



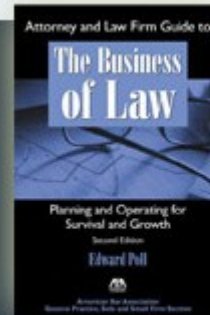
Week of **April 14, 2009**

## Successful Law Firms Are All Alike

Tolstoy famously began his novel *Anna Karenina* with the assertion that "happy families are all alike; every unhappy family is unhappy in its own way." Much the same can be said about the business prospects of law firms. Firms that are in danger of failing have generally followed their own unique paths to destruction through a toxic combination of personality clashes, policy failures, and practice errors. By contrast, successful firms reflect similar positive attributes.

We are inundated with negativity about law firms these days, so I thought it would be timely to go back to the positive fundamentals, and list ten common characteristics of successful law firms that I have uniformly observed in decades as a lawyer, coach, executive and consultant. In these firms the lawyers:

1. Have a comprehensive business plan.
2. Remember that the client comes first. Without clients, there is no reason for a lawyer to exist.
3. Sell solutions ("provide value") to clients, not sell time as expressed in billable hours.
4. Begin each matter with an engagement letter—a written agreement outlining the scope and responsibility of each party, including the client's responsibility to pay.
5. Prepare budgets for each matter: tasks, events, timing and resources to be used for the benefit of the client. This requires early analysis and client signoff.
6. Understand that their inventory is not "billable hours," it's the cash those hours represent, and they focus on collecting accounts receivable and maintain a high realization rate.



*Attorney and  
Law Firm  
Guide to  
The Business  
of Law*

Do you want to:

- Be more successful by design than by accident?
- Be more profitable?
- Attract more clients?
- Have your clients pay on time?
- Have greater control of your practice?
- Have greater peace of mind?

If your answer is yes to any one of these questions, you must read this book. I have simplified the mystical process of operating a law practice so anyone can be more effective with his or her clients and become more profitable.

This expanded edition adds 27 new chapters on marketing, personnel issues, technology, time management, clients' trust accounting, opening a new office, and changing from one practice to another. As I say in my Preface to the Second Edition, "When we lawyers act in a more business-like manner, we tend to be more effective in the delivery of our

7. Practice effective cash flow management by getting funds into the bank as quickly as possible.
8. Recognize that technology—emails, blogs, cell phones and voice mail—cannot replace personal relationships, personal integrity, and rapport with clients.
9. Work with a coach or mentor to achieve business and practice success more quickly.
10. Have a disaster plan in place and keep it current. Business survival and succession cannot be left to chance.

When combined, these characteristics have one message. To have a successful firm, view your practice as a business as well as a profession, and take a businesslike perspective to provide your clients with value. Doing that will ensure your firm's long-term future.

## Personal Commentary

Is malpractice also breach of contract?

That is the new ruling in Maryland's Abramson v. Wildman, and may be the rule elsewhere. If your engagement agreement says that you will, "act in a professionally responsive manner," you may be held to both malpractice standards (negligence; tort) *and* breach of contract!

Be sure to check both your jurisdiction rules and your engagement agreement.

Best wishes,

Ed Poll

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services." The many ready-to-use forms and charts are available on a disk in Word Perfect, Excel, and Quattro Pro formats.

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Ed's Tweeting! 

## What Readers Are Saying...

"The Business of Law (2nd. ed., 2003) might be the most practical and informative book I have read in 10 years, honestly."

-Atty, Dallas, TX

"I have...assigned many of your articles and excerpts from your book to my students in Law Office Management. You are indeed the master."

-JB

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