



## WHY SOLO PRACTICES FAIL

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There are many reasons why a solo practice can fail. Some are unique as to the particular facts and circumstances which converge on the hapless attorney. But many are foreseeable. What is foreseeable is avoidable. What follows is a short listing of those causes of failure which are both foreseeable and avoidable. I offer them in the hope that it will keep the alarm bell from ringing for some attorneys.

**Unrealistic Expectations about Balance.** There must be some balance between doing legal work (the professional side), managing the practice (the business / administration side), and growing the practice (the business development / marketing side). Many attorneys just don't think about the time that will need to be devoted to the business and marketing aspects. These are the "they didn't teach me this in law school" activities. Many new solos are not prepared or willing to devote the time.

Some attorneys just have no idea how go about performing and managing those aspects of their practice. Many fail to get out of the "associate" mentality and put on their "ownership" or entrepreneurial hats. Some try to pawn off many of the management details inappropriately onto their secretary. The bottom line? Some lawyers should remain employees. They either are not suited to being owners, or are not willing or able to put in the time to do all the tasks which are not strictly about practicing law.

Many lawyers with unrealistic expectations become almost immediately overwhelmed, mentally and physically, with the conflicting demands to get the bills out, market their practice, do the client work, and handle such details as finding a temp when their secretary calls out sick at a critical time.

**Failure to Plan and/or Organize.** To be successful, the solo practitioner should have reasonably good organizational skills, time management skills, and some business skills. Any lack in these areas can mean financial trouble, a malpractice claim, or a close encounter with the disciplinary system. The good news

is that one can learn and acquire good basic business and financial management skills. One can hire a staff person with excellent organizational skills and shore up ones own weaknesses.

Those who hang out their shingle and expect clients to flow through the door without any significant and ongoing efforts will likely be disappointed. In order to succeed there has to be a marketing plan. Who will be your clients? How will you pursue them? Who will be your best referral sources? How will you establish a relationship with them? To which areas of practice will you confine yourself? Or will you be an “all things to all people” general practitioner? Except for small town practice, that is normally a formula for acquiring a string of malpractice claims, and eventually closing the door.

Those who fail to realize that inadequate capitalization is the number one cause of business failure will surely be doomed. New solos must be very careful about budgeting and spending. Seriously consider office sharing, home office use, or a “virtual office” with just the occasional use of a conference room somewhere. With a traditional office, be smart in spending your dollars. There are places where it makes sense to spend, for example good quality PCs, printers, case management software, and so forth. Likewise, there are places where it does NOT make sense to spend money initially, like high-end furniture, expensive office space, country club membership, a physical library, and lavish client entertainment.

**Failure to Commit.** There’s more to commitment than just putting the name on the door or signing a lease. One has to have their heart in it in order to maintain the energy necessary to succeed. Some attorneys open a solo practice because they don’t see they have a lot of other options at the time. But they haven’t done the necessary soul searching, gotten the family support and buy in for the long-term commitment, or developed the necessary plan for success. When the cash doesn’t meet family expectation and needs, and the spouse puts on the pressure to pull the plug and get a “real” job, it’s easy to lose heart and give up, rather than persevere.

**Courage.** It takes courage to persevere during tight times. It takes courage to refuse to take on every Tom, Dana, and Harry who walk in the door and ask to be clients. It takes courage to discuss ones fees and expectations for payment up front. It takes courage to put the pen down when clients don’t pay their bills. It takes courage and a strong feeling of self-worth to charge an appropriate rate, and for all



the time you've expended on behalf of the client, without apology or guilt. It takes courage to ask for work or referrals. Solos who succeed are courageous. Those who are cowards are destined to starve, and eventually close the door and turn out the lights.

**Understanding of Client Service.** Those who have or develop the concept of excellent client service, and define it from the perception of their client and not their self, will be successful. Those who don't will eventually lose their top quality clients, fail to acquire loyal clients except by virtue of low pricing, and ultimately gain a reputation that may eventually close their doors.

**Reinventing the Wheel.** Ok, this is admittedly a self-serving reason why many solos fail. But it is valid nonetheless. Too many attorneys do not discover or take advantage of the resources available to them before wasting valuable time and/or money. They do not contact their local, state or national bar association to find out what free or low-cost resources exist to assist them. They try to do it all themselves. They are isolated and lonely in the pursuit of their success. They waste valuable time and money. And we're not necessarily talking small amounts of either. Sometimes very significant amounts of time and/or money are wasted. Worse, oftentimes inadequate procedures and processes are set into motion which become so ingrained in the firm's information processing and client service mechanisms, that it becomes almost impossible to make significant improvements later.

I have been with the Pennsylvania Bar Association since January, 1999. Even so, just about every month an attorney will say to me, ". . .I wish I had known about you when I opened my practice last year / month / decade . . .what a difference it would have made." And the sad truth is that they're right. I could have saved them time, money, and helped them establish better procedures and planning right away. At every seminar I give, there are a handful of attorneys surprised to learn of my existence.

If you know someone who is thinking about going out on their own, even a colleague in another state, recommend they get advice from their closest Practice Management Advisor first, or as soon as possible after they make the leap. We help set realistic expectations about workload, planning requirements, cash flow realities, and the level of commitment required to launch a solo practice. Plus we have a wealth of resources and information at our fingertips.



If you're already out there and struggling on your own, pick up the phone. It's not too late to ask for and receive assistance. It may make all the difference between survival and having to ask "Would you like fries with that transaction?" And sometimes it's just a relief to bounce ideas off someone else who will be objective, and help you find creative as well as tried-and-true solutions to your problems.

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