LAW CLERK

The Mid-Size Law Firm's Guide to Legal Outsourcing

THE WORLD CHANGED – AND SO MUST LAW FIRMS

Welcome to the future of the business and practice of Law. The last few years have disrupted how law is practiced and how law firms are run & operated. Every attempt to get back to "business as usual" has been met with resistance, bringing with it new demands from attorneys and associate candidates alike. For mid-sized firms, business as usual needs to be redefined to account for the evolution of what the workplace will look like tomorrow. Firms need to re-think their business model, the way they service and manage their clients and the way they manage the work production.

LAWCLERK's guide for Mid-Sized Firms was written to provide insights, recommendations, and solutions to some of the most pressing challenges mid-sized firms face today. In this guide we'll tackle some of the questions law firm leaders should be asking themselves. Is your operating model the right one for today's world? Where can you save on expenses? How can you increase revenue? Is your in-house legal talent allowing you to be as successful as you'd like to be? Is your talent acquisition strategy the right one?

We explore these and other questions in this guide to help you think through how your mid-sized firm can become more successful. We hope you find value in it and consider looking to LAWCLERK to help your firm succeed in today's evolving legal landscape.

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PART 1:
THE COST OF HIRING AN ASSOCIATE IN 2023

THE COST STRUCTURE OF FULL-TIME IN-OFFICE ASSOCIATES IS PROVING UNSUSTAINABLE FOR MANY MID-SIZED FIRMS

It's no secret that hiring a traditional law firm associate is expensive. The so-called talent wars have been all over the legal news the past few years. Of course a big part of this were skyrocketing associate salaries amongst competing law firms.

Over the 20-year span from 2000 to 2020, lawyer salaries increased faster than the rate of inflation. Lawyer salaries rose 63% while the inflation rate was 53%. The on-going war for talent is creating a vicious cycle of salary increases and turnover that is simply not sustainable for a successful, modern law firm business model.

SALARY

The National Association for Law Placement (NALP) compiles data on first-year associate starting salaries in the private sector of the legal industry. In their most recent report, NALP found that "the overall median first-year base salary as of January 1, 2023 was $200,000, up $35,000 (+21.2%) from 2021." This is a huge increase in a short time, especially as law firms have also been feeling the pain of inflation the past few years.

Now, perhaps you may think this 21.2% increase in associate attorney salaries is only for big law. This would be a smart, educated guess as the media has given a lot of attention to the so-called salary wars happening in big law the past few years. However, NALP addressed this and reported that despite much of the press coverage that has been focused on salaries in larger-sized firms, in terms of percentage growth, salaries were up the most in the mid-size and small firms (which happen to comprise the largest sector of the legal industry).

In firms under 100 lawyers, the median first-year salary grew from $120,000 in the 2021 survey to $155,000 in 2023 (+29.2%) according to NALP. These pay increases cascaded from big law throughout the market at an accelerated pace. While it normally takes two or more years for big law salary raises to trickle down through the legal market it has happened much faster than pre-pandemic.

Another factor for associate salaries is your specific geographical market. Whether you're a big law firm in New York or a mid-size one in the Midwest will also factor into how to calculate compensation for a law firm associate. Starting salaries for entry-level lawyers can vary greatly in different regions of the country.

NALP reported that across 26 different cities, there is a wide range wide of median first-year salaries ranging from $145,000 to $215,000. Eleven U.S. cities now have a median starting salary of $215,000. These include Austin, Boston, Chicago, Dallas, Houston, Los Angeles/Orange County, New York City, San Diego, San Francisco, Silicon Valley, and the Washington, DC area.

Starting salaries for lawyer jobs can also vary based on your practice area. Firms that specialize in areas such as intellectual property or commercial litigation may pay different starting salaries than personal injury or family law firms.

Experience is another factor that needs to go into how much you should expect to pay a full-time associate attorney. If you are hiring a fifth-year attorney, you should of course expect to pay them more than a first-year associate. NALP reports the median salary for a first-year associate is $200,000, while the median for an eighth-year associate is $307,500 as of 2021.

MEDIAN BASE SALARIES BY ASSOCIATE YEAR AND FIRM SIZE

(IN $/YEAR UNLESS OTHERWISE NOTED, AS OF JANUARY 1, 2023)

SOURCE: NALP 2023 ASSOCIATE SALARY SURVEY

FIRM SIZE – Number of Lawyers

	100 or Fewer		101-250		251-500		501-700		701-1,000		1,001+		All Sizes	
Associate Year	Median	# Rept	Median	# Rept	Median	# Rept	Median	# Rept	Median	# Rept	Median	# Rept	Median	# Rept
First	$155,000	29	$160,000	78	$190,000	64	$200,000	83	$200,000	160	$215,000*	160	$200,000	522
Second	$165,000	27	$170,000	74	$195,000	67	$207,500	87	$209,000	162	$225,000	162	$209,000	511
Third	$180,000	27	$180,000	71	$207,500	66	$215,000	86	$220,000	168	$250,000*	168	$220,000	510
Fourth	$181,250	24	$195,000	69	$239,025	64	$230,000	85	$255,000	164	$285,000	164	$245,000	505
Fifth	$192,500	22	$200,000	73	$243,325	66	$255,000	86	$280,000	161	$315,000	161	$265,000	502
Sixth	$193,450	24	$210,000	73	$245,000	64	$265,000	86	$290,000	162	$355,000	162	$280,000	502
Seventh	$210,000	24	$225,000	68	$286,250	64	$275,000	95	$303,750	160	$387,500	160	$295,000	501
Eighth	$213,950	20	$217,775	68	$235,000	49	$300,000	76	$310,000	149	$395,000	149	$307,500	450

Despite the rise in salaries, associate turnover rates for law firms also reached record highs. The on-going war for talent is creating a vicious cycle of salary increases and turnover that is simply not sustainable for a successful, modern law firm business model. Law firms need to start thinking about alternative staffing models to help supplement their capacity and represent their clients adequately.

Salary makes up a large chunk of law firm associate compensation but what other costs are involved?

TRAINING

Unfortunately, you don't learn everything you need to know to be a lawyer in law school. So, if you're planning to hire a new lawyer fresh out of law school, you'll also need to factor in training time and costs. And by "time," that likely means your time. Teaching a young attorney all the practical industry knowledge, best practices, firm standards, and tricks of the trade they need to know to perform well is in your best interest, but it's time consuming.

Mentoring a new associate is a serious time commitment. You need to dedicate time every week, perhaps even every single day, to supervise their work as well as give practice and legal advice.

This can turn into a huge expense that many attorneys easily become frustrated with — because while you may feel like you're investing in a long-term hire, it's possible that you could spend a lot of resources training an employee who ends up leaving you to go work for a competitor. Then you have hundreds of hours of your own billable time down the drain.

Conversely, if you hire a more senior associate, they may bring bad habits or simply different work standards with them. Even if you don't have to teach experienced attorneys the ground-level basics, you'll still need to help them unlearn any bad habits and/or adjust to your firm's way of functioning. And if that isn't an easy transition, you may find yourself picking up the slack during the training period.

BENEFITS

Besides salaries, benefits can add up quickly in the legal industry. According to the U.S. Bureau of Labor Statistics, as of December 2022, 31% of employee costs to employers were related to benefits. While the average per hour cost of an employee was $42.48, benefits accounted for $13.17 (31%) of that cost while wages/salaries accounted for $29.32 (69%). This means that whatever the employee's salary is, you could need to add another 30% or more to cover the cost of their benefits.

Then there's retirement, which is typically 2% to 6% in matching contributions from an employer. If you have a first-year new hire at the median salary rate of $165,000, that's another $3,300 to $9,900 per year for retirement for that associate. As of December 2022, the BLS reported that retirement costs accounted for 3.4 percent of total compensation costs.

Health insurance is another large expense of hiring a traditional associate. According to the 2022 Milliman Medical Index, the cost of healthcare for a typical American family of four covered by an average employer-sponsored preferred provider organization (PPO) plan is $30,260. The Kaiser Family Foundation reports that as of 2021, employers paid 73% of the annual premium to cover a family of four.

The benefits list is seemingly endless. Other benefits to consider when calculating the cost of hiring an associate include dental insurance ($1,500 to $4,500), disability insurance ($2,000 to $5,000), life insurance ($250 to $500), employer contributions to FICA (7.65% of salary, which at $165,000 would be another $12,623). None of this includes other possibly benefits such as unemployment insurance, tuition reimbursement, student loan benefits, financial wellness benefits, and any other voluntary benefits which might be standard for your mid-sized law firm to provide to associates (think commuter benefits, gym memberships, etc.).

MALPRACTICE INSURANCE

An associate is also going to need to be covered by malpractice insurance for the legal work they provide. Rates are typically around [$2,500 to $3,500 per year according to ALPS], but can be much higher. The annual rate for a policy can fluctuate depending upon practice area, experience level, prior claims and state or location risk factors.

Be certain to discuss your firm's insurance needs with your carrier as your staffing grows and changes. Find out if law student clerks, summer associates and/or paralegals are covered by your malpractice insurance.

BAR DUES & CLE

The employing law firm also typically pays for an associate's annual bar dues and continuing legal education expenses. These costs can vary from state to state, as the number of hours required vary across the country. In our experience, this can account for at least $1,000 per year per associate.

In addition there can be local bars or specialty bars that a new associate attorney may benefit from joining. Networking has been a huge challenge for new lawyers during the pandemic. However, now that many groups are resuming in-person meetings there can be immense personal and professional benefits to the law firm fronting the cost of these memberships.

UNDER-UTILIZATION

If your firm already has a team of associate attorneys, chances are from time to time some of them may not be full utilized and billing to their highest potential.

The [2020 Altman Weil Law Firms in Transition report] found that 84.4% of surveyed law firms reported having chronically under-performing lawyers. Further, the report found that in nearly a quarter of all law firms, more than 10% of lawyers were considered to be under-performers.

Can your law firm really afford an underperforming associate? Carefully consider your workflow pipeline before committing to a full-time hire with a traditional associate.

THE BOTTOM LINE

When you tally up all of these expenses, and keep in mind these could be less or more depending on your specific market and area of practice, the all-in cost to hire a first-year associate can be $296,600 or more.

ASSOCIATE COST – 1ST YEAR ASSOCIATE

Salary	$200,000
Benefits – Health Insurance (31% of salary)	$62,000
Retirement Contributions (3.4% of salary)	$6,800
Disability insurance ($2,000 to $5,000)	$3,500
Life insurance ($250 to $500)	$500
Employer contributions to FICA (7.65% of salary)	$15,300
Malpractice Insurance	$3,000
Bar Dues & CLE	$1,000
Computer & Office Supplies	$2,000
Software subscriptions	$2,500
GRAND TOTAL	**$296,600**

If your firm needs to generate $200,000 of profit for the firm from hiring this first-year associate, then their work needs to bring in revenue totaling at least $496,600. This would mean if the associate is expected to bill and collect 1,800 billable hours, their hourly rate would be calculated as $496,600 / 1,800 hours = $275 per hour. An hourly rate of $275 may seem much too high or much too low depending on your practice area and reasonable market rates in your location. You should consider a similar analysis as you consider your next associate hire.

ALTERNATIVE HIRING OPTIONS

Now, it is important to keep in mind that there are other more affordable, accessible and flexible hiring options for mid-size law firms. Many mid-sized firm are managing their work production and generating more profits by using a combination in-office (or remote) full-time traditional associates and outsourcing overflow work to remote associates using LAWCLERK's Subscription Program.

Working with remote associates can be a smarter staffing solution than a full-time associate for a lot of reasons, namely zero overhead and flexibility.

First, freelance attorneys don't have overhead costs tied to them. There are no benefits, insurance, equipment, or salaries to commit to when hiring a freelancer, and the freelancer will only work when you need them to.

So if you don't have as much work in any given month, you'll have no overhead as you would with an employee. No salary, health insurance, retirement, or other benefit costs.

Another benefit is that working with a remote associate often allows you to connect with a seasoned lawyer who can do the legal work without as much training or hand holding. Your firm – and your client – can benefit from the attorney's years of experience.

Last, you don't have to worry about the natural fluctuations in your work volume. If you aren't busy, don't send any work to the freelancer. If your team is slammed, you can connect with multiple freelance attorneys to get the immediate help your firm needs.

CAN YOU PROFIT OFF A REMOTE ASSOCIATE?

One of the biggest misperceptions about remote legal staffing is that some attorneys think their firm can't charge (and profit) from the remote associate's time the way the firm would from an associate in the office. This couldn't be further from the truth. Hiring a Remote Associate is a smart way to get work done and to make more money. Here's how:

The key ethics rule to keep in mind is ABA Model Rule 1.5, which says that an attorney can bill their client for work at a reasonable market rate. That includes the work of both freelance and remote lawyers. This is the exact same business model we have been using for the last 90 years at law firms of all sizes: Leveraging the work of associates. In Formal Opinion 00-420, the ABA Committee on Ethics and Professional Responsibility explained that attorneys may bill the services of contract lawyers to their clients at prevailing market rates (verses the rate paid to the contract lawyer) as long as the overall hourly rate satisfies Model Rule 1.5(a)'s reasonableness requirement.

THE BUSINESS MODEL OF WORKING WITH REMOTE ASSOCIATES

Working with a remote associate is like working with an associate down the hall ... but better. For more than 90 years law firms have been billing the time of their associates at a premium as the most basic form of a leverage business model. And the same business model applies to remote associates but with greater efficiency.

Under the traditional model, associate billable revenue is broken into thirds. The first 1/3 is paid to the associate as compensation. The second 1/3 is used to cover overhead like rent, utilities, office equipment, etc. And the final 1/3 is intended to be firm profit. But when associates are underutilized, it has a disproportionate impact on profit (as the other two categories are fixed).

First 1/3

is paid to the associate as compensation

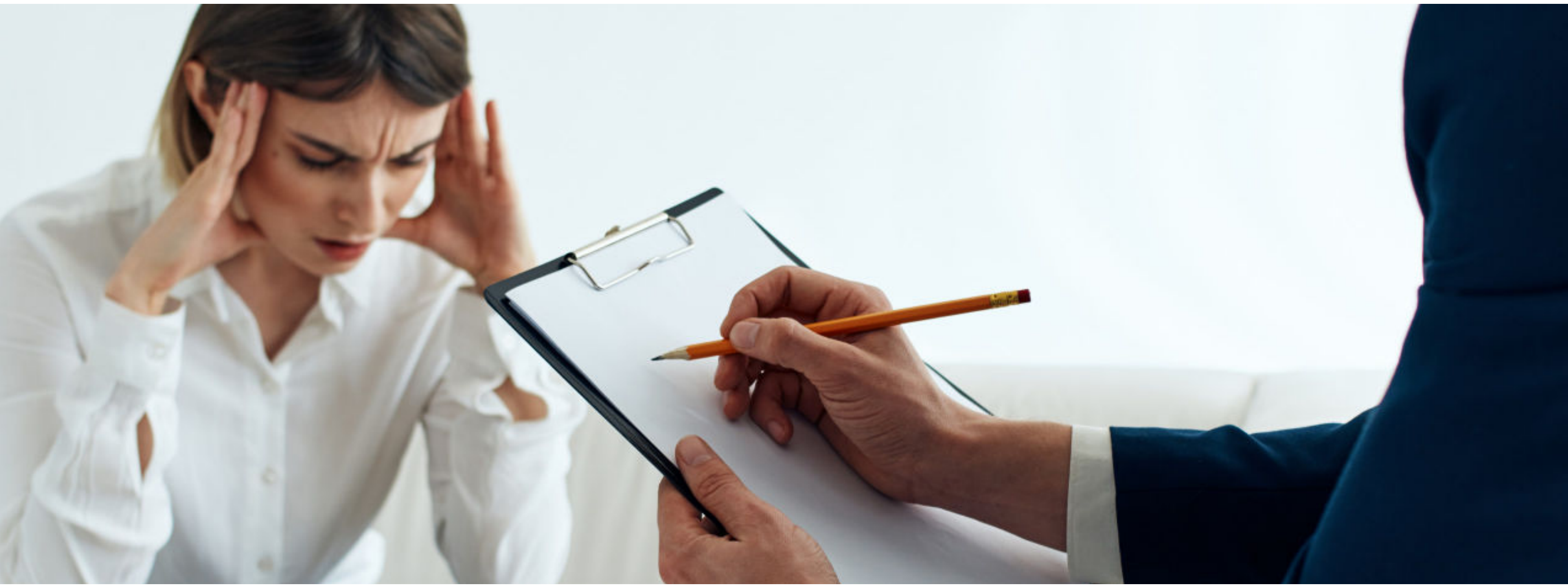
Second 1/3

covers overhead like rent, utilities, office equipment

Final 1/3

is intended to be firm profit

"To put it bluntly, underutilized associates in a traditional salary model consume firm profits to the detriment of the firm's partners."



Remote associates fix many of the flaws with this model and can be more profitable. First, they solve the overcapacity problem. At LAWCLERK we see that most remote associates work part-time. Because we have a pool of literally thousands of associates to draw from, you can find exactly the talent you are looking for, whether full-time or part-time. Firms don't have to bring on a full-time associate when their practice is still growing into that need.

We like to tell law firms it's sometimes better to have ½ a litigator and ½ a real estate lawyer than one lawyer who is struggling to do both. The modern economy is built around efficiency. And efficiency isn't measured only by billable hours. It's also measured by the skill, experience and expertise of the attorney providing the services.

The cost of underutilized associates kills law firm profitability. Nearly every firm has ebbs and flows in their business. Sometimes you're drowning in work, sometimes you're waiting for the next new client to call. Sometimes it's a down market and you need more bankruptcy resources. Sometimes M&A work is hot. These peaks and valleys in workflow also hold many law firms back in both hiring as well as efficiency. The 2020 Altman Weil Law Firms in Transition report found that 84.4% of firms reported having chronically under-performing lawyers. These full-time underutilized lawyers are a profit killer!

Now that we've made the case for mid-sized firms to integrate remote associates in their business model, let's review the other key concepts to keep in mind when managing a law firm.

The cost of underutilized associates kills law firm profitability.

PART 2:
THE COSTS OF OPERATING A LAW FIRM

PAYROLL & BENEFITS

The salaries and benefits you provide for your team will likely be the most expensive line item on your firm's overall operating budget. Payroll costs can include salaries, bonuses, and other benefits such as health insurance or 401(k) contributions for all employees – not just the attorneys.

As with any business, it's important to accurately track and manage payroll expenses in order to ensure that the law firm remains profitable. This includes setting up systems to monitor employee hours worked, overtime pay, vacation time and sick leave accrual rates. It also involves staying on top of changes in state and federal laws regarding wages and benefits so that your law firm complies with all applicable regulations.

With proper management of payroll costs at a law firm, you can ensure that your business runs smoothly while keeping employees happy and productive. This can be important for recruiting and retaining top talent.

OFFICE & EQUIPMENT

In today's world, more firms are starting to become virtual law firms or adopting hybrid models. However, most attorneys will still require actual office space – real estate – to meet with clients or conduct depositions in person. Office space will need to be provided in some capacity for those aspects of legal work best done in person.

After payroll and benefits, the next leading cost for any law firm is typically office space and equipment. A key decision in setting up your firm's physical office will be deciding how much space you need. The good news is that the size of an attorney's office has decreased significantly over the last 20 years. Some firms opt to have all offices be the same size while other firms provide larger offices for partners.

Certainly, the cost of the real estate market where you live and practice will impact the size and budget for your office space. To get an idea of how much office space could or should cost, do some research on rates in your local market and estimate how many square feet you will need based on headcount, reception area, conference rooms and storage.

While multiple employees used to be able to share larger equipment such as in-office printers, any work-from-home employee will now also need access to their own version of the equipment at home. At a minimum, a home office should include secure, fast Wi-Fi as well as a printer and scanner.

Hardware may include laptops, scanners, printers, paper goods and office supplies, office furniture, and a cell phone (with service coverage). These costs will easily range in the thousands of dollars for each attorney or employee.

Software may include access to your practice management software as well as any research accounts they need access to.

Litigation attorneys may need e-discovery tools. Transactional practice groups may need deal management software for their legal matters. Estate planning firms may need specialized drafting software for legal documents. These necessities can easily add up to around $2,500 per year per associate or more and are paid for by the law firm.

INSURANCE & BAR DUES

Attorneys need to be covered by malpractice insurance for the legal work they provide. Rates are typically around $2,500 to $3,500 per year per attorney according to ALPS, but can certainly be much higher. The annual rate for a policy can fluctuate depending upon practice area, experience level and state or location risk factors.

Be certain to revisit your firm's insurance needs with your carrier as your staff grows and changes. Find out if lawclerks, summer associates and/or paralegals are covered by your malpractice insurance.

A law firm also typically pays for the annual bar dues and continuing legal education requirements for all attorneys at the firm. These costs can vary from state to state, as the number of hours required vary across the country. In our experience, this can account for at least $1,000 per year per attorney.

In addition there can be local bars or specialty bars that an attorney may benefit from joining. Networking has been a huge challenge for new lawyers during the pandemic. However, now that many groups are resuming in-person meetings there can be immense personal and professional benefits to the law firm fronting the cost of these memberships.

MARKETING

How much you decide to budget for marketing will likely depend on factors such as your practice area, geographical market, the size and scope of your firm, goals and objectives, and current financial situation.

Different forms of marketing such as Search Engine Optimization (SEO), online advertising (social media and paid search), content creation, email campaigns or traditional print ads can all be useful in different scenarios. In general, however, it is important for law firms to plan carefully when deciding how much they should budget for marketing activities.

When determining your firm's ideal spending level on marketing activities such as website design or SEO, consider both short-term and long-term objectives. For example, a well-designed website that ranks high in organic search results may take time to achieve but will ultimately pay off with increased visibility and conversions over time. On the other hand, investing in digital ads may offer more immediate exposure but at a higher cost per click or impression than organic traffic sources like SEO or content creation.

RECENT RESEARCH

has found that total marketing budgets are between

6-14 %

of total revenue for most businesses

Recent research has found that total marketing budgets are between 6 to 14% of total revenue for most businesses and that B2Cs generally spend more on marketing compared to B2Bs. For law firms specifically, large-sized firms spend anywhere between 2-5% and smaller law firms between 5-10% of their gross revenue on marketing.

CALCULATING ROI

How can an attorney calculate the return on investment (ROI) for the marketing investment in their law firm? Here is on approach that can be replicated for other marketing channels. Let's say that you determine your average client generates $5,000 of monthly revenue for your firm. You also know that on average, your Google ad campaigns result in three new clients for your firm each month. Last, your average monthly budget for Google ads is $8,000. In this example, the cost of marketing on Google is $8,000 and the return is $15,000 for a net increase in revenue of $7,000 each month or $84,000 for the year.

$5,000
Revenue generated by an average client

3
New clients gained from Google Ad campaign

$
$8,000
Average monthly budget for Google Ads

$ $
$15,000
Return on Google Ads

$ $ $
$7,000/mo. or $84,000/yr.
Net increase in revenue

THE IMPACT OF INFLATION

Legal has not been immune to feeling the pain of the rise of inflation. It's hard to read a single new article in the past months that doesn't cite the rise of inflation.

The Bureau of Labor Statistics reports that the Consumer Price Index increased 8.5 percent for the year ending March 2022. In the following twelve months ending March 2023, the Consumer Price Index continued to rise but at a slightly less aggressive pace of 6.0%.

According to the ABA Profile of the Legal Profession 2022, over the past 20 years, the average lawyer's salary has grown faster than inflation. From 2001 to 2021, the average lawyer's salary rose 61%. Over the same period, the inflation rate was 49%.

However, in 2021 for the first time in 20 years, the average wage for lawyers dropped according to the U.S. Bureau of Labor Statistics. The average wage was $148,910 in 2020 and declined slightly to $148,030 in 2021 — a decrease of 0.6%, according to the BLS. Over the same period, inflation was 1.4%.

The bottom line is that we, as a legal profession, are feeling the pain of inflation in our household budgets and also in our law firm budgets. Everything seems to cost more these days. As a consequence, many legal professionals in turn are demanding higher salaries, more on that to follow.

PART 3:
MANAGING FINANCES FOR A LAW FIRM

When you're running a law firm you must manage the firm's finances and most likely also client funds. Unlike other businesses, law firms must adhere to strict regulations regarding the handling of client funds. Lawyers are required to maintain separate trust accounts for unearned client funds, which must be kept in accordance with state-specific rules and regulations.

SAFEGUARDING CLIENT FUNDS

hese regulations ensure that client funds are protected and used only for their intended purpose. However, they also add an additional layer of complexity to managing the finances of a law firm. In order to maintain compliance, law firms must have a solid understanding of accounting principles and the ability to keep accurate records.

Furthermore, law firms must also consider the financial implications of other aspects of their operations, such as employee salaries, office rent, and other overhead expenses. In order to operate profitably, a law firm must balance its income with its expenses while also investing in its future growth. This requires careful financial planning, budgeting, and a close watch on the firm's cash flow.

In the sections that follow, we will explore the economics of a law firm in depth, including best practices for managing finances, common financial challenges faced by law firms, and strategies for achieving long-term financial success. By understanding the unique financial considerations of a law firm, legal professionals can build a solid foundation for their business and achieve their financial goals.

IOLTA ACCOUNTS

IIOLTA accounts, or Interest on Lawyer Trust Accounts, play a critical role in managing the finances of a law firm. These accounts are specifically designed to hold client funds, such as retainers, settlement checks, and court fees, and ensure that money is kept separate from the firm's business account. The purpose of an IOLTA account is to protect client funds and prevent them from being used for the law firm's operating expenses or the personal expenses of the lawyer.

In some cases, law firms may set up separate trust accounts for individual clients, but this is usually not feasible for smaller payments. IOLTAs were established in the 1980s to allow lawyers to pool smaller payments and short-term funds from multiple clients in a single interest-earning trust. Unlike other types of accounts, attorneys cannot profit from the interest earned on an IOLTA account. Instead, the interest is directed toward state bar associations to fund legal assistance for low-income clients and other charitable causes.

IOLTA accounts are used when a law firm accepts payments for retainers from clients or handles money on a client's behalf. Depending on the state's regulations, it may or may not be mandatory to use an IOLTA account to hold unearned client funds paid as a retainer. However, it is always essential to keep client funds separate from the law firm's operating account to maintain compliance with ethical and legal requirements.

Managing IOLTA accounts can be complex, as there are strict rules that must be followed to ensure that client funds are protected. Even a large firm with a dedicated accounting team must take deliberate steps to maintain IOLTA compliance, and smaller firms must be even more careful since small mistakes can have serious consequences. It's important for lawyers to be diligent in managing IOLTA accounts, as they are responsible for any misuse of funds, even if the mistake is made by a third party, like an employee or bookkeeper.

To effectively manage IOLTA accounts, law firms should establish clear procedures for handling client funds and ensure that all employees and partners are aware of these procedures. It's also important to regularly review IOLTA account balances and promptly address any discrepancies. Finally, lawyers should consider using software tools designed specifically for IOLTA account management. These tools can help automate many of the processes involved in managing IOLTA accounts, reducing the risk of errors or mistakes.

RETAINER ACCOUNTS

Retainer accounts are an important tool for law firms, providing a way for clients to secure legal services and for lawyers to guarantee payment. There are three main types of retainers that law firms can use:

1. General retainers
2. Security retainers
3. Flat fees or advance payment retainers

General retainers are designed to secure a lawyer's availability for a matter or for a particular period of time. They are typically non-refundable and serve as a guarantee that the lawyer will be available when needed. Security retainers, on the other hand, secure the client's payments for future services, with the lawyer drawing from the funds as work is completed. While security retainers are the most commonly used, they are also the most complicated to manage. Lastly, flat fees or advance payment retainers function as a complete up-front payment in anticipation of legal services to be completed in the future.

When crafting any retainer agreement, clarity is essential. It is crucial for law firms to clearly delineate their billing process to offer transparency and prevent confusion. While a certain level of standardization is practical, avoid generic agreements that are vague or unclear. When managed correctly, retainer agreements can minimize the risk of nonpayment and ensure that clients receive the legal services they require. A best practice is to review and revise your retainer agreement at least annually.

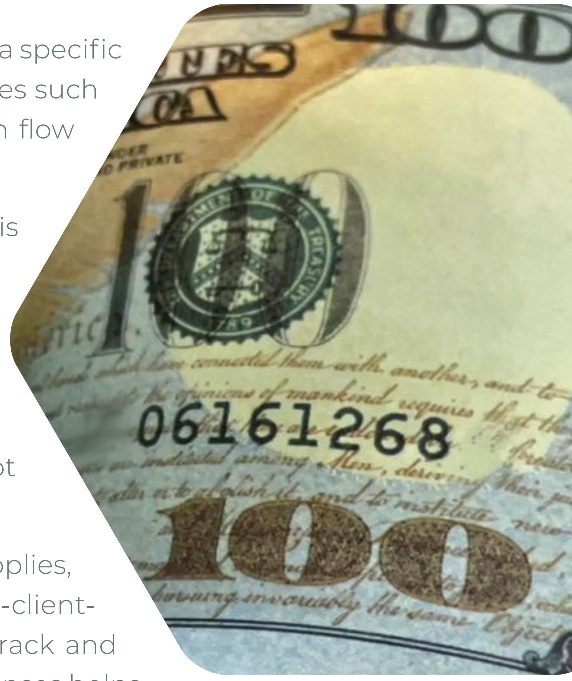
Law firms should keep matter-centric records to allow funds to be tracked in a ledger format, which helps prevent the commingling of funds. It is also vital to monitor Work-in-Progress (WIP) reports. As a retainer reaches a pre-determined low point, the person in charge should notify the necessary parties to seek replenishment. This ensures that funds are always available to cover the costs of legal services so that you and your team will be paid timely.

OPERATING ACCOUNTS

While IOLTA and retainer accounts are strictly for client funds, a law firm also needs an operating account to manage the day-to-day finances of the business. The operating account is where the firm's capital and cash flow come into play.

An operating account is used for day-to-day expenses like office supplies, rent, insurance, payroll, software, marketing, and other non-client-related costs. One key to managing the operating account is to track and categorize expenses. Keeping detailed and accurate records of expenses helps in budgeting and forecasting future expenses.

Using accounting software can help simplify the process of managing an operating account, as many software programs help with tasks such as invoicing, tracking expenses, and generating financial reports. It's important to choose accounting software that is specifically designed for law firms, as this can help ensure compliance with regulatory requirements.



Cash flow is the net balance of cash moving in and out of the firm at a specific point in time. This is the money needed to pay for monthly expenses such as rent, salaries, utilities, and other overhead costs. A positive cash flow means the firm has more money coming in than going out.

Capital is the cash that the firm invests to make more money. This includes stocks, bonds, funds held in deposit accounts, and other assets. Law firms can also access debt capital via credit cards, bank loans, and other forms of credit. In some cases, a law firm may need to secure a line of credit to manage cash flow during periods of low revenue. The equity partners can also be tapped to make capital contributions to the firm if cash reserves are not sufficient to cover expenses.

An operating account is used for day-to-day expenses like office supplies, rent, insurance, payroll, software, marketing, and other non-client-related costs. One key to managing the operating account is to track and categorize expenses. Keeping detailed and accurate records of expenses helps in budgeting and forecasting future expenses. Using accounting software can help simplify the process of managing an operating account, as many software programs help with tasks such as invoicing, tracking expenses, and generating financial reports. It's important to choose accounting software that is specifically designed for law firms, as this can help ensure compliance with regulatory requirements.

SAFETY PRECAUTIONS TO PREVENT THEFT OR MISAPPROPRIATION OF FUNDS

It's critical to protect a law firm's funds from theft or misappropriation. Law firms are particularly vulnerable to employee theft due to the sensitive and confidential nature of their work. Employee theft is a serious problem that can lead to significant financial losses for a company.

The types of employee and attorney crimes that typically hit law firms include manipulation of financial statements, falsified billings, manipulated time records, and invoice kickbacks. In fact, a 2019 report by the Association of Certified Fraud Examiners found that the median loss suffered by law firms due to occupational fraud was $110,000. Thus, it's incredibly important for law firms to implement robust measures to prevent employee theft and fraud.

HERE ARE SOME SAFETY PRECAUTIONS THAT LAW FIRMS CAN TAKE TO PREVENT THEFT OR MISAPPROPRIATION:

1. Know your employees. Be alert to potential signs of theft, such as sudden changes in behavior, lifestyles above salary levels, and compulsive gambling. Background checks are recommended for employees who will handle money or financial records.
2. Supervise employees closely. Having more than one person overseeing financial matters can help prevent fraud. Have the accounts manager circulate a billing report of deposits and payments daily and compare with bank records. It is also a smart practice to require more than one signature for any checks over a certain dollar amount.
3. Use informal audits. Regularly conducting unannounced internal audits can detect potential theft. These can be time consuming so outsourcing the audit to a qualified third party is a smart move.
4. Install computer security measures. Protect computer systems and software from unauthorized access and update passwords regularly.

5. Monitor accounts receivable. Establish clear procedures for invoicing and collections and separate the functions of mail opening and posting.
6. Anti-fraud training. Teach employees how to prevent crime in the workplace. Also, teach managers the warning signs that employees may be committing fraud and the importance of adequate employee supervision.
7. Offer anonymous reporting. Create a system that allows employees to report suspicious activity anonymously and confidentially.
8. Office security measures. Install advanced security and surveillance systems for offices and other facilities to deter employee crime.
9. Maintain a positive workplace. You can discourage employee theft by offering fair compensation, treating employees well, and creating a positive working environment.

While these safeguards can reduce the risk of employee theft, fidelity and crime insurance is also recommended. This type of insurance can help minimize potential losses due to criminal activity.

Finally, if you suspect employee theft, you should be careful about making accusations and conducting investigations. Verify any suspicions by conducting a thorough investigation and determine the extent of fraud and the methods used. Outside legal counsel may be necessary in complex cases.

SETTING REVENUE GOALS & MANAGING CASH FLOW

As a law firm owner, it's important to set revenue goals and manage cash flow effectively to ensure your business's long-term success. One key strategy is to maintain cash reserves that can cover at least three months of operating expenses for both your firm and household.

To positively impact cash flow, consider decreasing your accounts receivable and work in progress by invoicing clients as soon as possible and collecting the amounts owed promptly. Be wary of clients who don't pay on time and know when to part ways with problem clients (more on that later). Adjusting accounts payable by negotiating longer payment terms with vendors can also help.

RECESSION-PROOFING YOUR FIRM

In times of economic uncertainty, law firms need to take proactive steps to recession-proof their operations. While it can be challenging to predict when a recession will occur, taking measures to prepare in advance can help a law firm weather the storm and even come out stronger on the other side.

First, consider embedding payment processing directly into your platform to make it easier for clients to pay you. New practice management software features, such as payment links in portals and payment reminders via text, can help boost your collections.

Second, consider automating administrative tasks through practice management software, as this can free up more of your time for billable work. Improve your firm's efficiency and productivity by streamlining processes, eliminating bottlenecks, and leveraging technology to accomplish more. Also, focus on providing speedy client service to stand out during an economic downturn. Responding quickly to clients' needs can help you retain existing clients and attract new ones.

Lastly, make it easier to onboard new lawyers in preparation for potential job movement during economic volatility. By following these tips, you can help ensure your law firm's financial health even in challenging economic times.

For more on the topic of recession proofing your firm [check out our guide.]

CONDUCT REGULAR BUSINESS MEETINGS

Regular business meetings are an essential component of running a successful law firm. There are several compelling reasons for holding these meetings, including fostering collaboration and effective teamwork among lawyers and staff. Meetings provide a forum for open communication and allow everyone to share important updates, discuss projects, and address any concerns or issues that may arise.

Additionally, regular meetings can help with planning and setting goals for the firm, ensuring that everyone is aligned on the firm's priorities and identifying areas that need improvement. Meetings also promote accountability by providing a platform for managers to follow up on tasks and ensure they are completed on time and to a high standard.

The leadership team at your firm needs to plan time for you to focus on the strategic business aspects of your firm. It is all too easy to get stuck in the rhythm of only doing the legal work and ignoring the work that needs to be done to grow your business.

TIPS FOR EFFECTIVE MEETINGS

Conducting effective meetings in a law firm requires careful planning and execution. One of the most important steps is to prepare an agenda that outlines the topics to be discussed and the order in which they will be addressed. This helps keep the meeting focused and on track. It's also wise to invite only those people who need to be there, to avoid wasting anyone's time. Starting and ending the meeting on time is another critical way to respect everyone's time and keep the meeting on track. Remember – time is money!

Encouraging participation from all attendees is also important to ensure everyone's opinions and ideas are heard and considered. Assigning action items to specific people at the end of the meeting and setting deadlines for completion helps ensure that progress is made and that everyone is held accountable.

Following up after the meeting with a summary of what was discussed, and the assigned action items helps confirm that everyone is on the same page and knows what is expected of them.

PART 4:
PRICING STRATEGIES TO MAXIMIZE PROFITS IN A LAW FIRM

If you're like most lawyers, you likely have a "love hate" relationship with the billable hour. It is definitely a great way to generate revenue, but tracking every minute of your day can be a drag.

Selling your time and charging by the 1/10th of an hour has been the backbone of the law firm model for decades. Today's legal clients are growing ever more sophisticated in their understanding of the business of law, billing models and how their interests sometimes compete with the financial interests of their counsel.

More and more clients are negotiating (or even demanding) alternative fee structures. In turn, law firms are working to find more efficient ways to deliver legal services to remain competitive and still generate revenue.

If you've thought about moving away from the billable hour, here are nine alternative fee arrangements to consider:

FIXED FEES

A set price for a single engagement/matter with a limited (and well-defined) scope of services;

PORTFOLIO PRICING

A fixed fee (per matter) for a large number of matters from a single client who provides a high volume of work;

FEE CAPS

Hourly rates for a defined matter subject to a maximum fee (in my opinion, the worst model lawyers can adopt);

MONTHLY RETAINERS/ SUBSCRIPTION

A fixed fee that a client pays on a periodic basis (usually monthly and upfront) for a well-defined scope of services;

MENU PRICING

A fixed menu of services and corresponding prices for segments of a particular matter in which the client selects the scope of services a la carte;

CONTINGENCIES

Outcome-based fee structure, which has been widely used in personal injury and other plaintiff's work;

SUCCESS FEES

A lump sum fee paid at the end of a matter based upon a well-defined "successful outcome," often combined with a hybrid fee;

HYBRID FEES

Usually a combination of discounted hourly billing with either a partial contingency fee or success fee;

COLLARED BILLING

A billing arrangement in which the lawyer provides a budget, and the client pays a bonus if work is completed under budget or receives a discount if work exceeds the budget.

Each of these billing arrangements has pros and cons. The common thread among these models is the ability to measure value to the client in a way that isn't based upon time. And while there is no one size fits all model for your practice and your firm, find a way to avoid measuring your output as a timekeeper. Instead, find or create a business model that leverages your individual knowledge and work product in a way that compensates you for the value you drive to your clients not the hours you work.

PART 5:
DO YOU REALLY NEED A BRICKS AND MORTAR LAW OFFICE?

These days having a brick-and-mortar law office is no longer a strict necessity. With the availability of various technologies and virtual communication tools, lawyers can now work remotely while still providing excellent legal services to their clients.

The decision of whether or not to have a physical office depends on the preferences and business model of the individual lawyer. While it may be advantageous in certain situations, having a physical office is not a prerequisite for delivering high-quality legal services in today's digital age.

ADVANTAGES OF A VIRTUAL PRACTICE

While having a physical office can be beneficial, virtual law offices can save lawyers a ton of money on rent, utilities, and maintenance costs. Working remotely also allows for more flexibility in scheduling, and lawyers can communicate with clients through video conferencing and other online tools which often better accommodate the clients' needs.

With virtual law offices, lawyers can work with clients from anywhere in the world, making it easier to expand their client base and work with clients in different time zones. Additionally, the cost savings from a virtual law office can result in more profits for the firm, which is a strong incentive for many to consider transitioning to a virtual practice.

WHERE DO LAWYERS WANT TO WORK?

While it's hard to predict where most lawyers want to work, there are several factors that tend to influence these decisions. One of these factors is the economic and business climate in different regions of the country. Regions with more job opportunities and a higher demand for legal services could attract lawyers.

Lifestyle preferences also impact lawyers' choices. Some may prefer to work in bustling urban areas with a high concentration of legal firms, while others may prefer a quieter suburban or rural environment. The pandemic has also shifted expectations for remote work and reduced commuting, which may affect lawyers' preferences for a physical office. Ultimately, many lawyers are looking for a better work-life balance, and this is often enhanced by offering remote work options.

WHERE DO CLIENTS WANT TO MEET?

When it comes to meeting with lawyers, clients have varying preferences and circumstances. Some clients may still be attracted to the shiny objects of a fancy law firm, wanting the experience of meeting in person at the firm's office or another high-end location.

Others may prefer the convenience of virtual meetings via video conferencing tools, particularly those who live far away or have busy schedules. Some clients may prefer phone calls for quick updates or urgent matters, while others may opt for email communications for non-urgent matters or to document their conversations.

Lawyers need to be flexible and responsive to their client's communication preferences, providing multiple options for meeting and communicating to improve the client's overall experience and satisfaction. Have your team ask about the client's preference when scheduling meetings. If you use a digital calendar scheduling tool, you can set those up to include a variety of options for the client to select.

Opening mail, logging payments, making deposits and paying bills all take time. Many attorneys opt to outsource these functions and supervise the work which takes significantly less time – especially once the safeguards we mentioned are put into place.

The LawPay and MyCase 2022 Legal Industry Report found that 33% of survey respondents outsourced accounting functions. There are many ways to get that type of help for your firm either through full-time, part-time our outsourced solutions such as billing managers or part-time CFO's.

SUCCEED WITH REMOTE ASSOCIATES

The insights above inform us about the many considerations you have to take into account when running the business of your law firm. Though, what about the work of lawyering? As you think about the composition of your legal team, getting more work done, or expansion, doesn't need to be only about hiring more full time associates.

There are also other alternatives, including remote legal outsourcing. Many attorneys joke that they wish they could outsource the lawyering part of running a law firm. The good news is that you can delegate most – if not all – of the time-consuming parts of substantive legal work.

Much has been written about the slow evolution of law firms, yet legal led the world into the remote workplace within days of the COVID lockdown. Court hearings, depositions, and client meetings – they all needed to continue, and we figured it out from our home offices, kitchens and basements. At the height of the pandemic, 87% of law firms were working remotely. Some among our ranks had their tough moments with new technology (some tougher than others), but on the whole, we lawyers and judges made it work.

1 in 4
Quit in 2021

60%
Consider Quiting

83%
Want Remote Flexibility

Nearly one in four associates quit their job in 2021, 60% of associates have considered quitting for a better work/ life balance, and for lawyers under age 40, 83% said it was very important for their firm to have remote flexibility.

The remote world and tools we built, generally remain intact. Most firms remain hybrid and some, including litigation goliath Quinn Emanuel, have instituted "Work From Anywhere" policies with the intent of remaining permanently remote. Courts found that remote hearings increased access to justice and became more efficient. Going forward, a full 83% of lawyers plan to participate remotely even after the pandemic is behind us.

Law firms who fail to embrace the remote workforce will be at a strategic hiring disadvantage. Nearly one in four associates quit their job in 2021, 60% of associates have considered quitting for a better work/life balance, and for lawyers under age 40, 83% said it was very important for their firm to have remote flexibility. Like it or not, our associates don't want to come back to the office, and huge numbers of them will refuse to do so, at least full-time. They want to work remote or at least in a hybrid model.

This push away from the traditional office model will be a catalyst for forward thinking firms to refine the hiring strategies and cut their costs. The "associate down the hall" isn't dead for all firms, but it's being supplemented or replaced by hybrid and remote strategies in order to retain existing staff and hire from a deeper pool of legal talent while simultaneously cutting costs.

Being a remote lawyer offers welcome flexibility for attorneys to work where they want (digital nomads), find a different work/life balance, retire from their full-time practice without leaving the game completely, or raise a family. Remote work offers the chance for attorneys to use their legal skills and experience in a way that suits their individual needs. And unlike other knowledge-based professions like medicine, engineering/construction or academia, our jobs are perfectly suited for remote work as they don't generally involve physical human interaction. You can write a legal brief from anywhere in the world, but you can't build a rocket while sunbathing on a beach.

"I am a freelance attorney working as I travel with my wife and daughter for my wife's work as a travel nurse. Freelancing is a great way to work remotely but difficult to do without enough clients to provide the work. I have used LAWCLERK for over a year now, taking part in the virtual associate subscription program which has been a great way to provide consistent work. LAWCLERK makes finding work easy and has been a huge component of my freelance business. I anticipate finding additional virtual associate subscriptions in the near future and using LAWCLERK to find the work I need."

Daniel M.

REMOTE ASSOCIATES ARE AMONG THE MOST TALENTED IN THE LEGAL INDUSTRY

For years the working conditions in the legal industry have been pushing many of our best and brightest out. For decades we have known that the traditional legal career path is not designed for the majority of lawyers. We are among the only industries that have demonstrated pride in holding onto the 80-hour work week and leaving little room for any type of work/life balance. Many in our industry pointed to grueling hours with a sense of pride.

Associates join big law firms out of law school, chasing the dream of one day making partner but what they may not realize, is that at the 250 biggest law firms in the United States there is an 80% chance of being forced out in the “up or out” system.

These highly skilled lawyers without the necessary million-dollar book of business to become partner are leaving en masse. Many trained at the best firms in the world, start their own firms, or chose another path. In some cases, they have developed full-time freelance careers as they are keenly appreciative of its flexibility after big firm burnout – plus they don’t have to manage clients directly when they do freelance work.

The negative impacts of the old way of doing things have deeper ramifications when you factor in specific groups in our profession. It’s a tragic commentary on our profession, but according to the ABA, 57% of women leave private practice within five years. These are women that went to law school, passed the bar, many had judicial clerkships, and then worked for a firm for years. Brilliant attorneys find that being in private practice is incompatible with their life goals and leave the practice of law. These talented men and women are rejoining the legal force as remote attorneys because they can find what our profession denied them, balance. And for the first time in history, meaningful numbers of lawyers are working part-time around their fulfilling lives.

Younger lawyers are another piece of this puzzle. While a remarkable over generalization, this is an entire generation of attorneys between the ages of 28 and 40, many with more than a decade of legal experience, that are more concerned with work life well-being than previous generations. They don't measure themselves or their worth based upon the ability to work 80 hours a week. Many of these talented lawyers are building careers designed around flexibility in their schedules, the ability to work and travel, as well as control over the type of work they do and their workload.

A new trend has developed with retired lawyers choosing to work part-time on a remote basis. Whether motivated by the need to "stay in the game", a love for the law, or financial considerations, attorneys with decades of experience are offering their sage advice on a freelance basis. They have found the best of both worlds being able to practice law without going into the office yet practicing at the pinnacle of our profession. At LAWCLERK, we have seen first-hand how this opportunity has benefitted the firms who hire these senior lawyers.

The circumstances that foster remote lawyering are nearly infinite, but we see similar stories. Young parents, digital nomads, military spouses, lawyers who are looking to live in rural areas, super specific niche practitioners, law school professors looking to supplement their income. No matter the reason, it's clear that remote associates are highly skilled, well trained, ready to take on all kinds of work and are here to stay.

It's a tragic commentary on our profession, but according to the ABA,

57% OF WOMEN

leave private practice within five years.

WHY REMOTE ASSOCIATES MAKE SENSE (AND CENTS)

Remote associates are a better staffing solution for most firms.

First, remote associates have fewer overhead costs tied to them. There is no rent, equipment, parking, snacks or janitorial costs tied to them. Their working location is their cost, and they see this as a feature not a bug.

An often-overlooked benefit is that working with a Remote Associate often allows you to connect with a seasoned lawyer who can do the work without training or hand holding. Training lawyers, especially young lawyers, is incredibly expensive. Often it takes 12-18 months (or more) for a recent law school graduate to become break even or profitable.

Teaching a young attorney all the practical industry knowledge, best practices, firm standards, and tricks of the trade they need to know to perform well is in your best interest, but it's time consuming. This can turn into a huge expense that many attorneys easily become frustrated with — because while you may feel like you're investing in a long-term hire, it's possible that you could spend a lot of resources training an employee who ends up leaving you to go work for a competitor. Then you have hundreds of hours of your own time down the drain.

Finally, both you – and your client – can benefit from the Remote Associate's years of experience. In this business there is no substitute for experience and training, and working with remote attorneys can help you produce both a better product for your client as well as help your bottom line.

Last, with the flexibility of LAWCLERK's subscription program, you don't have to worry about the natural fluctuations in your work volume. If you are slowing down, you can reduce the size of your monthly commitment. If you are slammed, you can connect with multiple remote associates to get the immediate help you need.

I feel like LAWCLERK is the best kept secret of running a successful solo/small law firm. I do not know how I could pull off the volume of work and turn projects around as quickly for our clients without LAWCLERK by my side. I have had so much success with using the subscription service that I am thinking about adding another subscription LAWCLERK in a different area of practice. I feel this is a way to expand my practice virtually, without needing to add space to my office and without having to hire traditional associates. I am not sure what else I can say other than this was godsend to my new firm.

Sarah Jewell, River Valley Law, PA

FINDING YOUR TEAM
DOING IT YOURSELF V. WITH LAWCLERK

There are many ways to find talented remote lawyers to be part of your law firm's dream team. One traditional approach is to ask your colleagues or law school career department for recommendations of attorneys that are looking to work remotely or freelance. Many attorneys turn to recruiting firms, LinkedIn, social media, or Google to find the right candidate. Yet another option is to try one of the many job sites like Indeed. Recently many state bar associations have started their own job boards.

If you decide to take on the hiring task yourself, be sure you can commit to the time this will take to search, vet and interview potential candidates. It often takes anywhere from three to 12 months to find the right lateral hire. Keep in mind that entry level hiring of new attorneys typically only happens once a year after the bar exam. The bottom line to keep in mind is that time spent on hiring takes you away from client work. There's a trade-off.

During this process, be sure to cover these important items:

- Undertake your own vetting: Is the lawyer barred and in good standing? Can you review their resume? Do they have a writing sample available upon request? Do they have reviews/references?
- Prepare and enter into a confidentiality and non-disclosure agreement with the lawyer.
- Complete a conflicts check.
- Determine how you will exchange documents safely and securely.
- Determine how you will pay the freelance attorney for their services (this one is tougher than it sounds).
- Determine how you will manage billable time from your remote associate so you can bill your client for the services performed by the freelance attorney.
- Calendar reminders to handle all tax reporting requirements each year.

GROWING YOUR FIRM WITH LAWCLERK
A FASTER AND BETTER WAY TO HIRE

LAWCLERK was built to connect you with a deep pool of thousands of remote and freelance lawyers with every imaginable skillset and experience level. LAWCLERK's subscription program can be a real game changer for your firm.

The way our subscription program works is that you work with your Dedicated LAWCLERK Advisor to identify the skills and characteristics you need in a Remote Associate along with how much help you need each month. Then we go to work for you to find and pre-vet applicants. We present only the most qualified applicants to you – saving you a ton of time. You review qualifications, experience and conduct zoom interviews to find exactly the right candidate for your firm. Working with Remote Associates is the modern way to get the help you need, when you need it for your firm.

In addition to finding a deeper pool of candidates, the process is much faster. The traditional hiring process at law firms moves at a painfully slow pace. But with our Subscription Associate Program, you can review, vet and hire a remote associate in 14 days (or sometimes faster).

Review Candidates

Vet Candidates

Hire and you're done!

I contacted LAWCLERK on a Tuesday as one of our associates suddenly had to take extended medical leave. We were slammed with year-end work and needed help stat. I had heard about LAWCLERK's subscription program and reached out. Two days later, my LAWCLERK Advisor presented me with six Virtual Associate applicants based on the criteria I had provided. We set up interviews and although we initially set out to hire one, ultimately hired two. Our Virtual Associates were up and running by the following Monday – less than a week from my first call to LAWCLERK. It's now three months later and we've had a great experience! It has been wonderful to be able to adjust our Virtual Associates' subscription hours with the ebbs and flows of our workload. The speed, quality, and flexibility of LAWCLERK's subscription program are unmatched!

Serena Baig Cooper
COOPER | COONS
Las Vegas, Nevada

ABOUT LAWCLERK'S REMOTE ASSOCIATE SUBSCRIPTION PROGRAM

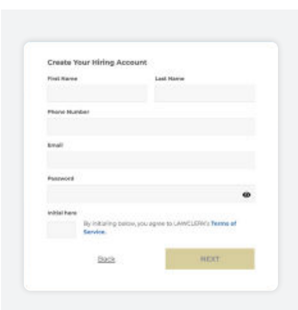
LAWCLERK's Remote Associate Subscription Program helps busy attorneys and law firms hire as much – or as little – of a Remote Associate as they need on a monthly basis. We built the subscription program for those attorneys that are looking for a quarter, a half, or more of a remote associate. Our solution is built for attorneys who want to more deeply integrate our freelancers into their firms and to assign Remote Associates work for the duration of a case. It was also built for those attorneys that want to use the deep subject matter expertise of our Remote Associates to expand into new practice areas or take on bigger cases.

Working with the same Remote Associate(s) month after month will help you more fully integrate them into your firm but still avoid the high overhead and headache of a traditional associate hire. Your Remote Associate can help you get more work done, record more billable hours, and grow your firm.

HOW DOES IT WORK?

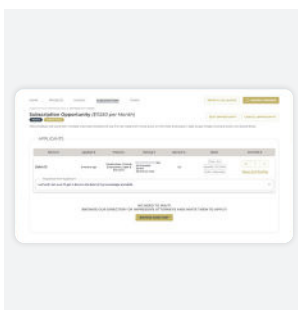
Getting started with LAWCLERK is easy. With just a few clicks you can begin to tap into our nationwide network of talented freelance attorneys that can help you across any practice area. Plus, once you get started you will have a Dedicated LAWCLERK Advisor (DLA) to support you all along the way. The first step is to [create a FREE account/profile on our platform](). We have a simple yet important vetting process where we verify your identity, we do this on the remote associate side as well to ensure the active licensing of everyone who signs up to use us.

After that you'll have full access to our platform and you can easily begin the process of hiring using Subscription with us (we also have other options of engaging with our talent pool, ask your DLA about them). To get started with your subscription, you simply post the opportunity on our platform with a description of the work you need completed. As quickly as within a few minutes, you can begin to see candidates applying to your posted opportunity. Through our platform you can live chat or initiate a video call with candidates so that you can begin vetting the freelancer you want to work with. Once you've selected a remote associate, you can begin to work together and collaborate on the work through our platform by sharing documents and viewing their time. You can integrate your associates into your firm as you see fit by adding them to your current systems and our tools are available in whatever capacity you need. We'll handle the back end administrative work of your partnership so that you can focus on the most important thing; getting the work done to provide your clients with the legal representation they deserve. It's that simple, and if you have any questions along the way, your DLA is there to support you.



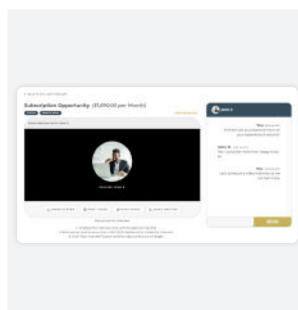
Create your free LAWCLERK account/profile

1



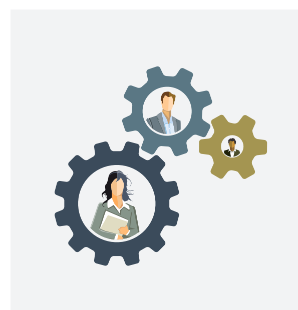
Post an opportunity on our platform

2



Interview & vet applicants

3



Start working

4

WHAT DOES IT COST?

The cost of your monthly subscription will depend on the talent level you need. We offer three unique levels:

Junior level attorney

with 1-4 years' experience
= $90-120 per hour

Experienced attorney

with 5+ years' experience
= $120-160 per hour

Senior attorney

with the highest level of experience and expertise
= $160+ per hour

Not only do you set the rate, but you establish the number of hours you need from your Remote Associate - from 30 to 160 hours per month (or more!). But we also know that work ebbs and flows and so we provide you the flexibility to exceed the set number of hours in any month and to flex up and down as needed.

INCREASE PROFITABILITY

Now, it's important to keep in mind that while you may initially view hiring a Remote Associate as a cost – it's not! Working with a Remote Associate is a profit center. Yes – you read that right, profit center! The ethics rules and opinions of all 50 states all overwhelmingly provide that an attorney may bill the time of a freelance lawyer to their client a reasonable market rate.

This means that if you work with a Remote Associate for 40 hours a month, you can bill those 40 hours to your client(s) at a reasonable market rate to generate additional revenue and profit into your firm – just like you would with an associate you employ full-time. You can use our helpful calculator to help you model your potential profits.

Bring more profits to your firm each and every month with

LAWCLERK'S VIRTUAL ASSOCIATE SUBSCRIPTION PROGRAM.

HIRE A VIRTUAL ASSOCIATE FOR 40 HOURS A MONTH

Pay the Virtual Associate $100/hour

Monthly total = $4,000

YOU CAN BILL THE VIRTUAL ASSOCIATE'S TIME

TO YOUR CLIENT AT REASONABLE MARKET RATE FOR YOUR PRACTICE AREA AND JURISDICTION.

Reasonable market rate - $275

40 x $275 = $11,000

INCREASED MONTHLY PROFIT

$7,000

Over the course of the year drive an additional $84,000 profit to your firm with no added overhead!

And we make billing easy! The Remote Associate keeps contemporaneous time records within LAWCLERK. Not only do you always have access to those time records, but we will email you their time records once a week to make billing to your clients a breeze. We'll handle all the administrative work and tax reporting by issuing a 1099 to your Remote Associate at year end. Plus, there is no long-term commitment as the subscription is cancellable upon thirty days' notice.

WHAT ARE THE BENEFITS?

We could go on and on about the countless benefits of using our new Remote Associate Subscription Program to power your law firm. However, we know your time is valuable so here are just a few for you to consider:

- **Grow your firm and profits without the major commitment of hiring a full-time associate.**
- **Quickly find talented, qualified candidates – superior to what you would find in traditional hiring strategies.**
- **Hire a highly qualified freelance lawyer for only the amount of time you need them.**
- **Streamline your workflow and eliminate the need to post multiple projects and calculate out pricing.**
- **Lock in the talent you need so your favorite freelancer is always available to you.**

LET'S GET STARTED

Often the hardest part of any new project or task is simply getting started. The same can be true when it comes to legal outsourcing.

If you've read this far – Congratulations! You are now ready to hire your first remote associate. That means it's time to get to work. You are ready to put all of this knowledge into action to get the help you need to flexibly and affordably grow your firm and increase your profits. So what are you waiting for? If you'd like to see a demo of our solution, book a meeting with one of our team members today!

At LAWCLERK, we are committed to helping you do what you do best – practice law! With the help of your Virtual Associate, not only can you get more work off your To-Do list, but you will thrill your clients and bring down your overhead.

If you don't have a LAWCLERK account yet? No worries. Head on over to www.lawclerk.legal and register today. There's no fee to sign up and there's no monthly fee.

If you already have an account with LAWCLERK, now is the perfect time to reach out to your Dedicated LAWCLERK Advisor to discuss the best plan of action to find the talent you need to power your firm. Reach out to us at support@lawclerk.legal or by calling (888) 479-5728.