



Thought Leadership is a term ascribed to a few leaders in any industry. We can look at David Maister, now retired, for professional services; Alan Weiss for solo consultants; Jeff Gitomer for sales; Seth Godin, and others.

I have been fortunate to be called a Thought Leader in our world, the world of the sole and small firm practitioner. The College of Law Practice Management, an elite group of which I am a Fellow, was featured by InsideLegal.com in its October 2011 issue, Legal Thought Leaders Digest. My article, *Technology as the Catalyst of a New Legal Dynamic*, was accepted for publication. (See p. 17)

lawbiz.com

What Are You Afraid Of?

Fear of the Unknown

When Franklin Roosevelt was first inaugurated president, as the country was paralyzed and afraid in the depth of the Great Depression, he made the famous assertion: "The only thing we have to fear is, fear itself." It strikes me that far too many lawyers run their practices out of fear, year after year. The ultimate problem is fear of the unknown. Such fear freezes us and keeps us from making decisions and taking actions that will benefit us - and sometimes we become afraid to do anything at all. We fail to understand and internalize that taking no action is action.

Know Your Financial Metrics

The way to banish fear is to turn the unknown into the known. The key for any practice is to know the financial metrics by which you define success. Rather than worry about the financial health of your practice - about whether you are billing enough, how much money you need in reserve, whether your income stream has to grow - take the time to understand your financial condition. Every law firm is a business and every business should know where it is and where it's going financially. If there's cause for concern, a basic financial analysis will show it. If not, it

In this issue:

[What Are You Afraid Of?](#)

[3 Dimensional Lawyer](#)

[Video: Managing Cash Flow](#)

Featured Video:



Join
[LawBiz Forum](#)



[What Clients Are Saying:](#)

"It is a joy and pleasure

gives you the means to keep on top of things and reduce your level of stress.

Analyze Your Cash Flow

For the smaller practitioner, assessing your financial condition is relatively simple because it is based on cash flow. Financial analysis is a process of identifying and deducting the expenses of the practice from monthly cash received. Cash received is another way of expressing revenue, which for a small practice can be variable. To guard against that variation, a typical small firm might want to have funds sufficient to operate for at least six months while focusing closely on cash flow and collections.

Develop Business Competency

These are just general financial concepts but they are crucial to developing business competency. The lawyer who understands the operation of the firm as a business (budget and collections, profit and loss), the firm's billing structure, and the importance of clients will be successful. Such knowledge gives reassurance because it can banish the fear of the unknown. Lawyers who understand business competency can better assess the value they provide, and better reflect it in their bills. They develop an appreciation of those areas where costs can be controlled and where costs are inherent. In short, they gain a sense of control over their practices.

Manage Your Practice Like a Business

Managing the practice like a business was never taught to us in law school. But developing the tools and mindset to do such managing can help regain control over a practice, and ultimately make being a lawyer more satisfying - and less fearful.

3-Dimensional Lawyer

Nine out of 10 Lawyers say "Managing the Practice Sucks."

Law practice management expert, Ed Poll, unwraps the business side of legal practice.

Have you ever wondered how you could improve your marketing, practice development, efforts? Do you stay up at night thinking about the client who didn't pay your bills, and wondering how you're going to pay the rent later this week? Have you ever wondered how you could be more efficient, and therefore more profitable so you could take home more money? [Learn more.](#)



Now Available

Price: \$147

Call or Order Online at:

1-800-837-5880

lawbiz.com

working with Ed and I look forward to each coaching session. My only regret is that I did not start sooner!"

JRL
Atlanta, GA

"It has been a pleasure and a real assistance speaking to Ed on a weekly basis about issues as they came up, and about developing a roadmap for future actions. It was great to know that no matter what the issue, Ed has been there to field questions and provide amazing ideas."

SEB
Central California

Ed Poll, LawBiz® Management

lawbiz.com | lawbizblog.com | lawbizforum.com | lawbizstore.com

(800) 837-5880 order phone | (310) 827-5415 office phone

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

Order Phone (800) 837-5880
Office Phone (310) 827-5415

© 11/08/2011 Edward Poll & Associates, Inc. All rights reserved.