



Where the Rubber Meets the Road

How to Be the “Chief Ecosystem Officer” of Your Law Business

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1. Understand that you're an **Entrepreneur Selling Legal Services** – Mindset Shift From What You Learned in Law School

2. Recognize That as a CEO **Your Job is Multi-Fold:**
 - **Vision & Strategy** (Choose a niche and define what differentiates you from other firms.)
 - **Rainmaking** (Cultivate relationships, become a networking & marketing expert to attract new business.)
 - **Operations** (Manage the office and the staff, set systems, policies and procedures.)
 - **Financial Management** (Utilize your financial data to make informed business decisions. Implement a system to track and project cash-flow, as this has the biggest effect on the day-to-day operations, but represents the #1 problem small law firms struggle with. Develop financial goals, spending plans. Have a basis understanding of your key performance indicators.)

3. **What Is Your Excuse for Not Acting like the CEO** of Your Business?
 - Managing partners of big Law Firms have the advantage of working with various dedicated professionals, company CEO's have a board of advisors.
 - Good News: Solo & small law firm owners have a myriad of resources when it comes to building their own successful businesses:
 - i. Practice management books & coaches, outsourced CFO services, technology tools/apps, VAs, etc.
 - How to build your own unofficial board of advisers/accountability partners

4. Building Your Successful Solo Practice Starts with **“Reverse Engineering” Your Financial Goals:**
 - Your branding/marketing, visibility, lead generation, pricing structure, staffing level, all have to be aligned with your financial goals. Know how much you want to make and build the “enterprise-machine” that will get you there.

5. **Knowing & Understanding Your Numbers** Is the Only Way to Build a Legitimate Business

Examples of your Important Numbers & Key Performance Indicators:

- Income and Spending **Budget** (the Plan/Goal)
- **Actual Income and Expense** figures (the Reality) (per month & year-to-date)
- **Budget Variances:** When you compare the actual numbers to the plan. This gives you the insights into what's working and what needs more attention.
- **Profit Percentage** Benchmark for Small Law Firms: 1/3rd of revenues go to staff salaries, 1/3rd to general & marketing expenses, 1/3rd is partner's profit. This should be taken into consideration when you price your services
- Successful small law firms spend at least 5-10% of their revenues on **marketing**
- Your monthly "nut" or how much fees you have to bill & collect to pay for all regular monthly expenses, including your take home pay
- Number of new clients each month
- ROI (return on investment) of each type of marketing activity (long term)

6. These numbers have to be looked at & interpreted REGULARLY (at least monthly, but weekly is preferred)

- Financial numbers are not just to give to your tax person on April 13th (Ort Oct 13th)
- They help you make better and more profitable business decisions during the year
- Online programs like QBO revolutionized and made this affordable for everyone. You can create your budget in an online accounting software, then you can track variances & profitability in it
- Ask your CPA to be your outsourced CFO / business adviser / accountability partner
- **Schedule regular (at least quarterly) meetings with them to review your progress & get insight into what your numbers & KPIs mean**

Our top priority is your bottom line.

At Better Numbers For Lawyers, we provide the tools and expertise to help you grow your practice into a profitable law business.

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