

STARTING A LAW PRACTICE:

Example Checklist Of Some Things To Consider¹

At some point, almost every lawyer wonders whether to start a law firm, whether with colleagues or as a solo practitioner. What follows, in no specific order, are many of the things a lawyer should consider and decide upon when venturing out to start a law firm. While this list may not be comprehensive, and not every item will be necessary or desired depending upon each individual's circumstances, all are worth considering, even if ultimately rejected.

I. A BUSINESS PLAN – What Kind of Firm do You Want?

- A. Firm Name
- B. Entity Type and Formation (Partnership; S Corp; C Corp; PC or PA; LLC; Sole-proprietor)
- C. Obtain Necessary Business Licenses, Permits, Tax ID Nos.
- D. Determine Type or Focus of Practice
- E. Budget for Start Up Costs:
 - 1. Business formation;
 - 2. Licenses; permits;
 - 3. Equipment and supplies (more detail, below);
 - 4. Software and IT systems (more detail, below);
 - 5. Office space (more detail, below);
 - 6. Insurances (more detail, below)
- F. Determine Available Financing Sources
- G. Establish Banking Relationships:
 - 1. Operating Account(s);
 - 2. Trust Account – IOLTA;
 - 3. Line of Credit;

- 4. Credit Card(s) (for use by the firm, accepted from clients for payments/retainers, or both)
- H. Determine Staffing Needs, Pay and Benefits:
 - 1. Legal Assistant (full-time, part-time, none);
 - 2. Paralegal (full-time, part-time, none);
 - 3. Temps/Contractors (full-time, part-time, none);
 - 4. Virtual assistants (e.g. answering service)
- I. Consider the Need for Outside Consultants or Vendors (e.g. IT Consultant, CPA; Payroll Processor).
- J. Develop a Marketing Plan
 - 1. Word of Mouth;
 - 2. Existing Contacts;
 - 3. Media Advertising
- K. Develop an Accounting Plan
 - 1. Determine Anticipated Monthly Overhead Costs;
 - 2. Determine Fee Structure;
 - 3. Consider Desired Income;
 - 4. Consider Whether to Use a CPA or Bookkeeper

II. **Physical Office Structure (Size and Type)**

- A. Brick and Mortar Office:
 - 1. Buy;
 - 2. Lease (month to month or term);
 - 3. Office Share (single room, access to conference rooms, etc.);
 - 4. None

- B. Home Office (where you will see clients and others in person):
 - 1. Secure, Separate Physical Space;
 - 2. Code Compliance;
 - 3. Insurance Requirements;
 - 4. Technology Capabilities;
 - 5. Physical Space for Equipment and Files;
 - 6. Meeting Space
- C. Virtual Office:
 - 1. Technology Capabilities;
 - 2. Access to Conference Rooms, Meeting Spaces, etc. when necessary;
 - 3. Where Clients Will be Met
- D. Hybrid

III. **Office Equipment and Supplies (not including tech.)**

- A. Postage (stamps, postage machine, online provider);
- B. Furniture (desks, tables, chairs, filing cabinets, bookcases, refrigerator, microwave, etc.);
- C. Telephones;
- D. Common Supplies (paper, pens; clips, file folders, writing pads, envelopes, scissors, tape and dispensers, hole punch, staplers);
- E. Letterhead and Business Cards
- F. Copier/Scanner (lease, buy)
- G. Shredder (on-site or mobile bin)

IV. **Technology**

A. **Hardware:**

- 1. Desktop Computer(s);
- 2. Laptop(s)
- 3. Tablet(s)
- 4. Printer(s)
- 5. Monitors
- 6. Servers (main and backup)

B. **Software:**

- 1. Word Processing
- 2. PDF Document Reader/Creator/Handler
- 3. Practice Management Software
- 4. Time and Billing Software
- 5. Conflicts Checking Software
- 6. Calendaring/Docketing System/Software
- 7. Legal Research Software or License

C. **Connectivity and IT Management/Maintenance:**

- 1. Internet Service Provider
- 2. IT Management/Maintenance
 - i. Managed Service Provider (all-in-one IT service for fixed fee)
 - ii. Break-fix Service Provider (installs and repairs/fixes as needed)
 - iii. Do-it-Yourself
 - iv. Cloud Workspace (virtual computers, servers, and software in the cloud maintained by the provider for a fixed fee)

- 3. File Handling, Storage, Backup
 - i. Cloud
 - ii. On-site
 - iii. Hybrid
- 4. VPN for remote access to system
- 5. Web and Social Media Presence
- 6. Telephone Service Provider (landline; mobile; both)

V. **INSURANCE NEEDS**

- A. Professional Liability;
- B. Premises and Property;
- C. General Liability (with employment rider);
- D. Workers' Compensation;
- E. Life;
- F. Disability;
- G. Health Insurance;
- H. Overhead Replacement/Business Interruption;
- I. Cybersecurity

VI. **PERSONAL AND WELL-BEING**

- A. Plan and Schedule Regular Time Off
- B. Plan and Schedule Vacations
- C. Plan and Schedule Routine Exercise
- D. Unplug from Technology Daily for a Set Period of Time

- E. Sleep Well
- F. Eat Well
- G. Pursue a Hobby
- H. Stay Connected With Family, Friends, Colleagues

ⁱ *This checklist is provided to members of the State Bar of New Mexico for informational purposes only and is not intended to nor does it constitute legal advice to a lawyer or law firm. Further, this checklist is not a substitute for independent analysis and research by a lawyer or law firm. Each lawyer and law firm are responsible for their own compliance with applicable rules and laws.*