Have some business with your law

Law school teaches you all about the law. You spend years learning how to research cases, analyze elements and effectively apply the law. Unfortunately, many law school graduates rush to take the bar exam, only to find that job prospects are extremely limited. With this being the case, a vast number of these new lawyers choose to take matters into their own hands and open solo practices. Starting a practice is already intimidating, but it can prove even more challenging without any business skills. Here are some of the business lessons you need to successfully run a law practice:

Accounting Skills

Attorneys need accounting skills for a variety of internal and external reasons. Internally, you cannot adequately keep track of money coming into the practice and money being paid out. You also need an understanding of accounts payable and know how to accurately review financial reports. With basic accounting skills, you can obtain a clear picture of your firm successes and challenges. The adequate management of client trust accounts also requires some accounting knowledge, which is extremely important for compliance with ethical standards.

Externally, accounting skills help with your representation of corporate clients. Business law often entails the review and creation of financial documents. With at least a basic understanding, you can provide the services these clients require.

Marketing 101

With the abundance of law firms in the world, marketing is essential to attracting clients and growing your practice. But this skill doesn’t come naturally without training or education. Particularly in this digital age, it’s extremely useful to know some marketing techniques and how they can benefit your practice. Rainmaking and client development are extremely important aspects of managing a firm. Your ability to make money and handle your basic needs depends on your ability to attract and keep clients. If you've never taken a marketing class, it is worthwhile to at least take some internet based course or contact with a legal marketing company.

Profitability

A successful attorney must understand profitability, or the ability for your firm to generate revenue. Profits are the amount of money your practice makes after all bills and expenses are paid. Certain areas of your practice will probably prove more profitable than others. Profitability measures also assist with adequate fee setting. An understanding of these concepts lets you view the numbers from a business perspective, so you can make decisions that benefit your firm.

Most law schools don't provide instruction on the basics of business. Yet, these skills are essential to successfully opening and running a solo law practice. The time and money you spend learning these lessons will prove valuable in your endeavors.

About Erika Winston:

Erika Winston is a Virginia based writer with a passion for all things legal. As a former domestic relations attorney, she understands the challenge of determining the best fee structure for your practice. Erika is a regular contributor to TimeSolv and a variety of other publications.