

In this issue of LawTalk we begin a new column. It is entitled The Business of Law because that is what it is looking at – running a law practice.

It's not just a practice. It's a business

By Emily Morrow

SOME YEARS AGO, I INTERVIEWED SEVERAL of the most successful lawyers I knew. They had consistently robust practices that generated enough work to keep themselves and others busy. They were the “go to” lawyers in their fields, and they earned good incomes. **I ASKED THEM HOW THEY ENVISIONED,** built and sustained their practices and what, if any, succession planning they were doing.

Here's some of what they told me:

- “It's not just a practice. It's a business.”
- “I love being a catalyst to create something that did not previously exist.”
- “It's the creativity that grabs me. I had a vision for what I wanted to achieve, worked to build it, and then it came together and I have a very successful practice.”
- “I have tremendous freedom in what I do and how I do it, within reason, of course. My practice enables me to work with other people and support their professional success.”
- “Because I have spent so much of my life and energy building this practice, it's important to me that it continue in some way after I cease practising. I often think about this and take it into account in how I structure my practice and work with my team.”
- “Although I have practised for more than 20 years, I still get a tremendous thrill when a new client contacts me or a respected colleague makes a referral. I will never tire of this.”
- “There is no bright line between my personal and my professional life. I never start or stop building my practice.”
- “Ultimately, the only security one has in the practice of law is a loyal, well developed client base. I built that, I control it and I benefit from it.”

The lawyer as entrepreneur

What do these comments have in common? What is it that makes them unique,

compelling and memorable?

What comes to mind is the word “entrepreneur”, defined as “a person who organises and manages any enterprise, especially a business, usually with considerable initiative and risk” (*Dictionary.com*).

These lawyers are true entrepreneurs in how they build and run their practices. Their work as lawyers is more than a professional practice. They are lawyers, entrepreneurs and business people.

Several of the interviewees acknowledged they were entrepreneurs and questioned how they differed from many of their colleagues. In fact, they wondered whether some of their colleagues might view them as being somewhat “unprofessional” because

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of their “business like” approach to the practice of law.

In my experience, one can be a consummate lawyer and a consummate entrepreneur. That said, situations can arise in which doing what is profitable may be potentially unprofessional and/or unethical.

Obviously, being professional and ethical must always “trump” being profitable. As an older, very successful and highly respected lawyer said to me when I first started practising: “As a lawyer in this community, you must be like Caesar's wife. You must always be above suspicion”. It was excellent advice and I took it to heart.

In making partnership decisions, increasingly law firms are considering a candidate's ability to build and sustain a “partner level practice”. In today's competitive legal market, it is often no longer enough just

to be a skilled lawyer. Being a technically skilled lawyer is essential, but that alone is not sufficient.

What does it mean to be an entrepreneurial lawyer? Here are some thoughts.

Envisioning the entrepreneurial practice

Entrepreneurs, whether they be lawyers or business people, have a non-negotiable, clear vision of what they want to accomplish. Some entrepreneurs are quite structured in their approach, develop written business plans and stick closely to them. Others have a general sense of what they want to achieve and approach the process more organically.

In either case, actualising that vision is something that consumes an enormous amount of their best thinking and energy. They go about it with a real passion and they assume they will be successful.

Building the entrepreneurial practice

Entrepreneurial lawyers realise that everything they do, big or small, will be important in building their practice.

They constantly look for opportunities to create their own good luck. Their efforts are cumulative and iterative.

They assume they will never fully “arrive” in building a robust practice and they embrace the process. Entrepreneurial lawyers engage in the solitary, creative work of building a practice, while also being highly collaborative.

They are businesslike and do not to mince words or waste time.

They are efficient and effective in a way that often distinguishes them from their less entrepreneurial colleagues.

Sustaining the entrepreneurial practice

Typically it takes between three to five years of active practice development to get real traction when building a legal practice.

After that, the growth curve often goes

from modest growth to exponential growth. I think of this as the “snowball effect”, after which success breeds more success.

However, entrepreneurial lawyers never take success for granted. Typically, they do this not out of anxiety about their practice, but because it’s a creative process that they intrinsically savour. It never begins and it never ends.

Succession planning

Some entrepreneurs, whether they be lawyers or otherwise, focus so intently on growing their practice or business that they don’t do much planning for its ultimate disposition. Those who don’t plan run the real risk of doing themselves, their clients and their professional colleagues a major disservice. The fruits of their hard work, commitment and passion can be irretrievably and quickly lost when they leave the practice. Good will dissipates fast.

Interestingly, succession planning sits squarely in the center of an intense vortex involving psychology (professional/personal identity questions and anxiety about losing the “lawyer” role), sociology (the functioning of the lawyer’s team and others in the firm and the firm’s role in the larger community), business (the financial/commercial implications for the firm and for the individual lawyer and his/her team members), and even anthropology (the cultural “history” of the departing lawyer’s way of practising, team management, firm culture etc).

Optimal succession planning is therefore a complex topic and one that is beyond the scope of this article. That said, every lawyer should consider it early, often and in as objective and honest a way as possible. Resistance and denial do not constitute succession planning.

Daniel, the reluctant legal entrepreneur

Daniel worked for a large law firm immediately following his legal training, thinking he wanted to become a partner in such a firm. However, after a couple of years, for professional and personal reasons, he left the firm and joined a smaller, boutique firm. Initially, the partners provided him with plenty of work. He enjoyed this and did very little, if anything, to develop his own client base.

Some years later, when the partners were

considering him for partnership, they advised Daniel he would need to demonstrate the ability to grow a “partner level” practice. Although the firm was doing well, it could not make him a partner unless he could bring in enough work to keep himself and his team busy.

Daniel contacted me because he was anxious about his ability to build his own practice. He really wanted to do so, but he was unsure if he “had what it would take” to be successful.

When Daniel and I met, I suggested that although building a practice can be challenging, the personal, professional and financial rewards of doing so could be significant.

Daniel is highly motivated to become a partner in his firm and expressed a willingness to do “whatever it takes to be successful”. He is smart, hardworking, resilient and focused, and he is a fabulous lawyer. But, he is not a “natural” entrepreneur. Daniel is a quintessential example of what I think of as

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a reluctant entrepreneur. Increasingly, there are many lawyers who become reluctant entrepreneurs.

Entrepreneurial attitudes and intentions

I told Daniel that, in my experience, entrepreneurial success is less closely associated with technical expertise (although technical expertise is an essential prerequisite), and more closely correlated with certain attitudes and approaches. These are:

1. Entrepreneurs understand the role their intentions and attitudes play in their lives. Despite the external realities they may face, they have complete control over the attitude they bring to building a practice, and they create non-negotiable intentions going forward.
2. They accurately identify and use their core capabilities beyond their technical skills. For example, although Daniel is relatively introverted, he is a remarkable organiser, gets along with everyone (including the most difficult people) and can handle any emergency. These will be critical skills in building his practice, but are unrelated

to his technical expertise as a lawyer.

3. They are realistic and honest about the risks and rewards of building a practice, and take full responsibility for their own success. Blaming is not part of their modus operandi.
4. They are tenacious and resilient. As one consummate legal entrepreneur remarked, “I may not always be successful, but I choose not to include the word ‘failure’ in my lexicon”. Bingo.
5. Successful reluctant entrepreneurs choose to believe there is more than enough to go around, that a rising tide floats all boats and that their success should not be at any one else’s expense. They choose to live in a world of abundance. Although they are ambitious, they often are not particularly competitive.
6. They are realistic and honest with themselves and others about their strengths, know how to compensate for their weaknesses and act accordingly.
7. They believe it is possible to have an abiding sense of well-being in life and they intend to achieve that.

Daniel examined his professional attitudes/intentions and drafted a practice development plan that was practical, achievable and tailored to his personal style and strengths.

He told me his motivation level to achieve his goals was “9 or 10 out of 10” and he began chipping away at building his client base.

He knows this will be hard work and he will frequently have to step out of his comfort zone to be successful. He also knows the rewards can be substantial.

Daniel is well on the way to being a very successful entrepreneurial lawyer. He is a reluctant entrepreneur and not a “natural” one, but he will do just fine. I have full confidence in him.

You may never need to be a legal entrepreneur or a reluctant legal entrepreneur. But should the need arise, don’t dismiss the idea out of hand. You might be better at it than you think and you might even enjoy it. ☑

Emily Morrow was a lawyer and senior partner with a large firm in Vermont, where she built a trusts, estates and tax practice. Having lived and worked in Sydney and Vermont, Emily now resides in Auckland and provides tailored consulting services for lawyers, barristers, in-house counsel, law firms and barristers’ chambers focusing on non-technical skills that correlate with professional success, including business development, communication, delegation, self presentation, leadership and team building/management.