# Law Biz TIPS



## Week of August 11, 2009

### Don't Confuse a Virtual Office with Being a Virtual Lawyer

With law firms looking to cut overhead expenses wherever they can, office space overhead is a ready target. For a given firm, depending on the size and elaborateness of the quarters, the cost of space can easily run 10 - 12 percent of revenues. In light of such a large potential expense, the combination of painful recession and advancing technology introduces one form of overhead reduction: conducting a legal practice primarily through the Internet.

For a lawyer in solo practice, this involves the establishment of a virtual office. The concept is defined by minimal expenditures on physical office space; contact with clients or professional colleagues largely by email, Internet portal or telephone; and use of online "virtual assistants" at another remote location for staff support.

The virtual office does have limits. The flexibility offered by voicemail, email and other electronic tools is real, but it can become dangerous when used as a replacement for direct client contact. If lawyers are perceived as inaccessible, fees become an issue and client complaints are a problem. The nature of one's practice and the intention of the lawyer to be "super-connected" to respond quickly are essential to answering the visibility question. Clients may be more inclined to flexibility about *where* a solo practices if they have the assurance that they can always get in touch *when* they need to. Virtual offices may be acceptable, virtual lawyers are not.

The bottom line on whether a virtual office makes sense is whether it accommodates client service and client communication. Nothing should be allowed to disrupt the means by which the lawyer learns the intent and desires and wants of the client. No matter what technology makes



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Ed believes that lawyers need to learn to think more like entrepreneurs and act more like business managers—two skills not taught in law school.

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possible, it is not the answer if it makes life more difficult for the client. HP, a leader in telecommuting, learned this and closed its telecommuting operation; all former telecommuters in its IT division now work out of a physical office.

The truth is that telecommuting or a virtual office has more than one bottom line impact. The financial bottom line may be improved, but the client service bottom line could be jeopardized. Lawyers always need to ensure that clients fully understand and accept the quality of service they receive. When that happens, fees are not an issue and client complaints are not a problem. When that doesn't happen, lawyers are at best seen as a cost (no matter how minimal their office expenses) and a "necessary evil." At worst, the lawyer becomes the problem. Without our clients, we have no reason to exist as lawyers. Our profession would be obsolete. We must find out not only what our clients need, but also what they want. We must respect them, communicate with them and be available to them as they want and need. A major differentiating factor for most clients is the "care and feeding" offered by lawyers. It's not impossible to provide this from a virtual office - but it is much more challenging.

#### **Personal Commentary**

I'm currently working in what my wife calls our 'satellite office', that is, our 1968 Vintage Airstream trailer; 1968 on the outside, 2009 on the inside. The work at hand is my new manuscript that's to be sent to the publisher next month. Stay tuned for more information on the new book.



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"Ed's presentation, in my opinion, was the highlight of this series of speakers. I found the information which was presented to be tremendously valuable. Further, it was presented in a format which was both usable and interesting. Since Ed's presentation, I have had an opportunity to speak with several others who were in attendance and it is clear from them that he made our event successful."

-David R. Hagen, San Fernando Valley Bar

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