

Business of Law

Lawyers need balance as well as good business skills

By **Jasmine Daya**



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(July 19, 2018, 8:59 AM EDT) -- Running a law firm is actually running a business. Lawyers are good at, well, lawyering. Many are not good business people.

Where do you learn how to pay attention to your expenses, accounts receivable, your work-in-progress and your client default rate?

It is not taught in law school, so unless you are fortunate enough to have a savvy lawyer who is your mentor, or a really sharp managing lawyer, your law firm may experience some unwanted turbulence.

Related to this is the issue of — dare I say it — succession planning. At many law firms, succession planning is never considered.

You may have heard the expression, “Lawyers don’t retire, they die at their desk!” more than once before. While this is a possibility, it should not be your goal.

Like the saying goes, “Failing to plan is planning to fail.” It also doesn’t give you time to pursue passions outside the law and enjoy quality time with friends and family. Here’s what I saw first-hand at my former law firm.

About a year ago, I bought out my practice from an incredible litigator who trained me on how to practise law and at times, how not to practise law. I respect and admire his contributions to the legal profession and his passion for advocacy. During his later years, however, he was no longer practising but also not leaving the firm.

When you need to rely on everyone around you to run your business, you should no longer own that business because nobody will care about your investment the way you do and once the damage is done it cannot be undone. He did not keep close tabs on his numbers. Every month, he was spending more than he was bringing in.

Inertia had set in, too. Each month, a huge order of stationery would arrive completely unnecessarily. We struggled to find room for the avalanche of office

supplies. He was paying a part-time bookkeeper the same amount as a full-time one. And the lawyers' compensation was not commensurate with the amount of work they were bringing in.

At that point, anger, resentment, frustration, power struggles and financial issues reached a boiling point and eventually resulted in an implosion of the firm. Unfortunately, it was not quick and painless. The bandaid wasn't ripped off in one fell swoop. Morale was decimated and the law office was rudderless.

The office you have always loved because it was your "safe place" becomes a dark, scary and miserable place due to the unknown. You're thinking: "Who will march in to today to yell at me or make demands about files and money for no reason other than their own stress and fear about the future?"

Until finally one month, there was not enough money in the account to make payroll. You aren't getting paid because nobody is billing given the impending firm dissolution, but you still have mortgage payments, car payments, kids' activities and everything else.

My husband was asking me what my game plan was in an effort to ease my anxiety. But I didn't have a plan and the discussion only heightened my fear.

It's taken a year for me to open up about what actually happened because the pain from that point in my life is only just subsiding. Right-sizing the law firm to get us back on a solid financial footing was about an 18-month journey.

Fast forward and I feel incredibly blessed to be where I am today. I learned and grew from my firm's dissolution. I know the type of lawyer I want to be and the type of firm I want to own more clearly now. The trauma of doing things the wrong way was an incredible teacher.

Owning a firm and practising law is like having two intense, full-time jobs that both require overtime hours without any overtime pay. I thrive on the intense pace but admittedly at times, I am exhausted. And inevitably it's my family that must endure my insane schedule and my never-ending stress.

I cannot emphasize enough the importance of pursuing passions outside of law to balance your life and career. It's for that reason that I have published my first chicklit novel, *Law Girl's Bump in the Road* as well as published my first cookbook, *Appetizers and Chutneys*, together with a lifestyle blog, *JD in the Kitchen*. The pleasure I derive from my hobbies and interests provide me with renewed energy that makes me a better lawyer, wife and mother.

If all you have every day is your job, you will resent it. That is what I witnessed. An individual clung to the firm because it was all he had. There was no plan in place for his departure and that created a financial burden on him for winding up the firm.

Your firm will not hold you tight at night. It will not be there to celebrate your accomplishments or to lift your spirits when you are down. It will not be there at the end. Wake up every morning excited to be a proud member of this honorable

profession and advocate passionately but remember, your firm is not your life but rather an important component of it.

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