

Chapter 1

Starting and Building a Consumer Law Practice: Suggestions, Recommendations, and Musings of a Lemon Law Lawyer

By: Ronald L. Burdge, Dayton, Ohio

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Our law practice is devoted almost entirely to Lemon Law and AutoFraud cases so much of this article deals with those aspects. However, we encourage you to take this information and adapt it to your particular area of Consumer Law. The material in this section is introductory for the attorney just starting out in Consumer Law.

Topics include: Hanging out your shingle, Technology and Your Legal Practice, and Cultivating a Consumer Law Practice.

Hanging Out Your Shingle

The business form of the new practicing attorney is usually an easy choice. With limited funds and resources to deal with, setting up a corporation is not necessary and probably not prudent. For the sole practitioner, a sole proprietorship is the obvious choice of business organization. You own it, you are responsible for all of it, you make all of the decisions, you pay all the bills, and you get all the profit.

In a partnership situation with several other attorneys, decisions are jointly made on those issues that are agreed to be joint, with some authority in specific areas usually delegated to specific partners for the overall benefits of the organization. The advantages and disadvantages are obvious.

However, as soon as you can economically afford it, you should consider the limited liability corporation or a simple corporation business entity form of your profession. Personal liability risks and related issues make it a mandatory consideration.

Often not thought of, but just as relevant, is the question of ownership of personal assets apart from ownership of business assets. For instance, given liability issues, the professional may consider having his or her residence owned either in a trust or in the name of a spouse, to insulate it from the law practice and any potential professional claims.

Budgeting is critical for the beginning consumer law attorney.

Carefully consider all the ordinary expenses for operating a law practice. If you do not use internet faxing, then the cost of a fax machine and its supplies has to be calculated. Many multipurpose machines are now available that will handle the phones, do copying, and faxing combined. Of course, the problem is that if something breaks then the entire machine is broken. It is not a recommended form.

When budgeting the cost of acquisition of all equipment, do not forget the software, forms, and business supplies necessary.

Just as important, do not forget to budget yourself into the payroll. Many consumer law attorneys start practicing on the basis that they will simply pay the bills and the money that is left over at the end of the week is their income. While possible, it is not practical or wise. You should strive to pay yourself a salary from the business and leave in the business account all the excess money until you are ready to give yourself a raise. Otherwise, your income is sporadic and unpredictable. That will affect loan applications, both personal and professional. Also, there is a certain amount of credibility to the fact that you pay yourself a salary instead of simply taking a "draw" against business income.

Hiring staff is the easiest thing to do, and the hardest thing to do, and the most troubling job for the new attorney.

You may be better off to hire an experienced person away from an established firm than to start with an inexperienced person and find yourself doing most of the work as well as training the inexperienced employee on how to do the job that you could do faster yourself. Although it will cost more to hire an experienced employee, the time savings is substantially greater. Look at it from the perspective of what your hourly rate is. If the new attorney bills time at \$150 an hour, it is not practical to hire an employee at \$14 and have the attorney doing the work to assist and train the new employee who has no experience. You are better off paying a higher hourly rate for the experience, and spending your time on billable matters.

To learn what the appropriate hourly rates are in your immediate area, consult other attorneys or the local bar association. If you have prior experience with another law firm, you may be able to contact staff members directly to make a discreet inquiry. Regardless, the simple fact is that the more you pay your employees, the happier they will be, the better they will do their job, and the more time you will have available to be the lawyer that you were trained to be.

Selection of the right office location is critical. As they say in real estate, it is all about "location, location, location". A wonderful office facility is worthless if it is out of the way or hard to find. Having a modest facility and a location that is quick and easy to find, readily accessible to anyone, is worth far more.

The new consumer law attorney is usually better off locating in an office that is in a building where other attorneys are already located. That way you can make yourself known to professional "neighbors" for referrals as well as for any "overflow" work that can be garnered while you are building a your own client base and reputation.

Hanging out your shingle is the most difficult part of the process, because of the investment in capital that it takes while you are waiting for income to build. Thirty years ago the young attorney needed \$10,000 to open up an office and could not count on taking home any money at all for at least the first six months. While computers and the internet have certainly changed the marketplace, it is still an altruism that applies. You can do it cheaper, but with lesser cost comes greater challenge.

Technology and Your Legal Practice

There is no reason to go hunting with a six shooter when you have a shotgun, unless you can not afford the shotgun and have to buy the six shooter. Doc Holiday said that. Okay, maybe he didn't but he probably would have if he had thought about it.

The only technology that your new office really needs, of necessity, is a telephone and a typewriter. However, the difficulty in finding a typewriter as well as the cost and training involved, necessitates moving up to a computer.

New computers are relatively cheap and will do the trick, as long as it is made by a manufacturer that you have heard of before. Do your homework carefully in selecting reliable office equipment. When using computers, the worst thing in the world is to have everything on your computer and then have the computer crash, so reliability is paramount.

The first decision is "PC" or "Mac" and each side of the debate has their strong points and weaknesses. Do your homework. Research everything carefully. Then go to the computer stores and try them both out using word processing programs. Talk to other attorneys and you'll find that most attorneys use a PC but Mac fans are a devoted and devout group.

Pretty much any computer that you buy "off-the-shelf" will do. However, as of 2006, you should make sure that it has an operating system that is at least Windows XP with more memory than the salesman recommends and more than you think you could possibly need or use. A good rule of thumb is to get at least half again as much computer memory as the computer salesman says you should have. Computer memory is relatively cheap. When trying to decide, think about it this way. Pretend that the computer memory chip is in your left hand. Now, pretend that a bottle of aspirin is in your right hand. Okay, so the question is: more memory or more aspirin?

The first computer software to buy is a word processor. The second, some kind of easy to use checkbook program. The third, a backup program.

Do not buy more software than you need to run your practice. Lots of software is available over the Internet for free, anyway, so you do not need to tie up your capital. Free word processing programs and presentation programs (the equivalent of Microsoft Office and WordPerfect Office) are readily available. For example, Open Office is an attractive package and that is compatible with Microsoft Office.

Although the majority of law offices (and the business world in general) use Microsoft Word as their word processor, many consumer law (and other) attorneys "grew up" with WordPerfect and have never switched.

If you are experienced in one word processing program already, and you have a copy of it or can get it inexpensively, then stick with what you know. Now is not the time to learn a new computer program. Now is the time to open your doors and try to make money so you can survive in the marketplace. You can get all the fancy computer software later.

If you use computer software to maintain your checkbook at home, then whatever that kind is, you probably should use for your office. Several low-cost solutions are readily available. Again, it is a matter of a name brand and your own personal preference.

As far as docketing software and case management software, don't buy it before you need it. When you do need it, look for the best system at the lowest cost.

Years ago I started using Amicus (when it was literally Version 1) and we have grown with the package as it has grown. The entry-level program does more than you need and certainly more than you will use to in the near future, but it is so well integrated and well organized that it makes no sense to use a system

costing significantly more. The exception to the rule would be if you are coming from another law firm where you are already thoroughly experience with some other program. Even then, the cost is likely to be prohibitive.

Besides the obvious word processing program needs and a presentation package (like PowerPoint, etc.), and a checking account program, everything else can be downloaded for free from the internet.

Of course, that means you need to have an Internet program through a portal such as AOL or MSN or any of the other hundreds or thousands of internet service providers. You should get the fastest service you can afford, since dial-up service is extremely slow and with so many attachments to emails routinely sent back and forth, a dial-up Internet service can be inconsistent as well as painfully slow to work.

The best approach is probably to get cable Internet access along with cable TV wired to your office. You may never watch TV, but the reasonable cost for high speed cable internet service makes it worthwhile. Also, it is historically quite reliable now.

Cultivating a Consumer Law Practice

Attracting new clients has never been tougher than current times. However, practicing Consumer Law has probably never been easier. Now NACA and NCLC provide tons of help, research, advice and tips. It wasn't that way 30 years ago.

The first thing to do, of course, is to set up an affordable phone book, and perhaps yellow pages, phone listing. Check out the costs carefully though and be certain that you focus on the "brand" of phone book most in use in your area. Some books are published by non-standard companies and may be commonly ignored by consumers in your market area. Moral: not all phone books are created equal.

Make sure local attorneys know of your specialty practice and willingness to accept referrals. An effective ad in the local bar publication can be a cost effective public announcement, but don't forget direct and professional letters to local attorneys.

Get involved with the professional community, both legal and otherwise. Be noticeably involved in your local bar association, to foster referrals, and don't be shy about asking for referrals. If your local bar has a "speakers bureau", volunteer to talk about your Consumer Law specialty or perhaps any legal topic. Many

college radio stations (i.e., NPR, etc) have time available call in “ask the expert” radio programs that you can appear on. Some public television stations do the same thing or have a community channel. Check with local cable television too.

Some attorneys develop and distribute client newsletters as a way of building a good relationship with current clients, often asking them to share them with friends, neighbors, etc.

Sponsor a local little league team or other children sports team. Probably nothing gets your name in front of parents more constantly and consistently. However, if you’re going to sponsor the team, don’t forget to go to most of the games too. If you have children, take them with you when you can.

In spite of all that, a powerful way to make your presence known is through the internet. It has become the virtual yellow page directory of the current times.