

Six Major Challenges Facing Small and Solo Law Firms Right Now

Times are tough for law firms of all sizes, but small and solo practices are facing some particularly challenging obstacles. While a number of these difficulties predated the pandemic, others specifically developed as consequences of COVID-19.

Here are seven major challenges that many small and solo law firms are currently facing as they navigate the hurdles of coronavirus.

#1 Staying Competitive

Staying competitive in a crowded field of big law firms is always a challenge for smaller practices. Now, with a struggling economy and clients choosing to delay their legal matters, small and solo firm attorneys may find themselves struggling to bring new business through the door.

Most small legal practices simply don't have the marketing budgets to compete with their larger counterparts that routinely spend thousands on their websites and social media presence. But even with budgetary limitations, small and solo firms can remain relevant by employing a few marketing tricks:

- Give your website a makeover with some page content relevant to COVID-19.
- Update your blog using keywords like coronavirus and pandemic to help drive traffic.
- Advertise as a boutique law firm within a specialized area of law.
- Offer alternative fee arrangements to meet the needs of clients who are facing financial challenges.

#2 Providing Excellent Client Services

Solo and small firms may have difficulty meeting client demand, especially with their staffing and financial limitations. These practices need systems in place that promote quality client relations.

For example, with a client portal, small firm and solo attorneys can efficiently manage communications with all of their clients. Lack of regular communication leads to client dissatisfaction. A client portal, like the one offered by TimeSolv legal billing software, allows clients to independently log into a secure account to access billing statements and review work completed on their matters. Clients feel informed and confident in the legal services they are receiving.

#3 The Virtual Office

The pandemic's stay-at-home orders and social distancing mandates revealed that many small and solo law firms were ill-prepared for the transformation to a virtual office. From internal communication barriers to ineffective document management, the challenges of suddenly closing a physical office space have been plentiful.

Even when physically separated from fellow co-workers, law firm staff needs to communicate and share documents with one another. They need to have resources in place to maintain communications and keep all documents organized, safe, and available for review by appropriate parties.

#4 Staffing Limitations

Small and solo law firms typically operate with small staffing numbers. While this can be cost-effective, it can also prove inefficient if not adequately managed. Small staff numbers can result in a few people doing

a lot of work, which can lead to costly bottlenecks in the administrative tasks that are so vital to the firm.

For small and solo firms that need administrative help at a low cost, outsourcing can be a viable option. For instance, an expansive matter may call for additional support. Instead of hiring an employee, a firm can temporarily contract a professional to specifically help with that matter.

#5 Overhead Expenses

As with all business, small and solo law firms need to keep a steady eye on the amount of money they spend each month for overhead expenses. Costs like office rent, payroll, utilities, equipment costs, and monthly software subscriptions can become a problem when more money is going out than coming in.

Particularly during COVID, these practices need to identify ways to cut these costs and save funds. Even with adequate cash flow, excessive overhead costs can keep solo and small firms from reaching their full profit potential.

#6 Inadequate Cashflow

Law firms routinely go through peaks and valleys – times when the business flourishes and times when no new matters come through the door. For many small and solo law firms, the pandemic has created a valley.

In an ideal situation, solo attorneys will have enough savings to cover six months of expenses, but there are other steps that solos can take to prevent inadequate cash flow, such as:

- Sending invoices in a timely manner
- Offering alternative payment options
- Billing often and consistently
- Offering online payment options
- Identifying practice areas that are likely to thrive during the pandemic

Poor invoicing processes contribute to inadequate cash flow. Many small and solo firms routinely operate without established systems in place to handle client billing in a timely and efficient manner, resulting in late and inaccurate invoices. The challenges of COVID-19 have only exacerbated this existing problem. Small and solo law firms need a comprehensive legal time tracking and billing software to help them stay afloat during the pandemic

#7 Lack of Technology

Solo and small law firms need legal technology, particularly in these challenging times. Unfortunately, the cost is often an impediment for these firms in obtaining the technologies they need. But legal technology comes at various price points. While some legacy legal software systems may be expensive, smaller firms can find innovative tech options at reasonable costs.

With an affordable monthly subscription, TimeSolv legal time tracking and billing software offer countless tech features to help solo lawyers navigate these challenges. Its innovative features include a convenient time tracking app, streamlined invoicing, document management, and virtual client communications. To learn more about the features of TimeSolv, click <https://www.timesolv.com> to start a 30-day trial.

Small and Solo Law Firms Can Overcome the Current Challenges

Small and solo law firms are currently facing a variety of obstacles as they work through the uncertainties of COVID-19. With solid decision-making and the right tech resources, smaller legal practices can overcome these challenges and succeed.

About Erika Winston:

Erika Winston is a freelance writer with a passion for law. Through her business, Personal Touch Edits, she helps legal professionals deliver effective written

messages. Erika is a regular contributor to [TimeSolv](#) and a variety of other publications.