

THE  
**SMALL FIRM  
ROADMAP**

————— *Revisited*

*“The Small Firm Roadmap Revisited is the guide for law firm owners who want to build a healthy law practice that serves them rather than the other way around. Stephanie and Aaron understand that it’s possible to have financial success and still make it home in time for dinner in the evenings. This book is the perfect combination of mindset and tactics - the one stop shop to the law firm of your dreams!”*

—**AARON THOMAS, JD**, FOUNDER AND CEO OF  
PRENUPS.COM; LAWYERIST LAB LEGACY MEMBER;  
GUEST ON *Lawyerist Podcast* #320

*“The Small Firm Roadmap is required reading for entrepreneurial lawyers, whether or not you currently own your own firm. I’ve purchased dozens of copies for friends and colleagues. New employees are required to read this in their first month. No other book, seminar, or coaching program encapsulates the ideals of a modern, efficient law practice as well as Lawyerist’s program, and The Small Firm Roadmap shows you practical, tangible steps you can take today.”*

—**MICHAEL J. PAYNE, JD, CPA**, FOUNDER AND  
CEO OF BOSS ADVISORS; FORMER LAWYERIST LAB  
MEMBER; GUEST ON *Lawyerist Podcast* #407

*“Far more than a business book, The Small Firm Roadmap is a sanity manual. Many, many entrepreneurial attorneys live with burnout, anxiety, addiction, and broken relationships. But that doesn’t have to be the case. If you want to run a successful firm and maintain your personal well-being, this is the book to read.”*

—**DR. SHERRY WALLING, PHD**, ENTREPRENEUR  
PSYCHOLOGIST AT ZENFOUNDER, AUTHOR OF  
*The Entrepreneur’s Guide to Keeping Your Sh\*t Together*  
AND *Touching Two Worlds*, GUEST ON  
*Lawyerist Podcast* #204, #251, #334, & #389

*“I’ve never been good at following roadmaps. But this Roadmap is one that every small firm lawyer can and should follow if you are serious about not just surviving but thriving in today’s new legal economy. Read this book because it’s best that you know how to drive toward success, otherwise you might wind up somewhere else. This will be the new bible for law firms.”*

—**PATRICK PALACE**, PALACE LAW, WA; FORMER  
PRESIDENT OF THE WASHINGTON STATE  
BAR ASSOCIATION; FORMER LAWYERIST LAB MEMBER;  
GUEST ON *Lawyerist Podcast* #91, #169, & #344

*“Lawyerist is the essential online resource for twenty-first-century solo and small-firm lawyers. The Lawyerist team balances practical guidance about the business of law with forward-looking insight on legal technology and socially responsible advice for tomorrow’s community-minded lawyer. If you want to know what the future of small-firm law looks like and how to get there, *The Small Firm Roadmap* should be your counsel of choice.”*

—**JORDAN FURLONG**, LAW21, AUTHOR OF  
*Law is a Buyer’s Market*, GUEST ON  
*Lawyerist Podcast* #58, #124, & #185

*“The Small Firm Road Map is the first book I recommend to anyone looking to start a solo practice or go out on their own. The material is comprehensive, accessible, entertaining and substantive. Readers will come away with an actual plan of action and it helps reduce the overwhelm of the many many different directions you can take a new law firm. The authors are experts in the field and the practical advice is unmatched in similar publications.”*

—**SARA EYBERG**, FOUNDER, SOUCIE EYBERG LAW,  
LAWYERIST LAB MEMBER, GUEST ON  
*Lawyerist Podcast* #396

*“[R]ead and implement the techniques in this book and you’ll be well on your way to creating the law firm you’ve always wanted.”*

—**JOEY COLEMAN**, AUTHOR OF WSJ BESTSELLER  
*Never Lose a Customer Again*,  
GUEST ON *Lawyerist Podcast #162*

*“In many ways, I’ve ‘grown up’ as a lawyer with Lawyerist—I remember when the platform launched not long after I co-founded a small firm, and have watched Lawyerist evolve into a tremendous resource for solo and small firm lawyers. I’m excited to see the Lawyerist folks share proven methods for building a fulfilling and sustainable practice through a holistic, client-centric focus with *The Small Firm Roadmap*. My twenty-plus years in practice affirms this approach!”*

—**PROFESSOR CAITLIN “CAT” MOON**, DIRECTOR OF  
INNOVATION DESIGN, VANDERBILT LAW SCHOOL,  
GUEST ON *Lawyerist Podcast #211 & #358*

# THE SMALL FIRM ROADMAP

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*Revisited*

A guide to the healthy firm of your future.

Stephanie Everett  
and  
Aaron Street



Lawyerist



Lawyerist

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*A Guide to the Healthy Firm of Your Future*

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# CONTENTS

**Foreword Revisiting the Small Firm Roadmap.....11**

**Introduction .....15**

## **Part 1 How We Got Here**

1. Lawyers Are Falling Behind.....27

2. A Look Toward the Future.....41

3. Rethinking Law as a Business .....62

4. The Lawyerist Vision.....79

5. Preparing for the Journey.....93

## **Part 2 The Small Firm Roadmap**

6. Healthy Strategy.....121

7. Healthy Team .....167

8. Healthy Clients .....222

9. Healthy Systems.....274

10. Healthy Profits.....332

11. Healthy Owners.....361

12. The Future of Law Is Yours .....375

**About the Authors.....380**

# FOREWORD

## REVISITING THE SMALL FIRM ROADMAP

When we originally wrote *The Small Firm Roadmap* in 2019, we set three-year goals for our book sales plan since that seemed like a good rough guess of the likely lifespan of a business book. In those three years, a lot has happened. The world has changed in many ways. Interestingly, despite a changed world, the ideas and recommendations from our 2019 book still feel as relevant as ever. At the same time, any business book written before 2020 is in some ways now inherently out of date. So this revisit is our attempt at updates and a reframing of the original book to make it newly relevant for the next era. Still, virtually all the core concepts and much of the content will remain familiar.

### WE'VE ALL BEEN THROUGH A LOT

We began work on the first edition of *The Small Firm Roadmap* in early 2019, wrote most of it through that summer, and launched the book into the world in mid-September 2019. With a few years of hindsight, those were clearly the *before times*.

We don't claim to have any sort of crystal ball, but we do spend a lot of time trying to understand what the future might entail.



That is to say, in late 2019 we had no way to predict the COVID-19 virus or the reactions to COVID, George Floyd’s murder, a disputed presidential election, the Great Resignation, war in Ukraine, record inflation increases, or any of the other major events and upheavals we’ve all lived through in the past few years—but we did clearly state in that first edition that *something* was coming.

Lawyers in 2019—at least in the United States—had been living through nearly a decade of uninterrupted economic growth and general stability. It would have been easy at that point to assume more of the same and keep doing things the way they’d been done.

But even setting aside global upheaval, we knew it was time for lawyers and the legal industry to shift and learn skills to adapt to future change. The first edition of our book was our attempt to lay out a framework we had been thinking about and building toward for years; it was our first attempt at a manifesto about the historic challenges we saw with small law firms, the upcoming disruptions small firm lawyers might face, and a clear plan for what these owners could do to face those changes not just for survival but to build the firms they’d always wanted.

Many months before COVID lockdowns forced people to start working from home, we argued small firms should learn the benefits of supporting work from home (Lawyerist adopted a remote-first work policy for our team in 2019.) Before PPP and EIDL loans and other emergency stimulus measures, we argued that firms needed clearer financial plans

and reserves to weather economic disruptions. All of the ideas in our first edition and the ideas in this book aren't meant to be timely, but are meant to be long-term solutions for your practice and the practice of law in general.

## WHAT WE'VE LEARNED

When we wrote the first edition of this book, our Lawyerist Lab coaching program for solo and small firm lawyers was only about a year old. We were still in the active development phase of learning from lawyers in the program and tweaking it to meet their needs (this is a process that never ends, and never should, but that early in Lawyerist Lab's life, we were still learning *a lot*).

One of the primary things we've learned from the years of running Lawyerist Lab since we wrote the book is the importance of focus and prioritization. The first edition of *The Small Firm Roadmap* only made a little effort to help lawyers know which of the fifty-some best practices we recommended they work on next. Too many readers of the first book were left with a long list of all the changes they needed to make in their firms, but little guidance on the *one or two next things* that needed their focus before considering any other recommendations. We're confident that the Lawyerist Lab program offers this focus and prioritization much better than it did in 2019, and we're hopeful some of the changes we've made to this book will assist readers in a similar way.

## WHAT’S CHANGED FOR US

A few other things have changed for us since 2019 that affect this book.

Our original book had four co-authors, but since then, Sam and Marshall left the team amidst staffing and ownership evolutions. We’ve also added a number of amazing new team members who won’t appear as co-authors this time around but whose stories are included occasionally throughout the new book. And at the beginning of 2023, Lawyerist merged to become part of Affinity Consulting Group, giving us almost 100 new expert colleagues to support helping law firms.

We also went through an extensive re-branding of Lawyerist in 2020. This updated things like our logo and color scheme, but more importantly, it provided a crucial reframing of the book’s structure to reflect the new tagline at the core of those rebranding efforts: *guiding healthier small law firms*. Though the concept of “healthy” did come up some in the original book, it’s only been in the years since the book that we realized how important to us it is that our work leads to healthier small firms not just bigger, more profitable, or automated, but an industry of small firms that are supportive of balance and growth for clients, employees, and owners. This certainly would have been an appropriate way for us to think of things back in 2019, but it’s clear now more than ever that it’s our job.

—**Stephanie Everett & Aaron Street**,

FEBRUARY 2023.

# INTRODUCTION

## WHAT DO YOU WANT OUT OF YOUR LAW PRACTICE?

Many lawyers we work with in our Lawyerist Lab program (we lovingly call them “Labsters”) have set clear goals for their small firms and have figured out how to make their goals a reality.

For instance, Trevor and Valentina wanted a small practice that would support their family financially and allow them to spend extended summers with relatives in Italy. To make that happen, they built a thoughtful, hardworking team and created a business they could run from overseas. Now, they can spend summers in Italy with their family without shutting down their practice. By setting up their business this way, they’ve also learned they can take meaningful vacations and even leave the office early on Fridays. Trevor drafts fewer legal documents and, instead, focuses on the firm’s vision and long-term strategy while Valentina manages daily operations.

When Labster Aaron (not author Aaron) relaunched his practice, he realized he didn’t need the overhead of a big staff and expensive office space. He intentionally created a virtual practice that he could staff with virtual team members so that he might travel and live part-time in Costa Rica. By thinking

about every aspect of the firm and questioning how he could one day fire himself from doing that job, he immediately adopted new technology and systems. Now, he has a lean, profitable business model that he can run from anywhere, easily scale, generate passive income for his family, and potentially sell one day as part of a thoughtful exit strategy.

For Rebecca, the challenge was to find a way to represent clients with limited means. By being proactive and considering her ideal clients' needs, she launched a series of client-friendly solutions—such as limited-scope representation and payment plans. These days, her family law practice thrives entirely off flat fees. She offers clients a menu for all case types. She knows *precisely* how much everything will cost and offers her clients the services they need at prices they can afford.

Lawyers like Trevor and Valentina, Aaron, and Rebecca are paving the way for the future of law and small-firm practice. But for every one of these success stories, there are twice as many stories of lawyers struggling to make their dream of successful small-firm ownership a reality.

Many lawyers are like Todd, who left his big-firm job to start his own practice. It didn't take him long to realize he had no model to build the practice he wanted. Unsure how else to go about it, he recreated the big-firm model. He tried to graft it onto his small firm, unnecessarily adopting all the same expensive tools and resources that his former employer used. All this did was create a big monster to feed, with tons of overhead and endless administrative responsibilities. Despite

his best intentions, Todd left himself no opportunity for the creativity and openness he'd originally envisioned for his firm.

Many of the lawyers we work with have shared similar stories. Buoyed by visions of a practice where they can do things their way, where they can have more flexibility and control over their practice, these lawyers set out to create something uniquely their own. Along the way, however, the challenges mount:

1. Their work feels unending.
2. The demands of both firm management and client work never stop.
3. They're under constant stress, always feeling like there is more to do.
4. They have trouble finding new clients. The phone rings all the time, but most who call can't afford their fee. It feels like every lawyer they know is competing for the same 10 percent of clients.
5. They have problems hiring and retaining staff and associates.
6. Associates they do hire just can't seem to live up to their standards, leaving them to redo everything.

No wonder so many small-firm owners feel stuck. On the one hand, they're overwhelmed and struggling to stay above water. On the other hand, they don't know how to get the help they need to relieve their burden. As a result, these

lawyers end up frustrated and alone. They believe in their vision and their ability as lawyers, but they just can't shake one single, inescapable fact: they have no idea how to run a successful law firm.

## THE PATH TO SMALL-FIRM PRACTICE

If you're reading this book, you've probably encountered struggles of your own on your way to setting up and sustaining your own small firm. While the details of your challenges are unique to your journey, we've found that most small-firm owners have a lot in common. For instance, the majority became small-firm owners by following one of a few common paths:

- **The default option.** You went to law school, didn't get the job you wanted when you graduated, and set up your small firm because you had little other choice.
- **Plan B.** After working at another firm for a while, you decided you'd rather have your own firm instead.
- **Entrepreneurship.** From the get-go, you've been hungry to build and grow your own thing. As soon as you could, you launched your own practice.
- **Deliberately self-employed.** You might not be an entrepreneur, but you know you'd rather work for yourself than someone else.

- **Legacy.** Either a parent or mentor owned a small firm, and you've always known it would be your path too.

However you came to small-firm ownership, we're willing to bet that it was no less filled with uncertainty and frustration. Uncertainty about its viability or desirability. Frustration over a system that often struggles to accommodate what you want to build and frustration over a culture that's stuck in the past and unwilling to experiment to better serve clients.

Perhaps most frustrating of all is that you know exactly what the problem is; you're just unsure how to move yourself or your profession forward.

The fact is, whether explicitly or implicitly, most lawyers are discouraged from directing their own careers. We're presented a narrow field of options, each with a pre-programmed path that we're expected to follow. Once we graduate, we're expected to either hitch our futures to a larger firm's wagon or start our own firm based on a traditional model.

Those choosing the latter option quickly face an important truth: we have little idea how to run a law firm, manage a business, market or sell professional services, bill clients, or earn a decent living.

Fortunately, there is a better way. You *can* own and build a thriving, client-centric law firm.



## STANDARD SMALL-FIRM GOALS

Often when we ask lawyers what they want out of their practice, they state their goal in terms of clients, revenue, and billable hours. That's fine. But your goals can be so much more than that.

For some, their goal is working less than forty hours a week, not the sixty (or more) hours lawyers often work. For others, it's about never having to choose between helping people and making money. For still others, it's about refusing to accept the model they've been given and creating a practice that works for *people like us* instead. These are reasonable, attainable goals that make us better at our jobs and create more fulfillment in our lives.

And yet, lawyers tend to think that these reasonable goals don't apply to us—or at least they don't apply to us *right now*. Sure, they may *sound* like good ideas, but we'll worry about them later.

Your job is hard. We respect that. We respect that you have clients to serve and bills to pay. But the truth is, this mindset of *not right now* isn't doing any of us any good.

Look, we get it. We've each lived the lawyer trap ourselves and seen how damaging it can be for a healthy life. For each of us, there came a point in our legal career when we realized that the profession as it currently stands wasn't working for us.

For Stephanie, it was the false choice between a career as a public interest lawyer or a career that actually made money.

Resenting that choice but seeing no other option, she chose the latter. As this money-first mindset slowly began to consume her, she finally realized she could never truly escape her work. If she took off early on a Friday to enjoy herself for the day, the guilt of not billing would drive her right back to work on Sunday. Something had to change.

For Aaron, it was seeing the huge imbalance between two of his passions: business and law. An entrepreneur since he was a teenager, Aaron has a lifelong curiosity about growing good businesses. After graduating law school and entering the legal profession, he was frustrated by the disparity between the best practices of other businesses and the lack of business thinking in small law firms.

For Lawyerist Lab coach Zack, it was the slow realization that an office stuffed to the gills with filing cabinets and paper was safe and comfortable for most lawyers. For him, that paper represented inefficiency. It meant the firm could only use its data in one place at one time. He understood the implications of a digital world and wanted to create a law firm that capitalized on data and technology instead of shying away from it.

One by one, our paths led us to our work at Lawyerist. For over a decade, Lawyerist's mission has been to create a community centered around trailblazers like you to validate your work, help refine your efforts, and share your story with others so they can learn from your journey and apply it to their own.

Driving this work is our belief in community. We believe that the only way to create a new future for the legal profession is

to build it together. Lawyers who surround themselves with mentors, coaches, and supportive peers will see this shared future and will work together to create it.

## GETTING STARTED

We wrote this book to teach lawyers how to build successful, future-oriented, people-centered law firms. In solo firms and small practices across the country, lawyers are building a vision of the law that is empathetic, self-aware, and adaptable. This book will show you how to join this community and create a law practice that works for *you*.

This is not a book about how to build a law practice in the old model. The old model is broken. Instead, this book presents our vision for what a successful law practice *can be*. Whether you already manage a small firm or are considering starting one, this book offers you a path forward.

That said, this book is not a prescriptive, one-size-fits-all manual. There is no magic set of steps to implement in your firm that will guarantee success. This book isn't a silver bullet. But it is a chance for a new beginning. *The Small Firm Roadmap Revisited* lays out a comprehensive set of tools and ideas you can implement in your own practice. But the details and execution of that process? Those are up to you.

Having the small firm of the future isn't about technology adoption. While it is important that you understand how to use modern tools, this is *not* a book about software tips. Nor is this a book about running a “cheap” practice.

Finding cost-cutting opportunities can be great, but they are inconsequential if you're not focused on creating a client-centered experience and a sustainable, growing, and profitable business.

Finally, this book offers you the chance to build a practice that allows you to live the life you want and find joy in your profession. This industry has a lot of negativity and burnout, but it doesn't have to be that way.

Some of you may resist the ideas in this book or dismiss them as too good to be true. You may get through the first two or three chapters and decide that you'd rather stick with the status quo.

Unfortunately, the status quo is no longer good enough. If the last few years taught us anything, it's that more change is always inevitable. In 2020, businesses had to react and adapt to new societal issues and challenges almost constantly for the better part of two years. Businesses that could pivot quickly were often in the best position to adapt. The pace of change in our world is not slowing down. We can resist this change and spend our entire careers playing catch-up, or we can use the concepts outlined in part 2 of this book to become drivers of that change.

This isn't going to be easy. Change is often complicated and painful—especially for an institution as old and established as the legal profession. But change is *much more* painful when we aren't ready for it and don't understand it.

In the rest of this book, we'll help you find clarity about your personal and career goals as an owner of a small firm. We'll teach you the business and entrepreneurship skills you never learned in law school. We'll show you how to build a nimble law practice ready to capitalize on future changes and continued disruptions in the legal industry. And we'll introduce you to a community of supportive peers and mentors who would love to help *you* create a better law practice.

# **PART 1**

## **HOW WE GOT HERE**

# CHAPTER 1

## LAWYERS ARE FALLING BEHIND

*“If something in my practice doesn’t change, I feel like I’m going to have a heart attack, die, and leave my two children without a mom.”*

These words stopped Stephanie in her tracks. Clearly, this lawyer desperately needed help, and Stephanie knew she wasn’t exaggerating. Stephanie had heard similar statements from other lawyers before. While many were more tempered—not every lawyer fears they might suffer a heart attack—many lawyers around the world are unsure where their next dollar is going to come from. They’re locked in an endless hustle, scrambling to unearth the next client and scrape together enough revenue to pay their bills. Or they have work coming in and don’t know how they can continue providing a high level of service, managing a team, and running a business. Mostly, they feel general fear and anxiety about what an unknown future might hold for their practice. If anything, the pandemic seemed to just add another layer of anxiety to the mix.

In this environment, it’s unsurprising that lawyers face higher rates of substance abuse, divorce, depression, and suicide than those in any other profession.<sup>1</sup> Of course, this isn’t to say that *all* lawyers suffer from substance abuse problems and

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1 Report from the National Task Force on Lawyer Well-Being: <http://lawyerwellbeing.net/>.

near-overwhelming anxiety. Many are simply stuck, overwhelmed, frustrated, or confused. They're getting by as best as they can, but they're unsure of their firm's long-term viability and have been unable to crack the code on sustainable growth and profitability. Being perpetually stuck in business is no way to live. And yet, most lawyers feel like they have no choice. They feel trapped in a model that leaves them with no choice but to put their heads down, push ahead, and hope their fortunes change for the better.

In a rapidly changing world, the modern lawyer is falling behind. What's more, those needing legal services aren't getting the representation they need, and the justice gap is only widening. Today, by some measures, a huge majority of people's legal needs go unmet.<sup>2</sup> Unless we as a profession find new ways to solve the access to justice gap, that problem will only get worse.

There is hope. While lawyers have lagged behind the rest of the business world, the opportunity exists for us to not only catch up but also to begin leading new solutions for the law's future. That is the core philosophy driving our work at Lawyerist. And it is this book's unifying theme.

To create a path forward, we must first take a long, honest look at the traditional law firm model and the many problems it creates—for lawyers *and* their clients. Once we understand the many challenges we face, we can adapt and build better law firms for the future.

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2 For more information, see: Legal Services Corporation. "Justice Gap Report." <https://justicegap.lsc.gov/resource/executive-summary/>.



## THE OLD LAWYER-CENTRIC MODEL

For hundreds of years, lawyers have served as civic stewards, upholding justice and the rule of law. Law can be a truly noble profession. Lawyers can make a tremendous difference in their clients' lives. They can correct injustices, exonerate the innocent, and advocate for the sick, injured, and marginalized.

While lawyers remain critically important to civil society, the old model of practicing law is inherently lawyer-centric. The old model positions lawyers as elite professionals who are uniquely able to solve people's problems. This unique and elite status has encouraged lawyers to build firms centered around the whims and egos of lawyers. If you were a "non-lawyer"<sup>3</sup> working at a law firm, you were viewed as less important than the lawyers in the firm. If you were a client of the firm, you interacted with the firm on the *lawyer's* terms. The lawyer decided when you were invited into their office. The lawyer decided when to communicate the status of your case. The lawyer dictated how much their services cost and how they accepted payment.

This model worked well enough for generations, even if it resulted in society frequently thinking about lawyers through the lens of critical "lawyer jokes."

It turns out that the lawyer-centric professional firm model was never a strong business model. Because, in truth, most

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3 We hate the phrase "non-lawyer." Its current common usage in trying to emphasize that the only distinction that matters in law practice is between "lawyers" and "non-lawyers" demeans the important work that people in a wide array of roles play in law firms, the justice system, and the broader legal industry.

firm owners would prefer not to run a business at all—or at least they would prefer to make as few business decisions as possible. For reasons we’re about to explore, the old, traditional law firm model obscured the need to learn business leadership.

## NO TIME FOR LEADERSHIP

In traditional firms, the owner(s)<sup>4</sup> is also the most profitable lawyer. When *time* is the product being sold, an owner’s time is, therefore, the firm’s most valuable resource. Since most firms still price most of their work on an hourly basis, this means that all value is calculated in terms of time.

In many owner’s eyes, every hour spent on strategy, systems, technology, accounting, management, pro bono work, creative problem-solving, and hiring and mentoring employees is just an hour of lost revenue.

This mindset creates a financial tunnel vision for firm owners: bill hours, get clients, and repeat. If they’re not working on a case or out shaking hands at a networking event to generate new clients, they’re wasting their time. The owner may be doing their job as a lawyer, but they’re failing as the leader of their firm. This is a dangerous way to run a business.

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4 We’ll make our case for why in more detail later, but we’re intentionally using the word “owner” instead of “partner” throughout most of this book when we refer to law firm shareholders.

## LACK OF STRATEGY

Ask a firm owner about their business strategy and most lawyers will give you a blank stare. This isn't necessarily their fault. While law school may do an excellent job of preparing students to think like lawyers, it doesn't prepare them to own or operate a thriving small business.

We'll repeat: a law firm *is* a business. Firm owners must understand how to set long-term goals, define their market and strategy, and manage a team. Unfortunately, there are few resources to help them out. So, without knowing any better, when it comes time to start their own firm, most lawyers simply default to what they saw their predecessors do or ask their similarly situated peers what they're doing.

## “PARTNERS” INSTEAD OF “OWNERS”

The traditional law firm is ineffectively managed by a group of “partners” who ascend to their role as a promotion for putting in seven to ten years of good work. Somewhere along the way, lawyers created a “partnership track” that has become synonymous with a lawyer's professional development and status. We teach every new associate that their ultimate professional goal should be to “make partner.”

This concept confuses ownership with a job promotion. Equity partners own an interest in the business—they are making a financial investment and assuming the risks that come with that investment. Not every lawyer who has practiced law for seven to ten years (or whatever the requisite amount is these

days) should automatically own a business interest in their firm. Most workers in the US don't expect to be "elevated" to an ownership status as recognition for ten years of hard work. And yet, that is exactly what we do in the legal industry.

Although even the legal industry is unknowingly catching on to the problems in our legacy system. This is best evidenced by all the clever titles recently created by firms to show the outside world someone has experience, even if they aren't an owner. Instead of being an "associate", we call them "counsel" or "of counsel" or "non-equity partner" or "staff attorney."

It's time to kill this model and understand how it negatively affects the business.

## **UNCLEAR AND INEFFICIENT DECISION-MAKING**

The "partners" in most small firms feel entitled to be part of the management decisions of the firm and so they form a "management committee" or "partner committee." In this old-school model, every partner gets to debate and vote on day-to-day firm operations decisions. This vote-by-committee may sound like a good idea, but it often leads to a fraught and ineffective decision-making process.<sup>5</sup>

Say, for example, that the firm wants to rebrand. First, they have a designer draft several new logo options and choose some finalists to discuss. They then assemble the partners for

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5 Bruce MacEwen. "David Maister on 'Unmanageable' Law Firms (That Would Be All of Them)." Adam Smith, Esq. April 13, 2006. [https://adamsmithesq.com/2006/04/david\\_maister\\_o/](https://adamsmithesq.com/2006/04/david_maister_o/)

a meeting, put the options on the table, and try to pick their favorite logo.

The partners likely approach this decision with a mixture of instincts, anecdotes, egos, and feelings. They try to make a strategic marketing decision as a group—with no marketing experts in the room, no data to drive the decision, and no single person in the firm accountable for marketing success. A decision like this almost always takes too long, goes off on tangents or long debates, wastes the time of the most expensive members of the firm, and rarely results in a clearly defined and successful strategy with firm-wide buy-in.

This may seem like a minor example, but it reflects a larger problem in the average law firm's decision-making process and general lack of organizational structure. The decision has been made, but the decision-making process is poorly defined.

## **LACK OF CLEARLY DEFINED ROLES**

When roles and processes aren't clearly defined in these quasi-management, quasi-ownership meetings called “partner meetings,” they often aren't well defined anywhere else in the firm, either. Organizational charts and clear accountability are a rarity in most law firms. And with or without a documented reporting structure, the hierarchy in a firm is rarely designed for clear management or decision-making accountability. Often all the lawyers report to the most-senior owner (the “senior partner” or “managing partner”), and all other staff report to an owner or office manager who reports to the senior owner.

Most small law firms define team roles by status, not function. Many small firms have administrators, paralegals, associates, partners, and senior partners. Absent are their sales director, marketing director, director of services, or operations director, some of the first roles filled in most other businesses.

A system without clear functional roles and accountabilities makes it harder to lead clear strategies and make good decisions. It also means that management and delegation skills are lacking in firms without sound structure. As a result, lawyers often end up unnecessarily siloed and overworked in their own firm.

## **THE PARTNERSHIP TRACK IS BAD FOR BUSINESS**

The traditional elevation to “partnership” (ownership) creates a different set of financial issues.

First, many existing law firm owners hesitate to ask senior associates to actually fund the purchase of their equity or “buy in.” There are many reasons behind this hesitation, but most stem from the owners lack of understanding of what the business is worth and how to structure a successful purchase. We’ve heard many senior lawyers lament *they* didn’t have to purchase their shares (they were likely given to them in exchange for “sweat equity”), and so they don’t feel right selling them. This inherently confuses any ability to objectively value the business and limits market-value

mechanisms for existing owners to sell their equity when planning for retirement or other reasons for leaving a firm.

Second, many owners assume they should be compensated differently based on their ownership status, which means a “partnership track” clouds the true financial picture of the firm. As we’ll discuss later, law firms should compensate owners who work day-to-day at the firm at a market rate for their work and *separately* should expect a reasonable return on their investment as owners (i.e. profit). This decoupling of the concepts of ownership from salary is crucial for all law firms to clearly and accurately understand the true financial health of their firm or to have any capacity to place a real value on their equity.

Finally, it is worth noting that it is perfectly acceptable to want a career as a lawyer that doesn’t bring the risks and headaches of business ownership. It’s time to create acceptable and rewarding alternatives to the “partnership track” model for a successful legal career. Decoupling ownership and promotion will allow lawyers who really do want law firm equity to better understand the financial risks they are assuming and the strategic role they will probably need to undertake to ensure the firm’s profitability in the long run.

It’s time we separate work experience from automatic business ownership.

## **LACK OF CLIENT-CENTERED SERVICES**

What kind of service can clients expect to receive from a firm where the roles aren’t defined, where one lawyer gets all the

attention, and where the rest of the team is all but ignored? Indifferent, disjointed, and confusing services all come to mind.

Lawyers working under the traditional model may be good at lawyering—that is, they create positive legal results by acting as fiduciaries and advocates for their clients. But, to be blunt, they often suck at providing those legal services in a way that’s convenient or comprehensible for their clients. In many cases, people may rave about the *results*, but they rarely have anything positive to say about the experience itself.

Nor should they. As a profession, we often don’t make things easy for our clients. We all know of lawyers who don’t return phone calls or emails in a timely manner, communicate by mail, and who only tell their clients the cost of their services at the end of each month and then demand payment by cash or check alone.

Lawyers could do much more to give clients a better experience. But historically, they’ve had no incentive to take a more client-centric approach. For reasons we’ll explore in the next couple of chapters, that is changing. Today’s clients live in the world of Uber, Netflix, and grocery delivery. In almost every aspect of their lives, they can choose the exact service in the exact scope and style they want. Even the legal profession isn’t immune to this change. If lawyers don’t adapt to deliver the quick and personalized service their clients want (and need!), their clients will go somewhere else.



## **DISENGAGED ASSOCIATES**

As author Jordan Furlong<sup>6</sup> says, for many firms, their most valuable assets—their associates—walk out of the door every day, usually around eight o'clock or so, after most everyone else has gone home. Firm owners would be wise to protect those assets. But most firms use broken compensation models and offer little in the way of work-life balance. Their associates warm the seats in the office. These associates lack much incentive to stick around, and many decide to set out on their own.

At Lawyerist, we're all for lawyers striking out on their own to build their own firms. That's why we wrote this book. The issue is that striking out on your own doesn't always solve the problem. Once these associates leave for greener pastures, reality sets in: they have no idea how to get results, just like the bosses they left.

Every lawyer we know who sets out on their own is convinced they can offer superior client-centered legal services while raking in the money and having loads of free time. Maybe one day they will—but not if they're operating under the same broken business model that their bosses were.

## **MARTYRDOM IS NOT A GOOD BUSINESS MODEL**

The traditional law practice model is not doing enough to meet society's legal needs. It is also creating legions of

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6 Guest on Lawyerist Podcast #58, #124, & #185.

unhealthy or overworked lawyers. We have become captives to our profession, and far too many of us simply accept this as the way things are.

At Lawyerist, we know this path all too well. Each of us has lived it. We've filed TROs on Christmas Eve. We've billed nine hours a day while on vacation. *Two* of us even billed from the delivery room. Like you, we've worked ourselves into the ground for our firms and our clients, and we've learned the hard way that the traditional model isn't doing anyone any good.

We know all too well the mantra of telling your new client not to worry as you remind them, "*Your* problem is now *my* problem." It's our effort to reassure our clients and demonstrate how seriously we take their work. There's a difference, though, between reassuring a client you're committed to their case and living a life with no boundaries for yourself and your family.

If a system requires you to offer your every waking moment to your clients, to give them your personal cell number, and make yourself available morning, noon, and night, then that system is broken. For starters, it's actually exceedingly rare that problems can be solved in the middle of the night. More importantly, we can't help our clients if the very nature of our work is slowly killing us by requiring us to be on all the time. Martyrdom, it turns out, is not a good business model.

## MAKE THE CHOICE

We're sure you know the problems we've outlined in this chapter. Maybe you don't think things are as bad as we've made them sound, but when you look at the big picture, it's hard to deny that something is fundamentally wrong.

We're not saying that all lawyers are broken. Far from it. Nor are we saying that all law firms are broken. We argue that the lawyer-centric model increases the likelihood of brokenness. Very few truly benefit from this old system, but many cling to it anyway because it's all they know.

We can do better. We can build better firms. We can provide our clients with better services. We can live better lives free from the fear of dying of a stress-induced heart attack. And we can design firms to be better businesses—businesses that generate profit for their owners and appreciate in value over time. If each of us works to address these problems on a micro level, then we can positively impact our profession on the macro level.

We understand that none of this will be easy. Change never is—especially in a profession like law, which seems to actively resist all change. But here's the thing: like we said, the world has changed dramatically in the last twenty years and it will only accelerate from here. Eventually, these changes *will* affect your ability to maintain your current practice and serve your clients. How you respond to this change is up to you. You can resist these changes and keep pursuing the traditional lawyer-centric model, or you can embrace the client-centric

firm of the future and all the opportunities that come with it.

For the remainder of part 1, we will explore how coming social, economic, and technological changes will impact the legal profession. Then we will lay out our vision for what the small firm of the future might look like—and why it will thrive in the new customer-centric economy.