Vermont Bar Association
Seminar Materials

2017 Solo & Small Firm Conference

Personalize Your Practice:
Starting Your Own Firm

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STARTING YOUR OWN FIRM

You Have Made the Decision

NOW WHAT?

STARTING YOUR OWN FIRM

Gather Information

- Need Information To Develop A Business Plan
- Numerous CLEs And Web Material Available
- Key Information
  - Structure (Solo, Partners, Staff)
  - Budget & Finances
  - Clients
  - Location
STARTING YOUR OWN FIRM
Create a Business Plan
- Samples Available Through Various Sources
- Common Provisions
  - Executive summary
  - Business description
  - Market analysis
  - Competition
  - Marketing strategy
  - Financial projections

STARTING YOUR OWN FIRM
Create A Formation Checklist
- Will Be Overwhelming Without A Plan
- Helps Plan Timing And Finances
- Living Document Used To Keep You On Track
- One Reference Point For All Resources And Contacts

STARTING YOUR OWN FIRM
Create A Formation Checklist (Cont.)
- Categories For Each Formation Task
  - Estimated cost
  - Actual cost
  - Paid
  - Responsible party
  - Due date / status
  - Comments
STARTING YOUR OWN FIRM
Create A Formation Checklist (Cont.)

- Formation Tasks
  - Entity formation
  - Professional expenses
  - Office location
  - Office fit-up
  - Office furniture
  - Utilities
  - Banking
  - Office equipment
  - Office software
  - Legal software
  - Marketing materials
  - Office supplies

STARTING YOUR OWN FIRM
Business Entity Selection

- Professional Limited Liability Company
- Professional Corporation
- Partnership / DBA

STARTING YOUR OWN FIRM
Professional Corporation

- Corporation Owned By Lawyers
  - C-Corporation
  - S-Corporation
- Liability Protection
- More Corporate Formalities
- Tax Benefits
STARTING YOUR OWN FIRM
Professional Limited Liability Company

- Limited Liability Company Owned By Lawyers
- Very Flexible
- Administratively Easy To Maintain

STARTING YOUR OWN FIRM
Selecting a Name for Your Firm

- Make Sure That It Is Available
- Cannot Be Deceptive
- Consider How It Will Be Use For Marketing
- Reserve The Name With The Secretary Of State
- Permitted To Use Trade Names
- Creating A Logo

STARTING YOUR OWN FIRM
If You Are Going to Have Partners

- Buy-Sell Agreement
- Division Of Responsibilities
- Allocation Of Profits And Losses
STARTING YOUR OWN FIRM

Utilization of Professionals

- Recognize Your Limitations
- Consider Hiring A Professional
  - Business lawyer
  - Logo designer
  - Website developer
  - Website manager
  - Accountant
  - Bookkeeper
  - Insurance agent
  - IT technician
  - Financial advisor

STARTING YOUR OWN FIRM

Business Succession Plan

- Need To Have One In Place
- Make Arrangements For Death And Disability

STARTING YOUR OWN FIRM

Insurance

- Malpractice Insurance
- Business Owner’s Policy
- Disability Insurance
- Workers’ Compensation Insurance
- Life Insurance
STARTING YOUR OWN FIRM
Malpractice Insurance

- Determine Amount Of Coverage
- Deductible
- First Dollar Defense Coverage
- Claims Made Coverage
- Tail Coverage

STARTING YOUR OWN FIRM
Business Owner’s Policy

- Combines Multiple Lines Of Coverage Into One Policy
- Combines
  - Property Coverage
  - Business Liability Coverage
  - Excludes Professional Liability Coverage

STARTING YOUR OWN FIRM
Accounting / Book Keeping

- Decide if You Are Going to Do It Yourself
- Select An Accounting Software Package
- QuickBooks is Most Commonly Used by Small Businesses
- Setup the Accounts Properly
  - General Account
  - IOLTA Account
STARTING YOUR OWN FIRM
Leasing An Office

• Determine If You Are Going To Lease An Office
• Consider A Broker
• Office Sharing
  • Traditional office sharing
  • Office sharing memberships

STARTING YOUR OWN FIRM
Office Equipment

• Lease
  • Can be cost efficient
  • Support if the equipment malfunctions
  • Most often leased: phones; postage meters; and copiers
• Purchase
  • Affordable options are available
  • New and used equipment
  • Need to plan ahead so that the equipment and furniture is ready when you need it

STARTING YOUR OWN FIRM
Forms / Documents

• Engagement Letter
• Develop The Forms And Documents You Will Need
• Many Sources For Documents
STARTING YOUR OWN FIRM
Fees Structure

• Determine Your Fee Structure
• Hourly
• Fixed Fee
• Rate
• Retainers
• Billing Practices

STARTING YOUR OWN FIRM
Building Your Business

• Develop A Marketing Plan And Materials
• Consider Sources For Clients
• Former clients
• Referrals
• Advertising
• Public relations
• Networking
• Community involvement
• Continuous Process

QUESTIONS?