

Law Practice Setup and Management Guide

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BUILD YOUR LAW PRACTICE ON A SOLID FOUNDATION

Starting a law practice requires more than a law license. This guide covers the business fundamentals that turn legal knowledge into a thriving practice.

CHAPTER 1: PRACTICE STRUCTURE

Choosing Your Entity Type

Solo Practitioner/Sole Proprietor: Simplest to form, full personal liability

Professional Corporation (PC): Limits some liability, more complex

Professional Limited Liability Company (PLLC): Best of both worlds for most attorneys **Partnership:** For two or more attorneys in practice together

Recommendation: Consult with a CPA and another attorney specializing in professional entities before choosing your structure.

Naming Your Practice

Options: - Your name: "William Smith, Attorney at Law" - Name of firm: "Smith and Associates" - Practice area focused: "Ohio Family Law Center"

Check with your state bar for naming restrictions.

Required Registrations

- State bar membership (active standing)
- Business license (local/state)
- EIN from IRS
- IOLTA account (Interest on Lawyer Trust Account)

- Professional liability insurance (malpractice)

CHAPTER 2: OFFICE SETUP

Physical Office Options

Traditional Office Space: Professional image, client meeting space, higher cost
Virtual Office: Address and meeting rooms as needed, lower cost
Home Office: Lowest cost, may have zoning restrictions, client image concerns
Co-working Space: Professional environment, networking, flexible

Essential Technology

- Case management software (Clio, MyCase, PracticePanther)
- Document management
- Time tracking (billable hours management)
- Billing and payment processing
- Secure client communication
- Video conferencing (client meetings)
- E-signature platform (DocuSign, Adobe Sign)

Trust Account Management

IOLTA (Interest on Lawyer Trust Account) management is critical and heavily regulated: - Never commingle client funds with operating funds - Maintain detailed records of all trust transactions - Reconcile monthly - Report interest to your state bar (usually auto-deposited to legal aid)

Trust account violations are among the most common causes of attorney discipline.

CHAPTER 3: CLIENT ACQUISITION

Your Marketing Approach

Law firm marketing has specific ethical restrictions. Know your state bar rules on: - Advertising claims - Testimonials - Lead generation services - Referral fee arrangements

Permitted Marketing Approaches: - Website with educational content - Google Business Profile - LinkedIn profile and content - Referral relationships with non-lawyer professionals - Speaking at community events - Bar association involvement - Writing for local publications

The New Client Intake Process

1. Initial inquiry (call or website form)
2. Conflict check (essential before any substantive communication)
3. Initial consultation (paid or free based on your model)
4. Engagement letter and fee agreement signed
5. Retainer collected (before work begins)
6. Matter opened in case management system

Setting Your Fees

Hourly Rate: Track all time, bill monthly. Common for litigation. **Flat Fee:** Fixed amount for defined scope. Preferred by clients. **Contingency:** Percentage of recovery. Personal injury, employment. **Retainer:** Advance payment drawn against hourly work.

Research market rates in your area, your experience level, and practice area.

CHAPTER 4: PRACTICE MANAGEMENT

Time and Billing Management

The number one financial mistake attorneys make: not tracking all billable time.

Billing Best Practices: - Track time in real-time (not from memory at end of day) - Minimum billing increments of 0.1 hour - Bill monthly at minimum - Follow up on unpaid invoices at 30, 60, 90 days - Consider credit card processing (reduces AR aging)

Productivity Systems

An attorney's billable target is typically 1,800-2,000 hours annually. That is 35-40 billable hours per week — not total hours worked.

Time Management Framework: - Morning (8-10am): Hardest thinking work (drafting, research) - Midday (10am-2pm): Client communications, meetings - Afternoon (2-5pm): Administrative, follow-up work - Protect morning deep work fiercely

Building a Referral Network

Attorneys who feed each other business (within ethical rules): - Attorneys in complementary practice areas - Accountants and CPAs (business law, estate planning) - Financial advisors (estate planning, business transactions) - Real estate professionals (real estate transactions) - Social workers and therapists (family law)

Educational purposes only. Not professional advice. Results vary.

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