



Sheryl Axlerod

Sheryl L. Axlerod is President of The Axlerod Firm, PC. She has been recognized by her peers as a Super Lawyer for the third year in a row, two of her briefs have been published and she is President of the Temple Law Alumni Association. She specializes in business law and general liability matters, individual and business contracts and agreements, general real estate law and residential mortgage law. saxlerod@theaxlerodfirm.com

SEVEN STEPS to Starting a Law Firm

by Sheryl Axlerod

Owning a law firm is not for everyone. It's for those who are passionate about what they do, confident in their abilities, have business acumen, and the gumption to believe they can make it.

My eyes light up when I talk about my three-attorney, certified woman-owned law firm, The Axlerod Firm. It's a source of tremendous pride. I created the law firm of my dreams.

Now, the dream of creating the Firm started recently. The concept was not even on my radar until I had practiced over 12 years, but it should have been. This article is dedicated to each woman in the profession who knows she is good at what she does and wants to be her own boss. Here's how.

1. Get good:

Get really good at an area of law and business savvy. Get so good that if a client could afford any attorney they wished, within your area of expertise, you know down to your core the client should retain you. Make sure you also know the business of law. You need to know what you can command in the way of an hourly or contingent fee and, if applicable, retainers.

2. Build relationships:

The key to being a relationship builder is easy: like people. If you like people, you'll wish them well, take an interest in them as people and professionals, and enjoy getting to know them. If you like them, you'll want to help them succeed, and you'll help them. Along the way, you will build a network of people who can give you work, or recommend you to others. Look out for our next Newsletter where I'll be writing more on the topic.

There are two important tips worth mentioning here: don't burn bridges and do build networks.

a. Don't burn bridges:

The people in your current office know how skilled you are. If they like you and think highly of your work, they might refer you business. I worked at Blank Rome before starting my firm. Alan Hoffman was the Chair of the Litigation Department. In addition to being an outstanding lawyer and leader, he was a mentor. Before I left, I gave him four weeks' notice. I made sure the Firm could smoothly transition a new attorney in my place. Alan and other attorneys at Blank Rome including Rebecca Ward, Mary Mullaney and Rich Kremnick, know what I can do and are supportive. If you leave a firm, leave your relationships with the people in it intact. These are your colleagues, your friends. Be good to them.

b. Do build networks:

Join groups you like. I'm active in the Temple Law Alumni Association and in the Philadelphia Bar Association where I'm a member of this Women in the Profession Newsletter Committee and the Investigative Division of the Commission on Judicial Selection. Such groups are a great way to meet people and bring in business.

Also, build a referral network. Find talented people in other specialties who you can refer business to and who will refer business to you.

3. Decide what your firm will be:

Be clear what services you will provide. Will you be a general practitioner or have a specialized practice? Figure out how to distinguish yourself from the competition. There are good coaches who can help you brand your business.

4. Keep costs down:

You can make a lot of money on your own, more if you keep your costs down. When you are starting out, you might not need the most posh location. You might actually benefit from sharing space with other lawyers and developing a referral network. You also might not need the most expensive website or

tech support company.

Unless you can get healthcare coverage through a spouse, you are going to need to purchase your own. I recommend using a broker. I went with a high deductible, personal choice policy and have been happy with the choice.

You will have to purchase office supplies. Consider not only getting a printer and copier, but a scanner. You can keep the number of physical files, purchases of paper and ink jets down if you scan and store a lot of your data on your hard drive. Regardless, make sure you have a good backup system.

If you can, avoid entering into personal guarantees for your office space and copiers. These days when you are looking for office space, it's a renter's market, and you may be able to find relatively inexpensive copiers on sale or from defunct firms. You might be able to get your printer and scanner that way, too. Look for pieces that multitask. Get a copier that can also scan and print. That way, you will save money and not need to fit a ton of big machines in your space. I recommend getting two all-in-one products so if one is down, you are not. For faxing needs, I recommend e-faxing.

You will need a computer and I would not skimp on that. You want good equipment that works efficiently and lasts for years. You also need to think though how you are going to handle tech support, who you will call or turn to when your computer or scanner isn't working. There are small companies that work with solo practitioners and are relatively inexpensive. They do much of their work remotely, keeping their overhead down, and pass on the savings to you.

You will have to cover the cost of doing legal research, too. Lexis and Westlaw offer deals that are worth exploring, and the Bar recently came out with its own product. You can also look into joining a law library or, if geographically sensible, using the one at your local law school.

Avoid signing long-term contracts of any sort, especially lease contracts. Your rent will probably be your single biggest cost. A year from now, you might want a very different contract than the one you signed when you first opened. Leave yourself room for flexibility and growth.

If you can afford to hire staff, be flexible. You might not need someone full-time but your best part-time prospect may not be

able to commit to specified hours on specified days. Don't miss out on the opportunity to work with someone great. What you give them in flexibility, they may return in enthusiasm and a great work product.

5. Put systems in place:

Before starting your firm, come up with a way to track your clients' costs back to their files. If you do hourly work, come up with a way to track hours spent on a particular client back to the case. There are good software programs that can help.

If you do hourly work, decide on your rate. If you do contingency fee work, decide on your percentage, whether you will enter into mixed fee agreements and what those agreements will look like. Come up with a form fee agreement you can tweak to the particulars of your cases.

Figure out how you will run conflict checks. Decide on a document retention policy and the programs you will use (Word, WordPerfect, etc.). Find a good, reasonably priced accountant and bookkeeper. If you can afford to hire someone, your bookkeeper can also be your administrative assistant and office manager.

6. Know the numbers:

Think through the business of running a firm. Figure out what your overhead is and budget what you expect to bring in. You are going to want to make money and you are going to need to pay taxes. Make sure your costs are far below what you expect to bring in. If you don't already have a book of business, budget to have enough funds to float your practice for at least two years.

7. Work with vendors that support your business:

Work with companies that enhance your business or at the very least, will accommodate your needs. Talk to them openly about whatever issues you foresee. Smart vendors will be accommodating. They know if you grow, their business with you may grow, too.



If you start a law firm, your stress level will skyrocket. Your free time will evaporate. You will eat and breathe your firm's business, stay up late and take it with you into your personal life, but it may just be the best decision you ever made. One day you will take a breath and look. You created a law firm. Hopefully, it's just as you dreamed.

