
Planning for a Startup Solo or Small Law Practice

I. BUSINESS ENTITIES

When you start your law practice, you will have to decide on which type of business entity you will be: sole proprietorship, general partnership, limited liability company (LLC), professional limited liability company (PLC) or corporation. There are pros and cons to both working as a solo and a partner in a small firm. Before you decide how you prefer to practice, weigh the options. Opening a firm is a large investment that should be considered carefully before you undertake the venture.

The type of business structure you choose will depend on several factors, including the nature of the workforce within your organization, the goal of the company, and so on. Each legal structure for business entities has its advantages and disadvantages, so it's best to eliminate the ones that simply wouldn't fit with your law practice before choosing.

Some of the pros and cons of different business entities are listed below:

	Main Advantages	Main Disadvantages
Sole Proprietorship	<ul style="list-style-type: none">• Easy to create and maintain• Business and owner are legally the same entity• No fees associated with the creation of the business entity• Owner may deduct a net business loss from personal income taxes	<ul style="list-style-type: none">• Owner is personally liable for any debts, judgments or other liabilities of the business• Owner must pay personal income taxes for all net business profits
General Partnership	<ul style="list-style-type: none">• Easy to create and maintain• No fees associated with creation of the business entity• Owners may report their share of net business losses on personal income taxes	<ul style="list-style-type: none">• All owners are jointly and personally liable for any debts, judgments or other liabilities of the business• Owners must pay personal income taxes for all net business profits
S Corporation	<ul style="list-style-type: none">• Owners of the business enjoy limited liability for the business' debts, judgments and other liabilities• Owners share the net profits of the business and report their share on personal income taxes	<ul style="list-style-type: none">• More expensive to establish than a sole proprietorship or partnership• Paperwork is more complicated than the

	<ul style="list-style-type: none"> • Owners share the net business loss and can offset other income by reporting this loss on personal income taxes 	<p>paperwork required for a LLC, but similar advantages</p> <ul style="list-style-type: none"> • The ownership interest of the various owners determines their respective incomes from the profits of the business • Some benefits are only given to owners that have more than 2% of the business' shares
Limited Liability Company (LLC)	<ul style="list-style-type: none"> • Owners of the business enjoy limited liability for the business' debts, judgments and other liabilities, even if the owners engage in significant control of the business • The business profits and losses can be allocated to the owners along different lines than ownership interest (for example, a 10% owner may be allocated 30% of the business' profits) • Owners can choose how the LLC will be taxed, either as a partnership or a corporation 	<ul style="list-style-type: none"> • More expensive to establish than a sole proprietorship or partnership
Professional Limited Liability Company	<ul style="list-style-type: none"> • Allows state licensed professionals to enjoy the same advantages as a LLC 	<ul style="list-style-type: none"> • Same disadvantages as a LLC • All members must belong to the same profession

Other Resources

[Business Entity Chapter of the ISBA Business Law Practice Manual](#)

[Choose Your Business Structure](#) Small Business Administration's Web page.

II. BUSINESS PLANS

A business plan is an essential roadmap for business success. This living document generally projects 3-5 years ahead and outlines the route a company intends to take to grow revenues. The real value of creating a business plan is not in having the finished product in hand; rather, the value lies in the process of researching and thinking about your practice in a systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly, perhaps disastrous, mistakes later.

It typically takes several weeks to complete a good business plan. Most of that time is spent in research and re-thinking your ideas and assumptions. Make time to do the work

properly. Those who do never regret the effort. Finally, be sure to keep detailed notes on

Components of a Business Plan:

Executive Summary: This is particularly helpful if your business plan is going to be designed for public consumption (lenders, etc.). The executive summary summarizes the highlights and key points of your plan in one or two pages.

Business Description: There are three aspects of this: what happened in the past, what is going on now, and what you aspire to do in the future. Write a factual description of your firm, its ownership and history. As for the future, write down your vision, your dream of what your business would be in the perfect world. What will you be doing, who are your clients? What will make your business successful? What distinguishes you from all of the other lawyers?

Management Summary (if applicable): Consider developing a management summary to provide background on management team members, their experiences and key accomplishments.

Products and Services: Describe your practice areas and the specific products and related services offered. Also describe how your products and services stand out or can be differentiated from those offered by other firms.

Market Analysis: Put together a summary of your typical clients within each practice area, and describe the competitive landscape, market size and expected growth of that market.

Marketing Plan: How do you market yourself and your business? For example, how will you solicit referrals from other lawyers? Should you sign up for any lawyer referral services? How will you establish yourself in your community and make potential clients aware of you and the services you provide? Will you advertise? Will you have a Web site? Related to this is an analysis of what makes you unique, what you believe is your competitive advantage and, what the market is lacking (that you can provide).

Strategy and Implementation: Describe how you will execute your plan, what steps you'll take to put it into action. This is also where you'll establish milestones and set deadlines by which certain things will be done.

Financial Plan: This contains key financials including revenue, cash flow, profits and expenses.

Other Resources

[US Small Business Administration "How to Write a Business Plan](#)

[Sample Business Plan courtesy of the Florida Bar](#)

[Sample Business Plan DC Bar Association](#)

III. BUDGETING

Budgets are key tools law firms use to manage day to day operations and finances. A law office budget is an important tool for success impacting the way that the firm makes decisions. Proper and adequate financial management allows a law firm to take advantage of opportunities by appropriate planning and budgeting. A law firm with a strong financial management policy will be able to ensure its obligations are properly met and that none of its work suffers due to a lack of funds. A firm suffering from cash shortages cannot take risks or may not be able to handle large cases properly. In contrast, a law firm which is well managed financially may be able to withstand difficulties even when faced with a downturn in activity. Generally, firms that are not well managed financially are not able to successfully survive long term.

To ensure a successful budget season and a reliable end-product, the budget process must be closely managed. Assistance should be solicited from key players who have the requisite knowledge and skills to provide input for their functional areas. Attorneys in charge of practice and/or geographic units must be brought in at the onset. Schedules need to be coordinated and calendars developed, highlighting key deliverables, so that all members of the budget team fully understand their roles. Communication is essential during the entire budget cycle – including the planning, development, and review phases. A budget planning or “kick-off” meeting can be an effective vehicle for explaining the firm’s strategic direction and for defining expectations.

Here are a few general tips for finance and budgeting:

1. To best manage your cash flow, you need a monthly cash flow plan showing projected revenues and expected expenses for each month of the year. A cash flow plan is a living and breathing tool that reflects both what has actually happened relative to revenues and expenses and what you expect will happen in the future. It shows where you are now and where you will be in the coming months. By updating and reviewing the cash flow plan monthly (or more frequently), you will know how much revenue you will need to generate to cover expected expenses and can take steps to ensure that you have adequate cash flow.
2. Consider putting aside a percentage of your monthly revenue each month until you have set aside an amount equal to one month’s expenses. This will be your "rainy day" fund whenever you have an unexpected expense or an unexpected dip in revenue.
3. Establish a monthly draw of income based on what you think the firm will generate in net profit each month. You can take a second draw quarterly of any excess profit. Distribution of income should be based on the firm’s net profit. Avoid distributing more income than the firm’s net profit can support.
4. Put aside funds monthly for large expenditures that are paid in a lump sum(s) each year, such as malpractice insurance premiums.

5. Open three bank accounts – (1) an operating account; (2) an IOLTA trust account (discussed below), and (3) an account for your income and self-employment taxes, if applicable.
6. At the end of each month, deposit 20-25% of your net income into the income tax account so that as your quarterly income tax payments come due, you will have sufficient funds to make these payments without depleting your ordinary operating budget.
7. Aggressively pay down any debt you have and pay off your line of credit each year.
8. Bill monthly.
9. Aggressively manage your accounts receivable by sending letters to those who don't timely pay their bills and following up with personal telephone calls if the bill is not promptly paid. Consider prompt withdrawal, subject to ethical limitations if a client is ignoring your bill. For billable work, always obtain a retainer up front when at all possible.
10. Automate your firm accounting function. In order to effectively manage your firm finances, you need information that is most easily obtained when the accounting function is automated by using appropriate accounting software. You and your accountant will appreciate the automated income and expense reports that are easily printed from your accounting software.
11. Manage your personal finances with the same discipline as your firm. Avoid living beyond your means.
12. Keep your receipts! Attorneys are audited at a higher than average rate. Keep receipts for any expenses you intend to write off.

Poor firm cash flow planning coupled with poor personal financial management can lead you to make poor decisions. Avoid the cash flow blues by putting these principals into place in your firm.

Pick one day each month and schedule a portion of it to review and get out your billing statements, putting the block of time on your calendar well in advance. Except for court-ordered appearances, treat this block of time as if it were a client meeting that should not be canceled or re-scheduled. All of your bills should be reviewed and finalized as efficiently as possible. (Avoid interruptions and distractions!) Keep track of the amount of time that it takes you to complete the task.

Other Resources

Startup Budget

Annual Budget

Cash Flow Projections

Standard Chart of Accounts

[How to Prepare a Cash-Flow Budget](#) – Michigan State Bar

IV. OFFICE SPACE CONSIDERATIONS

Now that you have squared away your business plan, you need to determine the actual location of your office. The first and foremost determining factor when picking a location: the client. You must be where the client will come. Location needs also vary somewhat with areas of practice, as some require closer proximity to courthouses than others. Since you or someone from your office will frequently need to make deposits, a convenient location to the bank hosting your trust account is preferable. And while probably not the most important element of location, having nearby restaurants for having lunch would be beneficial as well.

A. Leasing Considerations

When you have a location in sight, it is time to begin negotiating lease terms. If you are locked into a long term lease, what are the implications if you leave practice or merge with another firm and relocate? Think about the need for additional space if the firm grows. You may want to consider Office Suites Plus type buildings until you know what type of space you may need.

When considering a place to lease, think about the actual space you will need to operate your office. Other than reception and your office, will you need a conference room and break room? Files, copiers, and other supplies must also have a place to call home. In addition to the price of the space and length of the lease, you will need to determine if cleaning and maintenance are included in the lease agreement. Any allowance for renovations or relocating outlets should also be predetermined. Do not forget to include building security and privacy in negotiations to ensure client confidentiality.

B. Building Considerations

Besides the actual space and layout needed for a properly functioning law office, there are other items when looking at leasing that should be considered. Available parking could be a key factor in whether or not you can attract staff or if clients consider visiting your office bothersome. Thermostat location and weekend temperature control, if you plan to work on weekends, are issues that should also be addressed.

C. The Home Office Option for Solos

Solo practitioners may opt to practice from a home office if the clientele and the local zoning authorities permit. An attorney who is leaving a firm with an established set of clients may find this easier than a new attorney who has no clients. Consider the home office from a client's perspective and decorate as you would any professional space. Alternatively, other

firms make their conference rooms available for rent as an option for meetings instead of having clients come to your home.

Regardless of your reasons, be sure that the office is clearly separated from your personal space. This is necessary to project a professional image and, more importantly, to maintain client confidentiality. Children should not be allowed to answer the business telephone or interrupt interviews. You may consider an alternate location for meeting with clients to avoid comingling personal and professional lives as some clients may decide to stop by unannounced during non-business hours. Consider staffing, storage and other issues that may arise if you are successful from a home office location.

D. Office Sharing: Benefits and Dangers

Some attorneys, in an effort to reduce overhead expenses, elect to share office space. Office sharing allows firms to split the cost of such expenses as rent, receptionist, and equipment. The key to a successful office sharing arrangement is a written agreement that outlines how expenses are addressed and how the reception area and telephone calls are handled. Include procedures for replacing shared equipment and purchasing common amenities such as office supplies.

One danger in shared office space arrangements is that clients may not realize that the attorneys do not practice together as one firm. To alleviate the potential for such misunderstanding, have all engagement letters clarify that no partnership exists. Maintain separate letterhead for all correspondence. You should have a separate telephone line for your firm and have the receptionist clearly identify your firm by name instead of answering the phone "Law Offices." Failure to clearly maintain separate identities puts you at risk for liability if your officemates commit malpractice.

With somewhere to call home for your new firm, you now need the proper furnishings and equipment for your space. In addition, you need to obtain the necessary accounts and insurance to operate safely. Staff also must be interviewed and hired. This is probably one of the more hectic times in preparing to open a law office.

E. Virtual Law Office

The number of online legal services available to the public has increased in recent years. Prospective clients of legal services are going online to search for affordable and convenient unbundled assistance and legal guidance. However, many of the existing online companies provide only legal forms or generate legal documents that do not include attorney guidance or review of the final product. Virtual law practice provides a way for the legal profession to respond to this public demand with high quality legal services from licensed practitioners.

Perhaps you are not ready to establish a permanent office space at this time. One alternative is to establish a virtual law office, conducting your practice via secured internet connections.

A virtual law office or firm is a professional law practice that is located online through a secure portal and is accessible to both the client and the attorney anywhere the parties may access the Internet. It may be structured as a completely web-based law office or integrated into a traditional law firm. Virtual law practice is one form of eLawyering which is defined by the ABA eLawyering TaskForce as:

all the ways in which lawyers can do their work using the Web and associated technologies. These include new ways to communicate and collaborate with clients, prospective clients and other lawyers, produce documents, settle disputes and manage legal knowledge. Think of a lawyering verb—interview, investigate, counsel, draft, advocate, analyze, negotiate, manage and so forth—and there are corresponding electronic tools and techniques.

The key feature of virtual law practice is a secure portal where the prospective client chooses a unique username and password and interacts with the attorney in a secure digital environment. A virtual law office is created through the use of Software as a Service (SaaS), one form of cloud computing. This means that the law office data is stored securely online by a third-party. Transmissions between the law firm and the clients are encrypted from end to end and the data itself is stored on servers that are housed in multi-million dollar data centers with the same high level security that is relied upon by government, banking and financial institutions.

a virtual law depending on chosen, and the virtual law chooses. For features might document

The Iowa State Bar Association has issued a formal ethics opinion specifically addressing software as a service that should be reviewed. See [Ethics Opinion 11-01 Use of Software as a Service – Cloud](#)

Features within office will differ the technology structure of practice the firm example, some include storage, legal

form and document assembly, file and law libraries, online payments and invoicing, billing and calendaring, online discussion threads with clients and others in the firm, malpractice checks, and other client and case management tools. Regardless of the technology features chosen, the key purpose of a virtual law office is the ability to deliver legal services online to clients through the secure client portal.

Other Resources

[Launching a Virtual Law Firm](#) – ABA GP SOLO

V. BASIC OFFICE NEEDS

A. Office Equipment

Office equipment needs will vary greatly depending on the office setup you have chosen as in section IV. Office Space Considerations. A virtual or home office will have significantly different needs than a traditional firm.

Embracing technology is important for small firms as technology can level the playing field by allowing sole practitioners or small law firms to compete with much larger entities. From finding clients to processing documents, and even everyday tasks such as message management and scheduling—you can find applications, software, and services that do much of the heavy lifting for you.

At the bare minimum, a new law firm will need the following:

1. **Computer (Mac or Windows)**- Plan your device purchases carefully. Portability is essential in most law practices. If you establish a Solo practice, a laptop with a docking station might be all you need. As the number of attorneys and staff members in a firm grow you will likely want to anchor support personnel to the office with desktops. Laptops allow lawyers to practice everywhere. Lawyers who use a desktop will need to utilize a tablet as well to provide the mobility needed.

Whatever you do, avoid the temptation to get a big, heavy, powerful laptop. If you need desktop power, get a desktop computer. If you need portability, get a lightweight laptop or a tablet. Don't mix the two. You'll regret it every time you hoist your briefcase or bag with your heavy laptop in it.

Tablets combined with software are becoming increasingly useful in allowing lawyers practice away from the office. A tablet adds to your startup costs, but can be well worth the investment when utilized properly.

Minimum Specifications for a Desktop or Laptop:

	WINDOWS PC	APPLE MACINTOSH
Operating System	MINIMUM Windows 10 Home or Pro	Macintosh OS 10.9.5 or higher
Processor Type	MINIMUM Core i5 Processor RECOMMENDED Core i7 Processor	MINIMUM Core i5 Processor RECOMMENDED Core i7 Processor
Memory	MINIMUM	MINIMUM

	8 GB RAM RECOMMENDED 12 GB RAM	8 GB RAM RECOMMENDED 12 GB RAM
Hard Drive	MINIMUM 250 GB *Do not purchase a 128 GB HD* RECOMMENDED 500 GB or higher	MINIMUM 250 GB *Do not purchase a 128 GB HD* RECOMMENDED 500 GB or higher
Graphics Card	MINIMUM 512 MB Video Memory or higher	MINIMUM 512

2. **Printer** – Any office that runs even one PC needs a printer to create hard copies of electronic documents and files. Despite the promises of paperless offices in the future, that era has not yet arrived. All sorts of business documentation needs to be printed, whether the business is a product- or service-oriented industry. Examples of common office documents include invoices, packing slips, flyers, and letters. Printers can be used not just to generate transfer electronic files to paper but also to create composite documents containing digital information and scanned images.

3. **Scanner** – Whether you plan to go paperless or less paper, the scanner has become an indispensable piece of office equipment for anyone practicing law. Electronic copies of just about any document are now possible with the help of a scanner. A scanner copies can copy papers that were not created electronically and convert them into useable digital formats so that they can be modified and stored electronically.

Basic scanners should:

- Take up very little space (easy to keep on a desk for quick access)
- Easy to set up: works with Macs or PCs
- Easy to operate: one big button to push
- Holds up to 50 sheets of paper in the automatic feeder
- Scans at a rate of up to 25 pages per minute
- Scans in color, with auto-detection if desired, or black & white
- Scans both sides of a page in one pass (duplex) and ignores blank pages.
- Automatically rotates upside down pages
- Handles letter and legal sized pages, even if intermixed
- Straightens skewed pages
- Make PDFs text-searchable
- Scan wirelessly to a computer, or to iPads, iPhones or Android devices

The Fujitsu [ScanSnap iX500](#) scanner is a great entry level scanner meeting all of these specifications and comes with Adobe Acrobat Standard, a \$300 value. Costs less than \$500 and can be found on Amazon for \$400

- 4. Fax Machine/Service** – Due to email and the expansion of the paperless environment, faxes are used less and less in the practice of law. You absolutely need a **business fax number**, which means you’ll want to compare the costs of an online fax service versus a traditional fax machine. The ISBA uses an online fax service because it makes sense in terms of cost savings and convenience. You should do what makes sense for your particular business needs.

The initial costs of a traditional fax machine are much more than that of an online fax service. With a traditional fax machine, you pay for the equipment (i.e. fax machine) up front. With an online fax service, you don’t need to purchase any equipment or install new hardware other than your computer, meaning you’ll spend a lot less from the start.

Below is a comparison of the traditional fax machine with online services:

Online Fax	Traditional Fax Machine
<h2>Cost of Operation</h2>	
<ul style="list-style-type: none"> • Free to set up • Monthly cost \$12 • Includes free tech support and software updates 	<ul style="list-style-type: none"> • Up to \$200 in initial equipment costs • Monthly cost \$40 • Maintenance costs start at \$50 per visit
<h2>Efficiency</h2>	
<ul style="list-style-type: none"> • Send and receive faxes from any device • Send multiple faxes at once • Schedule fax transmissions • Block or delete junk faxes • Save faxes directly to client file 	<ul style="list-style-type: none"> • Only one access point for fax transmissions • Must wait for one fax to send before next one can begin • Have to print every fax if you need a hard copy or not • Incur a wide range of overhead costs: equipment, paper, line connections, and maintenance.

Security	
<ul style="list-style-type: none"> • Transmissions encrypted and HIPPA compliant • Nearly impossible for someone else to accidentally read confidential documents 	<ul style="list-style-type: none"> • Faxes sit in machine's tray exposed until they are retrieved • Phone lines are not encrypted and are vulnerable to hacking

[Review best Fax Services of 2017](#) – Via PC Magazine

5. **Shredder** – Identity theft is the fastest growing crime in the U.S., one of the most important pieces of equipment for any office to own is a shredder. Tearing papers into bits by hand is not only time-consuming and tiring but is not always as effective as it needs to be.

Shredders range from inexpensive units that fit over a wastebasket to large, heavy-duty machines that can destroy several pages at once; every firm needs to consider the needs of the office and take them into account when making a decision on which type of shredder to buy. The more rugged shredders can handle stapled papers and can also shred plastic credit cards and other such cards with identifying information on them.

6. **Smart Phone** – The ability to practice from anywhere is a must for today's attorney, so having a smart phone is mandatory to provide the practice mobility needed. Few lawyers clock a typical 9-5 day, so you cannot afford to lose time waiting and a smart phone allows you to practice anywhere in a pinch.
7. **Office Furniture** – Depending on the setup and size of your practice you will need a variety of office furniture. Determine your furniture needs, considering the number of staff members, number of offices, file storage needs and meeting or conference rooms.

B. Technology

Even if you consider yourself a tech geek, you will want to find a local IT expert to assist you with getting your firm up and running and keep it running. Technology is changing rapidly and will become too time consuming for an attorney to maintain their office's technology needs. Your time will be better spent practicing law rather than updating software.

1. **Office Suite Software** [Microsoft Office](#) is currently leader in office productivity software offering both a Mac and a PC version. Other options include [Google Docs](#), [WordPerfect Office](#), [IBM Connections Docs](#) and [Open Office](#), but you need to be comfortable with using these programs to convert documents back and forth to Microsoft format. Many of these office suite products are available as local install or as software as a service for a monthly fee as little as \$9.99.

Your office suite software should include a word processing program, spreadsheet program and presentation software.

2. **Adobe Acrobat** Software that allows users of different computer systems and software to convert and share documents to one another in portable document format (pdf) without changing how the original document looks. [Acrobat Reader](#) is a free program that allows you to read all pdf files, but you will need to invest in [Acrobat Standard DC](#) to take advantage of the many other benefits of Acrobat such as converting files to pdf, combining files, annotating files and much more.
3. **Practice Management Software** Practice management software helps attorneys track all information relating to client matters, including contacts, calendaring, documents, and other specifics by facilitating automation in law practices. There are several you can choose from, depending on your firm's needs. Do your research to determine which software package is best for you. Ask other lawyers you trust what system they use, how long they have used it, and what they like about it. Don't forget to discuss what they dislike about their software.

The Iowa State Bar Association has collaborated with Clio Law Practice Management Software to provide members with a 10% lifetime discount. For more information visit <http://landing.goclio.com/iabar>

[ABA Practice and Case Management Software Comparison](#)
[Choosing the Right Practice Management Software](#) provided by CLIO

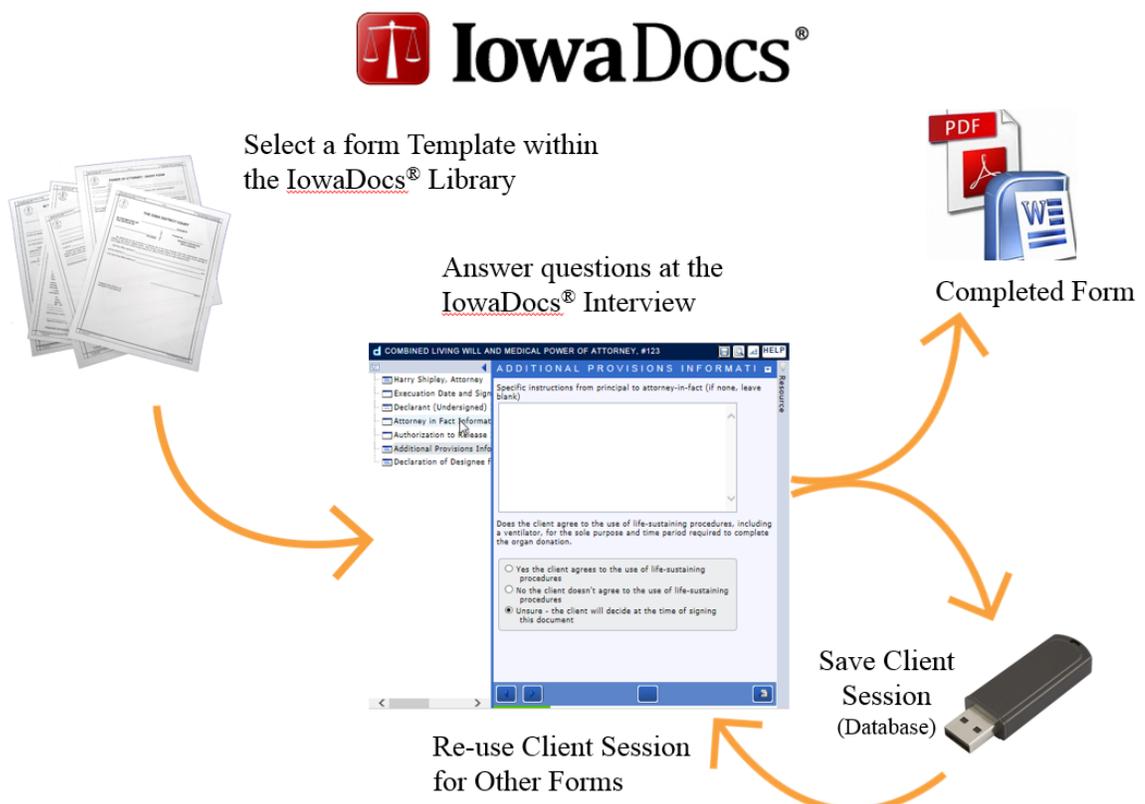
4. **Document Management Systems** Document management systems are electronic filing cabinets that provide a framework for organizing all digital and paper documents. A basic system will work with scanners, allow access via mobile devices, track edits, restrict access at various levels, monitor and record who is accessing, search system by keywords, and allow various document types. Document management systems can be a self-hosted or a cloud-based solution, you must determine which best fits your practice. Both version provide a robust array of functionality, but have significant

differences.

[Document Management Systems: A Buyer's Guide](#) provided by Business News Daily

- 5. Document Automation Software** Many attorneys spend as much as 40% of their time creating documents, so implementation of a document automation software in your practice is a must. With document automation, you can standardize documents, reuse client information and access them from anywhere. You can think of document assembly as templates that can be used over and over. A good document automation system also allows the variable client data to be used over and over. Document automation software simply makes you more productive. There is a short list of services to consider: [Hotdocs](#), [Pathagoras](#), [Epressdox](#), and [TheFormTool](#).

The Iowa State Bar Association has provided a document automation software with more than 500 templates for the past 15 years. For more information about this program please visit <http://www.iowadocs.net/>



- 6. Backup Software** is pretty simple: Make a copy of your files from your hard drive. Storage of these files can be on an external drive, a NAS, or by an online service. The value is being able to restore documents if lost due to a disaster or simple error of

deleting or overwriting them. With a proper backup, you should be able to restore the files or the entire computer within minutes if not hours.

With improved internet access speeds and greater file compression online services have become the norm for the industry. These services eliminate the need to have onsite backup devices which need to be taken offsite daily to ensure the ability to restore in the event of a disaster. Online services can be purchased for as little as \$50 annually depending on needs.

7. Security Suite Software Security software helps protect your computer—and the personal information you have stored on it. Anytime you are connected to the Internet you are exposing your system to hackers and virus creators, whose intent is to cause harm to your computer or steal your data. How do you protect your computer system, keep your private information private, and your computer safe from hackers? You must employ a Security Software Suite. Security Suites offer a variety of protections, but at minimum your service should include the following protection:

- Antispam Software
- Antivirus Software
- Firewall Software
- Spyware and Spyware Removal Software

[The Best Security Suites of 2017](#), PC Magazine

8. High Speed Internet Connection – Every firm regardless of size will need a Broadband or High-Speed Internet. Your phone company, cable company and your wireless provider all have a variety of solutions for you to consider. The broadband technology you choose will depend on a number of factors. These may include whether you are located in an urban or rural area, how broadband Internet access is packaged with other services (such as voice and home telephone), price, availability, and

Be cautious when using public Wi-Fi access as it is unsecure and everything you do is visible to third-party strangers accessing the same Wi-Fi service.

Other Resources

[Ethics Opinion 11-01 Use of Software as a Service – Cloud Computing](#)

VI. INSURANCE COVERAGES TO PROTECT YOUR FIRM

Law offices need protection from risk of loss for physical location and contents, and premises liability, as well as coverage for the business interruption and persons working there. Insurance coverage is available through Web sources, but working with a good insurance agent will allow a thorough assessment of coverage needs and policy options. Discounts also may be available for multiple coverages.

The ISBA has partnered with Reynolds and Reynolds to assist you with most of your insurance needs. For information about their insurance offerings please contact David A. Fini or Kristi Rullestad at (800) 767-1724 or (515) 243-1724 with any questions.

The ISBA Insurance Program administered by Lockton Affinity is available to assist you with Professional liability insurance. For more information, visit <http://iowabarinsurance.com/>.

Insurance Coverages to consider:

- A. **Professional Liability** - this type of insurance is also known as Errors and Omissions Insurance. The policy provides defense and damages for failure to or improperly rendering professional services. Your general liability policy does not provide this protection, so it is important to understand the difference. Professional liability insurance is applicable for any professional firm including lawyers, accountants, consultants, notaries, real estate agents, insurance agents, hair salons and technology providers to name a few.

Cyber Liability - insurance designed to cover consumers of technology services or products. More specifically, the policies are intended to cover a variety of both liability and property losses that may result when a business engages in various electronic activities, such as selling on the Internet or collecting data within its internal electronic network.

Most notably, but not exclusively, cyber and privacy policies cover a business' liability for a data breach in which the firm's customers' personal information, such as Social Security or credit card numbers, is exposed or stolen by a hacker or other criminal who has gained access to the firm's electronic network. The policies cover a variety of expenses associated with data breaches, including: notification costs, credit monitoring, costs to defend claims by state regulators, fines and penalties, and loss resulting from identity theft.

- B. **Business Owners Policy** - A business owner policy packages all required coverage a business owner would need. Often, BOP's will include business interruption insurance, property insurance, vehicle coverage, liability insurance, and crime insurance. Based on your company's specific needs, you can alter what is included in a BOP. Typically, a

business owner will save money by choosing a BOP because the bundle of services often costs less than the total cost of all the individual coverage's.

- C. **Auto Policy** - Commercial auto insurance protects a company's vehicles. You can protect vehicles that carry employees, products or equipment. With commercial auto insurance you can insure your work cars, SUVs, vans and trucks from damage and collisions. If you do not have company vehicles, but employees drive their own cars on company business you should have non-owned auto liability to protect the company in case the employee does not have insurance or has inadequate coverage. Many times the non-owned can be added to the BOP policy.
- D. **Flood and Other Disaster Protection** – Flood insurance is the best way to protect yourself from devastating financial loss arising out of such perils as flood, earthquake and some other natural disasters. Events of the past several years have highlighted how most property insurance policies, such as the business owners policy, do not protect the property owner for these kinds of losses.
- E. **Workers Compensation** - Worker's compensation provides insurance to employees who are injured on the job. This type of insurance provides wage replacement and medical benefits to those who are injured while working. In exchange for these benefits, the employee gives up his rights to sue his employer for the incident. As a business owner, it is very important to have worker's compensation insurance because it protects yourself and your company from legal complications. State laws will vary, but all require you to have workers compensation if you have W2 employees. Penalties for non-compliance can be very stiff.
- F. **Umbrella Policies** - You may want some additional coverage, on top of insurance policies you already have. This is where umbrella insurance comes into play. This type of insurance is an extension to an already existing insurance policy and covers beyond the regular policy. This insurance can cover different kinds of claims, including homeowner's or auto insurance. Generally, it is sold in increments of \$1 million and is used only when liability on other policies has been exhausted.
- G. **Life Insurance** - Life insurance protects an individual against death. If you have life insurance, the insurer pays a certain amount of money to a beneficiary upon your death. You pay a premium in exchange for the payment of benefits to the beneficiary. This type of insurance is very important because it allows for peace of mind. Having life insurance allows you to know that your loved ones will not be burdened financially upon your death.
- H. **Disability Insurance** – Disability Insurance is a form of insurance that insures the beneficiary's earned income against the risk that a disability creates a barrier for a worker to complete the core functions of their work. It encompasses paid sick leave, short-term disability benefits (STD), and long-term disability benefits (LTD).

- I. **Health Insurance** – Health insurance is insurance against the risk of incurring medical expenses among individuals.
- J. **Fiduciary Bond** – An insurance bond that assures the faithful performance of a fiduciary. Since a fiduciary is a position of trust, a bond is executed to protect the person for whom the fiduciary acts against fraud and embezzlement. A fiduciary may be an administrator of an estate, guardian of a minor or a trustee of a trust.

VII. LEGAL RESOURCES – WHAT YOU NEED IN YOUR LAW LIBRARY

The scope of legal resources that are currently available to attorneys has expanded significantly with the proliferation of the Internet and low cost providers. Because of the Internet, we have access to a much wider collection of legal resources than ever before. Many of these resources are free. This section will give you practical advice to help you define your law library needs, identify relevant books, Web sites, and databases, and tell you where you can find help at local law libraries.

For research purpose, law comes in two types called primary and secondary law. Many cases can be resolved solely by reference to primary law. Lawyers often need secondary law for background information or to explain, describe or expand upon the law contained in primary law resources.

- *Primary law* includes: Constitutions, rules of court, cases, statutes and legislative materials, administrative regulations and decisions, and local ordinances.
- *Secondary Law* includes: treatises, hornbooks, practice materials and handbooks; legal encyclopedias and digests; form books; jury instructions; verdict reporters; law reviews and journals; citators; legal newspapers and newsletters; and legal software programs.
- In addition, some of the necessary tools of our trade include a legal dictionary, citation manuals and legal directories. Most lawyers also regularly use a regular print dictionary, a print thesaurus and the local telephone books.

Regardless of your practice areas, you should will need access to the following:

- the Unites States and the Iowa Constitutions;
- the applicable rules of court;
- a legal dictionary;

- a citation manual;
- a directory of local attorneys;
- a regular dictionary;
- a print thesaurus;
- local telephone books.

B.

Depending on your practice areas, you will also need access to most, if not all, of the remaining primary resources and a number of secondary sources.