, or flexibility only to realize that most law firm owners work longer and harder than they did during an in-house position.

While those benefits can be realized, it's usually not until your law firm is much more established, which can take years. Practicing law and running a law firm require completely different skill sets and come with different challenges.

Before you start your law firm, consider this: Are you prepared to juggle running your business in addition to practicing law, which includes managing financials, attracting clients, doing your own marketing and more?

If you said yes and remain firm in the decision to start your own firm, this guide will help you get started—from developing a business plan and getting your finances in order to setting up your workspace and technology and finding a steady client base. And, know that you don't need to get everything right the first time.

Every decision is part of the journey to finding and sustaining your success. The trick is to know where you want to take your firm, and identifying the key milestones that will get you there.

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Part 01

Putting Together Your Plan



CHAPTER ONE

Introduction to Law Firm Business Plans

The first steps of starting your own law firm are crucial. A passion for practicing law is essential, but beyond that, you'll also need to know how to run the business side of your new firm. In this first chapter, we'll cover what a business plan is and why it's important, and we'll give you a step-by-step guide to writing your own business plan.

— WHAT IS A BUSINESS PLAN AND WHY IS IT IMPORTANT?

A law firm business plan is a document that summarizes what you want to achieve and how you'll run your business. This summary includes general information about your law firm, why you chose to start it, major goals, the services you offer, a budget, and a strategy for gaining and managing clients.

A business plan is essential to any law firm as it serves as a roadmap for the future. This document can also change as your goals change so don't feel pressured to have all the answers upfront. As you think through what it is you want to achieve, what type of clients you want to serve, and what type of matters you want to handle, your business plan may evolve. That being said, the more thought you put into your business plan now, the better you'll set yourself up for success in the long run.

What to consider when creating your business plan

Before you start writing your law firm business plan, it's important to take a step back and reflect on what you want from your practice first. For a more specific, meaningful, and ultimately rewarding business plan, consider these four points:

1 — Determine your goals

The first and most critical step in writing an effective plan is to ask yourself, “Why do I want to **own a law firm**? What do I want to achieve? What's **my definition of success**?”

Starting your own law firm isn't just about having a job—it gives you the potential to have more freedom and more fulfillment. In theory, owning your own firm gives you more control over your income.

Consider the following questions to get started:

- What do I want to achieve through starting my own law firm?
- What's the impact I want to have?
- What am I good at?
- How do I want to service my clients?
- What problems do I want to help solve?
- What does success look like after starting this law firm?

Answering these questions can be more difficult than you think, but without clear goals for why you want to run a law firm, investing in this dream would feel misguided at best.

2 — Consider how much revenue you'll need

Now that you have an idea of what success looks like, calculate how much annual revenue you'll need to achieve those goals—and more.

In 2019, the median pay for lawyers was **\$122,960**. While this isn't a small amount of money, after factoring in living expenses like saving for retirement, rent or mortgage payments, student debt repayment, vehicles, emergencies, etc., that number gets eaten away quickly.

More importantly, there's no extra room for investment in hiring or marketing to grow your law firm. Be generous when estimating how much revenue you'll need, and write down a number that scares you. You'll be much better off planning with that number in mind from the beginning.

3 — Set your fee structure

After setting your goals and estimating a few rough numbers to start, it's time to create your fee structure. What others charge on average; what practice area you've chosen; and your business expenses are all factors that will determine how much you charge.

As you might already know, each client is different which means each matter you handle will be different. It could make sense to charge a flat rate for one project but an hourly rate for another. Understanding what your competitors are charging and how they're structuring their pricing is a good starting point to then build out your own fee structure.

Luckily, there are many incredible tools, such as Clio's [Legal Trends Report](#), which can help you understand average hourly rates; a [benchmark calculator for hourly rates within your jurisdiction](#); [blog posts](#) about billing; and more, that make it easy for you to do market research and understand what others are charging.

4 — Determine how many cases you need to meet that revenue goal

If you are only handling two or three cases per month, the number you came up with above might look outrageous. It's not. For example, let's use the [2019 median pay of \\$122,960](#) a year in annual revenue as our goal, with a flat fee of \$3,000 per client.

$\$122,960 \text{ per year in revenue} = \text{an average case value of } \$3,000 = 40 \text{ cases per year} = 3\text{-}4 \text{ per month.}$

\$122,960 per year might seem crazy if you're only working a couple of cases per month, but keep in mind that you're going to gradually work up to it.

The number of cases you'll need may differ depending on your location and practice area, so do your research to make sure you come up with a realistic case goal (even if it still feels like a stretch).

This brings us to the next part of developing your business plan—writing it.

How to write a law firm business plan

Once you have the starting points of your business plan worked out, it's time to put pen to paper. As you get started, you'll find that it's much easier than you think and it will make sure you're set up for success.

While your law firm business plan should be tailored to your unique situation, the following list will walk you step-by-step through all key sections you need to have a comprehensive business plan:



1 — Executive summary

An executive summary is a one-page, high-level overview of all the key information in your business plan.

Law firm business plans can cover a lot, so it's worth having a succinct high-level overview to keep things simple. (Hint: While this section should come first in your plan, it's actually easier to write this section last, after you've laid out your plan.)

Your executive summary should include:

- **Mission statement:** One or two sentences describing your firm's purpose.
- **Core values:** What values are most important to the firm?
- **Major goals:** What are your firm's overarching goals and objectives?
- **Unique selling proposition:** What sets your firm apart from other firms?

2 — Firm description

Next, write a company summary for your firm. The goal is to create a concise overview of your firm, giving all important details describing your practice and clients, including:

- **Service(s):** What type of law do you practice? What types of clients do you serve?
- **Firm values:** Restate your mission statement and core values.
- **Legal structure:** What sort of business entity are you? Are you in a sole proprietorship or a limited liability partnership?
- **Location:** Where is the office geographically located? What areas does the firm serve?
- **Unique selling proposition:** What makes your firm stand out? What technology or services give your firm an edge?

3 — Market analysis

A little bit of preliminary market research goes a long way. Look at bar association listings to see how many other firms in your area offer similar services. Is there a high demand for what you're offering? If not, how can you stand out to potential clients? This will greatly inform the message you choose to use in your marketing efforts.

Create a market analysis for your firm, including the following:

- **Ideal client:** What demographics (like location, age, occupation), needs, and motivations would signify the best client match for your firm, and why?
- **Industry description:** What is the current and projected size of the market your firm is in? What are the trends in your legal niche?
- **Competitive analysis:** Who are your direct and indirect competitors, and how are they serving your target market? Where do your competitors succeed? What opportunities are there for your firm?
- **Projections:** How much can your ideal clients [spend on legal services](#)? How much can you charge?

4 — Organization and management overview

You know that you're the best person to lead the firm, but does everyone else know it too? This section is your opportunity to provide important details about yourself—and the key players in your firm.

- Highlight your experience and the educational background details that set you apart.
- Add the same for other members of your team, if applicable, including what makes them right for their specific roles.
- If your practice is on the larger size, this section is a great place to add quick visual aids like an organizational chart.

5 — Services

Outline the types of legal services your firm provides (for example, if you practice family law, what will you provide in your portfolio of legal services—cohabitation agreements? Wills/estates? Prenups?) and who you can provide them to (for example, you might offer legal tech services to start-up companies and high-tech clients).

When writing about your services it's important to consider:

- What problems do your potential clients need your help with?
- How can your services uniquely help your clients solve their problems?
- What is the benefit of your services to clients?
- Why would potential clients choose your firm over another firm?

6 — Marketing strategy

Marketing is a critical part of your law firm, and your business plan. It helps you understand how to make your firm stand out from others, how much you need to charge, and how you'll get the word out and attract new clients.

Consider including the following in your law firm marketing strategy:

- **Ideal client:** Where would you find your ideal client?
- **Marketing goals:** Detail what specific outcomes you hope to accomplish through marketing. Goals should include tactical objectives (more clients? higher billing rates?) and overall objectives (like increased name recognition).
- **Unique selling proposition:** Re-state what sets you apart and makes you uniquely able to best serve your clients.

- **Competition:** Detail who your competition is—and what they’re doing to gain clients. Analyze their marketing strategies and assess where the cost of your services fits in with your competitors.
- **Action plan:** List the specific actions your firm will take to reach your target market and achieve your marketing goals (this could include a media/advertising strategy).

It’s also important to consider that your marketing needs will be different depending on the current stage of your law firm. When starting your own law firm, marketing for you might mean a lot of hustle—working [referral relationships](#), identifying groups that you can get in front of for speaking engagements, blogging, and using social media to get your name in front of potential clients.

As you grow (or if you have existing marketing in place) you should be able to [estimate the number of cases you will bring in through each channel](#). Then, you can quantify your marketing cost per client by dividing the total cost of that marketing effort by the number of cases you got from each marketing channel. For example, if you’re the only corporate lawyer in a small town, you’ll need to spend less on advertising than a family lawyer in a larger city.

Once you have an idea of the cost and effectiveness of your marketing efforts, implement a marketing tax on yourself—a percentage that comes out of every single case fee you collect, and that gets invested straight back into marketing efforts. This is a simple way to think about how much you need to be charging to fuel your revenue goals. It’s also an easy way to scale and grow your marketing budget.

Once you start mapping out this information, you’ll notice that a system starts to form, which connects your goals, the number of cases you need to bring in, the profit you need to make on each case, the money you need to re-invest in marketing, and the number of people or contract resources you will need to employ to keep growing.

7 — Financial plan

The heart of your law firm business plan is the financial plan. After all, when it comes to your business, there may not be a more important question than, “How much does it cost to run your law firm?”

The key is to include as much specific financial information as possible—particularly if you’re seeking funding like taking out a bank loan. As you start out, this financial plan should include numbers for your first year.

This could include:

- **Revenue goal:** How much money you want to make broken down by month.
- **Financial projections:** What you’ll realistically expect to earn, how many cases you think you’ll have capacity to take on, and what you’ll be charging each client each month.

- **Budget:** A breakdown of your expenses and what your money will be going towards each month.
- **Cash flow statement:** What you actually earned and spent each month. This is different from your projections and budget and should be updated as the year progresses. You'll find that you may have budgeted for something that cost much less than you originally thought or made more in a month than you projected. These discrepancies should be recorded in your cash flow statement.

When starting out, it's reasonable to make assumptions based on your goals. You should also review and update this document for your second year, third year, and so on as time goes on.

8 — Start-up budget

If you're creating a business plan for a new law firm, you need a realistic start-up budget. To do this, you'll need to consider a number of upfront and day-to-day costs, and account for these in your revenue goals.

Here are a few examples of costs to include in your budget:

- Hardware (laptops, printers, scanners, office furniture, etc.)
- Office space (Will you rent, or work from home?)
- **Malpractice insurance**
- Staff salaries (Are you planning to hire an administrative assistant or paralegal?)
- Utilities (Phone, internet, etc.)
- **Practice management software** or other technology services

Once you've laid out all of these costs, take a second look. Are there places where you could reduce your operating costs, and in turn, increase your profit margins?

Tip: There are also **plenty of tools** you can look at to help streamline non-billable tasks and leave yourself more time to practice law. Be sure to look at these options and work them into your operating budget.

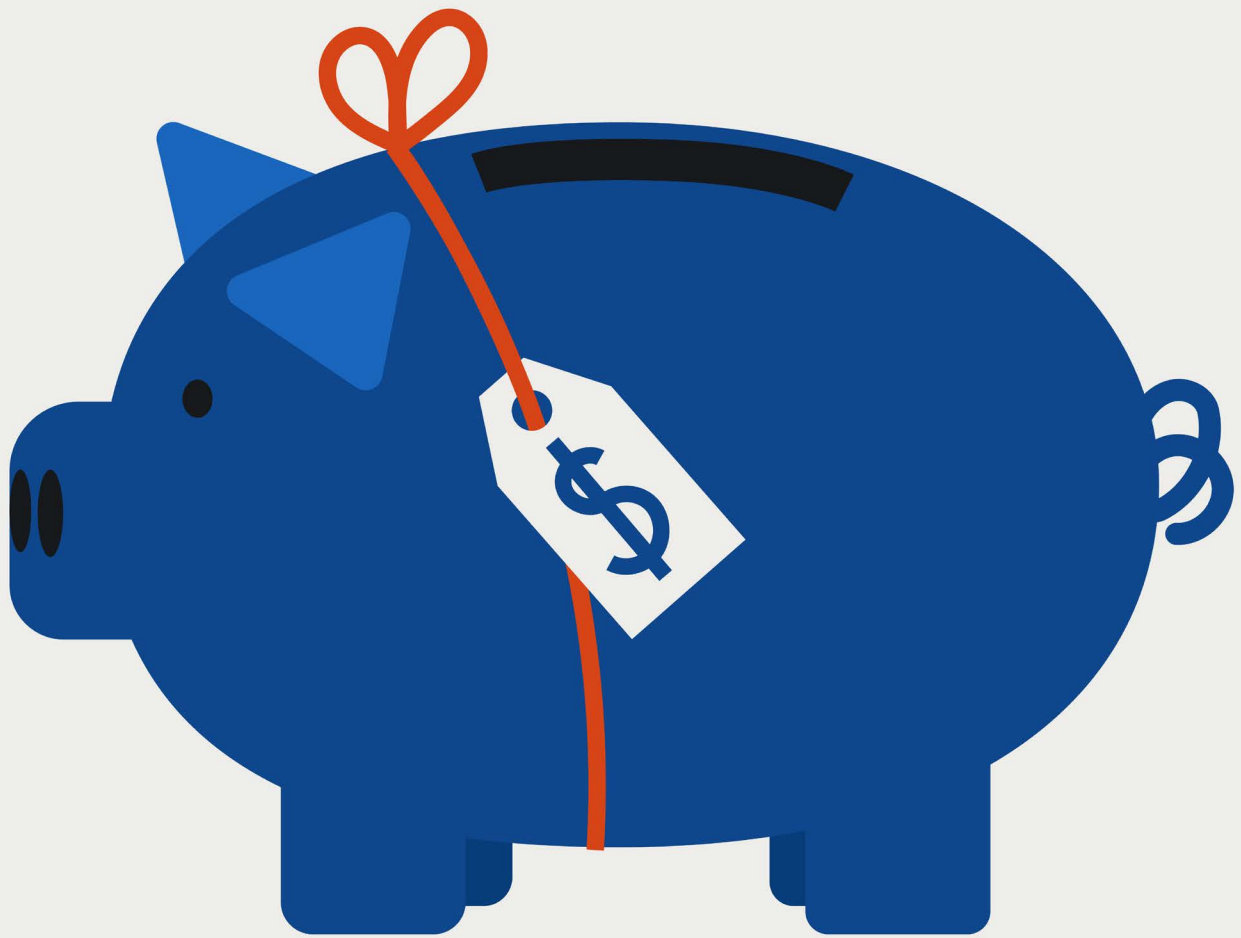
Law firm business plan templates

Here are some links where you can find examples of business plans and business plan templates for law firms:

- [Wy'East Law Firm](#)
- [Smith & Jones, P.A.](#)
- [DC Bar](#)
- [PracticePro](#)
- [LSO](#)
- [OSBLF](#)
- [Business Plan Workbook](#)

Having a goal and understanding how to get there is essential for any lawyer deciding to hang their own shingle. Having a written business plan does a few key things:

1. It creates a concrete explanation and breakdown of why you need to work a certain number of hours this week.
2. It keeps you accountable to your goals and commitments.
3. It serves as a comprehensive tool you can share with your firm, investors, and potential partners.



CHAPTER TWO

Planning Tips – How to Create a Law Firm Budget

Creating a law firm budget and getting your finances in order is arguably one of the most important starting points when hanging your own shingle. No matter how much money you currently have, what practice area you're in, or how long you've spent practicing, you'll need a budget in order to help your law firm succeed.

This second chapter will cover the basics of a law firm budget including potential law firm expenses, how to project your revenue, and what you should take into account when building your budget.

WHY IT'S IMPORTANT TO HAVE A LAW FIRM BUDGET

A budget sets your expectations for **cash flow** and expenses throughout the year, reducing the chances of missing an expense or bouncing a check. You will also be able to set revenue benchmarks—giving your law firm a measuring stick to know if you are meeting your goals or if you need to adjust your business plan to succeed.

It's also wise to take note of seasonality for casework. You may find that you have more work in certain months and less in others depending on your practice areas. In this case, it's practical to have a budget that

will estimate your costs throughout the entire year so you can stay focused on the bigger picture.

Another big benefit of a budget is being able to set aside funds to cover the larger lump-sum expenses most law firms encounter such as:

- Annual bar dues
- Malpractice premiums
- Quarterly self-employment taxes
- Research and software subscriptions (which are typically cheaper on an annual license rather than monthly).

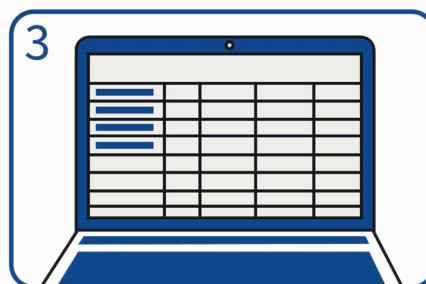
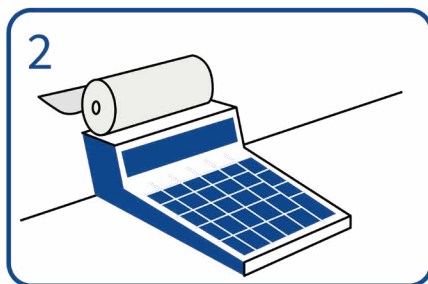
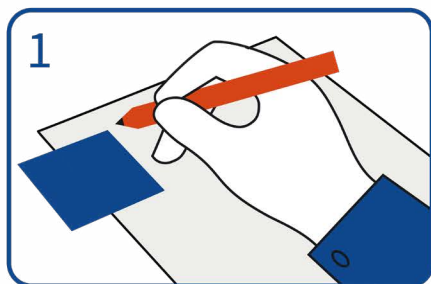
What to consider before you create your budget

Like any good legal document, there's always a disclaimer: Every law firm's budget is very different.

Why? Lawyers in different practice areas may need additional equipment and supplies. In addition, lawyers at different stages of their career may receive certain benefits. For example, lawyers fresh out of law school will often get discounts on bar dues, CLEs, and even [malpractice insurance](#), while those further along in their career do not.

While budgets can vary, certain line items are the same across the board and should be included in every lawyer's budget.

THREE STEPS TO CREATE A BUDGET FOR YOUR LAW FIRM



1 — Brainstorm your firm's expenses

The first step is the easiest: Brainstorm mandatory expenses. You'll also want to outline what resources you have on hand (starting capital, existing equipment, etc.) and set aside some money, either as a recurring expense or a percentage of your revenue, for any potential surprises you'll encounter.

Here is a non-exhaustive list to get you started. Some of these are optional, while some can be found for free or repurposed from what you have on hand (a laptop that is in good shape, or a smartphone). Some of your firm's expenses will be incurred yearly, some monthly, and some only once.

Possible law firm expenses:

- Bar association dues (state and/or local bars)
- Mandatory continuing legal education (MCLE) subscriptions
- Malpractice coverage
- Office space**
 - Co-working space
 - Shared office
 - Utilities and internet access
- Hardware:**
 - Laptop or desktop computer
 - Backup hard drive
 - Monitor(s)
 - Printer and consumables (paper, ink, etc.)
 - Scanner (either part of a printer or separate)
 - Fax machine
 - Landline or VoIP business phone
 - Smartphone
 - Mouse
 - Computer charger(s)
- Software and services:**
 - Cell phone service
 - Microsoft Office
 - Law practice management software, such as [Clio](#)
 - Accounting software
 - Legal research software
- Marketing**
 - Business cards
 - Website
 - Advertising costs (pay-per-click ads, social ads)
 - Networking events

Miscellaneous expenses

- Mousepad
- Laptop stand
- Office chair
- Office desk (standing/sitting desk)
- Lockable file cabinets
- Tape
- Envelopes
- Pens
- Paper
- Highlighter
- Dividers

For each item you're considering striking from this list to save on costs, ask yourself three big questions:

- Will this save me time that I can put towards more billable work?
- Will this help me find more business?
- Do the benefits outweigh the cost?

For example, every lawyer could get by using their local law libraries for research, but if you have to research often and the library isn't next door, investing in the subscription might be worth it. And, while a [legal conference](#) might seem like a luxury, the [referrals](#) gained could pay off exponentially.

2 — Project your revenue

Once you've itemized all the expenses, the next step is to project your expected revenues honestly and accurately. This can be thought of as a mapping exercise, as a budget should be your guiding point to building a successful law firm.

It's also a good idea to incorporate your [personal and business goals](#) into the process. For example:

- Do you need to meet certain revenue marks to keep the office lights on, or more importantly, to provide for your family?
- If you need to meet those marks, how can you realistically get there?

- Do you need to advertise heavily on Google Ads or Facebook?
- Will you have the time to answer and screen calls, or do you need to add an assistant or answering service to your budget as well?

Be sure to [set your rates carefully](#), factoring in the goals above as well as average rates for your location and practice area, which can be found in Clio's [Legal Trends Report](#).

When going through this exercise, it's also worth asking yourself a couple of key questions:

What area do you practice in?

As mentioned above, seasonality is a key factor to consider when projecting revenue. This will be affected by your practice area (think: Lawyers who work in tax law are often busiest in the period leading up to and during tax season).

While these seasonality factors can be difficult to predict in some areas over others (such as employment law compared to the tax law example above), a good rule of thumb is that lawyers across the board report [lulls in the summer](#).

If you're relatively new to your field of practice and still unsure of the ups and downs of casework volume, you should find a [mentor](#) that has been through the seasonalities or ask for advice through [online communities and forums](#).

What can you do to make revenue more predictable?

Fee structures, collection rates, and payment delays can all impact your law firm's cash flow. Setting [flat fees](#) can help with your clients' peace of mind as well as your own. Flat fees also make it easier to create a budget than predicting the ebbs and flows of billable hours in a litigation practice.

For those who do bill by the hour, [evergreen retainers](#) are a great way to prevent having a major accounts receivable problem and mitigate delays in the time it takes to get paid. Taking [credit cards](#) helps as well.

For a new firm, expect to make little-to-nothing for a few months, followed by slow growth throughout the year, unless you can afford a killer advertising setup to speed up the process (remember: lawyers [spend more](#) than almost every other industry).

That's okay—with a pragmatic budget and a lot of preparation, you'll still be set up for long term success. Stay realistic or you may end up setting yourself up for disappointment.

3 — Document and track your budget

To track all of your planned expenses and revenue, you can use a premium solution, like [QuickBooks Online](#), or something as simple and free as an Excel or Google Sheets template. There is a great free template in the Google Sheets [template gallery](#) for an annual business budget.

As for how often to check in on how well you're tracking against your budget, it's a good idea to assess every month after you've [collected on all your bills](#) when you're first starting out. This will give you a sense of whether you need to adjust any of your projections or document any expenses you didn't account for.

It's also a good idea to set aside some time to [formally review your budget each year](#). This will allow you to update based on any personal or professional goals that have evolved over time, and ensure that the projected amounts coming and going from your firm are still reflective of your day-to-day operations.

Work smarter, not cheaper: Tools to increase efficiency are worth the cost

According to a recent study, lawyers spend up to [69% of their working hours](#) doing non-billable tasks like client intake, invoicing, and logging expenses. But, most of these tasks can be automated with a cloud-based practice management software like [Clio](#), freeing up valuable time that can be used to deal with client matters.

While Clio covers most of your bases, here is a list of other tools that you may want to consider to help increase productivity and efficiency.

- A cloud storage service, like [Google Drive](#) or [Box](#) is great for backing up your documents and accessing files on the go.
- [QuickBooks Online](#) has favorable reviews as a tool for watching your cash flow and keeping track of your finances.
- [Google Workspace](#), formerly known as G Suite, is Google's personalized-to-your-business email, calendar, cloud storage, and everything-else solution.
- [Office 365](#) is a [Google Workspace](#) alternative that comes with the time-honored Microsoft Office, in addition to a cloud storage drive, personalized email, and more.
- A [credit card payment processor](#) (fees vary, many don't have a monthly fee but do charge per transaction).
- A financial institution that offers a [trust account](#).

Most of these are monthly expenses that you'll want to put in your law firm budget. While most do have an associated cost, consider whether this product will help shift the majority of your time from non-billable to billable tasks. If the answer is yes, then the product will pay for itself in the long run.

Avoid excessive debt when you're just starting out

One final note on law firm budgeting and debt: it's wise to avoid debt and spend as little as possible when starting a new law firm. For example, avoid renting office space in the beginning, as it will likely be your biggest expense. If having your own workspace away from home is important, then at least consider a more cost-effective option such as a co-working space. With little to no debt, even if you fail, at least you won't be further in the hole.

On the other hand, you also can't be too much of a spendthrift. A better approach is to spend wisely, and if you need to take out a small business loan or leverage a business credit card to float expenses for a month or three, consider that as the cost of making money.

If you skimp on marketing, you may have no clients at all. And if you don't invest in the tools to make your practice run smoothly, you may not have the time to practice at all. So how do you strike the balance between spending wisely and stunting your growth through stinginess? Creating that budget and getting your finances in order is the first step.



Do you cringe at the thought of a budget? While budgets have a very negative connotation, they do provide a tool to plan for success. They allow you to spot issues before they become fires, invest in areas to continue building your firm, and visually present how your firm is doing month to month, hopefully turning a profit. Think of it as a planning tool to use to watch your business grow and change your mindset. In our business, we see firms using and reviewing their budgets are growing faster than those without one.

— Peggy Gruenke, Founder & Co-owner at CPN Legal

Creating a budget for your firm will help you forecast what money you can expect to come in. Looking at planning for the money that needs to go out means listing all of your expenses and planning out how your revenue will pay those costs.

While it's important to also watch where your money is going, being too stingy will harm your growth. Spending money wisely, for example on tools that will help you be more efficient, will pay off in the long run.



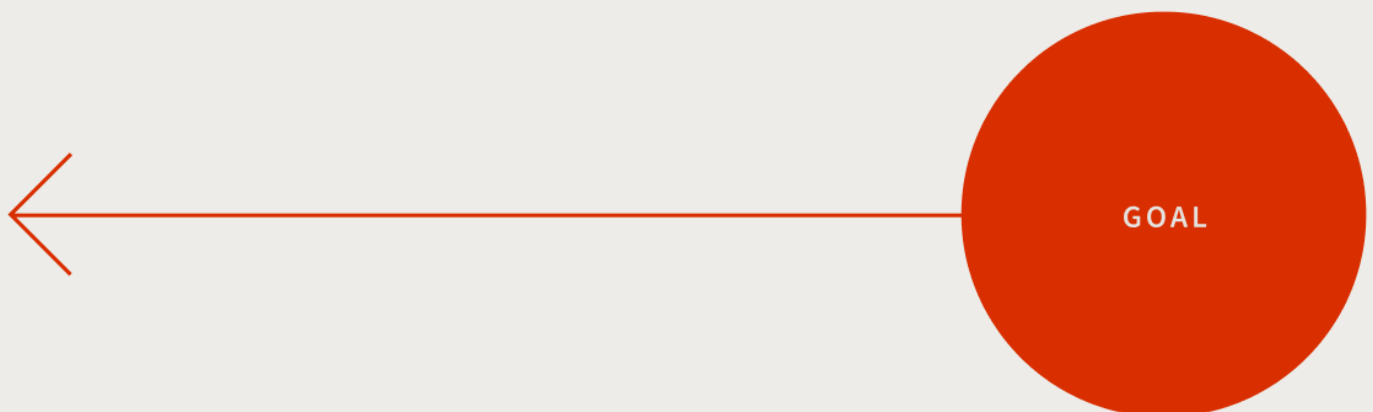
CHAPTER THREE

Planning Tips – How to Create a Plan for Attracting Clients

Getting a steady flow of clients when you first start your law firm will be key to your success. But while you're busy juggling your legal and administrative tasks, seeking out new potential clients also needs to be a priority. This third chapter will guide you step-by-step on creating a plan to attract clients.

— SET GOALS AND WORK BACKWARDS

You should have some idea of what you want to achieve from creating your law firm's business plan. Now it's time to take that and turn it into achievable goals and actionable tasks.



For example, if you want to make a certain amount of money in one year, you'll have to figure out how many clients you need for that time period and work backwards. Perhaps you need 60 clients to be successful, which means you need to get five clients a month. You'll then need to consider what actions to take in order to hit your five-client-a-month goal.

60 clients seems like a lot until you break it down, and then it seems much more manageable. While it's wise not to lose sight of the bigger picture, breaking lofty goals into smaller tasks will motivate you to move forward and properly pace yourself.

— Determine your target market

Once you've set your goals and rates, determining your target market is next. Target market is a marketing-specific term that refers to the type of clients you want to attract. If you find that specific types of clients and matters are high-effort, low-reward then you might want to steer clear of promoting your services to that audience.

However that also doesn't mean you should turn down work from clients not within your target market. A target market is the **ideal client** you should spend the most time and greatest amount of effort promoting your law firm to.

Determining your target market starts by understanding what your clients are looking for. For example, if you practice family law, perhaps you want to build out a steady foundation of marriage-related contract work that is easy, quick, and high-reward for your firm. Your target market would then fall into young couples in long-term relationships.

— Pick your marketing channels

Social media, email, advertising, sponsorships, and events—these are just a handful of the **marketing channels** that you can use to promote your law firm when you start out. But, you don't need to be on every marketing channel, just the ones that matter for your potential clients.

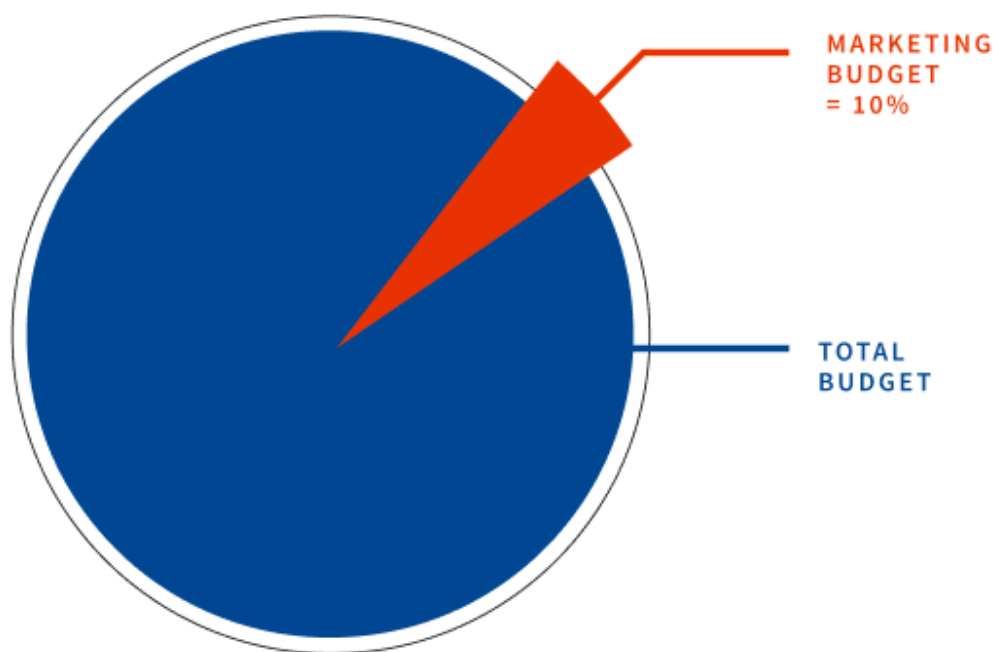
As a continuation of the example in the last section, consider your target market being young couples in long-term relationships. Now ask yourself, what marketing channels do young couples tend to spend the most time in?

Once you've researched your audience more in-depth, you'll have a better sense of where you should focus your marketing efforts.

— Calculate your budget

So how much should you budget for marketing? Some advise spending 7% to 8% of your annual revenue, while others say best practice is to spend more. For a law firm that is just starting out, or wishes to jumpstart growth or add a practice area, you'll need to spend more than that. But referencing a percentage of revenue you don't have yet isn't very helpful.

A good rule of thumb is to set aside 10% of your revenue goal for marketing and try to find room in your overall business budget. This 10% should include costs for your website, any hiring you plan on doing, advertising costs, and so on.



— Document your marketing plan

Now that you've thought about your goals, audience, and channels, it's time to put pen to paper. It's wise to start working on your marketing plan before you make the jump into opening up a solo practice.

Reputation management—seeking happy reviews and responding to the negative ones—is also vital, as most consumers say they already use online reviews when researching professional service providers.

Questions to ask yourself when building out your marketing plan should include the following:

Spend

- How much am I willing to spend on marketing?
- Is spending money on advertising a worthwhile investment?
- Is it worthwhile to hire somebody to manage my marketing?

Website

- What will my website look like?
- What do I want my website to say?
- How will I build my website?

Social media

- What content should I be creating for social media (if chosen as a marketing channel)?
- Who will be managing and responding to messages on my social media?
- When and how often will I be posting?

Goals

- How will I know if my marketing efforts are successful?

— **Spending money to make money: Is advertising right for you?**

It's a common misconception that marketing takes money, which is not true. While your website can come with costs if you hire a professional, there are [many avenues](#) where lawyers are able to promote their services for free.

But, if you do choose to advertise your law firm, you need to understand the options that are available to you. Keep in mind that depending on your practice area and jurisdiction, you may need to dig more into specific [advertising rules and regulations](#), but this list should be a good starting point.

Advertising on third party sites

A few that you'll consider at some point include:

- Avvo (Free, pro, premium directory listings and banner ads)
- FindLaw Directory (Premium directory listings)
- Facebook Ads (Costs vary, as there are lots of different ads and ways to pay—per ad click, per video view, etc.—but it's generally cheaper than Google Ads)
- Award Sites (Expensive; choose carefully, and choose reputable sites)

Budgeting for these options depends on which marketing channels work best for your firm and practice area.

Google Ads

Google Ads is a popular advertising channel for lawyers, but nailing down an exact cost to budget for is hard—you pay each time someone clicks on your ad, and it's an auction-style cost (you bid against other lawyers), so it varies greatly. You tell Google the maximum amount you're willing to spend per day and per click on certain keywords (“divorce lawyer”), and it runs the ads for you.

It's important to be very careful handling ads yourself—there is no spend cap so you can spend hundreds of dollars a day accidentally due to a couple of tiny mistakes on a lawyer's account. If you want Google Ads to work (and it does, if done right), hire a professional, discuss a budget you're comfortable with, then leave it to the expert.

— Generating referrals

For lawyers starting their own law firm, [referrals](#) should have a separate section in your marketing plan. While marketing through your own efforts is important when you're first getting started, referrals remain a cornerstone of how clients find lawyers. According to successful law firm owner, [Stephen C. Paul](#);



I think the most important thing you can do to be successful is just really care about your clients and what their needs are. When someone needs a lawyer, they want someone they can trust. If you really care about advocating for your clients, they're going to see that, and that's what generates referrals.

Solo law firm owners should never lose sight of the importance of their clients. Always put your clients first as that is what will help lawyers succeed in the long run.



Most lawyers are terrified of a robust marketing plan, and with good reason. As an industry, we weren't allowed to market as we do now until the mid-1970s. Fast forward to today, and integrated digital marketing just makes it all the more confusing for practicing attorneys. Regardless, marketing costs you in three ways:

1. The business you lose by doing nothing,
2. The billable hours you lose by being a DIY-er, or
3. As an essential cost of doing business to generate the ROI you want for your practice

The key is, don't wait. Find a legal marketer who knows your practice area. Get out there and get the results you want.

— Audrey Ehrhardt, Esq, CEO & Founder at CBC Practice42

Every lawyer starting their own law firm needs to have a marketing plan—it's a non-negotiable task that is essential to attracting clients. Keep an eye on how much business you're generating from your marketing spend, and in which areas of your practice. Understand the return on investment (ROI) of your marketing efforts, and don't keep chasing a losing bet.



CHAPTER FOUR

Making it Official

Starting your own law firm isn't as simple as launching your business and offering your services. In addition to the fun parts (naming your firm and designing a logo), you will also have to take care of the administrative work required to officially start your law firm.

This is an exciting step to calling yourself an owner of your own law firm. Follow the steps detailed in this chapter to get started on the right foot.

— SELECTING A NAME FOR YOUR LAW FIRM

You might be surprised to know that there's more to [naming a law firm](#) than brainstorming and narrowing down your favorite options.



The American Bar Association's (ABA) Model Rule of Professional Conduct [Rule 7.5](#) originally outlined the law firm naming rules you needed to follow. While the rule was deleted back in 2018, many bar associations still enforce its guidelines.

While this is an extra factor to take into account, the rule itself is simple. In short, your law firm name can't be misleading. A few examples include:

- Don't use "And Associates" if there are no actual associates at your firm.
- Don't use "Partners" or "Group" if you're a sole proprietor.
- Don't use celebrity names if they are not actively practicing law with your firm.
- Don't use state or jurisdiction names if you are not a public legal aid agency.

In addition to this federal guideline, be sure to check your jurisdiction's law firm naming rules as each state is different. For example, [New York](#) prohibits trade names.

The name of your law firm gives your potential clients, partners, and colleagues the first impression of your business. Remember to keep these guidelines in mind when selecting a name. Also make sure that the name reflects how you want others to perceive you and your law firm.



I generally recommend using a trade name if your state allows it. Your firm can state specifically who they serve and will stand out in your marketing and advertising efforts. For example, Counsel for Injured Workers or The Lemon Law Attorneys. The second benefit is that it helps you build a brand around your firm's services and not you specifically.

— Allen Rodriguez, Founder at ONE400

— Designing a logo for your law firm

Your logo is an important part of your brand and how you decide to express your law firm visually. It's the main symbol and most visible graphical element that appears on your website, business cards, emails, and other marketing materials.

For this reason, spending time and money on a professionally designed and well-thought-out logo is essential for any successful marketing plan. From choosing the right logo color and font to hiring the right designer, make sure [your law firm's logo](#) is an accurate reflection of your brand—this is a process that involves thorough research, thought, and iteration.

While there are no strict federal guidelines for law firm logos, there are a few considerations to take into account. Consider whether:

- You want to trademark your logo (not required but strongly recommended)
- What main colors you want to use to represent your law firm
- If the font you've chosen is web-safe (so your audience views your content the way you designed it, on any device and browser)
- Whether you want to outsource a custom logo built from scratch or buy a template from a stock image site to use.

While it may seem complicated at first, designing your law firm's logo is a very rewarding process that is pivotal to creating your brand.



Be sure to keep it simple, something very elaborate will be highly dependent on high resolutions and you may not be able to use it across all media. Remember that colors really matter, muted pastels might be in now, but will they feel dated in a year or two? Take some time, trust your designer and invest an appropriate amount of time getting this right.

— Allen Rodriguez, Founder at ONE400

— Forming a legal entity

There are [four main legal structures](#) available for lawyers looking to start their own law firms, which determine your share of liability and how you will be taxed.

- **Sole proprietorship:** This is the simplest option if you're a solopreneur and makes you liable for all business obligations.
- **Corporation:** This structure is available for both solopreneurs and two or more lawyers looking to form a law firm. A corporation is a unique legal entity that is given limited liability and owned by shareholders.
- **Partnership:** This structure is the most common for two or more lawyers who choose to start a law firm together. In a partnership, the formation costs are low. Both parties share profits and equal liability for each other's actions.
- **Limited Liability Company:** This structure is similar to a corporation in terms of liability, where members are protected from personal liability for the acts and debts of the company. But, members are treated differently when it comes to taxes. Members can also opt to be taxed as a partnership).

Before deciding your legal structure, be sure to check your jurisdiction guidelines as they may have additional requirements. For example, [only certain states](#) allow one shareholder to form a corporation while others require two or more stakeholders.

— Getting a bank account

Most firms starting out will need [three business bank accounts at minimum](#)—checking, savings, and a separate Interest on Lawyer Trust Accounts (IOLTA). It's wise to keep all these accounts together in the same financial institution to easily keep track of your funds.

While the first two you may have already heard of and use in your day-to-day life, an IOLTA account is a type of bank account from which any interest earned on the account is collected and forwarded to the state bar (usually to funds for social justice). Lawyers are not allowed to collect interest on money held in trust for their clients.

IOLTA accounts are designed to keep client funds separate from your typical business or operating account—where you are allowed to accrue interest. Lawyers also can't deposit their own funds into an IOLTA account, except to pay service charges. This is why you should use a separate checking account or designated credit card to cover fees—so there's no risk of accidentally touching client money.

Most major financial institutions offer the ability to open an IOLTA while specific jurisdictions (such as [New Jersey](#)) have a two-stage IOLTA/Trust account. As always, be sure to check the requirements in your own jurisdiction.

Without the right business accounts, you risk inaccurate bookkeeping, messy records, and potentially violating compliance.

— Purchasing insurance

There's no one-size-fits-all insurance plan when it comes to law firms. Each firm has its specific needs depending on their clients, employees, areas of practice, and more.

We've compiled a list that should cover most of your insurance needs when you're first starting your law firm. But depending on your practice area, it's important to look into additional plans.

- **General Liability Insurance & Property Insurance:** This type of insurance will protect you from most types of lawsuits—it covers property damage or personal and advertising injury caused by your service, business operations, or yourself.
- **Professional Liability Insurance:** Also known as [legal malpractice insurance](#), this is the most important type of insurance for any law firm. This covers suits that may arise from misinterpretation of the law, bad advice, missed deadlines (statutes), conflict of interest, or disgruntled clients looking to sue.
- **Cyber Liability Insurance:** Lawyers often deal with sensitive client information, making them a target for hackers. This type of insurance covers cybercrimes, including social engineering schemes where the hacker tries to trick a lawyer into sending funds to a fraudulent account or hijacking the email of an attorney and directing clients to send funds someplace illegitimate.
- **Directors & Officers (D&O) Insurance:** This protects the personal assets of you and your spouse in the event a competitor, vendor, customer, or other party decides to sue you personally for actual or alleged wrongful acts in managing a company.

These four types of insurance are part of the basic package that every lawyer starting their own law firm should purchase. If you plan on employing others such as a [virtual legal assistant](#), you'll also need to purchase the following:

- **Employment Practices Liability Insurance (EPLI):** EPLI insurance protects your firm from potential employee-related claims and should be purchased by any lawyer who plans to employ even a single employee. Solopreneurs will not need to purchase this type of insurance.
- **Workers Compensation Insurance:** This type of insurance covers your firm if employees ever sustain injuries at work (whether they're in the office or at the courthouse) and is required for employers in just about every state.

— Confirming all licensing & compliance requirements

The last step in making it official is completing the licensing and compliance requirements needed to legally start your business.

A business license is essential to identify your business, keep track of your finances for tax purposes, and operate legally. Additionally, in certain jurisdictions, you may need a state tax identification number, trade name registration, and zoning approval (if you plan to open a physical office). These can vary from the state, city, and district level so be sure to check your own jurisdiction for additional requirements.

If you plan on employing help, you'll also need an Employer Identification Number (EIN), although this is not required for sole proprietors. You'll also need a federal license if you practice in a federally regulated field such as security, broadcasting, or transportation.

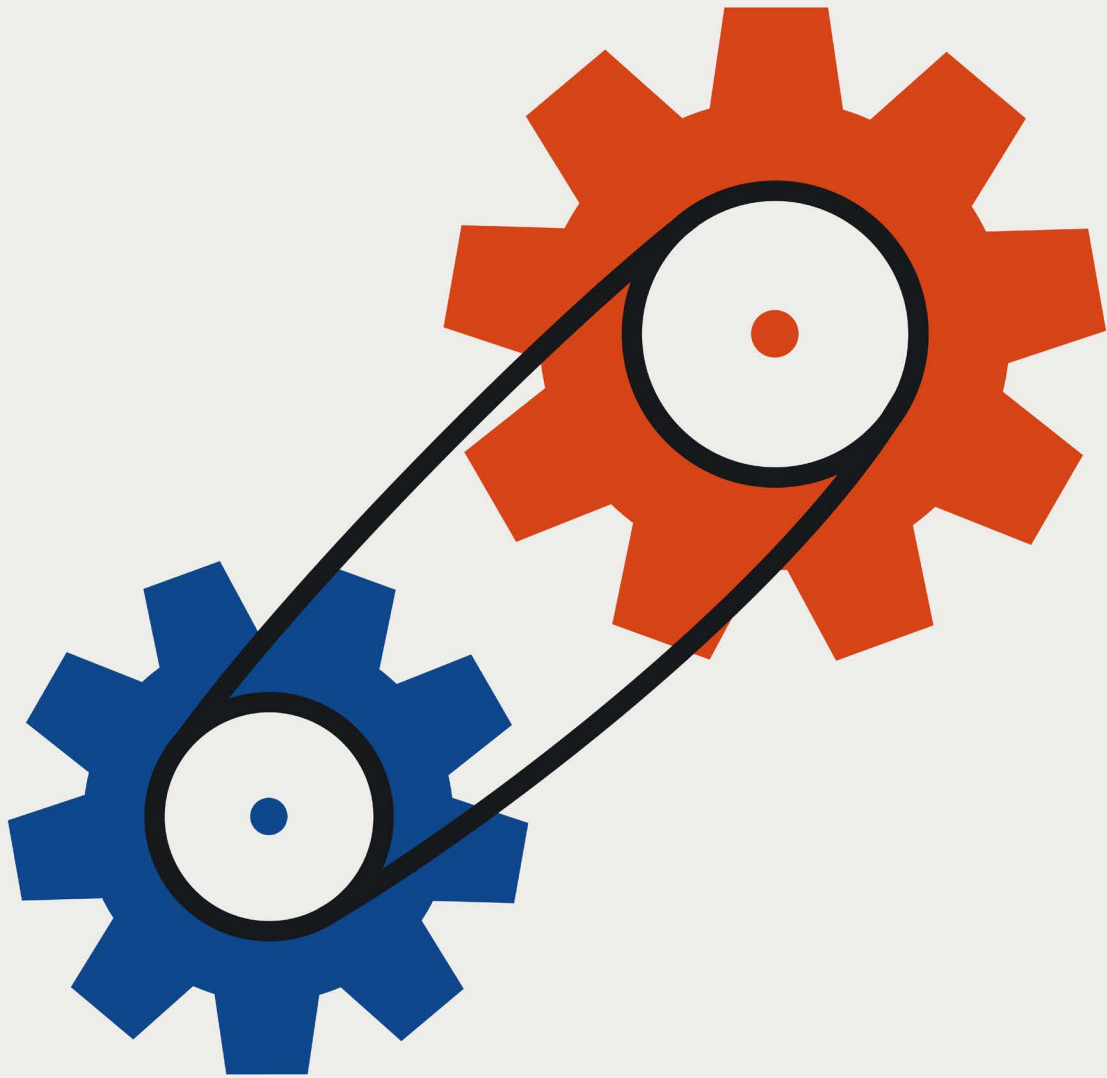
These requirements seem daunting, but thanks to technology streamlining the application process, registering for most of these will only take a [few minutes](#).

If by the end of this chapter, your head is swimming and overwhelmed with all the “official” paperwork you need to take care of, that’s perfectly normal.

Take a deep breath and give yourself a few days to map out your plan. Break each section down into more manageable tasks instead of trying to rush yourself through them. Knowledge is power. Using this section as your starting point will help equip you with the information you need to officially start your law firm.

Part 02

Getting Started



CHAPTER FIVE

Implementing Systems and Processes

Starting your own law firm means building out processes and systems that fit to the way you work. Now that you've created your business plan, a budget, a strategy for attracting clients, and have everything you need to make it official, it's time to set up your systems and processes.

MAPPING OUT YOUR INTERNAL OPERATIONS AND WORKFLOWS

After you've created a business plan, organized your finances, and officially registered your business, it's time to start mapping out your operations and workflows. To start, ask yourself this very simple question: "Where will I work?"

In light of the COVID-19 pandemic, many lawyers no longer need to have a physical office to practice law. For lawyers starting their own law firms, this means that you can work anywhere—from home, a coworking space, a shared office, or elsewhere.

Once you've decided the "where," it's time to move on to the "what" and "how." Here are a few more questions to ask yourself as you plan your next steps:

- What are my working hours?
- How should I send and receive mail?
- Where will I have client meetings?
- How will I keep client information secure?

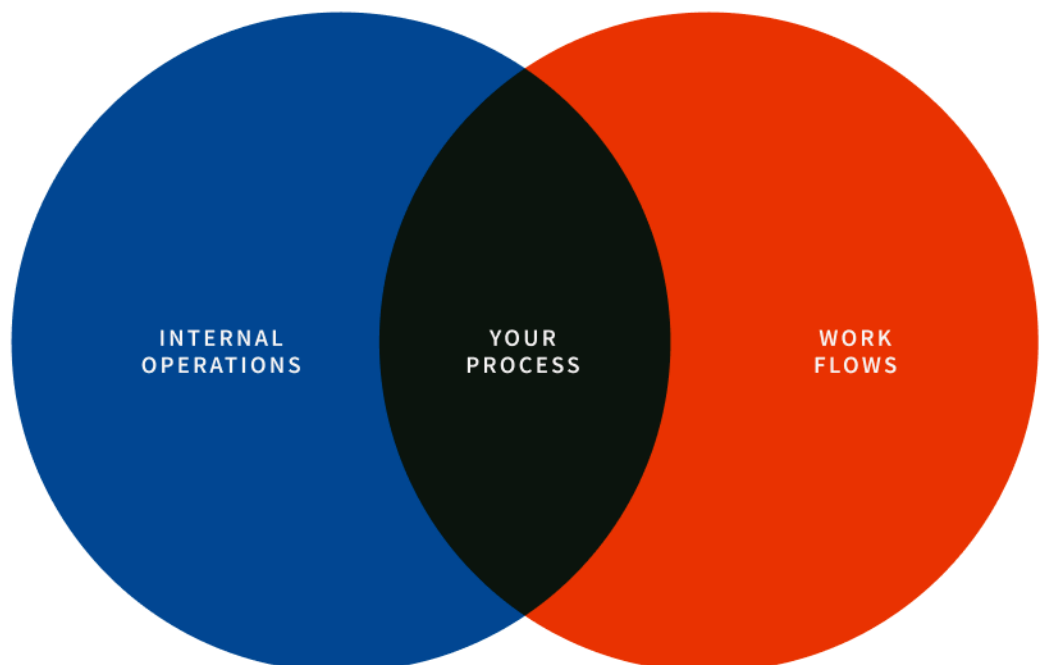
Remember that this is just a starting point. Depending on your practice area, there may be more specific workflows you'll need to think through as well.

Once you have the answers to the questions above, make sure they're recorded for easy reference. These workflows are important to keep yourself organized and avoid burnout. For example, creating processes around working hours (e.g., no client emails on Saturday or after 8 p.m. on weekdays) can help give yourself a much-needed break. And, be sure to check in with yourself regularly on what's working and what isn't, and remain open to adapting processes as necessary.

“

I tell all my clients, start with the end in mind, what does that look like for your firm? You will never have the opportunity again to put thought and mindfulness into creating something that can deliver value to your clients and firm, you have a blank canvas.”

— David P. Stasaitis, President at Stasmayer, Inc.



Creating effective external client processes

Once you've mapped out your internal operations and workflows, it's time to look outwards. While you may have already interacted with clients regularly throughout your career, setting up formal processes for [client intake](#), invoicing, and communication are important for a good client experience.

Consider questions like:

- When in the intake process should we talk about fees?
After or before prescreening?
- When should I send invoices?
- What channels will I offer communication through? Just email and/or phone?
What about social media or live chat?

As Clio CEO and co-founder Jack Newton mentions in his book, *The Client-Centered Law Firm*, providing great client experiences isn't about wowing clients: It's about meeting expectations and giving them what they want and need for their specific situation. Having consistent, clear processes is pivotal to achieving that goal.

And, part of creating external client processes is being open to feedback and constant iteration. For example, perhaps you'll start by [charging an hourly rate, then move to charging flat fees](#) as you get a better understanding of your clients and matters. Or you could start offering communication through different channels as the desire for it arises.



As we know once you open your doors it will take more time to change those processes, like changing your tires while driving down a highway. I am a huge fan of implementing systems and processes from the beginning because I know it will pay dividends for years to come.

— David P. Stasaitis, President at Stasmayer, Inc.

— Selecting the right software

If you're already a practicing attorney, you may prefer specific tools that you want to continue using in your own practice. But unfortunately, your favorite legal software may only make sense cost-wise for larger law firms, so be sure to check the cost and see if it makes sense for a new law firm.

Most lawyers starting out on their own will be better off with a cloud-based legal practice management platform, like [Clio](#). For [tracking time](#), [hourly billing](#), [trust accounting](#), and sorting client files, an all-in-one platform like Clio will save you time and streamline your workflows. According to Clio's [Legal Trends Report](#), firms using this type of platform saw 20% more casework and 26% more revenue.

Depending on the type of practice you want to set up, you may also want to look into other tools to help make your workflows easier. Once you've mapped out your internal operations and external client processes, take a look at areas you could automate and optimize. Then, put those tools on your wishlist.

Take your time when vetting software—lawyers often handle confidential information, so any software you choose absolutely must be secure and [encrypted](#).

The list of the most popular/powerful tools for any new law firm below should help you get started. This list is not exhaustive, so keep space open on your software wishlist. You may not know what you truly need until you've started.



— Cloud-based practice management software

Your practice management software will be where your firm keeps matters and client information organized, tracks time and expenses, creates calendar events, sends invoices, and more. It's possible to fulfill your case management needs with a group of individual tools for each function, but using one unified platform saves time and removes much of the risk of error from duplicate data entry.

With cloud-based practice management software like [Clio Manage](#), you can access, share, and collaborate on important case details from anywhere. Additionally, features like the [Firm Dashboard](#) help your firm track productivity.

— Cloud-based document storage

As a lawyer, you may need to access important case documents from wherever you're working, such as the courthouse or a client's office. To meet this need, it's highly recommended that you store documents in the cloud. Many cloud-based solutions offer plenty of customization and robust search capabilities, making it easy to find what you need quickly. [Clio](#) offers unlimited document storage and also connects with popular cloud-storage solutions include [OneDrive](#), [Box](#), [Dropbox](#), and [Google Drive](#).

— Cloud-based client relationship management software (CRM)

Keeping new client information organized is critical to making sure no potential clients fall through the cracks, and no follow-ups get missed.

Client relationship management software like [Clio Grow](#) helps with client intake, scheduling, e-signatures, and more to keep the entire client intake process streamlined and simple. What's more, if you use the [Clio Suite](#), which includes [Clio Grow](#) and [Clio Manage](#), you can easily sync new client information with their relevant matter—no double data entry required.

— Secure client portal

To keep documents, sensitive communications, invoices, and more secure and confidential, you might want to use a secure client portal when sharing information and communicating with clients. Clients can then access their cases so they can check case information themselves, saving you time on updates and meetings.

As part of your [Clio Manage](#) subscription, [Clio Connect](#) is a secure client portal that lets you easily share resources and information with clients.

— Online payment services

While you may have been traditionally paid through checks, we recommend offering online [credit card payments](#), which are more convenient for you and your clients. Solutions like [Clio Payments](#) allow lawyers to operate in compliance with trust accounting rules, and allow clients to pay bills quickly and easily via a secure link.

With the right systems and processes, you can create a solid foundation that will make starting and running your own law firm easy. In fact, firms using technology to streamline their systems and processes averaged a higher volume of casework, up to 21% more than firms that weren't using technology. Taking the time to navigate, set up, and automate these processes will set you up for success in the future.



CHAPTER SIX

Creating Your Online Presence

When people are looking for a product or service, one of the first things they do is online research to compare offerings or read reviews. According to legal marketing expert Gyi Tsakalakis, it turns out law firm clients are no different.

This chapter will cover why having an online presence is key and guide you on what you need to know when establishing your new law firm's online presence.

— BUILD YOUR WEBSITE

96% of potential clients will use a search engine to find legal advice. Setting up a website for your firm is the first step to helping potential clients find you online. Here are a few examples of the [best law firm websites](#) to give you some inspiration:

- [ASA Law Group](#)
- [Beacon Law Group](#)
- [Bend Law Group](#)
- [California Innocence Project](#)
- [Cascade Legal Planning](#)

Here's another example; [Branigan Robertson](#), an employment lawyer in California who started his own firm shortly after graduating from law school, used WordPress to set up a site that he pays about \$70 per year to host. One more simple yet powerful option is Clio's [law firm website builder](#).



This is powerful because it is one of my largest lead generation tools and costs about as much as a fancy bottle of wine.

Hosting your website and buying a domain name can be done for under \$100 annually, through many service providers like [WordPress](#), [Squarespace](#), and [Lawlytics](#).

If you're not keen on spending the time, hiring a professional is an option you may want to consider. Starting a law firm is already a daunting task so it can be worth the investment to have an experienced web designer in your corner to put together a simple, easy-to-manage website. Just make sure you ask the [right questions](#) and find a website designer that understands your needs. Don't get upsold on a fancy website with bells and whistles that you won't need.

While you may have network connections and word-of-mouth referrals, having a web presence is key to inviting potential clients to learn more. Think of your website as a tool to showcase your services, sell your skills, and give prospects more information.

Potential clients won't find your website on search engines right away. It takes time to build up your web presence and [make your website searchable](#). In the meantime, you'll need to diversify and promote your law firm in other places.

— Establish your social profiles

According to the ABA, [42% of small law firms](#) are gaining new clients through social media marketing. Social media leads potential clients to your website where they can find the information they need to hire your firm.

The path for a client from seeing you on social media to hiring your firm might look like this:

- You share a blog post you wrote about what first-time homebuyers need to know about mortgage contracts.
- Potential clients see the post and click on the link to read it on your website, where you've added an online intake form using [Clio Grow's](#) custom intake form tool.
- Prospects complete the form, leaving their email address for you to contact them.

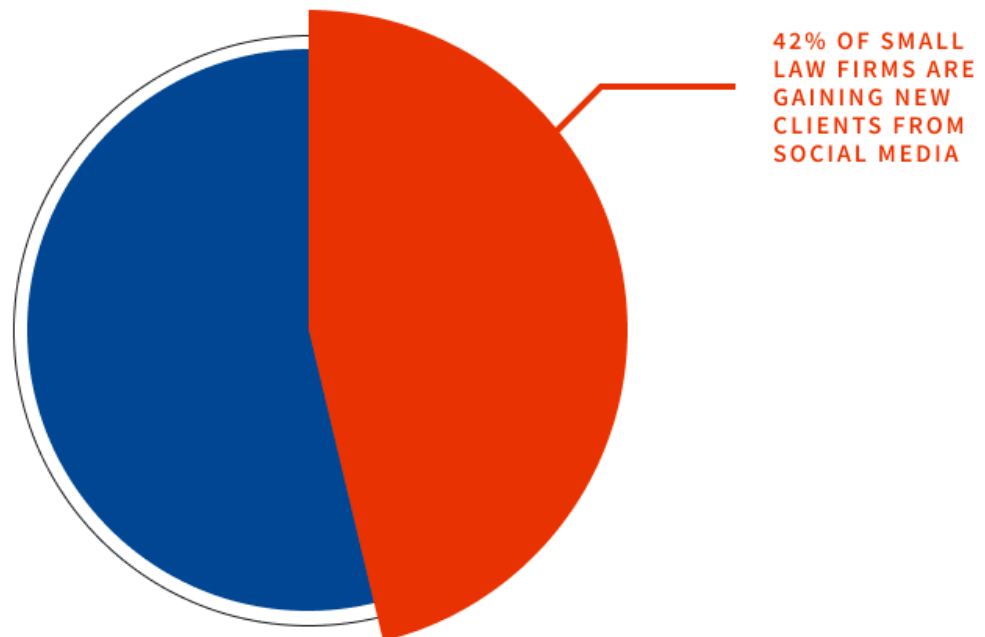
When creating your social media profiles, it's important to understand which platform your potential clients are using the most. For example, if your practice area is employment law, it's crucial to have a LinkedIn presence but Instagram would not

be as important. It's also wise to focus on certain channels rather than spread yourself too thin trying to keep up with every channel.

If you start with too many social profiles, you're more likely to get overwhelmed and not be able to balance all of them—leading to [potential ethics violations](#) or abandoned social accounts, which may do more harm than good.

Start small and do your research. Check out what competitors are doing in your practice area and how they use social media. Identify what works and what doesn't to help inform your own strategy.

If you need help to get started, there's always the option of hiring a marketing expert who can help set up your accounts and guide you through building an [effective social media strategy](#).



— Set up a profile on online directories

Another smart way to build your online presence is by listing your website on online directories. These types of websites aim to connect people to the services they're looking for and often include sections for people to leave reviews—[Google My Business](#), [Yelp](#), [Avvo](#), and [Justia](#) are just a few examples.

By creating profiles, filling out your law firm's information, and pointing them all to your website, you can target potential clients who are looking for your services on these online directories.

Often you'll need to have a few things ready:

- Photos of yourself
- A description of your business including what services you offer and your areas of expertise
- Your location (if applicable, less important if you've decided to run a virtual law firm)
- Operating hours
- Contact information including your website, email address, and phone number

There are online directories that offer [free listings](#), paid listings, or a combination of both (free listing with the option to advertise for more visibility). When it comes to these listings, it's important to keep a close eye on them. These listings may potentially be a forum for unhappy clients to leave less-than-favorable reviews. In addition to potential clients, you may also get sales calls from the online directories trying to upsell you on a paid listing.

Despite these shortcomings, the pros of online directories still outweigh the cons which can be combated by being diligent and checking your listings regularly.



Social media offers law firms a unique opportunity for potential clients, referral sources, and the public at large to get to know your firm at scale. It's like having 100+ face-to-face conversations, or text messages, or email exchanges, all at once! Find your strength and use social media to amplify that message to the people who need to hear it. And when you think you've said it before, say it again. There is always someone listening.

— Melanie Leonard, CEO & Founder at [streamlined.legal](#)

This is an exciting stage where your law firm will start to feel more real.

How your law firm appears online not only influences whether or not a client will choose to hire you, but also shapes their overall impression of you and your law firm. If you start with the right foundation you'll increase the chances of people finding and connecting with your law firm.

Make it clear that prospective clients visiting your site are in the right place. Tell them a little bit about yourself and make it easy to contact you. Just take it one step at a time and remember that there are experts who can help!



CHAPTER SEVEN

Setting Up Your Workplace

Setting up a workspace is something that gets frequently overlooked when starting your own law firm. As we've covered in other sections, there's a lot to do leading up to the launch. During this process, many lawyers tend to get focused on the other aspects of starting a firm and eventually realize that working on their dining table or the couch may not be the best idea long term.

IT'S IMPORTANT TO THINK ABOUT YOUR WORKSPACE EARLY

You'll be spending most of your time there so you'll want to make sure it's a comfortable space. Depending on your working habits, the needs of the clients you serve and your own personal preferences, that can mean working from home or renting a shared or private office. You'll also need to understand what your equipment needs are and how you'll organize the space.

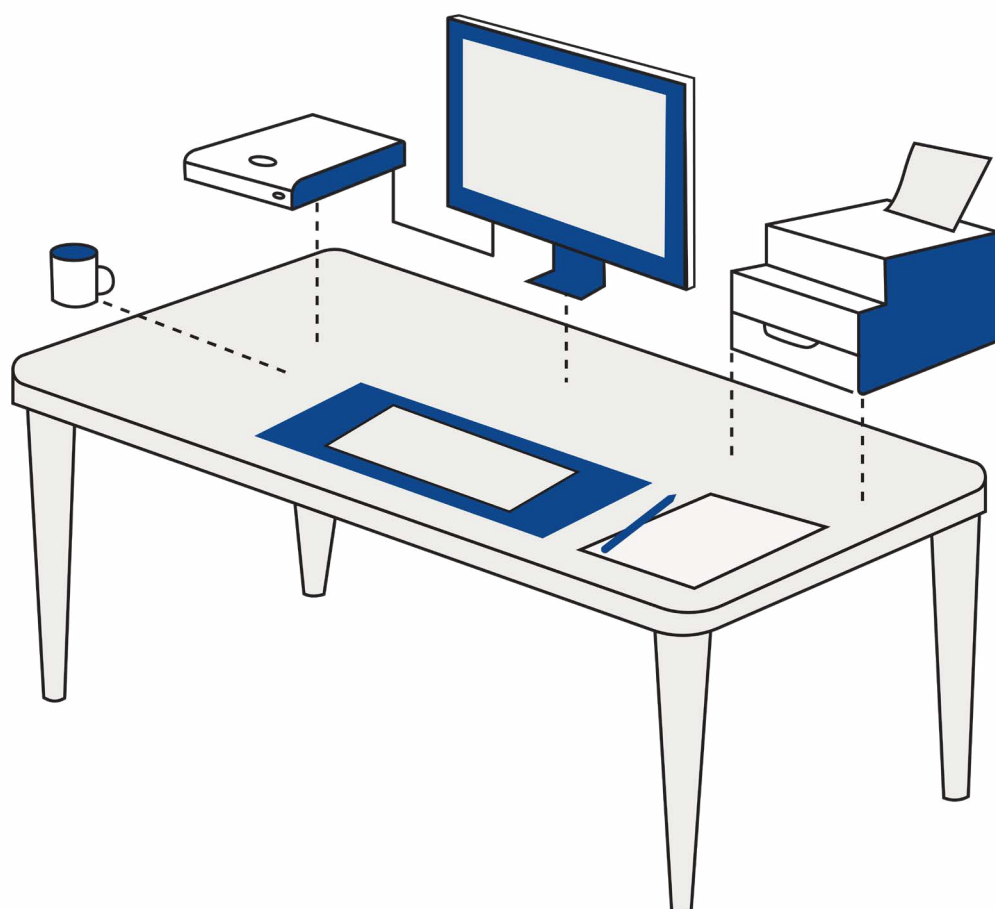
— Select your ideal work environment

To do productive work, you need the right setup. Since each lawyer is different, you'll want to understand your ideal work environment. It's wise to think through what you need to be productive before investing in new furniture or technology.

Do you prefer working in relative silence or with ambient noise in your environment? Do you enjoy working around others or in the comfort of your own home? Do you need dedicated workspaces or prefer switching up your environment every so often?

These questions will help you understand the location ([home](#), office, [shared office](#)) and conditions that will allow you to do your best work (noise level, temperature, sunlight, etc.)

Keep in mind that you will handle confidential client information. That's why it's important to be mindful of who's around you if you choose to work in a shared office. Lock your computer every time you step away from your working space and try to sit with your back to a wall so others can't see confidential client information on your screen.



— Set up your workspace

Once you've selected your ideal work environment, it's time to set up your workspace. If you've chosen a home office, this may be as simple as getting one or two pieces of office furniture. On the other hand, if you've chosen a private office or shared workspace, you'll have to consider how you'll transport the items you need.

Each lawyer is different and may require more specific tools and equipment, but you can use the list below as a starting point.

Computer

Whether you use a laptop or a desktop computer, make sure you have a powerful machine so you can work on cases uninterrupted, store electronic documents and files, and take video calls. You'll also need a strong internet connection.

Printer

Make sure you have a reliable printer in your workspace so you can print documents when needed. With remote work becoming increasingly common, we recommend [going paperless](#) and printing sparingly for more flexibility. That way, all you need is a simple printer for occasional printing.

Scanner

In a law office, it's important to be able to share relevant documents and data digitally. This means you need to be able to scan and upload documents to your firm's practice management system when needed. Consider getting a portable scanner if you've chosen a shared workspace or home office. Portable scanners take up less room and are easier to transport.

There are also many apps that will allow you to scan documents using your phone. For example, [Dropbox has a document scanning feature](#).

Headset

If you're going to be taking [client calls or other meetings through a conferencing](#) tool such as Zoom, ensure that you have a good quality headset. If you want to take it a step further, consider a wireless headset or earbuds that can pair with your computer and phone to take calls on the go.

Office supplies

No matter which work environment you've chosen, you will need office supplies. Highlighters, sticky notes, staplers, and pens are just a handful of things you'll need to take notes, jot things down, and put together your documents. Make a list of the office supplies you'll need, and make sure you're fully stocked before you start your law firm.

— Build your resource library

Once you've settled in and taken care of your client-side needs, it's time to build your resource library. Starting your own law firm means that you'll have to put effort into learning the ins and outs of being a business owner, in addition to practicing law and handling client matters.

The best way to improve your business management skills is to read books written by other lawyers who have gone through the same process. While it can be difficult to juggle the client and business sides of a solo law firm, make sure that you still carve out time (even if it's just 15 minutes a day), to read and further your business knowledge.

There's a lot that goes into running a successful law firm, but there are also [many different kinds of books](#) on business, law, and the business of law designed to help you.



Don't underestimate the importance of creating a fully-equipped, comfortable and quiet work environment for your office—whether it be at home or at the law firm. Taking the time, and finding the energy to design a workspace that you love will make all the difference in increasing your productivity and delivering superlative service to your clients!”

— Adriana Linares, Legal Technology Consultant at LawTech Partners

When starting a law firm, you don't need the latest hardware or the most luxurious furniture. Your law firm workspace may not even be complete the first time you set it up. As time goes by, your preferences might change along with the tools and equipment that you need.

Keep an open mind for potential changes, redecorating, or even complete shifts in your environment if you decide that you want to try new things.



CHAPTER EIGHT

Getting Support – Networking and Hiring

Starting your own law firm involves a lot of research, planning, and work. It's a good idea to build up a reliable support network of friends, family, colleagues, and mentors that will help lead you on the path to success.

This chapter will cover how you can get support from other lawyers in your community, what to know when hiring professionals who can help you build your business, and what you should consider when thinking about your own training and development.

— FIND YOUR COMMUNITY

There's a lot more to running your own firm than just practicing law. Resources on how to keep the operations side working smoothly such as knowledge on [setting your rates](#), how to [file during tax season](#), and [how to keep growing your business](#) can be a big help here.

Take it from [Stephen C. Paul](#). With the help of [Pitt Legal Services Incubator](#), a program designed to help lawyers hang their own shingle, Stephen learned the fundamentals of running a business.

[Find your own community](#) through events put on by your local bar association or by small business associations. You can also join Facebook or LinkedIn groups to connect with lawyers in your local jurisdiction.

Here are some other communities to get you started:

- **LawyerSmack:** LawyerSmack is an online community with 100+ channels dedicated to different legal topics, including one just for starting your own law firm. Members range from local to international and bring a wide range of experiences.
- **The Lawyerist Community:** This community is geared towards entrepreneurial small firm lawyers and provides resources to grow your firm through mentorship, exclusive discounts, and helpful templates and resources.
- **The Law Community (TLC):** With legal tech at the heart of TLC, this community gives legal professionals an online space to share tips and best practices, and pick up new tech skills.

Taking advantage of online resources and communities can be helpful as well. The [Clio Blog](#) has articles on how to write a law firm business plan, what technology your law firm will need, and more.



Running a business is tough. But you don't have to go it alone. Communities of other entrepreneurs, Mastermind groups, and business coaching can all help you run a healthy, successful law firm.

— Lawyerist

— Hire staff

When you first start your law firm, your full-time employee count will likely stay at one for a while. But during this period, you may also decide that you need part-time or contract help from a [legal assistant](#).

When hiring a legal assistant or [paralegal](#), you can choose to hire locally or remotely ([virtual legal assistant](#)). A legal assistant is immensely helpful for taking care of administrative tasks, freeing you up to focus on interacting with clients, handling matters, and other billable tasks. Similarly, [paralegals can improve your law firm's efficiency](#), save you time, and help provide a better overall [client-centered experience](#).

Depending on your area of practice, a legal assistant's scope of work could include scheduling appointments, accounting, managing contracts, and more. However, remember to keep your hiring timing in mind. If you hire too early, there may not be enough work to justify having a legal assistant.

Some signs that it's time to make your first hire(s):

- You find yourself taking on too much work
- Your client experience is suffering
- There is not enough time to keep track of day-to-day administrative tasks

— Hire consultants

When you first start out, it's likely that you'll be hiring a legal assistant to work [on a part-time basis](#). However, unlike legal assistants, consultants work almost exclusively on contracts. From [web designers](#) and [bookkeepers](#) to [IT consultants](#) and more, hiring an expert can make starting your own law firm much easier and more manageable.

When hiring a consultant, here are a few things to keep in mind:

- **Qualifications:** You need to know whether a consultant is qualified to make sure they will do the best job possible. Ask for examples of their work, references, and certifications.
- **Location:** While most consultants have shifted to remote work, consider whether location matters. Different jurisdictions have specific regulations for lawyers, so it may be wise to hire local consultants who are more familiar with those requirements.
- **Working hours:** When you start your law firm, you may not be working the traditional 9-to-5 hours. Instead, you may need to work early mornings, late evenings, or throughout the day. You may also find yourself without a set schedule, depending on your workload. Be sure to coordinate working hours with consultants to ensure meeting times are aligned, especially if you are in different time zones.
- **Support:** Before starting a project with a consultant, ask if they can provide ongoing support. For example, if your systems need regular maintenance after an IT consultant sets them up for you, will they assist in providing instructions or guidance?
- **Rates:** Lastly, you should compare rates between consultants to get the best [return on investment](#) (ROI). Remember, a good ROI does not mean the cheapest rate. Compare and get quotes from at least two or three options before committing.

— Invest in training and development

In many jurisdictions, lawyers must complete [continuing legal education \(CLE\)](#) requirements to maintain their licenses to practice law. Being a lawyer means keeping up-to-date with the latest changes in law, technology, and practice management.

When it comes to training and development, it's important to balance your CLE requirements with additional upskilling as a new business owner. There are also programs that fit your CLE requirements while showing the fundamentals of owning a solo law firm. From [mentoring to legal conferences, courses, and training programs](#), there are endless options available.

Some programs are free and others may not be. But, depending on the content and lessons involved, it can be a worthwhile investment. When you first start your law firm, it's always a good idea to be lean—but the key is to spend wisely on positive, long-term investments.



Don't try to be the smartest person in the room.
Find, and contribute to, a community that will help
you run a healthy, successful law firm.

— Lawyerist

Proper research and planning can help set your firm up for success. But having a support system can make a big difference when you run into challenges. Starting your own law firm will be made so much easier by learning from consultants, other lawyers, and mentors.

Keep in mind that you don't need to get everything right on the first try. Getting started is the important part.



There's usually a better way to do things, but you shouldn't let the fear of not getting it exactly right paralyze you. Your business is going to grow and it's going to evolve. You don't have to have complete, perfect processes from day one.

– Stephen C. Paul, Owner at Law Office of Stephen C. Paul, LLC



CHAPTER NINE

Final Thoughts

There are many reasons to start a law firm, perhaps you want to work on your own terms, have flexible working conditions, are excited to build your own law firm from scratch, or some other reason. From getting your finances in order to creating a business plan to coming up with a plan to gain clients, starting a law firm can be tough, but also very rewarding.

Here are a few lessons learned from lawyers who have built their own successful law firms.

— UNDERSTAND THAT DOWN TIME WILL BE HARD TO COME BY

When you first start your law firm, it's likely that you won't have any clients right away. But that doesn't mean there won't be any work to do; on the contrary, you may find yourself busier than ever working on:

- Your [website](#) or [marketing strategy](#)
- Reading books on running a successful business
- Read the advance sheets from the newest cases
- Evaluating a new tool for your practice that can save you time when things pick up
- Getting your filing and [billing](#) systems in order

You're on your own time, and [time really is money](#) when you're [living in a billable hours world](#). But, it's wise to get into the habit of establishing a good [work-life balance](#) from the get-go.

— Invest in yourself and understand what you need to work on

If you're starting your own law firm, you need to look inwards and invest in yourself. Understanding what you need to work on and your areas of improvement will help you not only become a better lawyer but also a better law firm owner.

Get feedback from fellow lawyers and mentors. And work on your craft consistently: You owe it not only to yourself and your professional reputation, but to your clients.

— Learn the ins and outs of marketing

Lawyers know law. But, the vast majority don't know the business side of setting up a law firm, and they definitely don't know online marketing. Terms like "search engine optimization," "local-mobile," or "[responsively designed website](#)" might sound completely foreign to you.

But it doesn't have to be so confusing. Marketing is all about quality content, providing value, and garnering positive word-of-mouth (expressed in [reviews](#) and links to your website).

While referrals still make up a good majority of how lawyers get cases, this type of business model can take months and years to build up. Marketing is the same way and won't pay dividends overnight.

All marketing is a long game. While that may not sound reassuring when you're starting a law firm and clients are scarce, once you do establish your foundation, growing your client base will only become easier.

— Be lean—but invest in what matters most

There are so many things to spend money on when starting a law firm: furniture, office space, legal research, malpractice insurance, etc. What should you buy now, and what should wait until your business is booming?

Before any big purchase, ask yourself:

- Do I need this?
- Will this help [reduce the amount of time that it takes](#) to deliver services to my clients?
- Does this ensure that I'm providing the highest quality of service?

If it doesn't improve the quality or cost of your services, you probably don't need it. Hold off until your firm is revenue-positive. On the other hand, don't skimp on essentials such as [malpractice coverage](#).

— Use cloud-based tools

Technology isn't a luxury in many instances—it's a necessity for delivering quality legal services at a reasonable cost to the client. [Cloud-based practice management platforms](#) and cloud-based file storage systems are designed to help take the load of non-billable tasks off you.

There may be instances where you need to look up things while on the go. Having your documents stored in the cloud means you have the information you need readily available at any time. The cloud makes the days of carrying a USB flash drive seem like the days of carrying a rolling briefcase stuffed with thousands of pages of forms and files. In short, [don't be afraid of the cloud](#) when starting a law firm. It can help you more than you think.

— Have a plan but be open to change

A little planning will help you in the long run, but your goals will change over time. This guide goes over the essential parts you need to get started but is by no means the end-all, be-all roadmap for your new law firm.

Your budgets will change, you may completely redo your marketing plan, or find that your original systems and processes can be improved upon—and they should. As a lawyer and business owner, understand that you and your law firm will eventually evolve and grow over time, which is a good thing.

By creating this solid foundation you'll find yourself to be well-positioned for success as you grow and learn the ins and outs of managing your own law firm.

Starting a Law Firm: A Checklist for Success

Being organized and ensuring everything is documented will set you up for success when it comes to starting your own law firm. This checklist will help keep you on track as you take this exciting and challenging journey.

— WRITE YOUR BUSINESS PLAN

Write executive summary

Write firm description

Conduct market analysis

Highlight your experiences and what sets you apart

Select your practice area and the services you'll offer

Outline marketing strategy

— CREATE YOUR LAW FIRM BUDGET

List all potential expenses

Project revenue

Document and track your budget

Look for potentially helpful tools to manage budgets

— BUILD A PLAN TO ATTRACT CLIENTS

Set realistic goals

Determine your ideal client and how to find them

Expand marketing strategy outline and calculate marketing spend

Map out potential referral channels

— MAKE IT OFFICIAL

Choose a name

Design a logo

Form a legal entity

Get a bank account

Purchase insurance

Confirm licensing and compliance requirements

— IMPLEMENT SYSTEMS AND PROCESSES

Map out your internal operations and workflows

Create a sustainable, repeatable client intake processes

Select the right legal software

— CREATE YOUR ONLINE PRESENCE

Launch your website

Create your social profiles (e.g. Facebook, LinkedIn)

Get listed in online directories (Avvo, Justia, Google My Business)

— SET UP YOUR WORKSPACE

Select your ideal work environment

Set up your hardware

Set up your office furniture

— START NETWORKING AND HIRING

Join legal communities, groups, and forums

Hire staff or consultants

Create a training and development plan for yourself

Clio is powering the future of legal services for lawyers and their clients through a suite of cloud-based solutions, including legal practice management, client intake and CRM, online payments, and client-attorney communication and collaboration software.

Clio has been transforming the industry for over a decade with 150,000 customers spanning 100 countries, and the approval of 66 bar associations and law societies globally. Clio continues to lead the industry with initiatives like the [Legal Trends Report](#), the [Clio Cloud Conference](#), and the [Clio Academic Access Program](#). Clio has been recognized as a Deloitte Fast 50 and Fast 500 company and a market leader by G2.

[Learn more at clio.com](#)

