



Last week couldn't have been better. Well, on second thought, it could have been better. I could have (in my Walter Mitty dream) beaten the time of Lance Armstrong climbing Mt. Figuroa in Santa Ynez Valley in central California. But, I didn't. Rather, I spent last week enjoying the warm weather of the valley and riding my bike each day with the coaches who work at the Chris Carmichael Trainright® facility, and other riders. Carmichael, former coach of Armstrong, recently opened his 4th national facility in Southern California. These coaches not only know about cycling performance, they are great people individually. I plan to return later this year to do more.

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Q&A Law Firm Sale Transactions

I can attest from personal experience that interest in the sale of law practices continues strong and unabated. This may reflect continued economic stress, the aging of the profession or simply greater desire to look for greener pastures outside the law. No matter what the reason, lawyers regularly contact me for help in selling their practices, given that I have helped hundreds of lawyers sell and buy a law practice through my book [Selling Your Law Practice: The Profitable Exit Strategy](#), my articles, my presentations and my hands-on consulting. The questions that I'm asked about practice sales often reflect how little even experienced lawyers know about such transactions. Here are some typical ones from recent conversations.

- **Do I need a nondisclosure agreement (NDA) before holding discussions with a buyer?** While circumstances may vary, my

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general answer is no, because an NDA does not become an issue until later in the process, if at all. However, if a lawyer is more comfortable having one, taking a general version from texts typically found in any law library should suffice.

- **What kind of information would a buyer require?** Financial information on the practice is of course essential, and lawyers selling a practice should be fully prepared to provide it. A list of current and past clients is also a necessity for conflicts checks. And remember that selling your practice is no time to be modest or reticent. If you have kept technology up to date, invested in new office space with modern infrastructure, maintained strong referral relationships, be sure to communicate those facts up front. Their value may not be easily quantifiable, but they definitely support the firm's goodwill: its reputation, client base and client loyalty.
- **What type of contract should I have?** Contract is really a misnomer. Typically an attorney for either the buyer or the seller will draft a buy/sell agreement, which both parties will review. Some negotiation occurs, but the agreement must follow the deal memorandum drafted earlier in the process - something that I do whenever I'm asked to advise on the sale.
- **How do I set the selling price?** This can literally be the million dollar question. The value to you in selling your practice must be significant, or you would not be interested in selling your goodwill and a buyer would not be interested in buying your practice. Price is normally based on expected future earnings, but may also be affected by revenues that will be earned from the buyer's talents. Many buyers want to pay a percentage of revenues collected rather than a fixed sum for the practice. However, it is generally preferable to sell (and buy) on a fixed, set sum. Setting that sum is where an experienced negotiator assists both sides in the deal. I have found that I can help buyer and seller reach their mutual objectives better than they could have on their own, simply because of how many transactions I have seen, and my unique approach to the negotiating process.

Selling Your Law Practice: The Profitable Exit Strategy

You will discover how to:

- Determine the value of your practice
- Set your sale price
- Evaluate and describe your practice's unique characteristics
- Negotiate the sale more effectively

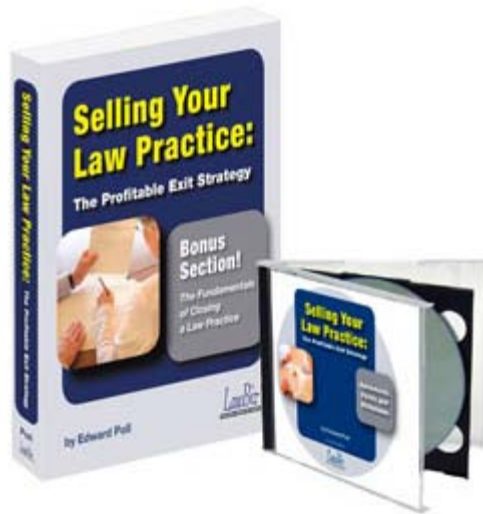


What Clients Are Saying:

"I requested that (my partners) allow me to take on the management of the firm and suggested the creation of a business plan.... (Our practice) is a successful practice, but in dire need of a direction -- and a business plan. They agreed to give me a shot and entertain a rough outline of my ideas. I was shocked when they agreed, but then horrified at the task before me. However, sitting on my shelf is "The Business of Law" that I purchased from you a few years ago. I began to read it and a whole new world has opened up for me. I just wanted to express my gratitude to you for writing the book... I am excited about the opportunity I have and just wanted to let you know that I appreciate all you do for the field."

CD
Pleasanton, CA

"I was an associate at a large national law firm and I felt "stuck," but I didn't know how to market myself to clients or to other firms. Ed's focus on the business side of the law firm provided a solid grounding for me to evaluate my current situation and a platform from which I could start growing my own practice. In many ways, working with Ed is like working with a therapist. Part of my coaching process with Ed has been getting to understand more thoroughly



Anticipate transition issues

- Review state's Rules of Professional Conduct for selling a practice

The CD contains the sample contracts, forms, and financial worksheets from the book in Word and Excel. [Learn more.](#)

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my strengths and weaknesses as both a marketer and as a lawyer. After working with Ed for six months, I was ready to market myself to other firms: I developed a clearly articulated set of objectives and Ed has gave me the tools that I needed to increase my exposure. Today, I am working for a law firm that provides better opportunities for my professional growth."

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LawBiz® Management
421 Howland Canal
Venice, California 90291-4619
www.lawbiz.com
edpoll@LawBiz.com

Order Phone (800) 837-5880

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