

Six Tips to Thrive in Tough Economic Times
An Interview with Dustin Cole, Master Practice Advisor

1. **Don't cut ethical corners** – A cash flow crisis can make the unthinkable become at least a passing thought. Cutting ethical corners is deadly,” says Cole. No matter how pressed for cash and how good the intentions are to repay the money, an attorney cannot dip into a client’s escrow account to get over a “rough patch,” he said. This is the too-frequent start of a story that ends with disciplinary proceedings or even disbarment. Beyond specific ethical issues, Cole has other cautions. “Don’t trade work for shares of a client’s company because that creates a direct conflict position that eliminates your ability to be objective,” he says. “Another big danger is practicing outside your area of expertise – falling back to ‘threshold law.’ Stay focused in your practice areas, avoid the slippery slopes of ethical compromise and treat other people’s money as you would your grandmother’s pension check,” says Cole. “Anything less increases the chance of errors and grievances which damage your reputation and even threaten your license to practice.”
2. **Do get serious about marketing** – The marketplace is as tough as it has ever been, with more aggressive competition, price undercutting, and more lawyers practicing out of their specialty and into yours. At the same time, there are fewer clients, most of whom are holding on to their dollars more tightly. “The fact is, marketing has to be job one,” Says Cole. “The reality is that, if no one knows to ask you for help, your great legal skills are irrelevant. Schedule time for marketing, build a comprehensive plan of action, and stay close to your referral sources and clients. If you don’t know what to do, find a legal business coach. A small investment in outside expertise could save your practice.”
3. **Don't fire your key people** – “Don’t destroy your infrastructure,” Cole said. “When faced with a shortfall, the instinct is to go to payroll and cut the highest paid people. But those same people are usually responsible for keeping order and efficiency in your office, and serving as your backup with clients. Letting your best go will put more burden on you, keeping you from doing the most important job – marketing the practice.” Instead, he suggests that you look for innovative savings – ways to cut costs rather than a knee-jerk slash and burn. For example, form alliances you may not have considered in good economic times. “Discuss employee-sharing with another practitioner, or contract some of that indispensable paralegal out to others who have let their best go,” suggests Cole.
4. **Don't get complacent** – When the work slows down, lawyers can become victims of the old saying ‘work expands to fill the time available,’ Cole observes. “The key to building a practice in good times or bad is self-management – using your time efficiently,” he says. “Schedule specific times to do your legal work, your office management, and most importantly, your marketing.”

5. **Do continually improve** – “Kaizen,” Japanese for “continuous improvement,” is the watchword Cole puts forward to lawyers building their practice. “This is the concept that built Toyota into a world automotive powerhouse,” Cole explains. “When business slows, it is a perfect time to evaluate each step of the practice, from advertising through prospect conversations, phone handling, client service and conclusion of the representation. It’s a process that should become institutionalized in the practice, because it will constantly increase prospect inquiries, client intake, client satisfaction and client retention,” Cole says.

6. **Don’t stick with the hourly rate** – Hardly anyone has anything good to say about the billable hour. Cole observes that this it only arose from a peculiar conjunction of circumstances in the late 1960s when the flat rate for services came under attack as “price fixing” and the ABA released a study showing that attorneys who track their time can make more money than those who don’t. “Prospects and clients hate the uncertainty of the billable hour,” says Cole. “They buy everything else knowing the actual price. It’s one of the biggest barriers to the client conversation and one of the key reasons for the bad image of attorneys,” says Cole. Work toward alternative price schemes – Cole advocates more client-friendly pricing such as value billing, flat-rate pricing, success fees, and step-by-step pricing. “Clients are far more likely to hire you when they know the price of your services up front, says Cole.

Master Practice Advisor, Dustin Cole, a legal practice management consultant has successfully guided many law firms through business downturns during his 20+ years of advising law firms. Cole will unveil his list of the – best of the best – tips and techniques to help you survive and even thrive in a down economy during his keynote address at The Missouri Bar’s Solo and Small Firm Conference being held on July 11-13, 2009 at Tan-Tar-A Resort at Osage Beach, MO.