



**The Law Society
of Manitoba**

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OPENING YOUR OWN LAW OFFICE

Practice Management

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Thank you to all the Reviewers

Bjorn (Barney) Christianson K.C.

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A. OPENING YOUR OWN LAW OFFICE

1. Introduction

This module is intended as a guide to opening your own law office. Its aim is to assist you in creating your physical space, and in acquiring and implementing office systems that will aid in your success.

Although this module may touch tangentially on subjects relating to running a law practice, other resources should be consulted to assist you in learning more about practice management, client communication, research, professional responsibility, specific subject matter and the other necessary components of competency in the delivery of legal services. The [Law Society Education Centre](#) is a good place to start.

2. The Decision - To Be or Not To Be?

Opening your own law firm means you will be running a business, as well as practicing law. Both are essential and you will need the skills and the temperament to balance taking care of both at the same time. Neither can be ignored, at the peril of losing all.

Before you commit to opening your own law office, evaluate yourself honestly. In addition to having the knowledge and skills to practice law, you must be organized, self-motivated and energetic, and you must be willing to take risks.

Remember that the less experience you have in the practice of law, the greater your risk in going solo. It will be especially important for you to have a good mentor and strong relationships with others who can offer support and be a resource for you. If you have more experience in your practice area, you will mainly need to learn the aspects of running a business, administrative and accounting processes. If you are a newer call, you may find a steep learning curve relating to both the practice of law and running a business.

There are advantages and disadvantages to opening your own office; often these are the opposite sides of the same coin. As a sole practitioner, you will have the freedom to set your own hours; but you may be required to work long hours to meet all of your responsibilities. You will have the freedom to make your own decisions; but you will need to decide, whether rightly or otherwise. You can choose the clients and files you wish to accept, but you may not have many choices. All your profits will belong to you; but so will all your debts, and your financial responsibilities will continue in any event.

Be sure to discuss the risks with your life partner. Opening your own office may mean significant changes in your finances and your lifestyle.

3. Business Structure

Before you can create a business plan, you will need to decide on your business structure. You may practice as a true solo, as a law corporation, in a partnership, as a limited liability partnership (LLP) or in a space sharing arrangement.

a) Solo Practice

A **solo practice** will require you to work independently, and be ultimately in charge and responsible for everything. The buck will start and stop with you.

You will need to be self-reliant, self-motivated, and willing and able to take care of administrative and financial tasks. You will be solely responsible for making all decisions, and will undertake all risks; the consequences of those decisions will rest with you.

You may feel isolated, and may miss having others around for advice, assistance and general camaraderie and support.

For more information, see the CBA article "[Going Solo: Making the Jump](#)".

b) Law Corporation

A **law corporation** is governed by *The Legal Profession Act* section 31(2) which states:

31(2) A law corporation may practise law in Manitoba only through members who are authorized under this Act to practise law in Manitoba.

Section 32(1) sets out the criteria which must be met for the issuance of a permit by the Law Society Chief Executive Officer.

Additional information on [law corporations](#) is available on the Law Society website, under Membership Services.

[Part 4](#) of the Law Society Rules sets out the rules for permits, including proposing a name and the application process.

Additional information and the necessary [forms](#) are available on the Law Society website, under Membership Services.

Practicing in a professional corporation is not mandatory. It does not protect you from liability for negligence, and will add expense, in terms of initial costs for incorporation, maintaining your corporation and its accounting, filing its tax returns, etc. Those expenses are not insignificant, especially when you are just starting out. Consult your accountant to discuss potential complications, costs and benefits as well as when your income will have grown to the point a corporation could be useful.

Partnership

A **partnership** calls for shared or divided responsibilities. Partners share the financial risks and potential rewards. A partnership may allow for synergies such as exposure to different client bases, and provide opportunities to discuss files with someone else. It may ensure someone is available to handle clients and other matters in the event of your planned or unexpected absences.

Partnership may also lead to disagreements or conflicts between partners on small or major matters. Unless you are certain that the partners can work together well, partnership may not be the best structure for lawyers just starting out.

A partnership agreement will be essential. It should cover such things as:

- how decisions will be made
- how disputes will be resolved
- each partner's responsibility for the tasks needed to run the firm, including:
 - staff selection, hiring and supervision
 - payroll (legal assistants, associates, receptionist)
 - tax matters and remittances (including GST, RST, CPP and EI payments)
 - accounts payable
 - accounts receivable
 - purchase and maintenance of equipment
 - purchase of supplies
 - selection of and payments to service providers (accountants, process servers, court reporters, court runners, couriers, cleaners)
 - marketing
- how the profits will be shared
- adding partners or associates
- leaving or dissolving the partnership

c) **Limited Liability Partnership**

A partnership may be a **Limited Liability Partnership** (LLP). An LLP protects the personal assets of an “innocent” partner from professional liability claims arising from the negligence or misconduct of another partner or employee in whose work the innocent partner was not involved.

Division 5 of the Law Society Rules outlines the procedure to register as a limited liability partnership. *Forms* are found on the Law Society website under Membership Services.

d) **Space Sharing Arrangement**

A **space sharing arrangement** may offer some of the benefits (and disadvantages) of a partnership and of a solo practice. The financial risk and expenses of the office space may be shared and some of the synergies of a partnership may be present.

Although you will each have your own practice, think about whether your practices are compatible and whether you are personally compatible. Do you get along well? Do you trust each other? Are you happy to have your names and reputations associated?

Consider whether the office space is suitable for sharing.

You will still need an agreement covering most of the same matters as in a partnership set out above. The agreement will also need to specify which expenses (such as rent, utilities, staff, equipment, supplies) will be shared, and by what formula, and which expenses will be borne by each practice individually.

You will also need to be cognizant of conflicts issues which may require you to agree that you will not take files that are a conflict with each other’s practice. Clients should be informed that you will need to reveal their names to those with whom you share space, in order to perform a conflict search.

Conflicts issues will almost certainly preclude you from sharing computer systems, legal assistants, and possibly a receptionist. Law Society Rule 5-42(3) reminds you that you will need separate trust accounts.

e) **Law Society Requirements**

Whatever structure you choose, Law Society Rule 2-75(1) requires you to advise the Law Society of the **name** under which you will practice, and the address of your place of business. The *Code of Professional Conduct*, in Rule 4.2-2A and the Commentary, addresses the selection of a firm name.

Your practice will need to be **registered** with the Law Society. Law Society Rule 2-77(1) which requires you to register also provides that, except for sole practitioners, a firm must designate two lawyers in the firm to receive and respond to communications from the Law Society, including complaints and disciplinary matters.

The [Registration Form](#) is available on the Law Society website, under Membership Services.

The [Application to Commence Active Practice](#) is available on the Law Society website, under Membership Services.

Particularly if you are incorporating your practice, you may find it helpful to retain a corporate lawyer to help with this process. Along with preparing the incorporation documents, they can assist in the completion of these forms, including registration of necessary forms with the Law Society.

4. Practicing Fees and Insurance

[Division 9](#) of the Law Society Rules, and Rule 2-83 set out your obligation to pay annual practising fees and contributions to the education and reimbursement funds. Failure to do so may result in suspension, late payment fees or the imposition of a penalty.

All lawyers who are required to be insured under *The Legal Profession Act* of Manitoba are covered under The Lawyers' Professional Liability Insurance Group Policy. Excess insurance can also be purchased. The group policy includes CLIA's Cyber Liability Policy of Insurance.

Practicing fees and professional liability insurance fees can be paid in full annually, or in two installments.

For more information, see the chapters on [Fees and Insurance](#) on the LSM website under Membership Services.

5. Continuing Professional Development

Law Society Rule 2-81.1(8) mandates that each lawyer partake in 1 hour of continuing professional development activity per month of active practice annually, including 1.5 hours relating to ethics, professional responsibility or practice management. These activities are reported in your Annual Member Report by April 1 in each year for the previous calendar year (see Law Society Rule 2-81.2). Consequences for failure to complete these requirements and report them in your Annual Member Report are set out in Rule 2-81.1(12).

Although many qualifying educational activities are available free of charge, you should allot some resources of money as well as time to these mandatory endeavors.

6. Practice Area and Scope of Services

You will need to determine the area of law in which you will practice. This may be an area in which you already have a strong interest and competencies, or an area which you wish to develop. Be sure you are competent in the area you choose. (See the *Code of Professional Conduct, Chapter 3*). You might also choose to maintain a general practice. Consider which kinds of law are underserved in the geographical area in which you plan to work. Consider complementary or compatible areas of law, such as family law and wills and estates.

Consider whether there are general or limited services that you wish to provide. For example, you may wish to practice wills and estates planning and/or estate litigation; family law or only collaborative family law; or have a general litigation practice or concentrate only on insurance litigation.

These decisions will permit you to focus on targeting the appropriate client sources and referrals, determine the resources you will need for your practice, and allow you to develop your business plan.

You should also apply to be a notary, which will let you witness and notarize documents. Applications are made through the Companies Office. Once you have been appointed, order your seal. A rubber stamp with your name and your notary designation is also useful to stamp under your signature when witnessing documents.

7. Business Registration and Remittances to Canada Revenue Agency

You may need a federal **Business Number** (BN). You will need a BN to open a payroll account with CRA if you have employees for whom you will need to remit CPP, EI and income tax. See the CRA website for more information on a [Business Number](#).

See the CRA website for more information on [Collecting, Filing and Remitting GST](#).

Businesses providing legal services are required to register for Retail Sales Tax (RST) purposes and can apply online at [Manitoba.ca/TAXcess](#). This is a simple way to apply for, and to file, pay and view your Manitoba Taxation Division tax accounts. Applications for registration are also available on the [Manitoba Finance Taxation Division](#) website or by contacting the Taxation Division Offices.

More information on RST payable in relation to the provision of legal services can be found in the Manitoba Taxation Information [Bulletin No. 056](#), revised in January 2020. This bulletin explains the legal services and the disbursements on which RST must be charged and remitted.

See the CRA website for information on [payroll](#) matters.

A BN is also required to apply for an income tax number. As a separate taxpayer, a law corporation will require an income tax number. A sole proprietorship or a partnership does not require an income tax number.

Consult with your accountant to ensure that you have met all requirements. Enter payment dates into your diary system to ensure your filings and remittances are on time.

8. The Business Plan

A business plan sets out your goals for your practice, including the area of law in which you will practice, your anticipated client base and how you expect to attract clients. The time frame for meeting your goals should be realistic. It is better to be conservative in your expectations as to both time and money.

Your business plan should contain:

- a general description of your business
 - area of law
 - your short- and long-term goals
- your budget or financial plan
- your operating or management plan
- your marketing plan
 - sources of potential clients

The budget is a crucial part of your business plan. It will include your start-up costs (one-time expenditures) and the ongoing expenses of your practice, along with the anticipated revenues that you hope will eventually allow you to meet all of your business and personal needs.

You should review your budget monthly to see if you are on track, and to modify your estimated budgeted figures as your practice develops and you are able to see your actual expenditures and revenues. This will help you remember the importance of keeping your costs down, and alert you to be vigilant in billing and collecting. It will also remind you of the need for marketing to attract new clients. The items that will be included in your budget are further discussed below.

Remember to consider how you will meet your personal living expenses while you build your practice and until sufficient revenue begins to flow. You may need a line of credit. If you borrow money, remember to include your monthly payments and interest in your budget. The lower the overhead costs of running your office, the more money you will be able to take home (or the less you will have to borrow).

A law firm business plan precedent with detailed explanatory notes is available from [Ontario's PracticePRO](#).

9. The Physical Office

Where you locate your office is important. Consider, as applicable to your practice:

- proximity to court
- proximity to correctional facilities
- proximity to Legal Aid offices
- proximity to other lawyers
- proximity to others you may work with
 - experts such as accountants, doctors, real estate agents
 - major clients
- client convenience
 - business people who work downtown or elsewhere
 - general public in suburban or other areas
- accessibility for clients and staff
 - safety
 - after hours access
 - ease and cost of parking
 - public transit
 - ease of finding the building and your office
 - signage, building directory
 - elevator, stairless entry or ramp
- personal convenience
 - proximity to home
 - proximity to bank
 - proximity to post office
 - availability of courier services
 - proximity to coffee/lunch spot
 - proximity to daycare, school

The **size** of your office should be as recommended by Goldilocks – not too big and not too small. Calculate the space you will need and plan accordingly.

You will need a personal office that can accommodate your desk and chairs for 2 clients, as well as shelving for reference materials you use often. Your desk should be large enough for at least your computer and keyboard, telephone and a workspace that is sufficiently wide to permit you to spread out papers, and usually with a return for the most efficient use of space. If clients will sit opposite you, make sure the desk has an overhang to allow for their knees. Your office should also have room for personal items such as photos or a plant.

If you will have a legal assistant, they will need a desk with space for similar items. If you are not planning on a separate reception area, your assistant may fill this role. In this case, ensure that your assistant's computer, monitors and all files can be effectively shielded from the view of waiting clients.

You will also need space for your printer, copier/scanner, shredder, and for file storage.

A meeting/conference room will be necessary for meetings with more than 2 people, for cross-examinations, settlement meetings and the like.

You may also want a separate “kitchen” space for coffee, breaks and lunch.

Typical space requirements are about 400 – 600 square feet per lawyer, which includes 150 square feet for each lawyer, 150 – 200 square feet for each assistant, and 100 – 200 square feet for reception, copier, filing, and supply storage.

Be sure that there is sufficient sound insulation. Clients in the reception area, conference room and your office should not be able to overhear what is being said elsewhere.

Find out whether you can control the heat and cooling in your office. See if there are sufficient electrical outlets where you want them, and whether there is a private washroom and/or accessible washrooms for you, your staff and clients.

Find out if you can access the building during evenings and weekends, and whether the space will be heated or cooled at that time.

See if you will need any renovations, such as adding walls or dividers, installing electrical outlets, or if the landlord is willing to paint, clean carpets and window coverings, etc. Is indoor or outdoor parking available and included, or at an extra charge? See if the building has a security system.

It is important to think about what is or is not included in the rent, such as tenant improvements, utilities, security, janitorial services and parking.

Is signage space available outside and inside the building?

Consider the term of the lease. You may not want to commit to a long-term lease until you are sure the location and space are optimal. Your needs may change as your practice develops. You may be able to arrange a relatively short-term lease of one to three years, with an option to renew. You may also be able to obtain an option to expand your space.

Determine who will sign the lease, if you are sharing space or practicing in partnership. If you are practicing through a law corporation, you may not wish to provide a personal guarantee (although the landlord may insist).

Consider working with a commercial real estate agent who is familiar with spaces which should meet your needs, and their costs.

Another option may be a **home office**. Working from home has many challenges, but may be a cost-efficient way of starting out. In addition to eliminating additional rent and utilities for the office, it may provide tax benefits for your business use of home. For more information, see Government of Canada [Business-use-of-home expenses](#).

If you are going to meet clients at home, your office will need to be secluded from your personal living space for reasons of professionalism, client confidentiality and family safety.

Your clients should not see your kitchen, meet your children or dog, or hear sounds of your family life. Protecting your family's safety and privacy from your clients should be a priority. You will need separate telephone, internet and computer systems, and sufficient space for your office equipment. Your office door will require a lock. Ideally, a separate entrance and a separate bathroom for clients might be arranged.

Contact your insurer to obtain an insurance policy that will cover your office and practice; typical home insurance policies are usually inadequate.

Consider also whether your home's location is suitable for clients, in terms of neighborhood, parking, public transit and accessibility. You will also need to ensure that you can meet zoning requirements that may preclude such a practice.

If you can work mainly at home, and only have occasional need for meeting spaces for clients, examinations, settlement meetings, etc. you might consider using a business center or professional center. These spaces are often available for temporary or occasional use and may provide some administrative support as well as meeting spaces.

10. Technology

You likely already own the two most essential pieces of equipment, a computer and a cellphone. With only a few additional items, your office can be up and running.

a) Computer and Software

i. Computer

Consider whether a **desktop, laptop or tablet computer** will meet your needs. You may find it useful to have two or more screens. If you wish to take your computer with you to court or client meetings, portability and the availability of internet will be essential.

If you have more than one computer, you will want them to be linked or networked.

Take into account the costs of delivery, installation, set up and training. You may also choose to have a service contract.

ii. Computer Safety and Security

You will need an **anti-virus program**, a spam filter and to be mindful of cyber-security. You should have a firewall, passwords and a way to encrypt confidential information. Remote access is also useful, and probably essential. You should ensure you have surge protection. You will also need a good back up system. Never leave your computer unattended in your car, even if locked.

iii. Word Processing

You will need a **word processing program**, such as Microsoft Word. The King's Bench Rules *forms* are available on line in Microsoft Word and PDF formats.

iv. Email

You will need email software such as **Outlook** or **Gmail**. Consider package pricing for multiple products such as *Microsoft 365*.

v. PDF

Programs to read and convert documents to portable document format (PDF) are useful:

- [Adobe Acrobat](#) (the Reader version is free)
- [Soda](#)
- [Foxit](#)

vi. Electronic Signing

Also consider electronic signing programs:

- [Adobe Acrobat Pro](#) version which includes e-signing (and free a trial)
- [DocuSign](#)
- [HelloSign](#)

vii. Video Conferencing

You will need a **video conferencing program**, as virtual meetings and even court appearances have become very common. Most clients are now familiar with Zoom, which offers a paid professional version. The free version will not be suitable as it imposes a time limit, among other issues. Other clients or businesses may use Webex or GoToMeeting. You will need a webcam on your computer, or a separate camera. You may want a ring light if the lighting in your office is not sufficient for clear, bright viewing.

viii. Teranet Manitoba

[Teranet Manitoba](#) is the exclusive service provider for Manitoba's Land Titles System and Personal Property Registry. If you will use these registries often, you will find it convenient to open an account.

ix. Specialized law practice software

Specialized law practice software is available to help manage your practice and minimize the time you spend on administration. Programs can assist in time management, billing, accounting, trust accounting, client payments and in maintaining your calendar.

The programs that follow are provided as **examples only**, and should not be considered to be suggestion, approval, recommendation or endorsement by the Law Society:

Calendar System

- [Calendly](#) is a calendar system that lets users book their own appointments. In addition to the full (paid) system, there is a basic program that is free of charge.

Practice Management Software

- [Cosmolex](#) is a cloud-based law practice management software program that manages trust and business accounting, time-tracking, billing, email and document management, task reminders and calendaring. Cosmolex is integrated with LawPay.
- [Clio](#)
- [MyCase](#)

Payment Processors

- [LawPay](#) provides for payment management that separates trust and general accounts and organizes payments coming through from clients. It also permits clients to pay by credit card.
- [Paypal](#)
- [Square](#)
- Etransfer (ensure this is set up to your appropriate bank account: operating or trust).

x. Cloud Storage

Cloud storage is a way to store your digital data on off-site servers maintained by a third-party provider in a secure way. Your data will be accessible to you via the internet.

- OneDrive (comes with package pricing in Microsoft365)
- [DropBox](#)
- [Egnyte](#)

To learn more about the benefits and concerns of cloud computing, privacy and security, see the Law Society of Ontario's Technology Resource Center on [Cloud Computing](#).

xi. Specific Practice Area Software

There are also software offerings for specific practice areas. For example, in Manitoba most family lawyers consider that software that calculates spousal and child support in accordance with the SSAGs (Spousal Support Advisory Guidelines) and CSGs (Child Support Guidelines) is essential. At present, most Manitoba lawyers use the ChildView program. Other programs such as DivorceMate are also available.

xii. LDRC

[Legal Data Resources \(Manitoba\)](#) (LDRC) is a separate non-profit organization established by the Law Society to provide legal data via the internet to subscribers in the legal profession on City of Winnipeg tax assessments.

LDRC also provides a digital ID and encryption system using Entrust hardware and software. The Entrust system provides digital signatures for lawyers in Manitoba and also provides an encryption system to secure confidential communications from one lawyer to another lawyer, or from a lawyer to a client. The use of Entrust software is endorsed by the Law Society as the standard for Manitoba lawyers. See [LDRC Digital ID & Security Services](#).

xiii. What Software Should You Choose?

When choosing software, take advantage of demonstrations and free trials offered by many software providers so that you can actually try out the programs to see what works for you. In addition to considering initial cost, consider the training and support that is available (and its cost, if any) and the frequency and cost of updates.

Whatever systems you choose, ensure that everything is backed up daily, and store your back up off site, so that you can access it in case of cyber attack, crash of your system, or if you cannot access your computer or system for any reason.

For helpful hints on how to choose software, see "What is Practice Management Software and Do I Need It?" by the Law Society's Practice Management Adviser, Barney Christianson, K.C. in the Appendix.

For information on some of the available software, see PracticePro's ["Technology Products for Lawyers and Law Firms"](#) (Ontario).

See also Clio's ["Top Tech Tools for Lawyers in 2023"](#) (American).

xiv. Telephone System

A telephone system is obviously essential. You will need sufficient telephones and telephone lines for multiple users, conference calling ability, call forwarding and voicemail, and a dedicated line for your fax machine. You may want handsets, headsets, and/or speakerphone capabilities. If you have a meeting room, it will also need a telephone and should have a speakerphone.

Contact your telephone company to obtain a telephone number and arrange for installation of your system.

You may also want to consider a VoIP (Voice over Internet Protocol) system rather than traditional land lines. VoIP uses internet and provides the option of using your computer as your phone (via headset) without having a physical phone. Also available are mobile apps that allow you to use your cell phone, without compromising your personal cell phone number. With VoIP, you can send and receive faxes on your computer or email system without the need for a physical fax machine and phone line.

Some VoIP options include:

- [Ring Central](#)
- [Dialpad](#)
- [Nextiva](#)
- [Telus](#)

xv. Internet and Wifi

You will need internet and Wi-Fi in your office. Arrange for an email address that is professional and easy for your clients to remember. Contact your service provider for internet installation.

xvi. Cyber Security

In today's world, cyber security is crucial in order to protect your data and your clients' personal and privileged information.

The [Cyber Security](#) section under Practice Management on the Law Society website is a hub for a great deal of information about cyber security, including cyber safety fundamentals, fraud, passwords and multi-factor authentication, malware and ransomware, phishing, practice management and safety training.

xvii. Mobile Phone

A mobile smartphone is essential, as in addition to being a telephone, it will allow you to carry your diary with you wherever you go, and permit access to your email system when you are out of the office.

Make sure your outgoing messages on all of your telephones are professional.

If you plan to use your personal phone, separate your personal and business contact lists and your personal and business email accounts. Ensure your phone is password protected and do not allow anyone else to answer it or access your business emails.

xviii. Other Office Equipment

You will need printer, copier, scanner and fax machine capabilities. One piece of equipment may offer all of these functions. You can also manage without a copier. A very good scanner and printer will allow you to scan and print anything you need to copy.

Ensure that your printer is of good quality and will deliver sharp prints. You will likely use it to print your letterhead and court documents. Consider the cost of ink and toner and compare the cost per sheet printed.

A fax machine is necessary for service of documents. If you use a VoIP system, faxes can be received and sent through email.

You may also need a shredder for the safe disposal of confidential documents, or may choose to employ a shredding service if your needs are substantial.

These pieces of equipment may be purchased and most are also available to be leased. Consider the relative costs as well as the warranty length and service contracts available.

If you have a legal assistant, you will need a dictation/transcription system.

If you will be accepting client payments by credit card, you may need a point-of-sale (POS) terminal. Speak with your bank to discuss options and the charges involved. The use of a program such as LawPay will allow payments by credit card without the necessity of a POS terminal.

11. Furniture

You will need to furnish your office in a professional manner. Used furniture may be acceptable provided it is in good condition and will work with today's technology.

You and your assistant will each need:

- desk as discussed above
- chair with good back support
- chair floor pad
- trash can
- shelving as discussed above
- lamps if overhead lighting is insufficient

For clients you will need:

- client chairs for your office
- seating for waiting area

- coat rack (if no closet)
- lamps if overhead lighting is insufficient
- end tables and/or coffee table for waiting area
- coffee station
 - coffee machine
 - containers for coffee products and supplies
 - cups
 - dishwashing equipment or dishwasher

You will also need:

- filing cabinets (with locks) for open files
- storage for closed files
- storage units for office supplies
- fireproof and waterproof safe (necessary if you expect to store Wills or other secure documents)
- shredding bin
- garbage bin
- plants, decorative items

12. Office Supplies

a) Paper Products

Your paper products should be of good quality. You will be producing court documents and correspondence to clients and other lawyers which must look professional.

You can print your letterhead as you print each letter. Use a consistent font.

Your business card should use the same font and style. This is part of your branding, and everything should match.

If you can afford it, you may choose to brand other paper products, such as folders.

You will need letter and legal sized envelopes, large envelopes, lined pads, tabs, file folders, document corners, document covers, and red seals.

b) Miscellaneous Office Supplies

You will also need general office supplies such as a stapler, staples and staple remover, tape, rubber bands, paper clips, paper fasteners, clear page protectors, tape flags, post-it notes, blue and red pens, pencils, erasers, highlighters, markers, a date stamp, an exhibit stamp, postage stamps, scissors, rulers, a three-hole punch,

bankers boxes for large files (and perhaps for closed files, depending on how you will store them), notebooks and binding supplies. You will need a box of tissues at your desk (clients sometimes cry).

You will need newspapers and magazines for the waiting area, and coffee, tea, sugar, sweetener, creamer, napkins and stir sticks.

13. Trust Accounting

The Law Society has established specific accounting rules and policies relating to the handling of trust funds. It is essential that you familiarize yourself with these rules and establish a proper accounting system for both your trust and general accounts.

Part 5, *Division 4* of the Law Society Rules, and Rules 5-41 to 5-56(20) deal with financial accountability, trust accounts and trust account supervisors.

“Trust bank account” is the umbrella term that includes all of the law firm accounts at the savings institution which contain or will contain trust money.

The three types of trust bank accounts that a law firm might have and for which a trust account supervisor is responsible are:

1. a **pooled trust account** which is a trust bank account opened for the benefit of a number of clients. In general, you will not open a separate trust bank account for each client or client matter in order to accept trust money. All the clients’ deposits of trust money are kept together in a pooled trust account. Every member or law firm that handles trust money must have and maintain a pooled trust account;
2. a **specific trust investment account** which is not a pooled trust account;
3. a **restricted trust account** which is a specialized pooled trust bank account.

Each type of trust bank account serves a different purpose.

There is no limit to the number of each type of trust bank account that can be opened and operated by a law firm. However, the trust account supervisor must ensure that the law firm follows the Act, the Rules and the Practice Directions for every trust bank account, no matter what type is opened.

Your firm must complete two steps before opening a trust account. First, the firm must *apply* to the Law Society for a practising lawyer to be approved as the firm’s trust account supervisor. Secondly, the approved trust account supervisor must successfully complete the Society’s online *Trust Accounting Fundamentals* education program and examination.

The firm’s trust account supervisor will be responsible and accountable for the operation of the firm’s trust account(s), for the firm’s record keeping requirements and will be the contact

person for communications with the Law Society regarding the firm's accounting or record keeping.

If you (or another practising lawyer of your firm) have been approved as the firm's trust account supervisor and have successfully completed the education program and examination, you may delegate responsibility for the daily or monthly recordkeeping to a staff member or accountant, if you are not comfortable with bookkeeping. However, the lawyer who is the trust account supervisor is still ultimately responsible for the trust account and the associated records.

The Law Society audit department has developed a monthly trust account [Reconciliation Review Checklist](#) to assist you in complying with your professional obligations for monthly trust account management.

If you would like to maintain the records yourself, the following resources are available to help you get off to a good start:

- templates for [Book of Original Entry](#), [Client Trust Ledger](#) and [Monthly Trust Reconciliation](#);
- accounting record examples for [May 20XX](#) and [June 20XX](#). In these examples, Red & Red LLP is a new firm. Here you can follow the firm's early months of trust account activity, including fact scenarios, books of original entry, client trust ledgers and monthly trust reconciliations for the first two months.

The Trust Accounting Fundamentals program that the trust account supervisor must complete is more than just material to study for the exam – it is also an on-going resource to which you may return at any time

If the firm will be making payments to Teranet Manitoba LP, you must familiarize yourself with the related [Law Society Rules and Requirements](#).

See [Trust Safety](#) for more information regarding the trust safety program and being a trust account supervisor.

14. Banking Arrangements

You will need to make arrangements with your savings institution or bank to open your bank accounts. When selecting your financial institution, bank or credit union, consider the services they provide and the associated fees, their location, hours, ease of parking and the general level of client service they can extend to you.

At minimum, you will need to open a general account and a pooled trust account. You may wish to order different colored cheques for these accounts, to help ensure you do not accidentally write a cheque on the wrong account.

The interest earned on the pooled trust account must be paid to the Manitoba Law Foundation in accordance with a letter of direction that you must provide to your savings institution at the time the pooled account is opened.

Where interest earned on funds invested in daily interest accounts, term deposits, etc. on behalf of individual clients, and the interest earned is payable to the client, see Practice Direction [88-03: Accounting for Interest on Client Trust Funds](#).

Canada Deposit Insurance Corporation (CDIC) is a federal Crown corporation that protects more than \$1 trillion in Canadian deposits. In the rare event a member financial institution faces failure, the CDIC protects eligible deposits held at each of the [member institutions](#) up to a maximum of \$100,000, per separately [insured category](#). Certain information must be provided to the member financial institution about each individual client for whom you hold funds in trust. For more information on the CDIC protection for your clients' funds held in trust, see the [CDIC](#) website.

See also Practice Direction [00-01: Canada Deposit Insurance Corporation Reporting](#).

You may also need to arrange for a loan, line of credit or other financing to assist you with your start-up costs and/or your ongoing expenses, at least until you have a relatively reliable income stream and cash flow. Even once your practice is well established, your revenues are likely to be somewhat inconsistent from month to month. This may depend on the area of law you practice and the clients you serve; it is possible that you may work for months or even years before a particular file is closed and you are paid in full.

You should also obtain a firm credit card. It will make purchasing easier and may provide points or other benefits. Ensure it is paid in full monthly, as the interest charges are usually extremely high.

15. Insurance

In addition to your mandatory professional liability insurance, it is wise to obtain other insurance to protect you, your family and your practice. Consult with your insurance broker to discuss:

- tenant's insurance – for contents and occupier's liability;
- business interruption insurance;
- life insurance;
- health insurance (possibly available through a group, or individual coverage);
- critical illness insurance;

- disability insurance – this should ideally provide coverage if you are disabled and unable to practice *your own occupation* (rather than requiring you to be disabled and unable to be employed in any capacity before paying you). However, your coverage may be based upon your previous year’s income, and may pay only after a waiting period and for a limited time. These points should be discussed specifically with your insurer;
- auto insurance, which should include but not be limited to business use of vehicle.

Consider premium costs, the deductibles, policy limits, and where applicable, who will be named as the beneficiary.

If you are not a sole practitioner, consult with your accountant to discuss whether there are benefits to having premiums for any of these policies paid by you personally, or by your firm.

16. A Good Accountant

The accountant you choose should be familiar with the Law Society’s trust accounting requirements.

A good accountant will help you with bookkeeping, accounting, management information reporting, and calculation of your CRA remittances for GST, RST and payroll. They can also provide you with advice on tax deductions and available tax benefits, and prepare your income tax returns.

Seek your accountant’s advice about the potential benefits for you of practicing through a law corporation or an LLP.

17. Staff

A legal assistant can be your most significant monthly expense. If you are just starting out, you may be willing and able to handle all administrative functions yourself, with the help of good software and established systems. Once you are well established, you may find that a good, efficient and experienced assistant will allow you to spend your time on more remunerative legal work, rather than performing administrative tasks yourself.

You may also consider some part-time, temporary or task-specific help, such as a part-time assistant, a typist service or a bookkeeper.

You will also likely need the assistance of a court runner, process server and courier. It may not be a good use of your time to spend an hour or more filing a document, if a court runner can do it at a fraction of the cost.

Whatever staff you choose to employ, you are still responsible for delegation and supervision. Everything is ultimately your responsibility, so hire carefully. Determine the job description and the tasks each job entails, what you can afford to pay (bear in mind the cost of benefits as well as salary), the training that will be required, and **always** check references.

18. Library and Research Resources

Whatever area of law you practice, you are likely to need research.

Library books are expensive, especially those which will require to you subscribe for updates. Subscriptions to on-line research programs are also costly. Try to buy only things that are absolutely essential for your practice area.

There are many research resources that are available for free or at low cost.

[CanLII](#) is free of charge and allows you to search cases, legislation and commentary.

The [Great Library](#) is available, and also offers research assistance For more information about the Great Library and how the librarians can help you, see the [Manitoba Law Library](#) on the Law Society website under Lawyer Resources.

The Law Society Education Center provides educational materials under [Practice Area Fundamentals](#) and [CPD on Demand](#). Under the “[For Lawyers](#)” tab you will also find other resources and supports on many subjects.

The Canadian Bar Association offers many educational programs for members. The [Manitoba branch](#) of the CBA permits you to join as many sections as you wish at no additional cost. Joining sections that are relevant to your practice is a great way to connect with others who practice in the same area of law, or other young lawyers, women lawyers, or LGBTQ+ lawyers. You can learn a lot!

There are also many paid research programs, such as [Westlaw Canada](#) which has special offerings for solo and small firms.

19. File Management Systems

a) Conflicts of Interest

File management begins at your first contact with a potential client, and before the file is opened. You will want to search for potential conflicts of interest, and screen each client.

The *Code of Professional Conduct* sets out the duty to avoid conflicts of interest in Rule 3.4-1:

A lawyer must not act or continue to act for a client where there is a conflict of interest, except as permitted under this Code.

A **conflicts searching system** is essential. This is a mechanism and procedure set in place and consistently used to identify both potential conflicts of interest before you agree to represent a person, and potential or actual conflicts that may arise during your representation of your clients.

A basic conflicts of interest searching system is a manual or electronic searchable database containing the names of:

- all your current and former individual clients and their spouses/partners;
- all businesses in which any of the above have an interest;
- all your current client entities and subsidiaries;
- all lawyers and staff with whom you practice or share space, and their immediate family members (so that you don't inadvertently accept legal matters that are adverse in interest to anyone connected with your practice).

The database should include other names used by those entities or persons (birth names, prior married names, business operating names, *also known as* names, possible alternate spellings of the names, and middle names) so that in a search of the database you don't miss a conflict because someone referred to a different name used by a client.

b) Client Screening

Client screening is essential in order to attempt to discern whether the potential client is one with whom you will be able to work effectively. Recognizing difficult clients at the outset may permit you to take special care in establishing communication protocols that will allow you and your client to work effectively together. You may also identify a difficult client whose retainer you might prefer to decline.

A difficult client with a difficult case may have especially unrealistic expectations as to the likely results, time and cost.

If you are just starting out, you may feel financially compelled to accept every case, no matter how difficult the client may be. While finding clients is essential, think about this carefully. You may (and quite possibly should) decide that you would be better off devoting your attention to finding other clients with whom you can work effectively, rather than spending your time being aggravated by a client you are unlikely to be able to please.

c) Retainers

Establish (and do not deviate from) policies relating to client retainers and payment. Insisting on a retainer will mean there are some funds in trust to apply to an account once rendered. Ensure the retainer is replenished when used. Accepting a client who cannot or will not pay for your services (whether personally or via Legal Aid) will take time away from working for a paying client, educating yourself, marketing, or any of

the many other things that must occupy your time (or even just spending time doing something you enjoy). Let your pro bono files be those that you intend.

You should have a **retainer agreement** with every client whose file you open.

Your retainer letter should include:

- the matter or services for which you are being retained;
- who else may work on the file (colleagues, students, paralegals, assistants);
- how and when you will communicate with the client;
- what the client will do, including provide instructions and information that you require in a timely way;
- when and how you will report to them;
- billing and payment matters;
- an estimate of time and/or cost to completion or an explanation that an estimate is not possible and why;
- how you or the client can end the relationship before the matter is complete.

If you decline to represent a potential client, you should send a non-engagement letter.

d) Client Identification and Verification

Client Identification and Verification is mandated by [Division 12](#) of the Law Society Rules. There are a number of resources that have been developed to assist lawyers in complying with the anti-money laundering and terrorist financing rules. These include detailed worksheets and checklists prepared by the Law Society, a flowchart prepared by the Law Society of Alberta and other resources prepared by the Federation of Law Societies and other agencies.

For more information, see the [Anti-Money Laundering](#) chapter in the Professional Responsibilities section of the Law Society website.

e) Closing Files

You also need a system for **closing files**, which must be done once the matter is finished, the final report has been provided and your bill has been sent. The file needs to be stripped (retaining only the important parts) and closed, the necessary parts stored, and a date recorded for destruction.

Prompt and proper closing of a file is good risk management. Use file closing checklists to remind you of the necessary steps, and keep the file in your reminder system until the file closure is complete.

For more information on when to close a file, what should be retained in the closed file, what should be returned to the client, how and where to store closed files, and how and when you may finally destroy a closed file, see the [File Closing, Retention, Storage and Destruction](#) chapter in the Practice Management section of the Law Society website and Practice Direction [91-01: Destruction of Closed Client Files](#).

f) Practice Management Self-assessment Tools

Practice Management Self-assessment Tools are available in the Law Society's Education Center under Practice Management. These resources assist sole practitioners and multi-lawyer firms manage risk and improve overall practice management by offering:

- an opportunity to review best practices;
- a mechanism to identify priority needs;
- an up-to-date source for practical resources.

Comprehensive workbooks in Microsoft Word format can be downloaded for use and saved for reference, including the [Workbook for Sole Practitioner Firms](#).

20. Diary and Time Management Systems

a) Reminder System

Whether or not you use software (discussed above) to help manage your calendar, you will need a good diary system to deal with client appointments, court appearances, filing deadlines and the like. A bring-forward, tickler, or **reminder system** will help you plan your workload and ensure that you are reminded of upcoming dates so that you have adequate time to prepare.

Your bring-forward system should also be used to remind you of other dates, such as the time by which you require information from your client, a response from another lawyer, expert, or others, or confirmation that someone else has completed an assigned task (such as filing or serving a document). These reminders will alert you when you need to follow up and will help ensure nothing is forgotten or falls through the cracks.

You should also set a reminder for a periodic review of every file, even if nothing is pending, at least every two to three months. This will ensure that you don't forget about a matter, and will remind you to touch base with your client.

b) Limitations Diary

You should also maintain a **limitations diary** to record clients' limitation dates. Be sure to record not only the actual limitation date, but also two earlier reminder dates, so that you have sufficient time to obtain instructions and prepare materials in a timely way.

c) Time Keeping

You also need a system to **record the time** you are spending on each task. While your time keeping system may be linked to your billing system, remember that at this stage you are only recording time spent. You may or may not bill all of this time, or may bill on a flat fee or contingency basis. Many decisions will be made when you prepare the bill; nonetheless all time spent should be recorded contemporaneously.

This is useful in helping you determine where you are spending your time, and also if you must defend your bill to the client or in the event of a complaint or taxation. It will be impossible for you to accurately reconstruct the time spent at the end of the file, or even at the end of the day, as after the fact, time spent is frequently underestimated.

It is also important to accurately describe each task which you performed, so that the client may receive an itemized account. It is not good practice to send a bill setting out the total of hours spent, and a final figure with a block description "to all services rendered".

See Practice Direction [94-05: Statements of Account for Legal Services](#) and Practice Direction [89-03: Appropriate Billing Practices](#).

You may also choose to record time spent in non-billable endeavors, such as volunteer work, pro bono matters, and even time spent on administrative matters, to help you see just where your hours are going.

For more information on managing your time, watch Paul Unger's video "Tame the Digital Chaos for Legal Professionals: How to Manage Your Workload, Distraction, Time Task and Email Management" available in the Law Society's CPD Online.

21. Fee and Billing Systems

a) Billing

When you work on a file, you create “work in progress” (WIP). Only once you render a bill to your client does your WIP become an “account receivable” (A/R). It is only at this point that you can hope to be paid by the client, Legal Aid, or from the client’s funds held in trust. Billing the client promptly also increases the likelihood you will be paid – even when you have achieved the client’s objectives, it doesn’t take long for some clients to forget how hard you worked. It is therefore crucial that you prepare your interim and final bills promptly, and take all necessary steps to collect.

As noted, your time records will be used when creating your bills. Software programs (discussed above) can generate bills automatically, while allowing you to modify or delete entries as you determine.

Whether you use a computer system or you keep your time manually, you will need to ensure that your time entries are complete and that you review them all when you are preparing your bills. It is difficult to send a bill to a client later for time that you “forgot” to include, and embarrassing to send a bill with duplicate entries or errors.

For additional information on client billings, see Practice Direction [89-03: Appropriate Billing Practices](#).

b) Disbursements

Keep accurate records of disbursements so that they are properly included in your bills.

Where disbursements are likely to be large (such as expert reports or appraisals) arrange with the client and the expert or provider *in advance* that the client will be directly responsible for payment. If you do not do so, you will be responsible for payment of the service or report you requested and may not be able to collect from the client in the short term (or at all).

c) RST and GST

Speak to your accountant to get a clear understanding of what fees and disbursements are subject to RST and GST, and those that are exempt. You will need to charge these and remit them to Canada Revenue Agency properly. For helpful links, see the section on Business Registration and Remittances to Canada Revenue Agency above.

d) Client Payments

You will likely wish to accept payments from clients by credit card. Although you will pay a percentage to the credit card companies, many clients prefer to pay by credit card and a credit card in the hand is better than two promises to pay.

Be careful to have systems in place to ensure that retainers are deposited to your pooled trust account, and that payments are not transferred or applied to your general account until your bill has been rendered and delivered to the client. Software, such as LawPay is helpful in managing client payments and separating trust and general accounts.

Keep good records of client accounts that are overdue (an aged accounts receivable report) and follow up to ensure they are paid. Take collection proceedings when needed.

22. Contingency Planning

It is your professional obligation to ensure that your clients are appropriately served and their interests protected even if you can't be in the office or directly accessible to them.

If you are a Trust Account Supervisor your extended absence may require that another Trust Account Supervisor be put in place to meet the trust accounting rules.

In order to serve clients continuously when you are absent from your office, you should have a plan in place for:

- planned absences, whether just a day away, or a longer known time period such as a vacation or scheduled health services;
- absences as a result of an unexpected event, such as sudden illness, injury, other disability or death, or a family emergency;
- conducting business if you lose access to your office space or law firm data – such as during an office move, break-in or vandalism, fire, flood, theft, cyber-attack, computer system failure, or state of emergency.

If you are a sole practitioner, consider developing a relationship with another lawyer who is willing to take care of your legal practice in the event of your unexpected or long-term absence. If another lawyer will need to be able to sign trust cheques in your absence, you must get authorization in advance from the Law Society Audit department.

Let your client know the dates of your planned absences in advance. In the case of long-term absences, let your client know who your replacement lawyer will be and obtain your client's specific consent to continue with that lawyer while you are away.

Do daily back-ups and regular full back-ups of your computer data, and test the back-ups regularly to ensure they are working. Store the back-ups off-site in case you can't access your premises.

Designate someone to have emergency access to a list of passwords for all systems (voicemail, email, laptops, banking), and keys to the office, desks and cabinets and fireproof safe for client property.

Ensure your assistant, other colleagues or the designated person know where to find such items as:

- your computer back-up system;
- an up-to-date list of open client files with full client contact information;
- a record of all pending limitation dates and deadlines for all files;
- a list of accounts payable each month to keep the office running;
- a list of closed files, location and date of destruction and how to access them if necessary.

Ensure you have insurance, discussed above. This is especially important to protect not only your office, but your family, in the event your practice is disrupted by an unforeseen circumstance, illness or death.

For more information, see the module [Absences and Contingency Planning](#) in the Practice Management section on the Law Society website.

23. Networking and Marketing

Networking is building relationships with others. While it shares some of the benefits of marketing, it is of wider importance. This is especially true if you are practicing as a solo, in a space sharing arrangement, or if you are in a small firm.

Networking can give you opportunities to connect with other lawyers who practice in the same or complementary areas of law. This may give you chances to discuss new developments in the law, or learn about other areas or other related subjects such as practice management. You may find a mentor to guide you, or be a mentor, each of which provides learning opportunities.

You may connect with, learn from, and share knowledge with other professionals, such as accountants, real estate agents, therapists, or experts in other subject matters related to your practice.

You may develop relationships with other businesses and organizations in your community, and have opportunities to make connections with others who can share friendship and support. You will create a network of community around you, and help you not to feel isolated, particularly if you practice alone.

All of these networking activities may also provide marketing possibilities. You will be more visible and will establish connections with those who may need your services, or whose services you may need.

See Law Society [Rule 5-114](#) which sets out rules surrounding marketing and the *Code of Professional Conduct Chapter 4*, sections 4.2 and 4.3 respecting marketing and advertising.

Everyone you meet may be a source of referrals for you.

Networking and marketing opportunities abound.

- Consider joining the bar association. The Manitoba Bar Association has 36 speciality sections. Join all that are relevant to you, including Small, Solo and General Practice, Young Lawyers, Sexual Orientation and Gender Identity Community (SOGIC), Women Lawyers, Legal Research, Law Practice Management and Technology and distinct practice area sections. Partake in their programming and get involved in your local chapter. Offer to be a speaker or organize educational or social activities.
- Register for educational programs offered by the Law Society. Volunteer to sit on a committee or to help with Lawyers for Literacy, Law Day or other activities.
- Join other legal organizations such as Law(yer) Strong, Collaborative Practice Manitoba, STEP (Society for Trust and Estate Practitioners), LEAF (Women's Legal Education and Action Fund).
- Touch base with professors and former classmates.
- Join a sports team or league with lawyers or others.
- Try out for the Royal Manitoba Theatre Center annual Lawyers' Play.
- Volunteer with community service groups or religious organizations.
- Join LinkedIn.
- Join Twitter (now "X") and tweet or write a blog and post about legal topics, developments in the law or important cases.

Client development will be an urgent priority. There are many sources for new clients:

- Professional signage outside your building may catch the attention of the public.
- Announce your new practice to other lawyers, existing clients and the public.
- Announce your practice to all of your professional contacts – accountants, appraisers, therapists, real estate agents, and other experts with whom you might work.

- Find a group of lawyers and refer files to each other that you can't accept due to conflicts or otherwise.
- Join the Legal Aid panel.
- Sign up for CLEA's [Lawyer Referral Service](#). You can join the CLEA Referral Panel here: [Lawyer Referral Service Application](#).
- Sign up for the CBA's [Find-a-Lawyer Service](#).
- Advertise in professional, regional, religious, community or organizational publications.
- Support and attend activities at which you will meet contacts (golf tournaments, charity fundraisers, annual Persons Day Breakfast).
- Offer to speak to groups who may need your services (new graduates or organizations of various professions, women's shelters, service clubs).
- Have a website so clients can find you and learn about your services. Make sure your website is professional. Unless you are sufficiently skilled, you will likely need to outsource the creation of your website to an expert. Update your website frequently.
- Write an article for a local or community publication.

Cross market to your existing clients. They may need other services that you (or another to whom you might refer them) can provide. For example, a client who is divorcing or marrying might need a will, tax planning, or real estate services. A client entering a business partnership might need a spousal/cohabitation agreement or a will. A personal client may have employment, financial or criminal issues. A business client may have employees with various personal legal needs.

Treat your existing clients well. They will think of you when they need something more, and their repeat business is important. They may refer their friends and colleagues to you. Be sure a good reputation precedes you – word of mouth and personal recommendations are powerful.

24. Health and Wellness

Remember that you must take care of yourself before you can help others. There **is a wealth of resources available to promote wellness in your practice.**

For information, see the [Health and Wellness](#) section of Supports for Lawyers on the Law Society Website, which includes the [Health and Wellness Resource Library](#). The section contains a wellness library, a health and wellness blog, and one-minute videos to help you take care.

CPD Online offers well-being courses, including “**You are Not Alone: The Lawyer’s Guide to Dealing with Anxiety**”, and “**Mental Health and Lawyers: An Unspoken Struggle**”. The October editions of the *Communiqué* are devoted to wellness topics.

The Supports for Lawyers section also directs you to the free and confidential service offered by the Law Society to practising lawyers, articling students and their families through *Manitoba Blue Cross Employee Assistance & Wellness Solutions*. You may access their support for any well-being concerns you are experiencing including financial stress, relationship issues, mental health, family and parenting matters, addictions, and managing career transitions.

You will also find a link to Law(yer) Strong, Manitoba’s Peer Support program for lawyers. Their mission is to enhance the immediate and long-term wellbeing of Manitoba’s legal community, through peer support, education, community, and liaison with professional therapeutic services. They provide support in a confidential and non-judgmental way.

See also *A Healthy Profession* in the Equity section of the Law Society website.

25. Conclusion

If you have decided to open your own practice, Congratulations! We hope this guide will help you develop a practice that is psychologically and financially rewarding. Take care of yourself as you take care of others. Reach out to the Law Society and other resources when you have a question or need a helping hand.

Barney Christianson, K.C., the Law Society *Practice Management Advisor* is available to help answer your questions and assure that you start off on the right foot.

Contact: barney.christianson@gmail.com
204-857-7851
Thompson Dorfman Sweatman LLP
P.O. Box 940 - 318 Saskatchewan Ave. E.
Portage la Prairie, MB R1N 3C4

26. Additional Resources

- Foonberg, J. *"How to Start and Build a Law Practice"*, 6th edition
- Garfinkle, M., *"Solo Contendere, How to Go Directly from Law School Into the Practice of Law Without Getting a Job"*
- Elefant, C., *"Solo by Choice: How to Start Your Own Law Firm, and Be the Lawyer You Always Wanted to Be"*, 3rd edition 2022
- Royal Bank, *"Free Starting a Business Guide"*
- The Law Society of Manitoba, "Workbook for Sole Practitioner Firms" and On-Line *Assessment Tool* in the Practice Management section of the LSM website
- The Law Society of British Columbia, *"Opening Your Law Office"*. This guide also contains a resource list.
- Law Society of Alberta *"Start-Up Kit"*. This guide also contains a large resource list.
- Law Society of Alberta *Practice Management* section including "The Goods on Going Solo" webinar, "15 Myths of Small Firm Practice", "Considerations When Opening a Law Office" and "Debt and the Small Firm Lawyer"
- PracticePro *Precedents* for budgets and business plans and Practice Pro New Lawyers *Resources*
- Law Society of Ontario *Practice Supports & Resources*
- Law Society of Ontario, *"Guide to Opening Your Law Practice"*. This guide also contains a large resource list.
- CBA's *Publications & Resources*. See Practice Tools in the sidebar.
- Oklahoma State Bar Association. *Management Assistance Program*, which includes Jim Calloway's Law Practice Management Tips, and "Opening Your Law Practice"
- Calloway, Jim, *"The Seven Deadly Sins of Opening a New Solo Law Practice"*, The Oklahoma Bar Journal, Volume 84, No. 27, October 12, 2013, page 2161
- The State Bar of Arizona, *"Law Office Setup Checklist"*, and other resources (check the sidebar under Practice 2.0)
- Attorney at Work, *"How to Start a Law Firm"* (many articles)
- Attorney at Work, *"Business Basics for Busy New Solos"*
- Attorney at Work, *"Law Firm Profits: 5 Ways You May Be Sabotaging Your Firm's Growth"*
- Oregon State Bar Professional Liability Fund, *"A Guide to Setting Up and Running Your Law Office: Avoiding Malpractice Through Efficient Office Systems"*
- Freedman, E., *"Why Solo Practices Fail"*
- Attorney at Work, *"Local Networking at Every Stage of Your Legal Career"*

B. APPENDIX

1. What is Practice Management Software and Do I Need It?

Barney Christianson, K.C. (Communiqué Article - February 2020)

[Document follows on next page]

What is Practice Management Software and Do I Need It?

BARNEY CHRISTIANSON, Q.C.*

What is practice management software and do I need it? To answer the second question first: yes, you do.

As for the first question, one software vendor defines it as follows: “Legal practice management software, or law practice management software, helps lawyers manage day-to-day case workflows and business operations within their law firm. It offers the ability to manage cases, contacts, calendars and scheduling, documents, tasks, time tracking, billing, payments, accounting, client communications, manager-level reporting, and more from a centralized platform.”

There is no doubt that practice management software can significantly improve your office processes and therefore the bottom line. That statement is true but it's also the last simple thing that can be said about this subject. But it won't do that unless the software is **properly-selected, properly-supported, used by properly-trained individuals**. Without all of those “properlys”, buying such software gives Dante another level of Hell, just for you.

Here is the first of many problems ahead. The software vendors will tell you how easy it is, if you just buy **their** product. In the immortal words of many a fool: “how hard can it be?”

Rule number one: it's hard and it's going to take a lot of work.

Rule number two: see rule number one.

Don't be seduced by a software comparison chart that might make you think you will find your answers in one spot.

The American Bar Association (ABA) prepared such a chart in 2011 and listed nine different products. The ABA did it again in 2016 and listed 32 contenders. By 2019 some of those contenders are gone, there are new players on the market, and the available features have changed. No matter who prepared the chart, they did not buy each program, load it with test data, and try each feature to see how well it worked. All the chart preparer did was go to the vendors' websites and note what the vendor says they offer and then list those features on the chart. For the record, the Law Society of Manitoba does not endorse or bless any one of these programs. Neither do I.

What follows are some basic steps that I think will help you avoid Hell. Bear in mind that there is no one-size-fits-all. Your particular personality, practice, and budget will have a significant impact on what works for you.

Step one. Determine what you need. For that, you can look at those charts to see a list of most of the features that are available out there. You can also look at some software products some of the charts have missed. For instance, Rocket Matter, Practice Panther, and Mycase are viable contenders that don't appear on all the charts. Once you have seen all of the features, plan on buying what you **need**, not what looks bright and shiny. You won't bother to use those bright and shiny bits and they are just going to complicate the process. One example of that: some products offer client portals. Each portal for a client requires you to set up a unique password and it requires the client to learn how to use it. Will it be worth it?

Step two. Can you afford it? Do not buy the cheapest software available. If you need a reliable vehicle, you don't buy the cheapest used car you can find. Like everything else, you will get what you pay for. Furthermore, the price you pay for the software is going to be less than 1/3 of what this is going to cost you. Training and implementation are additional and significant cost items.

Barney Christianson, Q.C., the Law Society of Manitoba's Practice Management Advisor, has changed his practice management email address to barney.christianson@gmail.com. If you would like to contact Barney for free confidential advice about practice management issues, call Barney directly at 204-857-7851 or by email at barney.christianson@gmail.com.



Step three. Do you have buy-in from everyone in the firm? If you and your people won't change, won't commit to making the effort to learn the program, and will not tolerate the slowdown that will absolutely result during the implementation and training stage, forget it. Just go hit yourself with a stick, it will hurt less.

Step four. Run the demo offered by the vendor. No demo? Move on. Don't just open up the demo and play for 20 minutes one day just before you go home for the night. Load up as much data as you can. Open new files, save documents, record time, do transfers from trust to general, invoice the client, close the file. Make a serious effort to test every feature that you need to work reliably. And make sure the accounting package can handle Books of Original entry. This essential component of Canadian trust accounting rules is not available in some packages. No software vendor is going to say "we think we can link to an accounting program that we did not build and we know very little about but it should help you with your trust accounting, if you are lucky." But that has been the real life experience a couple of Manitoba lawyers have had with a major product of this sort.

Step five. Check out the Support features. No matter how much you test and how much you train, there will be problems. You will need to depend on prompt and reliable support. There should be a Help button on every page. What does it offer? If you need more than what is listed, is there a chat feature? How responsive is it? Can you call Support if the chat feature was not enough? How long are you on hold? How helpful is the representative? This is particularly important when you're trying to get an American product to handle your trust accounting for Canadian regulators, if accounting is one of the features you need.

Step six. What training does the vendor provide? Is it a couple of YouTube videos or is there a detailed tutorial? What about documentation?

Step seven. What assistance will the vendor provide for importing your existing data into this program? If that is not adequate, you're going to have to run your old system side-by-side until all of the new files have been opened in the new system. That is expensive.

Step eight. Read the Terms of Service (TOS). If you are going to a cloud-based product, is the data stored in Canada or the United States? Most of these products are now subscription based, so how do you get your data back if you quit paying? In what format will it be returned to you? Will the vendor purge any of your data that it has in its servers? What will the vendor do if it needs to disclose data to a government agency? Frankly, you will never be able to negotiate the TOS so what you see is what you will get. However, comparing several TOS from major suppliers will tell you what the bottom line should be. If a particular vendor is way out of line, stay away. Remember your professional obligation regarding the confidentiality of client information.

So, in short, you need this product if you would like to be more efficient and profitable in the future. It is going to cost a lot of time and money up front but it will be worth it. Keep this in mind "When you pay too much, you lose a little money (and time and effort) - that is all. When you pay too little, you sometimes lose everything, because the thing you bought is incapable of doing the thing it was bought to do." John Ruskin (1819 - 1900).

*Barney Christianson, Q.C. is the Law Society of Manitoba's Practice Management Advisor. He offers free and confidential advice on practice management issues. He can be reached at 204-857-7851 or by email at barney.christianson@gmail.com.