



WSSFC 2024

Practice Management Track – Session 1

From Inception to Succession Series: Creating a Business Plan

Presenters:

J. David Krekeler, Krekeler Law, S.C., Madison

Shannon E. Wynn, Wynn at Law LLC, Lake Geneva

About the Presenters...

J. David Krekeler of Krekeler Law, S.C., devotes his practice to solving financial problems for Wisconsin businesses and individuals. He is a past chair of both the Bankruptcy, Insolvency and Creditors' Rights Section and the Solo & Small Firm Section of the Wisconsin State Bar, as well as the Western District of Wisconsin Bankruptcy Bar. Only six Wisconsin lawyers are certified as business bankruptcy specialists, and David has been one of them for many years. He is past chair of the Bankruptcy Insolvency and Creditors Rights section of the Wisconsin State Bar, as well as the Western District Bankruptcy Bar Association. He is also past chair of the Solo and Small Firm section, and the 2021 recipient of its John Lederer distinguished service award. He has been selected as a Super Lawyer every year for at least the last 17, as well as being included in the Best Lawyers of America during those same years. He recently published his first book, "Bankruptcy Asked and Answered" (available on Amazon). His second book, this one on law office management, should be out by this spring. When not solving financial problems, you will find David on dinner dates with his wife, Mary, and enjoying time with his children and grandchildren. Sunday night dinners are a ritual. You can connect with David on LinkedIn at [linkedin.com/in/david-kekeler](https://www.linkedin.com/in/david-kekeler) or follow him on Twitter (X) [twitter@jdavidkekeler.com](https://twitter.com/jdavidkekeler). Subscribe to his free newsletter by sending him an email. He also has a standing offer to meet with you to discuss bankruptcy and related topics. He buys the coffee and bagel.

Shannon E. Wynn is principal of Wynn at Law, LLC in Lake Geneva, Wisconsin and an adjunct professor at Marquette University Law School teaching Starting and Managing Your Own Practice for the past 10 years. Her primary areas of practice include creditor-debtor law, real estate law, and estate planning. Shannon graduated with honors from Vanderbilt University, and continued her educational pursuits at Marquette University, earning her J.D. with honors. She is admitted to practice in all state and federal courts of Wisconsin. Shannon has presented on various ethics topics for WILMIC and at the State Bar Annual Meeting.

Creating a Business Plan

Shannon E. Wynn, Wynn at Law, LLC – Lake Geneva, WI

J. David Krekeler Law, S.C. – Madison, WI

What is a business plan?

A business plan is a roadmap of your business, which should be reviewed and changed over time. Should be reviewed at systematic intervals – semi-annually, annually or biennially.

Why create one?

- Obtain financing
- Increase chance of success
- Identify problems or deviations
- Bringing on a Partner
- Strategic plan for future

Tips:

- Simple
- Specific to your business
- Realistic – don't hide or gloss over problems
- Complete – revisit, review and update

Elements of a Business Plan

1. Executive Summary and Mission Statement
2. Analysis of Market
3. Description of your firm and services
4. Finance
- 5.
6. Marketing Strategy and Plan
7. Management Summary

Implement your plan!

There are many books out there on business plans – both specific to the practice of law and generally about starting a business. Find one that fits your reading style and knowledge base. My best suggestion is to read the table of contents and a few pages to find out if the tone and topics will resonate with the plan you want to build.

Options:

Author Jay Fooneberg, “How to Start & Build a Law Practice”

Author Carolyn Elefant, “Solo By Choice”

There are many podcasts and blogs as well. Pick the medium and content which will help you get started and succeed to the end product. There is no one set formula.

A. Executive Summary and Mission Statement

Hint – Even though this section is first, it may be easier to work on it last.

- State the firm’s purpose and major goals
- Try to keep it short, easy to understand
- May change over time
- Interesting and unique story about your firm

This is your opportunity to explain who you are, what you do and how you are differentiated in the market.

- What will the name of your firm be?
- Will you have a “tag line” or logo?
- What message do you want to convey to potential clients about who you are and how you can help?
- Is geographic location important for message?
- What is your niche?
- What do you do best?
- What sets you apart from others?
- Outline what you need to succeed and what strategy you have to achieve your goals

Be consistent with messaging and easy to understand.

B. Analysis of Market

- Who is your ideal client?
- Who is your competition?
- Dive into demographics, saturation, geographic area
- Breakdown type of clients, number of clients and revenue generated from clients
- Look at trends and growth opportunities
- Analyze opportunities and threats to your firm:

- SWOT Analysis – Strengths, Weaknesses, Opportunities, Threats (Note: Strengths & Weaknesses are compared to your competitors, rather than your own history)
- What “edge” does your competition have and why?
- What are their operational strengths and weaknesses?
- How do competitors advertise or promote?
- Identify competitor trends

Helpful Questions to Ask Yourself:

1. What clients do you currently have?
 - Identify the good and the bad
 - Identify where those clients came from
2. Where in the market will you find more good clients?
3. What clients do you want?
4. What business and social contacts do you have?
5. What other attorneys can you network with for referrals and practice gaps?
6. Review direct and indirect competition – what services do they offer in addition to yours? What do they charge? What is their size?

C. Description of Your Firm and Services

Items to include:

- Practice area and matter detail
- Location
- Legal Structure
- Billing practices
- Resources needed to provide services to clients
- Firm values
- Identify your practice niche(s)

Helpful questions and items to incorporate:

- What skills and experience do you bring to your practice?
- Identify the legal structure – LLC, SC, Sole Proprietorship
- Each has different requirements for incorporation, malpractice insurance, liability shields and ease when you grow
- Where will you be located and how will you provide services?
- List what is in your control e.g. nature of the law business, where you have capitalized in the market, attorneys and management already in place and where you want to grow or change.
- Provide the basis for why you believe your strategy for the firm is the right one
- What “edge” does your firm have?
- Is your hourly, flat or matter pricing lower or higher than the “norm” and why?

D. Finance

Items to include:

- Start Up Capital
- Revenue
- Expenses
- Profits
- Margins
- Billing
- Payment Methods
- Break-Even
- Cash Flow
- Balance Sheets
- Forecasting

Tips: Should spend most of your time on the plan here. Think charts and graphs.

Helpful questions and items to incorporate:

- How will your firm keep records (think accounting software)?
- How will you compensate yourself?
- Necessary insurance, including malpractice for your entity type
- Review current finances, assets, cash flow and expenses
- Analyze if you will need financing, amount and type
- Financial Projections and back up projections with assumptions which can be adjusted over time.
- Project in intervals – first year budget – monthly figures, 2-5 year budget monthly or yearly figures, longer term goals (10, 15 or even 20 years)
- What is the maximum amount of business you can handle yourself without referring the business out to others?
 - Can you form mutually beneficial relationships (financially or otherwise) with those you refer business out to?

E. Marketing Strategy and Plan

A marketing plan must have a detailed description of the target market for your services, an analysis of the trends and conditions of that marketplace and how the trends affect that marketplace.

- Discuss trends affecting the practice of law generally (LegalZoom, AI) and your specializations (Wills & Trusts Online)
 - Look at historical, current and projected growth rates

- Keep track of impact factors, obstacles, opportunities and threats to better forecast and build strategies
 - What social, economic & political changes could affect the market and your services?
- Analyze all major types of competition (private firms, in-house counsel, government)
 - Identify which firms dominate and where they are located
 - Can you implement similar strategies as your competition?
- How will technology change the way you practice law?
 - List what is available and how it can be used or change your practice
 - Describe how you will keep up with technology
- Are there regulations which will change the way you practice law?
- Describe overall demand for your services
- Other than price, what else affects your client's decision to hire you?
- What clients can influence your areas of practice?
- List the things that will make it difficult for you to practice in your expertise and locale
- List events which will make you exit from your area of expertise or transition to a new practice area
- Describe how a client will find your services
 - Does your potential client use the internet, bar associations, trade associations, business referral, family referral, friend referral, etc. to find a lawyer?
- What influences your client's decision to retain a lawyer and how long does it take a client to decide to use a lawyer?
 - Is using an attorney optional, necessity or luxury?
 - Will the client need your services, once, twice, or many times? Will they need your services year-round or seasonally?
- Analyze your relationships and how they can benefit or harm your firm:
 - Suppliers
 - Colleagues and Competitors
 - Family
 - Associations
 - Social and Business Organizations
 - Current and Former Clients
 - Former Employers
- What are the ancillary areas of law that are triggered by your focus area?

F. Marketing Strategy and Finance

At minimum include the following:

1. Pricing
2. Advertising/Promotion
3. Budget
4. ROI – Return on Investment – track your marketing expense vs. client generation

Items to think about to get you on the right track:

- Explore different growth opportunities and the cost of each (consider your time a cost)
- If you have more time available, but less money, focus on low cost, time intensive marketing
 - Example: Build your website yourself, write articles, speak at conferences or put on seminars
- If you have more money, but less time, consider help with advertising (i.e. marketing contractor) or more expensive advertising options
 - Example: Hire a company to build your website, billboards, Google AdWords
- Make sure you put cost of advertising and marketing in your budget/financial forecasting
- What kind of follow up do you do after meeting someone who may be a potential client or who can introduce you to clients?
- How will you track the source of a client?
- Look at different objectives and measurement for advertising
 - Create client value
 - Name recognition among your clients/potential clients
 - Client retention
 - Attracting partners and merging with other firms
- Make sure you review your tracking data and adjust your marketing to take advantage of most effective advertising
- Goal – what is the amount of increase in clients and/or billing that you want to achieve?

G. Management Summary and Growth

- Describe your current management and personnel
- What plans do you have to hire – who and how will they be compensated?
- Metrics for hiring – when will you know you are ready to hire?
- Qualifications and Timetable for hiring
- Elasticity of demand for the rates you charge
- Make sure to include compensation and expected compensation in Finances

Other Considerations:

- Identify where the biggest costs of your practice come from (likely personnel)
- Identify fixed and variable costs
- How to gain economies of scale
- Identify where you can lower costs
- Is the profit margin you're working with the right one for your practice?
- Is your kind of practice a growing or shrinking market?
- Discuss opportunities for growth or market trends you can capitalize on
- Do you want to merge or grow the firm within the firm?

H. Implementation

- Avoid Excessive Optimism (especially in market and competition)
- Avoid Repetition
- Edit and proofread

- Nail the elevator pitch

I. Resources

- State Bar of Wisconsin
 - Practice Sections
 - Practice Management Advisor
- Mentors
- Business Groups – Facebook, LinkedIn, Blogs, Podcasts

Contact us!

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J. David Krekeler Law, S.C. – Madison, WI

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Who Are We?

Attorney Shannon E. Wynn

Wynn at Law, LLC

Lake Geneva and Delavan, WI

Real Estate, Estate Planning,
Creditor/Debtor/Bankruptcy focusing on
personalized and prompt assistance

Attorney J. David Krekeler

Krekeler Law, S.C.

Serving all of Wisconsin

We help keep businesses in business
and farmers farming. Bankruptcy,
Consumer Litigation including tax debts
and student loans

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What is a Business Plan?

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Elements of a Business Plan

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- Finance
- Marketing Strategy
- Management Summary
- Implementation

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Executive Summary and Mission Statement

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- Firm values

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Finance

- Break-even
- Cash Flow
- Balance Sheets
- Forecasting
- Should spend most time here
- Start Up Capital
- Revenue
- Expenses
- Profits
- Margins
- Billing
- Payment Methods

Think lots of charts and graphs!

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Marketing Strategy and Plan

- What is unique about the way you do business and how will you convey that to potential clients?
- What is your competition doing that you like or dislike?
- What marketing have you found effective in the past?
- Review and adjust over time

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Implementation – Get to Writing Your Plan

- Avoid Excessive Optimism (especially in market and competition)
- Avoid Repetition
- Edit and proofread
- Nail the elevator pitch

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Resources

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 - Practice Sections
 - Practice Management Advisor
- Mentors
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Contact Us

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