

Are you pricing for success (or failure)?

By Kris L. Canaday, Freelance Paralegal

Solo practitioners endure many challenges. They are the “go to” person for everything: They are their own IT person, supply person, mail clerk, secretary, paralegal, bookkeeper, and everything in between (in addition to providing legal services to their clients)! If you are, or have been, a solo, you already know this all too well.

Juggling so many hats makes it difficult to grow a practice because so much time is spent on so many things other than marketing, networking, and practicing law. As a result, it’s not uncommon for solos to spend their career struggling to create a sustainable practice while others simply give up the solo life.

Those who persevere and find themselves growing have even more pain points. At least for a while. **There comes a point, though, when every entrepreneur realizes there are only so many hours in a day and that one person can only do so much, and grow so much, alone.** Oftentimes, outsourcing is chosen as the most ideal solution during this time of growth.

For many practitioners, outsourcing is identified as a more viable solution than hiring because the workload fluctuates too much to hire a regular employee, let alone justify the cost. For other practitioners – and this is a growing trend – **the decision to outsource is based on a new business model preference: That of minimizing overhead and maximizing output capacity.**

But before deciding to outsource, take a good look at your practice. Are your services priced to sustain your practice and accommodate for the costs associated with growth? In working with attorneys across various regions, I’ve found that **pricing is not only an especially difficult issue for solos, underpricing is a very common theme among new solos, especially those who hang their shingle right out of law school.**

Pricing services is more than just choosing a number that seems right or comfortable. It’s a figure calculated by a culmination of information that expands beyond practice area and expertise/experience; one that, if properly calculated, also compensates for costs – both quantitative (such as supplies, equipment, and overhead) and qualitative (time spent running the practice). **If you’ve properly valued your services, then your rates should lead to profit.**

However, if your struggling to cover the cost of [reasonable] operating expenses and pay yourself a livable wage while working 40, 50, 60+ hours a week, take a good look at your practice and determine whether your rates are where they should be before deciding to outsource various aspects of your practice. **If you’re undercutting the value of your services, adding to your expenses will not likely lead to the desired result.** Don’t take my word for it, though. Check out Lee Rosen’s related article, “[The Number That Tells You When to Hire Help.](#)” It’s all in the numbers.

Once everything is aligned, you'll find outsourcing an invaluable asset for delegating all those jobs you don't practice law to do, and free up your time to create incredible growth and service to your clients.

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