

# Five things to consider before starting your own law firm

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For more than 25 years I have worked inside, consulted to, observed, and advised the leadership teams of top tier law and mid-tier accounting firms on business growth strategies. What I know for sure is a law firm is so much more than the pure practice of law - whichever way you look at it it is actually a microbusiness. Here are five questions you should consider before you start your own firm:

## 1. Why do you want to start your own firm?

Be clear on purpose. Everything begins with 'why?'. Are you able to articulate why you want to start your own firm? Can you describe what makes you unique and why people should join you or appoint you?

Make sure you have a clear vision for how you want to be seen. Whatever you do make it authentic and that what you say you do and what you actually do are perfectly aligned— because anything else will be a chronic waste of time.

## 2. What services will you be offering, what will success look like?

Do you have a plan. What services and expertise are you offering? Are you known/recognised as an expert in your field? What is your experience? What services will you be offering? What will make your firm strong in good times and bad?

The first step is to know yourself. Do this by asking colleagues, clients and friends. Has the media written about you? What feedback have you received from clients? What strengths do your trusted friends and colleagues see in you? Have you completed a behavioural profile so that you can see objectively your unique strengths and abilities? Are you a business developer? Do you have a natural affinity with your clients? Do you even enjoy networking at client events? Do clients seek you out and insist you work on their matters?

All of this will determine how successful you will be when you start your own firm. The fact is starting a business is more about leading and day to day management of people, administration, invoicing, chasing payments, balance sheets, IT, property/leases workplace safety. None of which you signed up for when you first became a lawyer, and yet it is these things that will take you away from your core business - which is your passion for the law.

You need to think about what you can do and what you can (and will) outsource.

## 3. Who do you want to work with? Who will your clients be? Who will help you?

You'll need to consider both who your people will be at the law firm, and who your clients will be.

When considering people, who will complement your skills, and who do you trust?

Be clear on the attributes you need in the firm, consider whether you think a specialist, or a lawyer

with well-rounded experience would be more appropriate, perhaps a technician or a client developer?

You need to be building your new firm based upon your ability to leverage the natural strengths and abilities of your people – to be the kind of firm that excels at attracting good talent but also positioning and developing that talent.

Where will you clients come from? Whether you are planning to leave or have left a firm already, the relationship you have with your clients will have a strong bearing on how you will build your client base in the future.

Stay as close to your clients as you possibly can, whether internal or external. You need to know the world through their eyes and have a close working relationship with them so that you know what they want and need, and so they know you and your ability to meet those needs.

Finally, who will help you? Don't be afraid of hiring a business coach – the best business leaders, athletes have coaches and there is a very good reason.

#### **4. How will you lead the firm, and differentiate your services from every other law firm?**

What experiences will you draw upon to steer the firm during turbulent times.

Do everything in your power to be the kind of leader people run through walls for. The best leaders are those who 'get' their people – sometimes they give bad news or they push harder than perhaps is necessary but their people never feel as though they are out of touch with them as individuals. The best leaders are good at painting a vivid picture of a better future by bringing hope to people. Their morning meetings or monthly reports are not defined in purely financial terms.

How will you perform in terms of productivity? One of the most interesting differences in terms of organisational performance is not between firms, it is the variation in performance of teams within the firm doing exactly the same work. The most powerful difference is found in the answer to this question "at work do I have an opportunity to do my best work every day?". Teams who answer 'yes' perform better, have better client service scores and better attendance.

Does your new team understand how to run a profitable practice? What role does technology play here? Do you have insurances in place?

How will you differentiate yourself? What are you offering that is unique or meets a specific need? How will you charge - an hourly rate, monthly retainer, success fee? You need to determine what will work best for you and for your clients? In my experience, the best way to find this out is to ask them – and you don't necessarily need to give every client the same thing.

#### **5. Where will you position your firm both physically and in terms of price/value?**

Have you determined where you will position yourself in the market – and this means looking at both location and price/value. Are you an uptown firm with a matching hourly rate or a suburban practice? Is your niche as a specialist firm? Do you prefer playing in the mid-market space? Where will you promote your services? Where will people find you?

All of these questions will determine whether your firm will be successful.

Lastly and this tip is from first-hand experience: One of the most powerful questions you can ask a client when you are starting your own firm is 'what irritates you about using a law firm?' This will be the most important answer you will ever get. Write it down and do the exact opposite.