CHECKLIST FOR STARTING A LAW PRACTICE

I. PLANNING / BUDGETING

- Assessment about starting a practice
  - Tolerance for risk
  - Managerial skills
  - Marketing skills
  - Confidence level in depth and breadth of legal skills
  - Adequate capitalization

- Write a Business and Marketing Plan
  - Projection of gross receipts
  - Projection of overhead and expenses
  - Projection of net receipts
  - Cash flow projections
  - Projection of hours worked
  - Marketable experience
  - Setting rates
  - Fee billing agreements
  - Financing
q Budget forecast
q Line of credit
q Partner capitalization
q Banking relationship

II. MARKETING PLAN / PRACTICE DEVELOPMENT
q Potential Client Base
q Mission and Brand
q Mailing lists
  q Clients
  q Prospects
q Media
  q Alumni, peers, community
q Advertising
  q Yellow Page ad
  q TV, radio, billboard
  q Announcements / Tombstone
q Lawyer Referral Service
q Internet
  q Website
  q Social Media (Facebook, LinkedIn, Blogs, Tweets)
q Print and other materials
  q Firm brochure
q Client newsletter
q Office signage
q Community Presence
  q Civic organizations
  q Charitable organizations
  q Industry organizations
  q Potential Client Base
q Individual Marketing Plans
  q Speaking / CLE
  q Publishing
  q Bar leadership
  q Community involvement

III. ENTITY SELECTION
q Considerations in Selecting Form of Practice
  q taxation
  q liability
  q succession/dissolution
q Solo Practice
q Partnership
q Professional Corporation
  q Articles of Incorporation
  q shareholders, officers, chief operating officer
q Limited Liability Company
  q Articles of Organization
  q members
q Limited Liability Partnership
q Consult with CPA
q Partnership Agreement in writing
  q Capital/equity from partners
  q Withdrawal/retirement/expulsion issues
  q Compensation and profit distribution
  q Dissolution issues
  q Management structure
  q Decision-making
  q Future partners

IV. OFFICE SPACE / LOCATION CONSIDERATIONS
q Office Building
  q Image, upscale, informal
  q Square footage
  q ADA considerations
  q Parking
  q Services, janitorial
  q Expansion Opportunities
  q Renovation Needs
q Proximity to public transit
q Proximity to clients
q Office sharing
q Renting, leasing
q Purchasing/buy into a law practice
q Working from home
q Virtual law practice

V. ACCOUNTING NEEDS
q Consult with CPA
   q Chart of accounts
   q quarterly and annual tax returns
   q payroll services
   q software compatible with accountant
q Accounting Procedures
   q Bank account reconciliation
   q Cash flow
q Accounts payable
   q Expense Approval System
   q Counter signature requirement on checks
q Financial reporting
q Client billing procedures
q Account Receivable management program
VI. START UP COSTS/CREDIT SOURCES

q Highly suggested that enough cash or a line of credit be available to cover start-up costs and at least the first 6 months to one year of operating expenses plus personal living expenses.

q Sources of credit

q Local bank/Credit Union

q personal, business loan
q home equity, home refinance
q line-of-credit to be drawn upon as needed
q lease, equipment loans
q family loans/private investor loans
q Personal savings

VII. BANK ACCOUNTS

q IOLTA Trust account
q Business operating account for expenses
q Payroll account
q Short term savings
q Safety deposit box
q Firm credit card
q Checks, deposit slips, endorsement stamp
q Credit card merchant account

VIII. TECHNOLOGY

q Software
  q Office suite
  q Time and billing and Accounting
  q Case Management (calendar, docket, conflicts)
  q Document assembly
  q Security – firewall, virus, scumware
Remote access
Voice Recognition
Other specialized or practice specific software
Faxing

Hardware
Computers – baseline system
Operating system
Back-up system
Lease or purchase
Printers
Network Server
Scanners
Laptops
Smartphones
Notepads

IX. OFFICE EQUIPMENT / SERVICES / SUPPLIES
Fax Machine
Photocopier
Shredder
Dictation equipment
q Calculators
q Internet Service Provider
q Projector and screen
q Domain name and Email addresses
q Telephone System
  q Equipment
  q Voice mail
  q Answering service
  q Local and long distance carrier
  q Conference calling
  q Cell phone/service
  q Pager
q Postage scale/mail equipment
  q Establish UPS and Fed Ex accounts
q Office furniture for lawyer(s), staff, reception area, file cabinets, conference, room furniture, carpeting and area rugs, book shelves, art work/office decorating needs
q Office supplies, paper, envelopes, pens, staplers, file folders, etc.
q Breakroom supplies – mugs, fridge, coffee pots, napkins etc
q Conference room supplies – placemats, branded items such as mugs, pads, pens etc, special technology needs

X. LIBRARY / LEGAL RESEARCH
q Online legal research provider
q Purchase new or used law books
q Local law library
q Law school library
q Courts library
q Internet research
q CD-ROM
q CLE Deskbooks

XI. OFFICE SYSTEMS/PROCEDURES
q Develop office manual/operating procedures manual
  q Standard procedures/policies for practice
  q Personnel issues/benefits
q Docketing, calendaring, tickler system
q Client Intake & Conflict checking
q File organization
  q Alpha/numeric
  q Centralized/decentralized
q Opening file procedures
q Closing file procedures/retention/storage/destruction
q Forms used in practice
  q Client interview form
  q Engagement/non-engagement letters and agreements
  q Disengagement / End of Engagement
q Practice specific checklists
Billing Statement Form
General client correspondence, notices, etc.
Client survey form after conclusion of representation

XII. INSURANCE PROTECTION

- Professional liability
- Workers’ Compensation
- Health
- Car Insurance for business use
- Property (liability, wind, fire, earthquake, etc.)
- Loss of valuable documents
- Life
- Disability
- Business Interruption
- Buy-Sell
- Business liability
- Fraud / Theft

XIII. PERSONNEL

- Legal Assistants and Paralegals
  - Full-time
  - Part-time
  - Temporary
q Virtual or outsourced
q Hours, flex-time
q Sharing personnel with other professionals

q Employee benefits
q Vacation, holidays
q Sick leave
q Overtime policy
q Medical insurance
q Retirement Plan
q Others
q Secure I-9 forms, W-4 forms, confidentiality agreement, employment applications, etc
q Policy handbook

XIV. MISCELLANEOUS

q Register fictitious name (if applicable)
q Obtain city or county business licenses or permits
q Order Post Office Box (if needed)
q Build a forms file
q Become a notary or have someone on staff or close by that is available
q Develop a disaster recovery plan for your office, files, computer, etc.
q Develop a plan for your illness, incapacity or death.
q Change of address notifications

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