



## *Article of the Week from Harrison Barnes*

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### ***Should You Start Your Own Law Firm? Top 10 Reasons Not to Start Your Own Firm and Top 10 Reasons to Start Your Own Firm***

**Summary:** *Have you ever thought about starting your own law firm? Find out if becoming a solo practitioner is the right choice for you.*

Getting your “law license” is, essentially, no different than getting any other kind of license. It gives you the right to work in the state where you want to practice and the right to set up your own business. Because having your own business is so deeply ingrained into what it means to many people to be successful in our culture, many attorneys believe that the true route to success and happiness is through having their own law firms.

But is starting your own firm really all that great and is it the right move for you? That is what this article is about.

The decision to start your own law firm is a giant decision that will have profound implications for the rest of your career. Starting your own firm might take your career in a new, glorious direction. Or it might ruin your career. This is not a decision to take lightly and you must think it through very carefully. Starting a firm is extremely challenging. You might succeed, but the odds are that you will fail.

Every great law firm (and there are literally tens of thousands of successful law firms out there) started somewhere. You too could be the next attorney to start a great law firm and there is nothing stopping you except understanding whether this is the right decision for you.

I seriously contemplated opening my own law firm when I was practicing at Dewey Ballantine in Los Angeles. I was fed up with the politics of the firm and figured I could make just as much money starting my own firm. So I set the wheels in motion. The Internet was in its infancy (i.e., no websites), so my first order of business was to take out an advertisement in the Yellow Pages (\$750 a month) and then to rent an office. I picked a date for my departure from the firm, set up my new office, purchased a copier and a new Dell computer, and was ready to go.



All new law firms need a source of business to succeed and I was ready to go in this area. I had clients lined up—friends who were successful entrepreneurs. I was confident I could bill \$100,000 to \$200,000 a year from these clients. I was also aware that if they went away I would need a separate source of business and that was why I took out the Yellow Pages advertisement. You always need a backup plan for getting clients so the phone continues ringing with new business.

- **See [Top 9 Ways for Any Attorney to Generate a Ton of Business](#) for more information.**

When I gave notice to my law firm, the attorneys told me the same piece of advice I am going to tell you in this article: “If you leave here and start your own practice, you will have a next to impossible time getting a job in a large firm ever again. Speak with some other law firms if you are unhappy here—take a few months to make up your mind.”

Incredibly, Dewey Ballantine told me to take a few months to figure out what I wanted to do and to continue working while I looked around. On their recommendation, I started speaking with legal recruiters and going out on law firm interviews. Meanwhile, my phone started to ring with calls from “clients” responding to my Yellow Pages advertisement. I met with them in my “other office” after work hours at Dewey Ballantine. My new clients included the following:

- A dean of a major university who had slept with his wife a single time (which produced a daughter) and thereafter always slept in a separate room. He was going through a divorce and gave me a “retainer” of \$10,000 that I never cashed.
- A 18-year-old kid who was on crystal meth and drunk and got stopped for drunk driving.
- A married woman with multiple boyfriends and three children (she was unsure as to who their respective fathers were). She wanted a divorce.
- A man who was fired from his job at a veterinary hospital and wanted to sue the hospital for sexual harassment for firing him. Incredibly, I learned that the client had actually been sexually abusing the animals and that is why he was fired.
- A woman who claimed that a teacher was biting her 4-year-old child to punish him. The teacher admitted doing this and said it was the only way to make the child shut up.

Most of these potential legal matters depressed me and I decided against the possibility of practicing on my own. I was lucky enough to have some “real” clients (small companies) but I



knew that I would need a variety of work and clients to make a go of it. Meanwhile, I was going out on interviews with law firms and that experience confirmed that I was no longer interested in working in a law firm (even though it seemed better than starting my own firm).

During this time, I realized that the only people who seemed like they were having any fun were the legal recruiters who were sending me out on law firm interviews. I realized it would be more fun to help attorneys find jobs than to set up a solo law practice and so I became a legal recruiter.

A topic that comes up frequently in the course of my work as a recruiter is the topic of starting one's own law firm:

- I speak with attorneys all the time who have started their own law firms, or want to start their own law firms. Can this work out? Of course.
- Does this often not work out? Of course.
- Should you do it? It depends.

I actually love the practice of law and have never really left it. It turned out that I did decide to start a law firm and except for a period of dormancy while I got my legal recruiting company going, my firm has been operating for years handling matters for my companies as well as outside people and businesses. My firm has a few attorneys and is moderately successful. The main reasons it works is because (1) I have my own companies as clients, (2) I am in a small town of 13,000 people (Malibu, California) where there are only two other small law firms, (3) there are a lot of wealthy people willing to pay top dollar for legal services, and (4) I know how to recruit good, stable attorneys because I have been doing it for my entire career.

But the reality is I do not think my firm would do particularly well if I did not have a built-in client base, special recruiting skills, and very little competition. Every business—law firms included—needs some sort of special advantage in order to succeed. If you are going to succeed, the most important thing is to have some sort of “pipeline” that consistently delivers new matters to your door.

Given my background, I understand both the inclination to start a law firm as well as the challenges of actually running a small firm and being successful at it. That is what I discuss in this article – the top 10 reasons not to start your own law firm and the top 10 reasons to start your own law firm.



## **A. Top 10 Reasons Not to Start Your Own Law Firm**

Without being overly pessimistic, it is important you be aware that, like most new businesses, most law firms fail. It is one thing “working inside of a business” as an attorney and it is another thing entirely to operate a business. These are two separate skills – just as being a professional basketball coach is not the same thing as being a professional basketball player. They both may understand the game, but that does not mean that they could do each other’s jobs. Sometimes it works, but most of the time it does not work. Here are the main reasons that most solo practitioners and new law firms fail:

### **1. Most Solo Practitioners Fail Because Operating a Business Is Much Different Than Simply “Practicing Law”**

Most attorneys do not realize what they are getting into when they “start their own business” and the difficulties they will face.

When attorneys speak with me about starting their own law firms, one of the first things I ask is how much money they are currently making. If an attorney is making \$200,000 a year, this is a good income. The attorney often figures: “My billing rate is \$400 an hour. If I just bill 500 hours on my own I will make as much money. Even if the attorney could bill the same amount of money to clients working on his or her own as he or she was billing while working inside of a law firm (the attorney actually would not be able to do this), this flawed business logic misses the following.

In addition to this \$200,000 a year, the attorney is generally getting:

- An expensive, nicely built office to go to each day.
- A group of other attorneys to bounce ideas off of each day.
- A phone system, Internet, computer and other “electronic support.”
- Secretarial, paralegal and word processing support.
- A group of other attorneys who go out and gather work for the firm and bring work in each day.
- Reviews to keep the quality of the attorney’s work product up.
- A “big name” that allows the attorney to have credibility in the marketplace.



- Paid vacation, paid sick time and other benefits.
- Bonuses paid for productivity.
- Health insurance.
- Management to make decisions about things like whom to hire, whom to fire, where to get office space, what phone system to use, how to review people, how many people to hire, where to open and close offices, how to pay people, when to slow the law firm down and when to grow it, whom to hire to get clients and more.
- A copy room, copiers, paper, toner, fax machines and so forth.
- Westlaw, Lexis, a law library and other research support (maybe even a librarian).
- IT staff to run servers, keep the computers running and monitor the attorney's emails.
- Payment of the attorney's payroll taxes, workers compensation insurance, 401K plan and other benefits that can add up to 15% or more of the attorney's salary.

I could list for pages the amount of support, benefits and other things that go into making a law firm successful and productive. The point of this, though, is that paying an attorney \$200,000 a year often costs the law firm \$400,000 to \$600,000 a year when everything is figured in. In some cases, the law firm cannot make this work and will end up losing money even if the attorney is billing 2,000 hours a year at \$400/hour (\$800,000) and is paying the attorney only \$200,000.

"How is this possible?!" you may ask.

This is how business works! The expenses of the business can quickly get ahead of the income and that is when the business collapses. This is what happened to [Brobeck](#); [Finley Kumble](#); [Mudge Rose](#); [Howrey & Simon](#); [Dewey LeBoeuf](#); and many other once-great names in the legal profession.

- **See [The Law Firm Lifecycle: Why Some Firms Fail](#) for more information.**

Operating a business is difficult. There are scores of moving pieces to look out for. You need to do everything you can to make decisions that keep the business alive and profitable. The substantial majority of businesses fail within the first year. It is rare for any business to last more than five years. It is exceedingly rare for any business to ever gross more than \$1 million.



I used to run an asphalt business and I had crews working seven days a week and sometimes 24 hours a day. I had all sorts of trucks and equipment and spent a lot of money and time operating the business. If I brought in \$100,000 a month and was able to make \$10,000 or \$15,000 in profit from an operation that size I thought I was doing pretty well and I worked very hard for that money.

A profit margin of 10 to 15% is very good for any business!

If you are a solo practitioner and gross \$2,000,000, you still need to pay for office space, a secretary, paralegal, copiers, a bookkeeper, vacation days for employees and more—and the expenses quickly add up. That is why most businesses fail—because the people who started them do not know how to keep track of their expenses compared to their income. If you make \$200,000 a year after grossing \$2,000,000 a year as a solo practitioner with a small law firm this is good! But it is not easy, and the odds are probably stacked against you by 95% regardless of how successful you think you are going to be.

“I will keep my expenses low and make more money!” you say.

You may ... but this is all easier said than done. Practicing law is a completely different exercise than running a business. Running a business requires you watch money all the time and make a series of “daily” strategic decisions about the best places to deploy your resources so that you make money and do not lose money. It requires that you have first-rate customer service and do other things very well to succeed. It is nearly impossible to succeed when you do not know how to operate a business well.

A few years ago I met a highly-credentialed guy who used to be an attorney with a large law firm and had a book of his own clients that generated a few million dollars a year. With his book of business, he was making \$400,000 to \$500,000 a year at his law firm and he decided to open his own practice. He went to each of his clients and told them that if they gave him a retainer he would work on only their matters at his new firm that he was planning to operate out of a shared office he was renting.

About half of his clients agreed and he ended up getting a series of retainers totalling \$1,000,000 for the year and thought he was doing extremely well for himself. However, after one year he lost almost all of his clients—for whatever reason, he was not servicing them in the same way



and they were not as happy, he did not know how to operate a business and made mistakes, his clients wanted the name of a larger law firm and so forth. Unable to pay his bills, he ended up becoming a “financial advisor”—essentially, a stockbroker. Incredibly, just a few years after being a highly paid and respected partner in a major American law firm, he was approaching his old clients “hat in hand” asking them if they were interested in purchasing the latest hot stock or mutual fund.

This cautionary tale—and I have several of them—should show you that running a business is far different than working inside of a law firm or succeeding there. Even if success is realistic, it is not easy for even the most talented of attorneys.

When you are operating your own business, you are responsible not only for doing the work (and getting the work done) but other things such as:

- Motivating employees
- Keeping work coming in
- Keeping expenses down
- Keeping clients happy
- Making sure clients pay their bills
- Recruiting employees
- Firing employees
- Dealing with vendors all day
- Advertising and promoting the business

This multitude of responsibilities is huge and something that is far, far more extensive than sitting down at a desk and doing work, or sitting down at a desk and doing work plus trying to generate business. None of this is easy. This does not mean that it is impossible; it just means that the skills necessary to be a successful attorney (inside a law firm, for the government, or [in-house](#), for example) are far different than the skills needed to succeed with your own business.

- **See [Top 10 Characteristics of Superstar Associates Who Make Partner](#) for more information.**



Take something as simple as getting clients to pay their bills. Most solo practitioners and attorneys with small law firms will tell you that they rarely collect 80% of what they bill. Clients are “fickle” and when you do not have a large name behind you it is often difficult to get them to pay their bills. Attorneys run the risk of not getting paid all the time and it is even more difficult when you have your own law firm.

“I’ll require everyone to have a replenished retainer at all times!” you might say. Good luck with that. This might work to some extent depending on your practice area; however, this generally will also reduce the number of clients who are interested in hiring you.

## **2. Most Solo Practitioners Start Their Own Law Firms Because They Do Not Have Any Other Options**

It is common for attorneys who cannot get jobs (for whatever reason) to become solo practitioners. For example, this happens when attorneys cannot get jobs because:

- They graduated from a poorly ranked law school
- They graduated from law school during a very poor economy
- They went into the wrong practice area at the wrong time and got laid off (some practice areas do well when the economy is doing very well, others prosper when the economy is doing poorly)
- They are too senior and law firms will not hire them
- They are in too small of a geographic area to have any other options
- They were formerly in-house, with the government, or with a public interest organization and law firms will not hire them
- They have a bad reputation, have had “issues” (malpractice, legal problems, ethical problems, suspensions, etc.) that make employment with a mainstream law firm difficult, or next to impossible
- They have substance abuse problems (drugs, alcohol, etc.) that so clearly affect their performance and availability for work that they cannot function inside of a structured legal environment that demands any sort of accountability

The point being: Most attorneys (but not all) who become solo practitioners do so due to the fact





that other people will not hire them. People getting divorces, hiring personal injury attorneys and so forth do not know this, of course. But attorneys from most law firms and most companies do.

There is nothing wrong with starting a solo law practice and I am not trying to denigrate attorneys who have done so (I did as well). Nevertheless, most attorneys who do this are doing so because of a lack of options and are putting themselves at a distinct disadvantage because they generally no longer have access to:

- The largest clients
- The most important and challenging work
- Clients willing to pay a lot of money
- The support systems of a large law firm
- Training and the company of other sophisticated attorneys
- The ability to spin off client work to a variety of other attorneys in the law firm
- A steady, reliable paycheck

The majority of attorneys who start their own practices do so because they have to and not because they want to. I have spoken with thousands of solo practitioners throughout my time as a recruiter and virtually every single one of them became a solo practitioner and started his or her own law firm because the attorney had to as opposed to wanted to. Law firms, in-house counsel and others who hire attorneys know that the solo practitioner is likely doing this because he or she had no other options. This means there is (sadly) a stigma attached to being a solo practitioner because it often carries the message that “I am doing this because no one wants me.”

There is another side to the life of a solo practitioner, though. Many do become very successful, take on important civil rights and other cases that change history, make huge incomes with personal injury cases and experience profound success far beyond what they would have in a large law firm. This is the “positive side” of this and for those who succeed (or even come close to succeeding) nothing can beat being your own boss and making an impact. Some of the happiest attorneys out there are solo practitioners and many even end up building large, successful law firms. There is absolutely nothing wrong with being a solo practitioner when you succeed—the problem is that most solo practitioners become solos because nothing else materializes for them and the world knows this.



### **3. Most Significant Clients Will Almost Never Use a Solo Practitioner**

Once you become a solo practitioner, very few large clients will ever hire you. Most decent-sized companies that can afford to pay high legal fees will generally always choose a larger law firm to represent them. The name of the law firm carries a lot of weight and shows the opposing side that the client means business. If you are a solo practitioner then your odds of working on matters as large as you were working on when you were inside of a law firm are very slim indeed.

If a decent-sized client (or even an important individual) uses a solo practitioner for a matter then he or she might look like a fool to the other side. The other side will interpret this as “weakness” and think that the client cannot afford an attorney with the resources of a larger law firm with teams of attorneys, paralegals and support staff. There is very little incentive for large clients to ever hire solo practitioners because large clients need the resources that only large firms can provide.

Even very wealthy individual clients use large law firms for things like divorces, trust and estates work and other personal matters. People who are worth millions of dollars generally keep company with other very wealthy people and all of these folks know the “legal hierarchy” and therefore do not use solo practitioners for important matters.

An exception to this is that solo practitioners may work on discrete “safe” parts of sophisticated transactions and other matters for larger clients. Many smaller real estate developers have trusted relationships with solo practitioners to do work for them. Many very wealthy people also often use solo practitioners for work in this way.

### **4. A Significant Number of Solo Practitioners Need to Do Contingency Work and Make a Large Portion of Their Money from Contingency Work**

The majority of solo practitioners earn a significant portion of their money from contingency work (especially personal injury). Not all do, of course, but the majority have some involvement in this sort of work. Even on the transactional side, solo practitioners often have a “contingency role.” For example, if a corporate attorney is working on a deal, he or she may take a small amount of equity in exchange for waiving or lowering fees. A real estate attorney may take a small amount of equity in a deal/project in exchange for a fee when the project sells. Large law firms do not do this, as they would rather “get paid now” rather than hope to get paid later.



Solo practitioners spend their days negotiating with clients and there are few clients who walk through their office (or spare bedroom) doors who do so not expecting a deal or asking the attorney to take a reduced fee, delayed fee, or contingency interest in a case. Most of these solos end up doing this work because they need to and do not have a steady stream of clients willing to pay them by the hour. This results in an income for most solo practitioners that can fluctuate wildly from year to year and certainly is not conducive to such things as getting a mortgage and buying a home.

## **5. Your Skills Will Generally Rapidly Deteriorate as a Solo Practitioner**

Because most solo practitioners cannot get large clients, they generally find themselves spending the majority of their time working on matters for smaller clients. These smaller clients generally run out of money faster, negotiate rates aggressively, fail to pay their bills on time, and fail to pay for the sort of thoroughness (in-depth research and so forth) that wins cases and deals. Thus, solo practitioners end up doing poorer work than they would in a large law firm. As a result of consistently working for shallow-pocket clients, the work quality of solo practitioners rapidly deteriorates to the point where they do the minimum amount of work on every matter that comes before them and turn into poor attorneys.

I have hired solo practitioners before who formerly worked in large law firms to work in my law firm. In some cases these attorneys may have graduated from top law schools at the top of their classes and had a few years of experience in large law firms before being thrust out on their own. In general, they develop horrible habits and work product. With no other attorneys in their law firms, they develop horrible habits that often are close to irreversible. They take shortcuts, are sloppy and become eager to do things quickly rather than with a high level of quality (and then try to get paid as much as possible for their poor work product).

- **See [The People You Work and Associate with Can Either Make or Break You](#) for more information.**

Large clients not only want a good name doing work for them, they want good work product. Attorneys coming from large law firms with good pedigrees may think that they will not develop poor work products by going solo—but this is simply not the case. These attorneys almost always end up developing poor work products because they are no longer working on sophisticated matters and are forced to cut corners on the matters they do work on.



## **6. If You Are Starting a Law Firm With Others, This “Union” Will Rarely Last**

Many solo practitioners quickly bring on others to work with them and start small law firms. Others may leave a law firm with a few trusted other attorneys and start a law firm this way.

These “partnerships” rarely last.

What ends up happening is that these partnerships break up due to financial reasons and the attorneys fight about money. If there is a lot of money, some will want more than others. If there is not enough money, the attorneys leave to find money somewhere else.

Having watched this process play itself out throughout my career, it is safe to say that the odds of most partnerships succeeding are very rare indeed. They do work and can work, of course, but most do not. They often do not work because not everyone contributes equally. Large law firms have intricate processes and methods (developed over decades) to determine how the “spoils” of their efforts are to be divided. New law firms generally do not have experience with this and the firm ends up imploding.

## **7. Law Firms Provide a Structure That Is Conducive to Success Compared to Being a Solo Practitioner**

Law firms have a whole series of processes in place that make them succeed.

- They put an emphasis on billable hours to ensure work is done or “created” so that bills and salaries get paid.
- They reward partners disproportionately according to who brings in business and have systems in place to extract the maximum amount of money from them for the lowest cost.
- They market for a variety of practice groups, which insulates them to some extent in different economic climates (to keep billable hours and work coming).
- They have finance, human resources, marketing and other departments that make the firm function.
- They constantly push out poor performers and bring in high performers.



Regardless of how you evaluate it, large law firms are built to succeed and have all sorts of internal processes designed to ensure success. Solo practitioners have none of these things and that makes their success far less likely. They tend to bill less hours and to spend more time on “lower value” administrative and other matters than attorneys in large law firms.

## **8. Solo Practitioners are Generally Much Less Respected by Judges, Clients and Other Attorneys, Putting Them in a Difficult Role**

For the reasons outlined above, by going solo, attorneys are generally putting themselves in roles where they (and their clients) are likely to be less respected by other people of influence within the legal world and solo practitioners thus have a more difficult time being effective advocates than lawyers with large law firms.

Judges and opposing clients generally have far more respect for larger law firms than they do for solo practitioners. They know:

- They are less likely to appeal adverse rulings
- They are less likely to come up against them again
- Their client is likely not as influential
- The solo practitioner is less influential than the big law firm attorney
- They are likely to miss important matters in litigation, deals and so forth and can be taken advantage of more easily
- They are never likely to be hired by the solo practitioner

Very few important clients would ever allow a solo practitioner to be involved in their significant legal matters. Regardless of whether the solo practitioner can do the work, clients know that solo practitioners are not likely to be taken as seriously by the other side.

## **9. Once You Become a Solo Practitioner You Can Almost Never Go Back to a Large Law Firm**

Unless the solo practitioner has unique skills (patent prosecutors with electrical engineering degrees, certain types of real estate and corporate attorneys) or significant business (generally in excess of \$500,000), the odds of a solo practitioner ever going back to a large law firm are



extremely slim. Namely, large law firms believe that (1) the solo is doing this because they have to, (2) the solo does not like working with other attorneys (or cannot get along with them), (3) the solo may come to a large law firm and leave again (taking the large law firm's clients with them), and/or (4) the solo practitioner's skills have deteriorated to a level where they are no longer suitable for a large law firm.

Regardless of how you spin it, the solo practitioner rarely is going to be welcomed back to a large law firm. Even if a solo practitioner has a good book of paying clients, the solo practitioner is rarely going to have clients who are paying the same rates they would have to pay to a larger law firm; therefore, the work is not "portable." While solo practitioners sometimes do go back to work inside of law firms, it is quite rare.

## **10. Solo Practitioners Generally Make Far, Far Less Money Than Large Law Firm Attorneys**

In my experience, what happens to most solo practitioners is that they spend a significant portion of their time trying to negotiate how much and how soon they will get paid for whatever they are working on rather than doing work. I've seen solo practitioners negotiate with a client for two hours on the phone about attending a hearing for a client, drive two hours round-trip to pick up \$1,000 in cash before attending a 15-minute hearing and then spend another hour negotiating trying to get \$1500 to file a two-page motion. The work of many solo practitioners is often more style than substance and more about negotiating with clients about money than anything else.

Because solo practitioners spend so much time chasing down clients who will pay them and waiting to get paid various "contingency" checks, it becomes very, very difficult for them to make money. Without large clients willing to pay ongoing hourly rates, solo practitioners often spend their time trying to get people to pay them and not practicing law.

## **B. Top 10 Reasons to Start Your Own Law Firm**

Despite the challenges, people can and do start small law firms. Here are the top 10 reasons why you might have what it takes to go solo and be successful at it.

### **1. You Have a Group of Clients Who Will "Go" with You and You Trust Them to Give You Work, or Your Former Law Firm or Corporation Will Give You Work**



Many attorneys who leave law firms do so trusting that they have clients who will go with them and give them ongoing work. Many of these relationships may be decades old and the attorney is secure in the relationships and workflow.

I have seen this work out many times. I know of many patent attorneys, for example, who do work for large clients in various industries and who do work that is so sophisticated that few people can do it. The client likes the attorney, appreciates the attorney's sophistication and is interested in continuing to work with the attorney regardless whether the attorney is solo or not. I also know of real estate attorneys and corporate attorneys for whom this has worked out. In one case, I saw the general counsel of a healthcare company leave, start his own law firm and build it up to 50 attorneys doing work for the healthcare company. This lasted until the healthcare company fired the attorney and the entire law firm spectacularly went out of business.

An attorney needs to be very careful in assessing whether or not a client will follow the attorney and continue to give the attorney work. Attorneys who manage this can succeed as solos or with small firms.

Things can also work out if an attorney's former firm sends work to the departing attorney. This frequently happens, with departing attorneys getting fed smaller cases and other work from their former law firms. Many attorneys who have left large law firms have been quite successful in these situations and continue to be successful so long as they maintain good relationships with their former law firms.

For example, I know of several attorneys who have left large law firms on good terms after not being made partner. This happens typically at major firms that simply do not have the capacity to make too many partners. But if the attorneys leave on good terms, the law firms often will feed them enough work for them to be successful as solos or with small firms. Many major American law firms have even been started like this. The caution here is that the law firm will quickly stop sending work if it feels that anyone is having a bad experience using the attorney.

Similarly, attorneys who leave [in-house positions](#) are often able to understand the client's needs well enough that they can get the company to feed them work. This can work out very well provided that using the solo firm is in the company's best interest and not prohibitively expensive compared to what the client was spending on the in-house attorney. These kinds of arrangements



have led to the founding of many successful law firms. The caution is that the work can quickly disappear if the company goes in another direction and so the attorney should always look for work in several places.

## **2. You Have Support from a Group of Other Attorneys You Know and Trust Completely Who Will Work with You**

Attorneys often like to start law firms with a group of peers who become their new “partners.” If attorneys have worked together for any length of time, they often complement each other’s strengths and weaknesses:

- One attorney may be very good at business development
- Another attorney may excel at financial matters
- Another group of attorneys may have a reputation for doing exceptional work
- Another attorney in the group may have very good interpersonal skills that make the attorney well suited for recruiting

This sort of combination, in fact, can often work out better in the long run than a solo practitioner arrangement because the attorneys are coming together with the idea that they will function as a group and each one has well-defined responsibilities that make the group run efficiently. If these attorneys are partners and worked together for awhile at the firm they are leaving, they often already have clients. Leaving allows them to have a “ready-made law firm” that is likely to succeed.

These sorts of arrangements are often how the largest and most successful law firms in the country started. Fed up with one sort of management paradigm, a group of partners strike out on their own and do something “new” that the market likes and makes the law firm grow. The “new” paradigm is often quite helpful for recruiting attorneys to work in the firm as well.

## **3. You Are in a Very Narrow Specialty in a Well-Defined Practice Group and Confident That Business Will Keep Coming from Some of Your Own Clients (Patent Law, Real Estate Law, Some Types of Corporate Law)**

Some attorneys have experience in fields such as patent law where they may be experts in things like specific types of microwave frequencies, patenting a certain class of drugs, or experts in





some type of exotic electronic device. Other attorneys may know how to do a certain type of tax transaction, ERISA work, set up certain types of corporations or do other corporate transactions, or understand the way a client buys and sells real estate.

If an attorney has several years of experience doing a certain type of work for a few clients and those clients always need the work—the odds are pretty good that one or more of those clients will follow the attorney if he or she leaves and sets up his or her own firm. I have seen numerous attorneys succeed as solo practitioners with skills like this. If you have very distinct skills, the work is transactional in nature, and the work is primarily non-contentious such that you are unlikely to be up against powerful adversaries, then the odds are pretty good you might have a successful solo practice.

On the “contentious” litigation side, many attorneys have had success when they were defending small employment matters for small clients and/or providing employment advice to companies.

Regardless of what the attorney does, the attorney always needs to have a well-defined skill that few other attorneys have so specialized work is consistently sent to the attorney.

- See **Specialize, Be Seen and Associate with Greatness** for more information.

#### **4. You Have Substantial Business Experience, Have Already Succeeded in Business, Know What It Will Take to Succeed and “Know” You Will Succeed**

Some people are “natural hustlers” and just have a knack for business. They may have operated businesses from the time when they were teenagers and love business, trading, getting clients, making money and just have a natural understanding and drive for this. These individuals may read marketing books in their spare time and have an overall love and drive to succeed in business.

These sorts of individuals often succeed when they start law firms. If you are one of these people then the odds are you can do well regardless of all of the odds stacked against you. If you have good business and marketing skills, it does not really matter where you went to law school or how you did there, because your business skills can take you a long way.



I run across people with great business minds who are practicing law with their own law firms all the time. Some have broken off from law firms, others started right out of law school. With a good business mind an attorney can start a successful business practicing law.

- See **Treating Your Legal Career Like a Small Business** for more information.

The truth is that most attorneys do not have great business minds and often start firms for the wrong reasons. A desire for freedom or independence is different than having a good business mind. A good business mind will generally make someone a better businessperson than a lawyer. A good legal mind will generally make someone a better lawyer than a businessperson.

## **5. You Are in a Small Town and Will Be One of the Only Attorneys in the Town**

My small law firm in Malibu is “moderately” successful because there are not a lot of other options for people who want a local lawyer. People literally walk in the door and call on the phone regularly with various types of work. Sometimes the people actually can afford to pay!

However, the real “heavy hitters” in the town where I work are certainly likely to drive 45 minutes or so to an attorney in Los Angeles or West Los Angeles if they have serious legal issues and are interested in spending a lot of money. Nevertheless, I have a geographic advantage because people searching for law firms locally are likely to find our firm.

The solo practitioner is thus likely to succeed if he or she opens a firm in an area that does not have many attorneys. Being one of the only attorneys in a town is sort of like being the only doctor in a town: People need to use someone and they will be likely to use you if you are one of the only options. I have received phone calls from attorneys who are working in remote towns around the country and are getting ready to retire and want me to find an attorney to help take over their practices. There is a lot of work out there when you get outside of major cities.

Attorneys can be successful in their own practices if they are in small towns, or relocate back to a small town where they are from. You can definitely succeed if you do this. Larger cities, however, are extremely competitive and it is often more difficult for attorneys to succeed in solo practices in larger cities due to the competition from larger law firms and the number of law firms and others competing for their work.



## **6. You Have a Very Wealthy Family (or Friends) and You Are Confident They Will Continually Send You Work**

I have seen several attorneys start law firms because they knew they would have friends or family who could send lots of work. A few years ago, an attorney called me out of the blue and we spoke for some time because he had been fired and had no idea what he was going to do because he was fifteen years out of law school. He told me that he wanted to get a position in another law firm. I asked him if he had any business and he said “no” but that his brother-in-law had a big company and might send him some work. On a whim, I asked him to call his brother-in-law and speak with him about the possibility of giving him some business. A few days later he called me and told me that he did not need my help finding a job after all.

“What happened?” I asked him.

“My brother-in-law said he was sending \$1 million a year in litigation to a law firm he did not really like. He said I should stop screwing around working for law firms and set up my own firm. That’s what I am going to do.”

A few years later, I called him to check in and see how everything was going and he was doing very well and could not have been happier. His law firm was even expanding and he was bringing on even more new clients.

If you have someone who will send you a lot of work, starting your own firm is often a great idea. This is especially true when the person sending you work is a family member or a close friend. In some cases that person might even be your parent.

The most important thing for the survival of any law firm is having a constant source of work. That work is your lifeline and if a close family member or friend is willing to give you that work it can often ensure your long-term survival with your own law firm. As a cautionary measure, you should make sure that you always try to expand your practice beyond that one close client.

**See the following articles for more information:**

- **[Why Attorneys With 5+ Years of Law Firm Experience Are in Serious Trouble \(and Seven Steps They Need to Take to Save Their Legal Careers\)](#)**



- **Take this GIFT for Granted and Your Legal Career Will Be Dead**

## **7. You Are Interested in “Hustling,” Do Not Care What Other People Think of You and Are Not Afraid to Do Anything (Personal Injury, Representing Taxpayers Fighting the IRS, Workers Compensation, Small Wills and Anything You Can Get) to Make Money**

A good solo practitioner needs to know how to **HUSTLE** to make money. If you want to succeed, you should not have any fear whatsoever of getting any type of business possible—you need to have no shame. A business needs to bring in money to survive and bringing in money means you often need to do the sort of work you do not want to do and are not proud of doing. Your pride should never be an issue when you are building your business. You should start out **ASPIRING** to potentially advertise on the radio and television. You should have no problem whatsoever making videos telling people to use your services. In short, you need to **WANT IT** and do whatever it takes to get it.

You should not care what other attorneys think about you. You are building a business and doing whatever it takes to do so. The best marketers are showmen and salesmen and they cannot build a business and get stuff going unless they are out there getting people excited about their services. This is what you need to do in order to make money.

When I am building my businesses I do whatever it takes. I make videos. I send out marketing pieces. I hustle all I can because this is what is required. Do people make fun of me or criticize me? Of course. Do I care? In all honesty, I used to. But now I measure my success compared to those who are critical of my business-building efforts and I feel good about myself. If you want to build your business your heart needs to be in it and you should not be afraid to do whatever it takes.

**See the following articles for more information:**

- **Putting Yourself Out There and Your Heart, Body and Soul**
- **You Need to Have Desire to Achieve Your Goals**

When you look at the most successful people out there you will generally see that they are never afraid to put themselves out there. If you are like that it will help you build a business and succeed. Self-promoters and others with “guts” can do phenomenally well with their own law firms.



## **8. Psychologically and for a Variety of Reasons, You Cannot Get Along Working with Other People or Groups, or You Hate Working for Other People or in a Structured Environment**

Some people, for a variety of reasons, work better alone. This is just how they are made up. There is nothing wrong with this. They may be uncomfortable taking orders, working in a structured environment, or have difficulty getting along with people and prefer to have their own law firms. This is perfectly fine and is something that works for countless attorneys—and is also a good reason to start a law firm on your own.

Most solo practitioners operating with one or just a few attorneys have a bit of this in their disposition. The structure of a law firm, or the inevitable conflict inherent in working with other attorneys, is just too much for some people and they are happier on their own. These attorneys may get some training in large law firms and then for their sanity work on their own under conditions and in an environment that makes them happy and comfortable.

## **9. You Cannot Find a Job and You Need Something on Your Resume to Give the Impression You Are Still Working Despite Not Having Much (or Any) Work**

This is very common—and often a better alternative than having a big gap on your resume after losing a job. If you have some work to do, there is nothing wrong with saying you are operating a solo practice. It is better to have something than nothing—at least if you are operating a solo practice it looks like your services are in demand and someone is interested in paying you for work. Having a big gap on your resume often sends warning signs to potential employers because it looks like no one wants you at all.

**See the following articles for more information:**

- [\*\*How Do Law Firms Treat “Gaps” in Your Resume?\*\*](#)
- [\*\*How to Explain the Employment Gap in Your Resume\*\*](#)

## **10. You Honestly Do Not Care About How Much Money, Respect and So Forth You Get and Just Want Your Own Firm Doing What You Want and How You Want to Do It**

This is a good reason to open your own law firm and one of the best reasons to do so. Many



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attorneys reach the conclusion that they just want to do things their own way and take this route—which is perfectly fine.

### **Conclusions**

You can succeed in your own law firm. While there is a lot to take in and understand about having your own law firm, and deciding whether to do so, the most important point to understand is that you always need a source of work. As long as you have work (and plenty of it) you will do well. Most businesses (solo law firms included) fail because they do not have enough clients buying what they are selling. In my opinion, no one should start a law firm unless the person has the disposition to go get work or unless the person knows that he or she will have a constant stream of work from whatever the source to carry the firm through.

**[Click here to contact Harrison](#)**

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