Above the Law

10 Things You Are Screwing Up While You Are Worrying About The Little Things

How to avoid some common mistakes when starting your own firm.

By NEXFIRM
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Ed. note: This post is sponsored by NexFirm. At NexFirm, we see dozens of new firms launch each year, and we seem to bond with both the people and the practice every time around. Their accomplishments feel like our success, and their disappointments, our failures. It makes for a great professional relationship, but it can also be painful when we see them repeat the same, predictable, new firm mistakes — especially ones that can be avoided with some guidance and forethought.

Attorneys who are launching their own firms tend to wring their hands over every small decision and miss the big picture. You feel overwhelmed, so you want to work feverishly to tackle your to-do list. After a long day full of “doing” without much “thinking,” you feel like you’ve really accomplished something. It’s an easy trap to fall into. It’s crucial to be thoughtful about the big things, set time aside to think about them, and treat them like the other action items on your list.

Start with these, the low hanging (albeit important) fruit:

1. Leave, Don’t Quit.

Focused on the unpleasant task of giving notice, worrying that you might piss someone off or — worse yet — be impeded from transitioning matters, you can easily miss the best marketing opportunity you will ever get. Use your resignation to ask your employer to give you business. Beg them, guilt them, scare them, do whatever you need to do, but make it happen. There is no one that knows you and your work better. If you can’t convince them to help you, in at least some small way, you are in trouble…
2. Get Clients on Your Side.
As you sit and dream about the response you will get for all of your clandestine planning once you launch your firm, your practice is dying. No one is rooting for Skadden Arps. Your friends and clients are rooting for you. Work it. Get them involved in your planning process: Let them chime in on your logo design, have them walk through your office choices, ask them what they think of the partners and associates you plan to have join you. Get them to invest emotionally in your success and feel like they have taken ownership in you, and they will help you in ways that you could not imagine. Think about it. How can they be part of your “launch team,” and then not give you business?

3. Don’t Scare Yourself into a Partnership.
Faced with the prospect of launching a firm from scratch, you are understandably petrified. It feels like there is safety in numbers, so you find a partner. In less than a year, you may come to the realization: You don’t really want a partner. If you don’t absolutely need one or feel like it’s not a 1 + 1 = 3 situation, don’t chain your future to theirs. Toughen up. Once you get past the launch, you’ll be happy that you did.

When I hear two longtime friends partnering up and insisting they don’t need a fancy operating agreement, I know that trouble is brewing. It’s exactly these sorts of relationships that go supersonic when trouble rears its head and they learn that they don’t share the same values about everything that they thought they did. Spend the money for an attorney to write up the agreement, talk through all of the what-ifs, and share your objectives and concerns as openly as you can. Breaking up is hard to do. Avoid it.

5. Be Ready to Make a Good Hire on Day One.
A good hire in the first year can contribute more to your firm than a big client; be ready to pounce when the right candidate comes along. Carefully define the profile — and compensation — for your perfect staff addition. Think hard about how you will communicate the virtues of being on your team so your great candidate won’t say no to a great deal. Then, don’t be afraid to go get ‘em.

6. Make People Care.
The only person who is going to be impressed by your “boutique firm with 20+ years of experience” is your mother. There are a million and one law firms out there, why is yours different? First you have to decide how, then you have to create a communication so that others understand. The good news is there’s a good answer to this question deep down, you just need to pull it out of yourself.

7. Make Some Mistakes.
Lawyers hate mistakes, which can make them bad entrepreneurs. Now that you own your own business, you need to figure out how to be a business owner as well as a lawyer. Take some calculated risks, try some new things, and learn what works for your firm. It’s not going to happen for your firm if you don’t step out of your comfort zone.
8. Understand the 5 Things You Stink at Most.

We all fall short somewhere. When you work for a big firm you are forced to do things that you don’t like or don’t feel you are good at. Once you go out on your own, there is no adult supervision and you’re free to really let your shortcomings get the best of you. Be true to yourself, and figure out your weaknesses and face them head on before they end you.

9. Practice Saying “No.”

It’s tempting to take any work that comes over the transom, especially when you have every cent you own invested in your new practice and you’re not busy. Don’t do it. Stick to your areas of practice. That 15-hour matter that will take you 75 hours because you don’t know what you are doing will eat up your business development time, and it’s not going to enhance your reputation. Refer such business out of your firm to create relationships with attorneys that can refer back to you, and stick to your knitting.

10. Go Out to Lunch.

Your accountant tells you that you are better off staying in the office and billing for the hour at $500 rather than going out to lunch and spending $100. She’s wrong. You have to get out — every day — and stay connected. A friend, old co-worker, competitor, or potential client lunch can pay huge dividends in the long run. The $500, after taxes, will barely pay for dinner and a movie. Be short term generous so that you can be long term greedy.

Here’s the good news: Of the dozens of firms we have helped launch, none have gone out of business. If you do your work up front by creating a cogent plan, the odds are very much in your favor. If you keep your mind on the big picture while you square away the details, you are going to kill it.

NexFirm is the backbone of dozens of small law firms across the country with a wide range of staff sizes and practice areas. If you’ve dreamed of having your own firm, our experts can help you draft and plan so you can judge if it’s feasible. Call us at 212-292-1000 and speak with our career advisors about launching your firm today.

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