

SMALL BUSINESS



Successful Small Firm Practice Series Session Two

PRESENTED BY

ROCHELLE D. WASHINGTON

*PRACTICE MANAGEMENT
ADVISOR*

D.C. BAR

SEPTEMBER 21, 2020

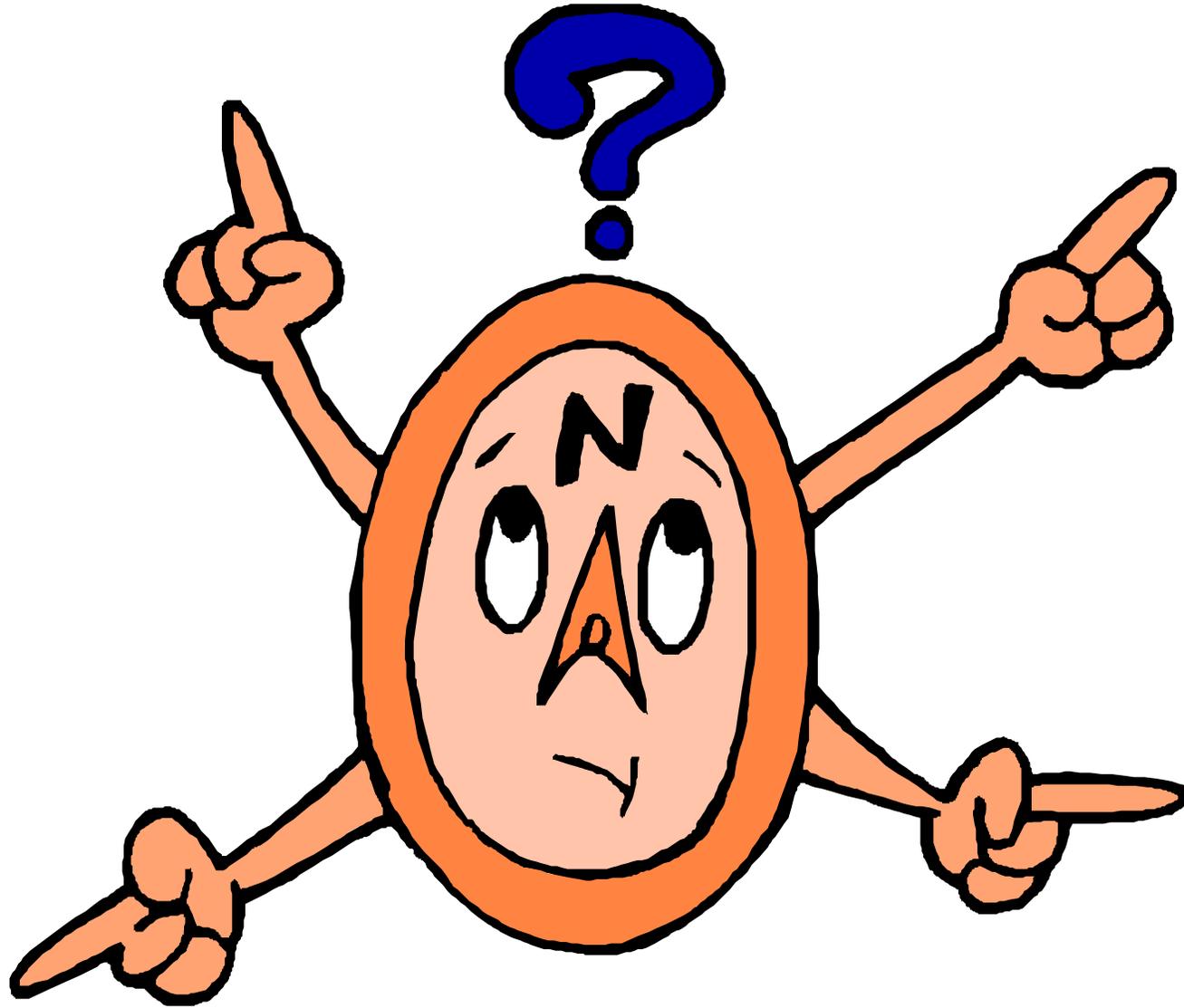
RECAP





A
business
plan in
writing

**PLANNING
IS NOT
OPTIONAL**



Business Plan

Some lawyers don't think they need one

Either you control the story or the story controls you

The Plan creates control & direction

HOW DO YOU START

WORK THROUGH THE PLAN

Mission Statement- Homework

Firm Goals and Objectives

Firm Philosophy

Clientele

Practice Area

Strengths and Weaknesses

Executive Statement

Explain the fundamentals of the proposed firm:

- What will your service be?
- Who will your clients be?
- Who are the owners?
- What do you think the future holds for your firm and this practice area in general?



To Solo or To Partner



It is a Professional Marriage!



Beware



DISCUSS everything- Long Term Goals/ Short Term Goals



Plan together



The Money-

-Eat what you Kill

-Split everything

-Percentages

Firm Name

Office Space

Business Entity

Taxes

Insurance

Start-up Cash

Tech and Productivity

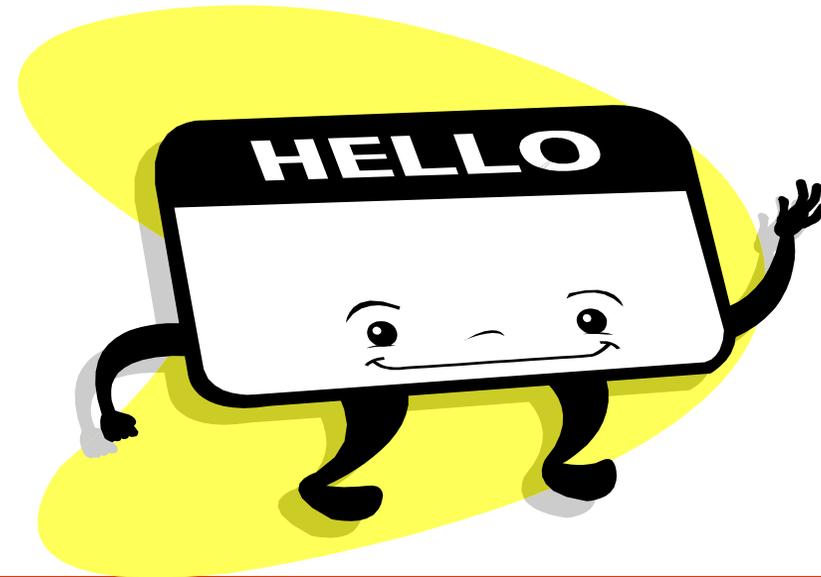
The Basics

The Firm Name

Legal Ethics Opinion 332/ DC RULES 7.1 and 7.5

Don't Mislead!

Don't Confuse!



Legal Ethics
Opinion 332



You can use the
word “Firm” in
your name



How to Choose
a Name for a
Law Firm

“Firm”

Unique Name? Maybe not

Start-Up Naming
Concepts

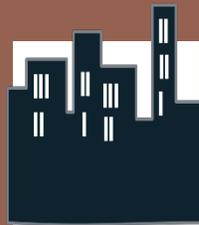
You will also
need...



Identifiable Phone Number



Professional Email Address



Appropriate Business Address

Office Space

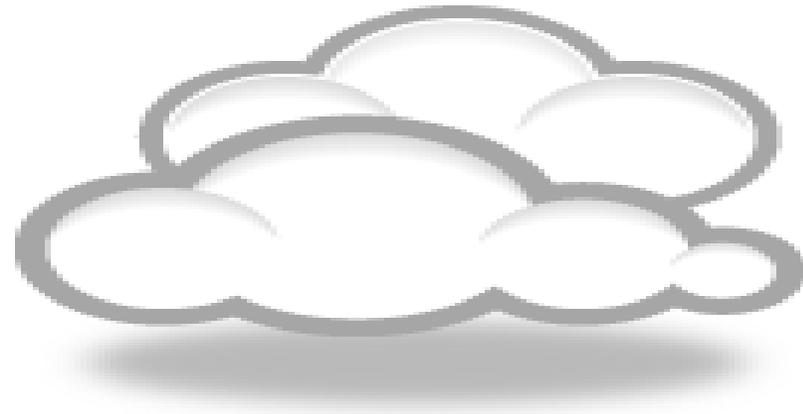


Virtual Office

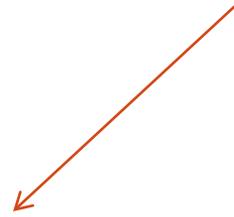
or



Brick and Mortar



VIRTUAL OFFICE



CARR
WORKPLACES

METROFFICES
How Will You Work Today? We Support That

wework

RegusTM



OSIOFFICES



LOCATIONS

SERVICES

WORKREADY CLUB

BLOG

BEC

DC Bar Member Discounts



Carr
Workplaces

Carr Workplaces offers DC Bar Association members exclusive discounts:

Receive 20% off meeting rooms, mailing address, phone service, cafe, desk, and office packages

Use promo code DCBAR when purchasing online, or give us a call!

Office Space

A Few options:

- Home Office (note unauthorized practice)
- Office on Demand- [Carr Workplaces](#) (member benefit)
- [Virtual Office \(portal\)](#)- example
- Shared Office Space
- Rent Office Space (not shared)
- Own Office Space



If You are Only Admitted in D.C .

Avoid the unauthorized practice of law in MD and VA

But I live in MD or VA . . .

Office in DC- Office on Demand

[See DC Rule 5.5](#)

Business license in DC?

No, and you no longer have to file the Exemption Request Certificate with DCRA

But don't forget the FR 500 - Taxes

What you need

#2 NAICS Business Code: 541110

<https://dcra.dc.gov> – Department of Consumer and Regulatory Affairs

Do I need an EIN?

[APPLY ONLINE](#)

Know why you need an entity

Talk to a Lawyer

No protection from professional liability

Choosing a Business Entity

Business Entity

- DCRA- Department of Consumer and Regulatory Affairs
- Sole Proprietorship
- General Partnership
- Professional Corporations
- Limited Liability Company- (D.C. says PLLC)
- Professional Association
- Limited liability partnership (LLP)

Insurance for Professional Claims

Not Required

- Entity Formation does not help!
- Best Practice- Be Covered
- Rule 1.8(g) bars a prospective limitation on a lawyer's liability for malpractice
- USI Affinity- Member Benefit

High or Low Risk?

High risk: intellectual property, patent, securities, class action, entertainment

Moderate risk: real estate, tax, plaintiff injury

Low risk: Any civil defense work, criminal, juvenile, mediation

Free tail coverage after 3 - 5 years



Other Insurance

- General Liability Insurance
- Property Insurance
- Business Owner Policy
- Worker's Compensation
- Data Breach/Cyber

Banking- 2 Accounts recommended



IOLTA ACCOUNT



OPERATING ACCOUNT

KNOW THE RULES!



Estimated Start
Up Expense
(annual)

Low – no staff & office-on-demand

\$10,000 - \$20,000

High – staff & office space

\$115,000 - \$175,000

Can You Afford to be Small Firm?

Sources of funds (start up)

- Small business loan
- Line of credit
- Credit card
- Savings
- Can you handle the slow periods

Profits equal revenue minus expenses.

Are you priced for profit or are you surfing cash flow?

How much does it cost to launch?

How much money do you want to spend?

Estimated expenses- handout

Profiting in
the Small
Firm
 $P=R-E$

Work Through the Spreadsheets

12 month cash flow

12 month profit and loss projections

12 month revenue forecast

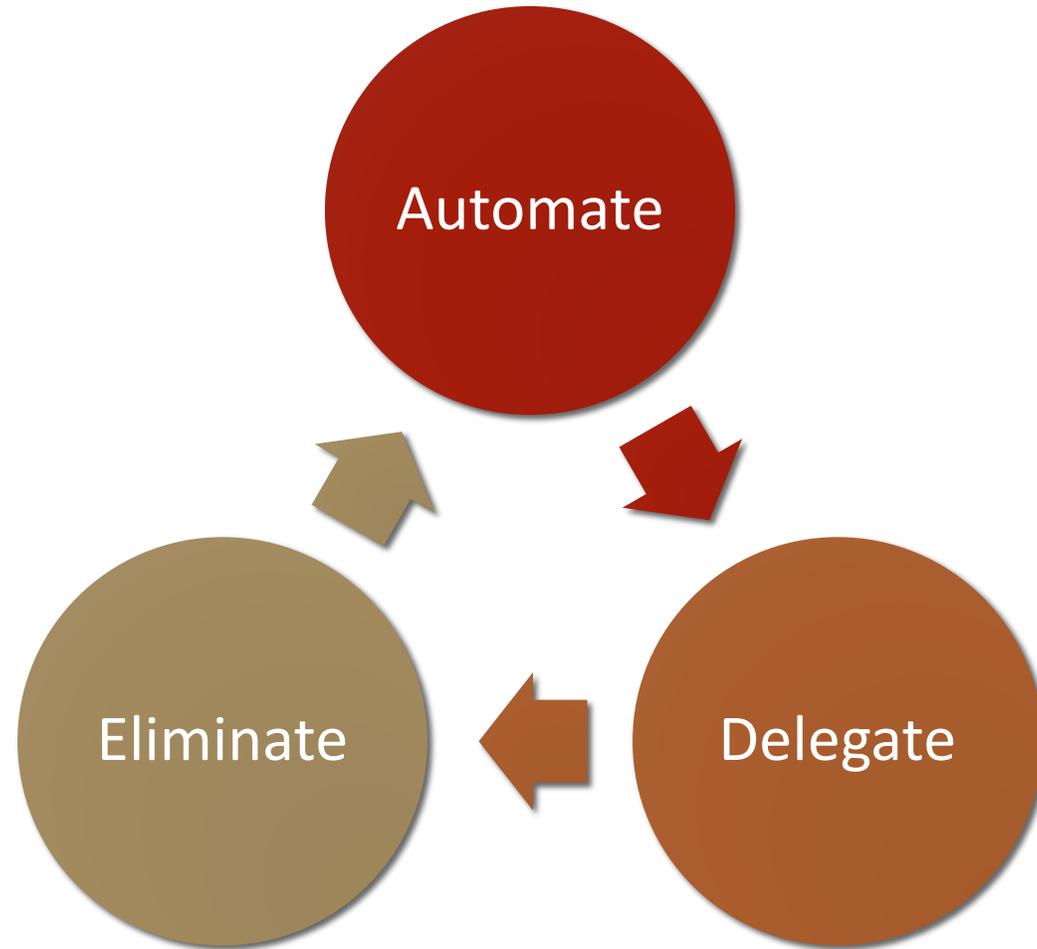
4 year profit projection

Sample budget



Technology and Productivity

AUTOMATE



On-Site Server vs. Cloud

Control over all systems/data

Someone else controls data

Company data is stored/handled internally

No new infrastructure requirements (ex. Servers)

Dedicated IT staff for maintenance/support

Third parties are doing the work

Initial investment is high but pays off over time

Can get expensive over time

SAAS vs. Software on PC



TIME TO UPDATE





Small Firm Tools

Small Firm Tools

Recommendations for:

Laptops

Desktops

Case Management

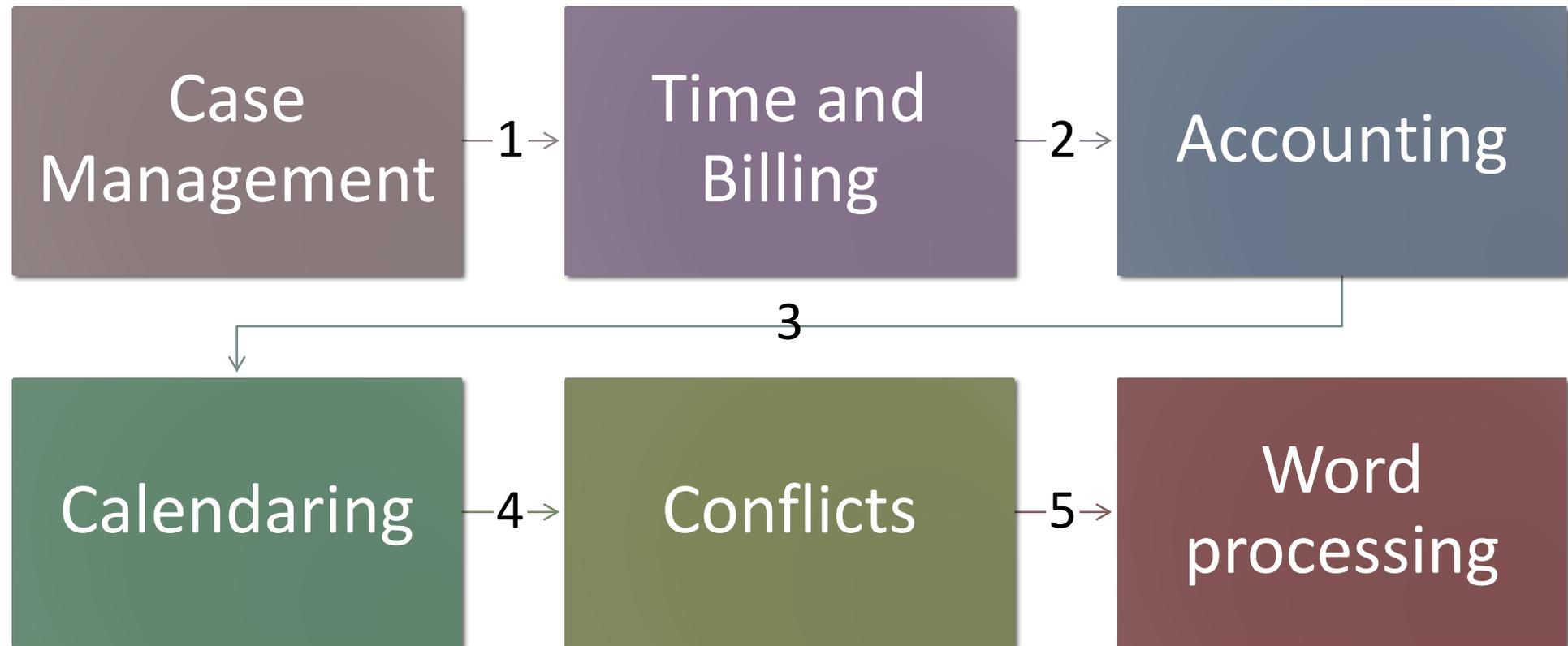
Manufacturer tech support

In-store tech support

Printers (all-in-one & dedicated)

Scanners

When Technology can help



How to Choose Technology for your Law Office

1. Attractive- you must like it
2. Intuitive- small learning curve
3. Features you need- Know the must haves
4. Cost effective- It is in your budget
5. Secure- Read Terms of Service

1. Steve Jobs
2. Word vs. Word Perfect
3. Functionality for your firm
4. Bottom Line
5. Safe for client data?

The Virtual Office



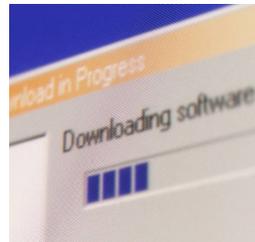
Laptop



Printer/scanner/copier



Website/email



Software



Virtual Office



PC



Paper Management



Phone



Conference/meeting room

Avoid people not leaving messages with our 24/7 "piece of mind"
Live Answering Services



Answering Service

STANDARDS

LCCA Security Standards

Table of Contents

(SECTION I) SCOPE OF STANDARDS

Standard 1. Scope and Purpose

(SECTION II) PHYSICAL AND ENVIRONMENTAL MEASURES

Standard 2. Location of Data

Standard 3. Certifications

Standard 4. Geographic Redundancy

(SECTION III) DATA INTEGRITY MEASURES

Standard 5. Encryption

Standard 6. Testing

Standard 7. Limitations on Third-party Access

Standard 8. Data Retention Policy

(SECTION IV) USERS AND ACCESS CONTROL

Standard 9. End User Authentication

Standard 10. Addition or Suspension of a User

Standard 11. Tracking

Standard 12. Addition or Deletion of Data

Standard 13. Retrieving Data

(SECTION V) TERMS OF SERVICE AND PRIVACY POLICY

Standard 14. Terms of Service

Standard 15. Privacy Policy

Standard 16. Uptime Guarantee

Standard 17. Confidentiality

Standard 18. Ownership of Data

Standard 19. Demands for Data

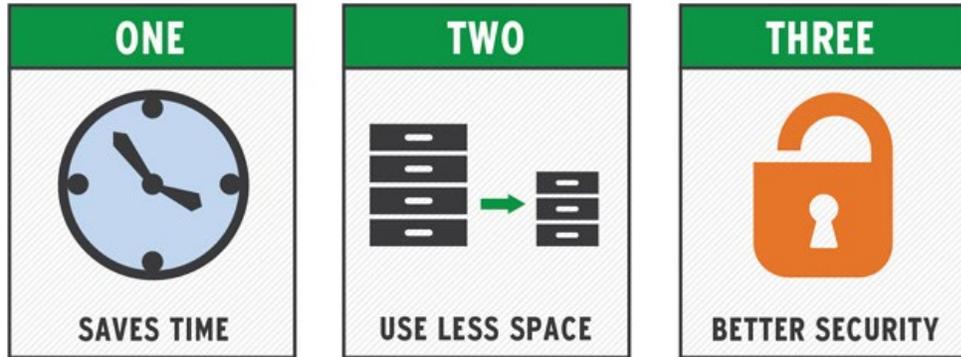
Standard 20. Data Breach

Standard 21. Disaster Recovery

<http://www.legalcloudcomputingassociation.org/>

BENEFITS AND SAVINGS

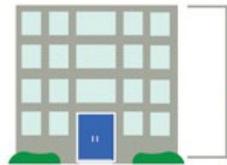
REASONS TO GO PAPERLESS



\$10,000

\$10,000

estimated savings per year at an
EIGHT-EMPLOYEE company



\$1,000,000

\$1,000,000

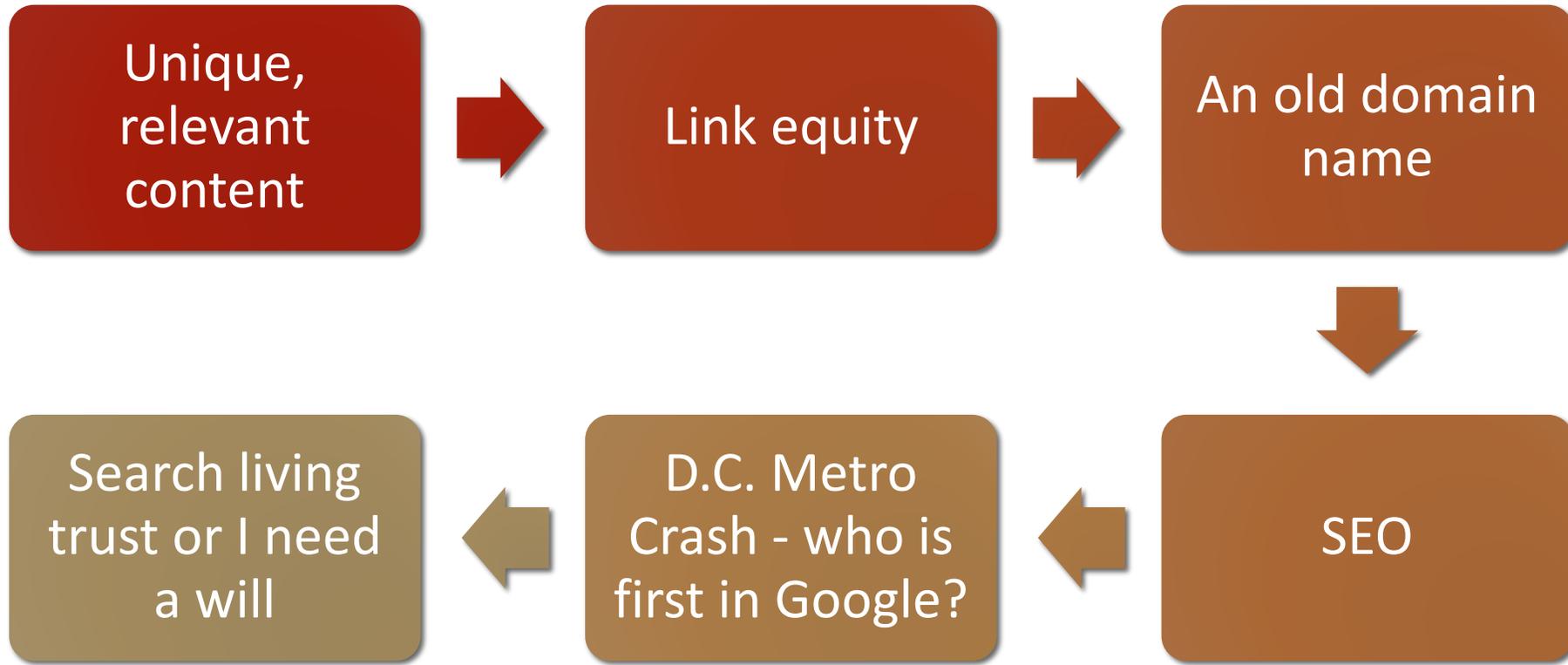
estimated savings per year at a
370-EMPLOYEE company

GOING PAPERLESS

...

Website





Marketing: Website



Mobile website? www.dudamobile.com

Thumb-friendly design;

Create for visibility & simplicity;

Click-to-dial phone number;

No more than 7 main navigation buttons

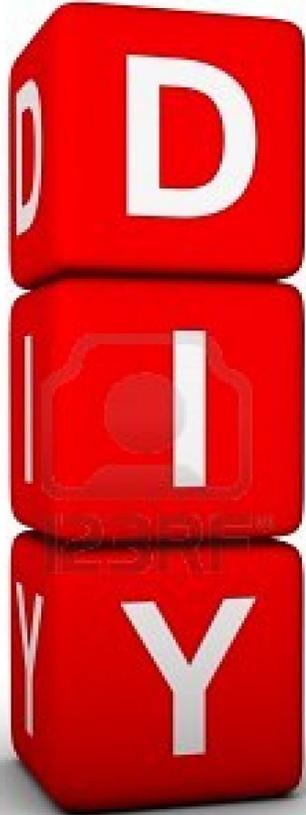
Marketing: Mobile Website



Before



After



Must have website

You can do the work yourself:

- <http://rollinsandchan.com/>
- www.weebly.com
- www.wix.com
- www.wordpress.com
- www.directlaw.com

Resources

[DC Bar help](#)

[DC Bar Communities](#)

[DC Bar CLE](#)

[SoloSez](#)

[MILO](#)

[Lawyerist](#)

[AttorneyAtWork](#)



KEEP
CALM
AND
SEE YOU
NEXT WEEK

See you September 28th!

Homework:

- Work on Business Plan- Financial Piece
- Estimate start-up cost
- Make Future projections
- Work the spreadsheets
- Try using the Concept Map