

# WHAT ARE YOUR PRACTICE MANAGEMENT PRIORITIES FOR 2019?

By Cedric Ashley, Ayesha Hamilton,  
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**T**he profession, practice, and business of law continue to be in a state of evolution. There are many factors impacting our practice. The commodification and open sourcing of legal documents is one of those factors. There was a time when our stock and trade dealt with the preparation of legal documents for clients. Now many of these documents are either available for free through a quick Google search or at a very low price from an on-line legal document provider. The core of what we do involves providing legal advice and services to our clients. This is also being impinged upon, whether by lawyer websites that offer tons of legal information (with a disclaimer that it is not advice and no attorney-client relationship is created) or by online legal providers (with a disclaimer that they are not providing legal services). We are also confronted with the off-shoring of legal services. Similar to the medical profession's use of overseas/overnight radiologists to view imaging studies, there is a growing trend toward the off-shoring of some "limited" legal work (research, document review, document preparation) to other countries.

Those are some of the big-picture, global trends we are facing. However, there are many more pressing issues that confront us in the day-to-day management of our law enterprises. Improving fee collections, managing client relations, and keeping up with technology advancements are just a few that we face. With this

in mind, I posed the following question to two sole practitioners and a legal technology consultant: *What are your practice management priorities for 2019—and what issues are keeping you up at night in 2019?*

Their responses are below.

—Cedric Ashley, Assistant Editor of *GPSolo* and a sole practitioner

## **AYESHA HAMILTON, EXPERIENCED SOLE PRACTITIONER**

When I served as the chair of the Solo and Small-Firm Section of the New Jersey State Bar Association, my focus for the section was on the business of our law practices. This is not something you will learn in law school or even working in a larger practice, but taking care of business should be a crucial part of your workday as an entrepreneur. Here are some of the things that I am going to focus on in 2019 to strengthen my business:

**I want what every business owner wants: a steady flow of business this year.** Getting there requires attention and work. You don't need to spend a lot of time or money, but you do need to plan to develop your referral stream. This year, I am going to make sure I budget an hour or two each week to focus on marketing, whether to write a blog post, meet with a colleague or networking contact for coffee or lunch, or attend a group networking event. Joining a networking or practice-related group is a great first step, but being an active and engaged member

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is critical. This year I am going to focus on raising my profile by being involved and engaged.

**I am going to scrutinize my business operations this year.** Over the last 14 years, I have taken a “set it and forget it” approach to my business. This means that I have not explored cheaper, more efficient ways to do things or even looked at simple profit-and-loss statements on a monthly basis. I have realized that while my old approach may have worked, it will not serve me well in a growth mode. I need to know where I am spending money and how I am making money to better understand my business. Without even this basic information, I am shooting in the dark when I make business decisions. For instance, I am going to be better at tracking the sources of new clients, whether from attorney referrals, the Internet, old clients, etc. I need to know which of my marketing efforts are working and which have been a waste of money. I realize that I cannot grow without this analysis.

**I am going to work smarter this year.** In the last two months of 2018, I decided to hire a paralegal. This is *the* best decision I have made in my business. The goal for 2019 is to make sure that I am effectively using my paralegal to allow me to focus on attorney-only tasks and business development. While I have talked a good game about making sure you have a good team to support you, I have always been terrified to hire someone. Taking that leap was huge—and not as painful as I had anticipated. Now, I want to make sure that I get better at delegation. It isn’t as easy as it sounds for a committed control freak such as me, but by making it a key objective, I hope to see that the tangible benefit from freeing up time will increase the quantity and quality of my work product and my attention to business development.

The new year presents a new and exciting opportunity for every one of us to work *on* our practices, not just *in* our practices. Whether you work in a law firm or own your own practice, business development and efficiency is always the name of the game in making you a valuable member of the team. Realize that you are not alone and that the American Bar Association and other

legal groups provide critical support and encouragement to move your business to the next level.

**It is vitally important  
to understand and  
set financial goals to  
keep your business  
running.**

#### **RAHUL ARORA, NEW SOLE PRACTITIONER**

Starting a solo or small firm practice comes with an added challenge of learning how to run a small business. Although the American Bar Association’s professional responsibility course sheds light on an attorney’s ethical obligations, nothing in law school prepares one in the art of being an astute businessperson. Thus, a big part of setting up one’s own practice, at least in the first few years, involves learning how to manage and grow a business. A plethora of management areas require one’s attention when starting out a new enterprise. However, having recently started my own practice after working in big law for more than five years, I find the two areas below to be of specific importance to me:

**1. Rationing time.** When working at a big law firm, an associate is tasked primarily with racking up as many billables as possible. At least for the first three to four years, the goals for each associate are set with a focus on mastering the application of law and generating revenue. Thus, all of one’s time is dedicated to those respective tasks. As we all know, time is a scarce resource, and its optimal distribution plays a critical role in the successful operation of any business. Starting a solo or small firm practice requires one to master the skill of rationing this finite resource into far more categories than those experienced by an associate at a

big law firm. Below are three of the key time-consuming categories:

■ **Marketing.** This category incorporates marketing strategies related to advertising, publishing articles in your field of law, speaking engagements at national and state events, and bar association and other association responsibilities. It is critical to use the right marketing strategies in order to bring in the right set of clients. Thus, starting out, a considerable amount of time must be set aside every week to make sure that one’s services are being put forth in front of the right audience.

■ **Financial management.** Although one can certainly outsource some of the financial duties of running a solo or small firm practice, it is very important to understand and set financial goals to keep the business running. Keeping track of the breakeven point, the number of clients needed to stay afloat per week, etc., are tasks that require regular time commitment. While this is not as time consuming as the category discussed above, financial mismanagement can certainly sink the entire enterprise, thereby commanding requisite attention.

■ **Providing high-quality legal services.** As in a big law setting, without a quality work product, one’s solo business enterprise cannot survive. Accordingly, this category will, and should, take up the lion’s share of one’s time.

As the client base begins to grow in a solo or small firm practice, it becomes more and more important not to lose track of the tasks discussed above and to hire the required help, as needed, to prevent things from falling through the cracks.

**2. Estimating fees.** As discussed above, law practice for associates in big



law firms is primarily focused on accumulating billables. Thus, an associate almost never gets a chance to review bills that are sent to the clients. Furthermore, most big law firms deal specifically in hourly fees, and no fixed-fee arrangements are ever brought to an associate's attention.

On the other hand, in a solo or small firm setting, the fees are often billed based on both a flat-fee and an hourly basis. As a new solo or small firm practitioner has no experience with estimating fees for a particular service, it is extremely important not to overburden oneself due to the urgency of closing clients. Experience is certainly one's best friend in this area. I find extensive research and caution to be mandatory requirements for achieving a robust fee schedule.

#### CAROL L. SCHLEIN, ESQ., CONSULTANT

As a legal technology consultant, I worry most about what might happen to my clients that I can't fix. Many small firms do not think about how they protect the data of their personal and business clients. Cybersecurity experts estimate that one-half (yes, one-half!) of businesses will have their computer data breached in 2019. It is no longer a question of if but when your systems will be hacked. To help me sleep better this year, I hope my existing clients and future clients will take better precautions with their technology. The first

step is to have complex and varied passwords. Cybersecurity experts recommend using multifactor authentication with a password manager such as LastPass ([lastpass.com](http://lastpass.com)). LastPass encrypts your data when it leaves your computer or phone, making it more secure. Adding multifactor authentication puts an extra layer of security between hackers and your data and information that live online. At its most basic, after your regular login to a site or service, two-factor authentication will send a confirmation code to your e-mail or cell phone that requires you to enter this code within a short period of time to get access to your data. There are inexpensive hardware-based tokens that can serve a similar purpose and may be better for people who don't want the extra steps but want to work more securely. Cybersecurity vendors that we work with offer services to assess your firm's exposure and will recommend ways to remediate and lessen your risks along with developing policies for your staff. While this sounds very inconvenient, consider the alternative of having your systems compromised.

We are all one misstep from a catastrophe. A few years ago, I innocently opened an e-mail that I thought was an incoming fax from our new phone system. The next thing I knew, I saw a demand for ransom and was unable to open anything on my server as the files

started becoming encrypted and replicating before my eyes. Lucky for us, we lost no data because we had an online backup service that was able to give us a copy of our data from just before the infection began. Law firms that still rely on tapes or high-capacity USB drives do not have those options if infected. Firms that don't have a well-thought-out backup process for their key applications also keep me up at night.

My other nightmares are my worries about firms that run their core processes on older versions of software. The last big business revolution was the transition from agriculture to industry. In its wake, the companies that survived changed from making bicycles and buggy whips to cars and car accessories. We are still in the early years of a technology revolution. Technology has and will continue to change every aspect of our work and home lives. Older programs are harder to support and more prone to corruption. Firms using them lose out on enhancements and compatibility with more current programs. While it may be quaint that a powerful lawyer still doesn't do e-mail, that lawyer will face increasing competition from lawyers who embrace and leverage technology to serve their clients better. Firms that invest in technology and training their people to use this technology effectively and efficiently are the ones that will thrive in 2019. Sweet dreams! ■



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