

Developing Your Practice: A Guide for New Lawyers

By Craig G. Gillespie

As a new lawyer, whether you are in a solo, small or large firm, the importance of growing your practice becomes apparent early on. In the competitive business of law, the most important asset that you have is you and the work that you perform. Therefore, it is crucial to deliver high quality work at all times and to build your reputation based on that work. However, the old adage that “the work speaks for itself” cannot be relied on to build a practice today. In order to build your practice you will need to learn how to network effectively and to create a referral system that will bring in work that is appropriate for your practice.

In a small and large firm environment, the key to growing your practice is to be of value to your organization. The more value you bring into the practice, the more valuable you are to the practice. As mentioned, delivering high quality work is one important aspect of this; however you must also bring something to the practice beyond good work. Attracting new clients and repeat business are also valuable attributes that are essential to any law firm, and any lawyer’s, success.

For a young lawyer in a large firm, at the beginning the networking and referrals may occur mainly within your firm. For lawyers in small firms or solo practices, your networking and referral system will need to be directed at clients and other lawyers much sooner. Either way, the skills that are needed to grow a law practice are essentially the same.

Fundamentals of Building a Practice

The following four areas will be considered in this paper:

Your Work - The quality of your work is the key to attracting more work. If you do good work you will attract repeat business from your client. It is always easier to attract repeat business than to source out new clients. As well, high quality work is key if you want to convince others to refer work to you.

Referrals - Referrals from lawyers in other practice areas is crucial to building your practice. I will share a number of ideas on how to get referrals from lawyers and others and how to keep them.

Advertising – Although smaller firms may feel they are at a disadvantage when it comes to advertising, there are much more effective and inexpensive ways to build your practice. Traditional advertising is the least personal way to build a practice and is not always necessary.

Tracking Your Progress – It is important that you keep a personal inventory of your contacts and referrals and work on building relationships with those people. Track the progress you are making in expanding your practice and re-visit your strategies on a regular basis.

1. Your Work – Deliver a High Quality Product

As mentioned, your most important asset in the competitive business of law is your work. It is therefore crucial that you deliver high quality work at all times. The work that you do for a client is one of the primary ways that a client will judge you and decide whether to use your services again. Although relationship building with clients is also key, if the product you deliver does not meet the client's needs, they will be hesitant to bring you work again or to refer work to you.

Over time, I have found that doing good work is not just a matter of dedicating your time and intellect to a particular file. There are three things you can do *before* taking on a file that will set you up for success:

A. Client Selection

It is important that you take an active role in the work that you do. You should only act for clients that you want to help or represent. Although there will be times when you do not have a choice, such as when a partner asks you to take on a file, you should generally avoid acting on files where you are unmotivated to help the client (or their cause). You will find that you are much more motivated to work on files where you feel a connection to the client and their goals.

B. Claim Selection

In a similar vein, before taking on a file you should consider whether you are well-suited to advance the client's interests in a particular claim. Is the claim in an area that you understand and are competent in? Will you be able to provide the client with timely and knowledgeable service on the file? Again, in most cases you will be more motivated to do good work when you have an interest and background in the subject area of the claim.

When you are first starting out as a lawyer it will take some time to develop competence in an area. If you are in a position to develop a niche, it is worthwhile to spend the time developing your skills and being good at one particular area. Once you have done so, you will be able to build a reputation in this area and bring in more work accordingly.

C. Quantum Considerations

One key consideration before taking on a file is to determine whether the client can pay for your services, or in a contingency situation whether the claim is worth pursuing. The practicalities of running a practice require you to be honest with yourself and the client regarding the financial aspects of a claim. You will resent the file and the time that you have to put into it if you are effectively working for free.

The exception to this rule is when you decide to take on a file pro bono or a file as part of your referral strategy. Pro bono work is worthwhile pursuing, and can be especially helpful in getting the skills and background needed to work in a niche area. In terms of referrals, it is best to take on an otherwise unworthy file or two in order to build up your network of referrals, especially when the referral is a good source. However, if you are repeatedly receiving undesirable work from one referral source it is time to re-think that relationship.

I have found that one of the worst things you can do in your practice is to take on a file in which you have misgivings in two of the areas mentioned above. You will be unmotivated to do the work, the file will languish, and in most cases the work you perform will not be up to standard. In the end you are likely to have an unhappy client and in a worst-case scenario you may find yourself on the receiving end of litigation!

Often, the most difficult aspect of following the above advice is to turn down work and/or a client. The best way to turn down work is to find a way of doing so which keeps your reputation intact. Find a way of turning down work which still makes you look good in the end, such as refusing work based on a conflict or scheduling issue. But the most important point here is - you must learn to turn work down.

If you are able to look at each new file with the above three considerations in mind, and vet out unsuitable files as needed, you will be well on your way to getting the work that you want. In addition, you will have set up a proper foundation for doing good work on the file. Once you are in a position to deliver good work and build a reputation as someone who consistently does so, the work will come to you.

Although this paper does not address the issue of office support, I note here that it is important to surround yourself with capable people (associates, paralegals) and to use specialized software so that you can focus on your work.

2. Referrals – The Best Way to Build a Practice

I have found that the best way to build your practice is through referrals. Before discussing tips on how to get referrals to build your practice, there are a few basics to keep in mind. First, you do not want to get a referral from just anyone, so be careful in choosing who you network with and market yourself to. Second, once you receive a referral from a source you want to work for, make sure you do a good job, even if it is a bad file. The work that you do reflects not only on yourself, but on the person who gave you the referral. It is in your best interest to make yourself and your referral source look good.

The following is a list of ideas to get you started on building a network of referrals:

- Market yourself within your own firm. For example if you want to build a niche in business immigration make contacts with your corporate department regarding the needs of their clients in that area. They need to know what services you can offer in order to give you a referral;

- Join associations that you are interested in, attend their meetings, and be an active and visible participant;
- Make a presentation on a topic of interest to you. Examples of organizations who regularly need speakers are LESA, ACTLA, and CBA subsections;
- Write a paper and have it published in a trade or professional magazine, or better yet write a regular column for a trade magazine or newspaper in your area of specialty;
- Write a blog or newsletter with legal notes of interest and market it to your contacts;
- Be sure that you have a comprehensive listing on your firm's website, including samples of the type of work you do and personal information such as hobbies;
- Get out of the office and meet your peers –
 - go for lunch or a beer with contacts in the profession, whether law school friends or opposing counsel on a recent file;
 - meet with non-lawyers who work in a similar field - if you are a 2nd year lawyer building a bankruptcy practice meet with a 2nd year insolvency accountant, or a junior insurance lawyer could meet with a junior adjuster;
 - do a site visit to a client's office and find out about how their operation runs, and meet new contacts along the way;
- Collaborate with other lawyers on a file;
- Teach a course at a local university or college.

Once you have set up a network of potential referrals, work on building relationships on a regular basis. Ask for a budget from your firm to spend on marketing, whether it be to take a client to a Hitman hockey game, a local concert, or a cooking class. The event does not have to be the biggest and brightest event in town - but as much as possible tailor the activity to the person you are entertaining. For example if your client recently discussed visiting a winery on

their tour of Italy, take them to a wine tasting event. People will appreciate being taken out and will remember it.

Finally, you must ask your contact for the work. Let them know that you are interested in getting work from them. Do not be intimidated by this part of the process, the client will likely consider it flattering to know that you want to work for them.

Building your practice through relationship building has numerous payoffs, as a satisfied client will:

- Generate repeat business
- Refer you to others
- Forgive your mistakes
- Be less fee resistant
- Pay your bills more readily and faster; and
- Make your work life more enjoyable.

Compensation for Referrals?

One thing to consider is whether you can cut a client a deal for bringing you work. A client who has received a break from a lawyer is likely to remember this fact and return the favour in goodwill.

In some cases it may also be appropriate to pay a referral fee. However, the Law Society has clear rules regarding referral fees that you must adhere to when considering a referral fee. Rule 7 in Chapter 5 of the *Code of Conduct* prohibits a lawyer giving anything of value to a non-lawyer for a referral, though the commentary on the rule states that a gift or benefit is permissible in some circumstances. Rule 7 in Chapter 13 of the *Code of Conduct* permits a lawyer to divide a fee with another lawyer as compensation for a referral, but only if the “client is aware and approves and the fee to the client is not thereby increased”.

One way of promoting referrals between lawyers is to set up a cross-referral system by which you reciprocate referring files. For example, in personal injury work clients are sometimes interested in buying real estate when their claim settles. An arrangement could be set up between a personal injury lawyer and real-estate lawyer by which they agree to pass on files when they have a client who may be interested in the other's services. In cases where reciprocation is unlikely, consider a fee arrangement.

A final but key point with referrals is to make sure that you acknowledge every referral that you receive. The acknowledgement can be as simple as a phone call to say thank you, or for a more regular source a handwritten note and small gift. Be sure that you recognize every referral that you receive, even if it did not result in opening a file or the file turns out to be ugly. In cases where the referral is an especially good one, be sure to let your source know how much you appreciated the work.

3. Advertising

This section will be fairly brief as I do not believe that traditional advertising is the best way to build a business. Your ability to advertise will depend largely on the type of environment you are in. A large firm will have their own strategy for advertising and will likely have a person in marketing who takes care of promoting the firm. For small firms or sole practitioners, I recommend setting a modest budget and sticking to it. You should consider the type of service you provide and choose venues (newspapers, magazines, websites) that may attract your target audience. For practices that seek to attract the average person on the street (wills, personal injury, divorce) the yellow pages is still a worthwhile spot for an ad. Otherwise, blanket advertising tends to be expensive and unpredictable.

As I will discuss in the next section, be sure to track your advertising expenses and analyze whether there has been a good return for the money invested.

4. Tracking Your Progress

Although you may think that building your practice is a process that will take a year or two, the reality is that it is an ongoing process. Not only do you want to keep expanding your referral base, but there is also a lot of effort that needs to go into maintaining relationships. You will be

spending time and money in setting up your referral network and like any endeavour, you need to track your progress in order to evaluate and improve on your success.

In order to track your progress, I suggest you keep a referral log which is a spreadsheet of information about each referral you receive. The spreadsheet should track every referral call to your office and note whether a file was opened or not. If a file was not opened, note the reason why and note if you sent the file on to another lawyer (cross-referral).

The information you gather on the spreadsheet will show you where files are coming from, whether it be clients or other lawyers or advertising. You can then use this information to allocate your marketing budget appropriately. Reward your good sources with more attention such as taking them out for lunch or sending a note of appreciation, perhaps with a bottle of wine. On the other hand, if you have not heard from a source in a while, find an opportunity to make contact with them.

The spreadsheet should also contain an area where you keep track of background information of your referral source. Include information such as hometown, schools and universities, birthdays, family, recent trips, hobbies, favourite restaurants and so on. Keep track of conversations you have with the person, including any feedback you may have received. Update the information after a meeting with the source. Review the information before any meetings and diarize important dates. This may seem time consuming, but is well worth the effort in the long term.

I suggest that you review your referral log on a monthly basis to remind yourself of people you should contact. As well, you will want to review your log on an annual basis in order to track your progress and decide on a marketing strategy for the coming year. Diarize both your monthly and annual reviews so that you do not forget this important step in the process.

Conclusion

The key to building a practice is to consistently do good work, gain competency in an area of interest, and market your abilities to a targeted audience. In time you will be able to create a network of referrals to bring in work that is of interest to you. Pay attention to your progress as you build your practice, and nurture the relationships that are the most rewarding. In time you will have a thriving practice.

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