

Solo Practice or Big Law: How to Determine Going Solo

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As younger generations become more represented in the workforce, all industries are seeing a shift away from the “hustle” culture with an increased focus on work/life balance and fulfillment. The legal industry is no exception, and more lawyers are weighing their options between solo practice and big law. Advancements in legal technology have made it easier than ever for lawyers to leave “big law” and make the leap into solo practice to gain control and flexibility with their schedules.

Before lawyers can take this step, it’s important that they consider the pros and cons of opening a solo practice or entering big law. The legal field is more competitive than ever and clients’ expectations from both solo practice and big law are high. Whether you’re considering leaving big law or recently passed the bar, we’ve compiled the advantages and disadvantages of going small or solo to help you make the best decision for your legal career.

The Difference Between Big and Small Law Firms

Beyond the obvious size difference, there are other factors that vary greatly between solo practice and big law firms. Lawyers both seasoned and new are taking a closer look at these differences as they consider going solo or switching to a smaller firm.

Lower Barriers

When considering switching to a small or solo law firm, many lawyers are finding that the barriers to practicing law are much lower. Small or solo firms have much lower overhead expenses since there’s no need for things like a complex phone system or a large office with high rent. Many lawyers can work from home with cloud-based legal practice management software that offer cyber security and agility. Since they have lower costs, they’re able to stay competitive when bidding for work and win bids when clients recognize talent and adoption of modern technology over old-school reputations.

Tech-Savvy Firms

Embracing legal technology solutions has been a slow move for some big legacy firms, but they’re missing out on the sophistication and edge it will give them in the marketplace. Those firms, big, small, or solo, who take advantage of technology now, will find things like lead generation, client

acquisition, and marketing are more seamless and bountiful. Connections are forged on platforms such as LinkedIn and services are advertised on social media, lowering marketing and client acquisition costs.

Compensation

One of the biggest differences in the size of a firm is the compensation. Many lawyers have chosen to stay with large firms out of necessity since they're still working to pay off astronomical student loans. However, those that have gone solo claim to still make a sizable salary by charging flat rates instead of billing by the hour, which limits time-keeping burdens and makes the process more transparent for clients. As long as they're given a clear scope of the work needed, some lawyers find charging a flat fee allows them to provide better customer service and improve their cash flow.

Important Things to Consider

While there are many benefits to going solo or switching to a smaller firm, there are a few drawbacks to take into consideration and make an informed decision.

Work/Life Balance

Keep in mind that a law firm is still in the business of practicing law, which is notorious for its long hours. Smaller firms involve long hours as well. In fact, a lawyer at a small firm may put in more time, since the firm may not have the support staff or resources to tackle the administrative burden. This can vary according to the firm, so lawyers should consider the work/life balance at individual firms and the workload they may be expected to take on.

Seed Money and Coverage

Before going to a solo firm, lawyers should be sure that they have enough seed money to cover start-up costs and the initial dry months. Another crucial step is to make sure the firm has the [proper insurance coverage](#) to help mitigate the risks of practicing law. At a minimum, malpractice and general liability insurance should be purchased.

Long-Term Financial Goals

Smaller firms do tend to be less stressful and more focused on the care aspect of serving clients. However, if a lawyer has a large financial goal in mind before they plan to retire, working at a large firm may provide higher compensation. A lawyer can still make a very reasonable and impressive salary at a smaller firm, but it may not be as high as with a big firm with high retainers.

Benefits of Going Small

Now that the drawbacks have been presented, let's examine the benefits of going small.

Autonomy

When working for a small firm or solo firm, a lawyer has more autonomy over the cases they take on, the clients they represent, and the hours they keep. For better or worse, these decisions aren't made by high-ranking partners. Rather, they're made by the person who is most directly impacted by

them.

Greater Impact

Many lawyers who work for themselves or a small firm say that they feel as though they're really helping clients for the first time. While this certainly isn't indicative of every law firm, oftentimes the lawyer takes a more hands-on approach and gets more involved with their cases when there are fewer people in the mix.

Profit

While compensation is often lower at a small law firm if you're a solo lawyer and business owner, the profit is all yours. After the startup period, which may be slow, the lawyer can earn excellent compensation in the future. This can be a huge benefit of making the switch to small.

Be Prepared to Fly Solo (or Small)

As lawyers decide to leave big firms to go to a smaller or solo firm, there are several things they should do to prepare for this step. Lawyers should be prepared for things like being sued for a malpractice suit, and understanding their protections under their insurance. It's more common than some lawyers think to be sued by a disgruntled client so it's important to have the right coverage because it can happen to even the best attorneys.

Lawyers should also become educated on their state's laws for legal practices since they'll be the person responsible for any breaches of conduct. In addition, they should be prepared to handle or outsource accounts payable, accounts receivable, client management, and other administrative tasks. Client management can either make or break a firm, so it's wise to utilize tools such as PracticePanther to ensure no potential or current clients are slipping through the cracks.

New Year, New Firm

As the New Year peeks around the corner, it's normal to ponder what goals to set and challenges to overcome. Going solo or switching to a smaller law firm is a goal that many lawyers have accomplished. With the rise of technology and management software, there's truly no time like the end of the year for lawyers to take the leap of faith and move forward solo in the new year.

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