Questionnaire for Prospective Law Firm Owner

The following questions are designed to help you think through the decision to start your own law practice. There is no right answer. Instead, writing out responses to these questions will help you visualize the obstacles as well as the goals you have for solo or small firm business ownership.

If you are completing this questionnaire electronically, you can expand or eliminate tables based on what is relevant to you.

Note that you may also want to consider consulting with a financial advisor or accountant.

Date Completed:

# FINANCES

Financial Security

List your current assets here:

|  |  |
| --- | --- |
| **Asset Description** | **Value as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date)** |
|  |  |
|  |  |
|  |  |

Are any of these assets liquid, meaning that you can draw from them if you need to? Ideally, retirement accounts and other long-term assets should not be compromised.

List your current debts here:

|  |  |  |
| --- | --- | --- |
| **Debt Description** | **Balance as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date)** | **Monthly Expense** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

Do you qualify for any small business loans, or do you have other lines of credit that you can draw from? Are you comfortable taking on debt to cover your living expenses for the first 6-12 months?

Revenue

List any alternative revenue sources (such as income from a spouse, help from family, etc.):

Living Expenses and Lifestyle

What is the basic income stream that you need in order to cover your living expenses?

What other expenses are you accustomed to enjoying? This includes memberships, entertainment, clothing, etc.

What employment benefits will you lose by starting your own practice? Do you have alternative sources for benefits that you cannot go without?

Income Tolerance

Given the information you provided above, how long do you estimate you can sustain your basic living expenses without revenue from your new law practice?

Revenue Needs

Considering your budget and expenses, you can use this spreadsheet to calculate how much revenue you would need to bring in to sustain your practice:

[insert link to excel spreadsheet published once it is published online <file:///W:\ADV\GENERAL\Mentor-NewLawyer-LOMAP\PMA\PRODUCTS%20(guides)\1.%20DRAFTS\FY19%20Q3%20-%20Starting%20a%20Law%20Firm\Starter%20Budget.xlsx>]

# BUSINESS PLANNING

What areas of practice do you plan to focus on in your law firm?

Do you have any concerns about your familiarity with these practice areas? If so, what are some steps you plan to take to pursue additional education or mentorship?

What information do you have about the market for these services? Is there a lot of demand for services?

Do you have any experience or skills that will help you establish yourself with your prospective client base?

What referral sources do you have?

Are there any organizations you can join to connect with other people in your practice area(s)?

Do you have any mentors that you can reach out to? Are there any networks you can leverage to identify additional mentors who can offer advice for law firm business ownership?

# readiness

Are you passionate about your practice of law? Are you ready to invest time and energy to building up your own practice?

Are you motivated to achieve goals on your own? Or do you work better when you have someone pushing you forward?

Are you comfortable taking a risk by opening up a practice? Do you feel prepared for the challenges of small business ownership?

In thinking about opening a practice, are you primarily motivated to do so because a job search has been unfruitful so far? If so, what other resources might you tap into for help with your job search (law school career services, WSBA member services, etc.)?

# personality

Do you prefer to work with groups, or on your own?

Do you anticipate that your day-to-day practice would involve very little in-person interactions? Is this something that would bother you?

Are you able to establish good routines on your own, or do you do better with outside pressure from colleagues or managers?

Do you have any experience in sales? Will it be uncomfortable for you to address fee schedules, project scopes of work, or invoices with clients? What steps can you take to address that discomfort?