

Surviving Tough Times

by Janean Johnston, Practice Management Risk Manager

Whether you are in a small firm, a solo practitioner, or in the newly minted category “suddenly solo” (a euphemism for being laid off at a big firm and going out on your own), times can be very tough out there. What can a good, ethical lawyer do to survive the downturn not only in the economy, but in the amount of business coming through the door?

Believe it or not, there are opportunities during these difficult (interesting!) times to become an even better lawyer and build a better practice. When your client load has lessened you will have more time. Spending it wisely can determine how well you ride out these turbulent times.

Try learning something new with your free time. Learn how to use the new computer program you purchased that is still in its original packaging. It could help you become more efficient in the future, when business rebounds. If you haven’t had the benefit of case management software, research the choices and decide which would work best for you and your practice.

If you had the misfortune of focusing on one specific practice area, such as real estate, before the bust, now would be a good time to consider building expertise in a practice area that would be complementary and would help protect you during future recessions. By attending the appropriate continuing legal education courses or using your free time to volunteer as an assistant to a practitioner experienced in a chosen area, you can soon become competent in a new practice area. Adding expertise in loan modifications and bankruptcy procedures would serve to protect a real estate attorney during both booms and busts. Whatever your practice areas, analyze and develop complementary skills to recession-proof your practice.

Improve your communication skills. If you have been slow to respond to client telephone calls or e-mails, demonstrate your diligence and commitment to your current clients by promptly responding to any inquiries. Improve your promptness in meeting deadlines and completing work. Timeliness will pay great dividends with your attorney-client relationships, and might inspire increased referrals from happy clients. If you represent business clients, perhaps this would be a good time to learn more about their businesses and even visit their offices—without billing them for this time, of course. Consider starting a blog to demonstrate your expertise, or tweet your current clients about your most recent activities, such as teaching a course at the local community center. By writing articles for a legal publication, you communicate your abilities to other practitioners. Did you know that there are websites through which reporters can ask for comments about legal issues? One of these sites is Help A Reporter Out at www.helpareporter.com. Its founder, Peter Shander, encourages, “Get sourced, get quoted, get famous!” Offering yourself as a resource for comments on your areas of practice might help you bring in new clients.

Getting paid promptly is critical when times are tough and you need every penny. Make sure your fee agreements are concise and easy to understand, and comply with the requirements listed in Legal Ethics Opinion 1606. Read through the agreement with your clients at the outset to ensure that there are no misunderstandings. If a potential client cannot meet the initial advance payment, that is the time to decline the representation or represent the client on a pro bono basis. Send invoices no less frequently than monthly so that your clients are not surprised. If cash flow is

an issue, consider dividing your client list and billing clients on a twice-a-month rotation. Call slow-paying clients personally—do not delegate this duty to a staff member—and ask if there is a problem. Usually you will learn that they are also experiencing money problems. You might propose a payment plan, stop working on their matter until you are paid, or end your relationship at that point. (Please do not sue; it usually ends up costing you more money.) Sometimes you will learn that they have an issue with your representation. If the complaint is valid, can you fix it? Or is the complaint due to an unreasonable expectation? Either way, deal with this situation early, and make your best effort to resolve the issue.

During difficult times we all need people who encourage us and believe in us. Your family might be at the top of your support group. Build a group of professional colleagues whom you can count on for support. Expand your circle by meeting lawyers from other geographical areas—people you won’t be competing with—at CLE seminars. Many resources are available to members of the American Bar Association. Some of these resources will be covered in my next article.

We talk a great deal about the importance of living a balanced life. Now is the time to begin. Balance work and play, and a life at home as well as the office. When business picks up, this balanced way of living may have become a habit that you don’t want to give up.

I encourage “suddenly solo” attorneys—as well as newly admitted lawyers—to call me at (703) 567-0088 for practical advice on setting up your new practice. The learning curve can be considerable, and no one wants to make mistakes or get a letter from the disciplinary section of the Virginia State Bar.