



THE BUSINESS OF LAWYERING

Guidance on objectives you should consider for the management and growth of your firm.

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Make no mistake, we are in the business of lawyering. With more than 100,000 attorneys in the state of Texas, people and companies have a lot of choices. This article focuses on a few areas you can review to grow and improve your firm or business.

BRANDING

You should consider what makes your firm uniquely qualified to handle a certain type of case, the type of clients you wish to attract, and what steps you can take to achieve that goal. Gone are the days of sleepwalking into and through your law practice. Today's young lawyers have grown up with social media and are savvy at connecting with a broad audience as they enter the practice of law. Many of them are setting up solo practices and building law firms, aided substantially from their online social media presence. Since the COVID-19 pandemic, many companies and clients have shifted away from traveling to meet with lawyers and long gone are the days of client dinners and socializing. So how do

you develop business and market yourself and your firm?

Starting with the basics, how would you answer these questions: Do you have a website, are you on any social media platforms, do you speak at continuing legal education classes, are you involved in community organizations? Are you a plaintiff's attorney, a defense attorney, a personal injury attorney, a criminal law attorney, a family law lawyer, or a transactional attorney, etc.? Are you a mediator, bilingual, or part of a large firm, a small firm, or a solo practitioner? Do you have multiple offices and are you board certified? These are just a few sample questions you may ask yourself as you decide how and what to market. Once you know your brand, how will you tell people what it is and who you are?

A firm website allows people to search for you online, by area of practice, location, firm size, etc. Internet searches can lead to potential clients and attorney referrals. Website builders can help you create websites that you can manage. More complex websites may require you to work with a website management company. And though both involve monthly fees (one far cheaper than the other), you may expand your client and attorney referral reach beyond word of mouth. Also, bear in mind that a website service can provide you with information on website traffic, bounce rate, page views, average session duration, new visitors, organic visitors, landing page metrics (i.e., which pages attract the most visitors), and other website key performance indicators. This information provides valuable insight about who is looking for you and how to capitalize on that.

A social media presence, regardless of your firm size, also serves to promote your firm, your areas of practice, your

partners and associates, and value. Consider media posts on sites such as LinkedIn, Facebook, Instagram, TikTok, or other platforms, which are typically free to use and relatively easy to establish. Creating content is becoming easier as these platforms offer templates, photo layouts, video recording, and scheduled postings, if you want to stagger when your content is released. If you have never created a post or video, there are tutorial videos online. You may also consider hiring a part-time employee to create and manage your social media posts.

Be intentional about your firm posts, whether on certain legal topics, firm involvement in CLE engagements, or associate and partner achievements and other firm-related information. While the amount of posting will vary by lawyer and/or firm, one to four posts per month is probably sufficient to help increase your visibility and opportunity for new clients or connections.

While we still see firm mailouts and letters touting a firm's recent multimillion-dollar verdict or other firm achievement, the cost and effectiveness of this static advertisement is no match for the hundreds of 3- to 10-second messages we see online daily from lawyers who have or are mastering the art of self-promotion. However, the State Bar of Texas does have rules for advertisements and representations, so make sure to check the State Bar's site at [texasbar.com/adreview](https://www.texasbar.com/adreview) to ensure you are compliant with the most recent updates and requirements for solicitations and

advertisements. And if you have any questions, you can reach out to the State Bar of Texas and request a review or opinion on your ad.

KPIs (KEY PERFORMANCE INDICATORS)

Lawyering is not enough in this business. So how do you measure firm success and sustainability? You must collect and analyze key performance indicators, or KPIs. KPIs for law firms can include the number of new cases opened per month, the number of new clients, the average billed to each case, the amount of time a case is open, the number of lawyers billing to the file, total number of billable hours (when compared to a work day and when compared to the amount submitted by a lawyer), the accounts receivables and collected, projected annual revenue versus expenditures, and collection rate (amount collected versus amount billed). Though it certainly takes time to track and analyze these metrics, run your practice like a business or your household (i.e., have a budget and figure out whether you are within budget and where you can make improvements).

KPIs can be tracked through software programs or through a more basic review of your billing, collection, expenses, and client file information. If you choose to track KPIs, the information this analysis provides will help you work smarter. Remember, knowledge is power.

SUCCESSION PLANNING

Though there are so many other areas of law firm practice management we could discuss, an important consideration is the growth and succession plan for your firm. You have been working hard to build your brand and your business, but are you planning for firm growth and continuation? We are all fortunate that the practice of law allows most of us to work beyond an age where other careers would be ending. You should have a plan for growth at several stages of your legal career. Branding and KPIs should provide you with a framework for establishing, marketing, and growing your client base. But you will need resources to best represent these clients and ensure continuity of that representation.

If you are a solo practitioner, consider whether there is a timetable for hiring an associate. The U.S. Bureau of Labor Statistics reports the median pay for an attorney in 2022 was \$135,740.¹ As of December 13, 2023, the average starting salary for a first-year lawyer in Texas was reported to be \$93,016, about \$15,000 less than the national average.² ZipRecruiter notes the math "to be approximately \$44.72 an hour. This is the equivalent of \$1,788/week or \$7,751/month."³ This calculation does not include the cost of health insurance, malpractice insurance, staff, office costs, and other hard costs required for each additional associate. However, an associate billing \$200 per hour with an average of 160 hours per month could potentially generate an additional \$32,000 per month in gross revenue for your firm.



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You will need to work with KPIs and your branding to expand your client base and determine the number of clients, hourly billable rate, number of billable hours, and salary cost to bringing on a new associate. But, with the potential increase in gross or net revenue for your firm, the question is: How long can you afford not to have an associate?

And though you may not have plans to retire, or you do not currently have any plans for leadership changes, consider your plan for a smooth transition of files should you become unable to represent your clients, whether by choice, an emergency, or death. Former State Bar of Texas President Laura Gibson's initiative on succession planning provides a guide for how to designate a custodian attorney at [texasbar.com/succession](https://www.texasbar.com/succession) along with other important considerations. At [texasbarpractice.com](https://www.texasbarpractice.com), attorneys can find articles and helpful guides on succession planning.⁴

CONCLUSION

There is no one-size-fits-all approach to law practice management. The one common factor is intentional planning and review of your firm's needs, your goals, and your future. These three sections provide some guidance on objectives you should consider for the management and growth of your firm. The first step is to acknowledge your law firm is a business. Once you recognize that fact, you're halfway there! **TBJ**

NOTES

1. Lawyers, Occupational Outlook Handbook, U.S. Bureau of Labor and Statistics (2022), <https://www.bls.gov/ooh/legal/lawyers.htm>.
2. First Year Associate Attorney Salary in Texas, ZipRecruiter (Nov. 2023), <https://www.ziprecruiter.com/Salaries/First-Year-Associate-Attorney-Salary-in-Texas>.
3. *Id.*
4. "Ethics of Law Firm Succession Planning Made Easy," Law Practice Management, <https://www.texasbarpractice.com/law-practice-management/article/ethics-of-law-firm-succession-planning-made-easy/>.



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