

Taking the plunge

STARTING UP YOUR OWN LAW PRACTICE CAN HAVE ITS CHALLENGES AS WELL AS REWARDS AS NATHAN PAPSON HAS DISCOVERED.



Not all lawyers are destined to work towards partnership in an established law practice. Some lawyers frequently change firms, others work in industry or change careers. Among lawyers, there is a group that will take the plunge and start up their own practice.

Starting a legal firm is not for everyone. Having recently established my own firm, I want to share some hurdles I have encountered during my firm's infancy. For those who have been pondering starting up their own law firm, or perhaps wondering "what if I went out on my own", I hope this provides some insights.

In reality, working for yourself is not necessarily a glamorous career. Starting a law firm requires a lot of hard work. Think about your current job. Every day, you may be doing a mix of drafting, attending meetings and researching source materials.

If you are your own boss, then you need to do the above tasks, as well as keep the business running. This may include office administration, invoicing and accounting.

You do not need to complete a timesheet to see that a lot of extra work is required.

Generalist or specialist?

When starting a law firm, a lot of planning needs to be done. One big decision for new firms is whether they should choose to be generalist or specialist. There is no right or wrong answer but the following should be considered.

- If you are considering starting a practice covering all (or most) areas of law, it may be hard to gain knowledge in a wide range of laws. This therefore may increase risk when advice on certain laws is being given.
- This risk can be overcome by starting a firm with a number of principals, allowing each to focus on their own area. It also makes sense from a commercial viewpoint. For example, would you hire a tax lawyer to provide criminal law advice?
- If you have background in a particular area of law, you may consider establishing a firm exclusively in that

area. The downside is that you may turn away some work.

- By sticking to a specific area of practice you can build your reputation among your peers and clients as a specialist in that area. Ongoing work should follow.

I have been fortunate enough to have a legal background in superannuation, taxation and estate planning. As such, I want to continue to focus on these areas as my firm progresses. To compensate for the services I cannot provide personally, I am building a wide referral network to assist clients.

One of the exciting challenges of starting your own practice is that you can develop your entrepreneurial and business ownership skills. Below are some tips for prospective principals that are not taught in law school.

Marketing

When you start your own practice a lot of time is spent on marketing. There are many ways to do this, including networking, establishing an online presence or distributing marketing materials. Marketing should be done regularly.

Information technology

Email, websites, social media and other e-marketing strategies will be the responsibility of the principal lawyer. There will be no IT department or help desk. Technology is essential because it enables communication for both lawyers and clients. Consider outsourcing to an IT professional.

Finance

When starting out, your firm may not have a guaranteed stream of income. A big outlay will be needed. Some examples of start-up costs are an office lease, furniture and computer systems. This may require you to break open that rainy day fund, seek support from friends or family or apply for a loan with a bank.

Administration

New principals may need to do all administrative tasks associated with the practice. A good way to picture this is to think about what is done by

a law firm's secretaries, receptionist, finance staff, HR department and cleaners. As a principal, this is now your responsibility. Organisation is the key to staying on top of these administrative tasks. Plan, create processes and delegate where appropriate.

Leadership

To run a successful practice you must be a self starter and exercise good management and leadership skills. Leadership can be defined in many ways. However, in the context of building a law practice, leadership can be demonstrated by having a vision for the firm and taking initiative to make that vision a reality. Draw on your past experiences – university group assignments and presentations, work experience, sporting and club commitments – to channel your leadership skills.

The above points are all essential for starting and maintaining a practice. As young lawyers (or law students), we have the privilege to be able to study

the law. However, an appreciation of the above factors will also benefit both lawyers and principals.

Bask in your success

Starting your own law firm requires a lot of effort, but also brings rewards. Success should not just be measured in terms of financial results (although revenue is crucial to continuity of a law firm). Rather, success may come from achieving great results for clients, or perhaps finding the right balance in your own personal life. Whatever you may be setting out to achieve, it is important to celebrate the successes along the journey.

I have had to navigate through the areas covered here in order to establish my own practice. I am now looking forward to serving clients and achieving my own success in the legal profession. ■

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