How to Keep Your Practice Afloat During a Crisis

In addition to the disastrous health impacts of COVID-19, the coronavirus has also had a profound effect on businesses. And law firms have been no exception. In this new landscape, it's more important than ever to know the best practices to handle a crisis, so you're able to survive, and even thrive, during this unprecedented time.

We have never seen an event impact the global economy so profoundly in our lifetime. With the public staying home, the courts closed, record-breaking unemployment numbers and consumer spending dropping significantly, all are likely directly or indirectly impacting your firm and its cash flow.

Assessing Your Budget
The first step in figuring how to survive this time is to examine your firm’s budget. You may have already taken this step to some degree and may have already reduced salaries or furloughed employees. But you'll want to ensure you’re giving your budget a thorough look, because it's likely that many aspects of it have changed. Keep a close eye on how cash flow has changed from COVID-19 along with your ability to bills. Also, look at how your expenses have changed, mainly because your normal daily operations have been disrupted. Your firm likely has a regular budget review. Still, with the constant changes and unpredictability of the circumstances, you may need to review your budget much more frequently to keep a pulse on your firm’s financial stability. Budgeting will be trickier right now because of the unpredictability of what the new normal will be. As a result, operating as leanly as possible is likely in your firm’s best interest right now.

Making Decisions about Staffing and Salaries
The unfortunate reality of this time is that some difficult decisions may need to be made to keep your firm afloat. Of course, you want to retain your staff and keep salaries intact, but that might not be realistic at this time. However, before you make those decisions, consider exhausting your other options. If there are areas where you can cut back for now, consider those options. You may be able to request rent, insurance rate or utility cost reductions. If you are in the difficult position of having to make budget cuts and/or reducing staff, remind your employees of their value and your commitment to bring them back when possible. Honesty and transparency throughout the process are a must and the best way to approach your goal of future retention of key staff.

Pivoting Your Business Strategy
One of the most significant issues with your current budget is likely the lack of cash flow. Your receivables are starting to dry up, and there is less demand for services, so your firm may need to adapt to the current climate. To pivot your business strategy, you'll need to consider both the needs of your firm and clients during this time. If your field of law and the services you typically offer don’t relate to the current crisis, your business could be suffering. Look at your receivables and reach out to clients. Maintain relationships and discuss options to receive payments. You might consider whether you can adjust your offerings to options that could meet your clients’ needs during this time. Consider taking credit cards or a discount for a full payment on an outstanding invoice. Making these adjustments will not only showcase that you focus on your clients’ needs but can also help retain existing clients and bring in new business, which can help with your cash flow.

Marketing Your Business
As your firm’s strategies shift, so should your marketing plan. Marketing will be one of your most
important tools at this time. Therefore, consider your marketing budget. Marketing staff and budget are often among the first budget cuts, and that sometimes makes sense. However, marketing can be crucial in bringing in new business and retaining old business. Consider ways that you can promote your business and your offerings during this time that are of little to no cost. For example, create webinars or offer complementary services, including free phone or online consultations for new clients. I've set up a crisis hotline for individuals or small business owners who are struggling financially due to the virus to call. Volunteer as a member of the NCBA Community Task Force, helping local businesses through their hotline as well. Focusing your marketing efforts on what your firm is doing to help will be most beneficial and helps to keep your firm top of mind.

Even if you're operating on a tight budget, many low-cost options can help you market your firm. First and foremost is your website. Consider creating an individual landing page on your site that highlights what your firm is doing for its clients relating to the virus and also offer information and resources related to your field of law and the virus.

Email marketing and social media are also essential and can be budget-friendly. Hopefully, you've been sending email blasts to clients already, so creating new and relevant content to send now will be easy and is virtually free. Consider including the services that you're offering related to the virus and providing links to resources related to your field in your email blasts. You can take a similar approach to social media platforms. Social media will be an excellent and vital tool during this time, mainly because consumers have more free time and are, therefore, spending more time on these platforms. If you don’t have social media accounts established for your firm, now is the time to do so and learn how to use the platforms. Use LinkedIn to network and stay top-of-mind to colleagues and referral sources.

**Preparing for Future Emergencies**

Many businesses were caught unprepared for this crisis. We can learn countless lessons in emergency preparedness from this current situation. First and foremost, just as you personally should have an emergency fund, so should your firm. Similarly to your emergency fund, your firm should have at least 4-6 months’ worth of necessary expenses saved. Before resorting to cash reserves, tap into credit lines and reasonable lending opportunities.

Additionally, having a plan of how you'll deal with emergencies is essential because, as history has shown, this will likely not be the last one. Create a team with representatives from different areas of your firm (for example, accounting, human resources, attorneys, etc.) to devise an organized, formalized emergency preparation document. If it’s only you, then sit down and prepare your plan. Include steps to take when making significant decisions, such as budget cuts, and identify who is responsible for handling which areas of a crisis. Use how your firm has handled this crisis, including what you think has gone well and where you've fallen short, to help inform your plans for future emergencies.

The most important lesson to take away here is that adaptability is more important than ever. Now is not the time to get stuck in your ways or to continue doing something because it's how you've always done it. The world around us is changing every day, and the firms that will survive and succeed during this time will be the ones willing to change with it.
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- Leslie is the founder and managing director of the Tayne Law Group, P.C. a New York based law firm concentrating in debt and credit, debt resolution, and bankruptcy alternatives.
- She has over 20+ years of experience in consumer and business debt solutions. Leslie and her firm focus on realistic strategies for complex personal and business financial constraints.
- Highly accomplished in negotiation and settlements, with large national banks, credit unions, collections agencies and myriad of creditor legal representatives.
- Leslie is a frequently sought-out speaker for her insight and strategies regarding all areas of debt and credit-related matters to outlets like The Huffington Post, Cheddar, Market Watch, Yahoo! Finance, Newsday, LIBN, US News & World Report, MSN, among others.

Tayne Law Group- Mission Statement:
Our mission is to provide consumers with access to realistic, reliable, and trustworthy debt relief services. We strive to make a positive difference in the financial aspect of our clients lives and are dedicated to helping hardworking people overcome the burden of debt and get back to the things that matter.
Objective: Learning strategies to help your firm cope with crisis

In this presentation, you will learn about:

• How to adjust your budget, including assessing attorney and staff compensation
• How to pivot your business strategy in response to the crisis
• How to promote your business in this landscape
• How to prepare for future emergencies
COVID-19 is creating an unprecedented financial landscape.

- The public is staying home, and with record-breaking unemployment numbers, consumer spending has plummeted.
- Even businesses that are still able to operate during these times are suffering.
The first step in determining how to proceed will be to assess your budget.

- Many firms have already reduced salaries or furloughed employees.
- Consider ways in which your budget has changed – how has cash flow been impacted and how have your expenses changed?
- Your firm may need to review its budget more frequently than usual.
- Budgeting during this time will be tricky because we don’t know when things will return to “normal.”
- Consider operating as leanly as possible.
Making Decisions about Staffing and Compensation

Finding a workable budget during this time may include some difficult decisions.

• Retaining staff and keeping salaries intact is ideal, but may not be realistic.
• Consider what other areas you can cut from first:
  • If your entire firm is now working remotely, are you saving on expenses such as utilities and hospitality?
  • What items in your budget are not necessary or relevant at this time?
• If you do have to make cuts, remind your employees about the gravity of the situation and emphasize that it’s a difficult but necessary measure to stay afloat.
• Provide regular updates to your staff. Be honest and transparent with your employees about the decisions you’re making.
• Consider the public relations implications of your decisions.
A Force Majeure clause could affect business contracts.

• If your practice has been affected by COVID-19 and you have business contracts with outside parties, you may consider whether your contracts make provisions for force majeure clauses.
• Force majeure events are unexpected circumstances outside of the party’s control that prevent the contracting party from performing the obligations outlined in the contract.
• Force majeure clauses are dependent on the wording used, so you would need to review your contracts to determine whether the outbreak falls under your force majeure clause.
• If it does, you may be able to be released from your contractual obligations.
Adaptability is crucial during this time.

• Consider the needs of your business, as well as the needs of your clients as they relate to the crisis.
• If your field of law and typical offerings don’t directly relate to the crisis, consider whether you can shift your services to be helpful during this time.
Just as your business operations strategies may need to change, so will your marketing plan.

- Consider your marketing budget
  - Marketing staff and budget are often among the first to get cut, but marketing may be the key to bringing in new business in this landscape

- Consider relevant ways to promote your business during this time
  - For example, you could offer free or reduced phone or virtual consultations
  - Webinars for clients and referral sources
  - Stay relevant as things continue to change

- Consider how you can showcase what your firm is doing to help its clients
Many budget-friendly options exist to promote your business during this time.

• Your website
  • Create a COVID-19 landing page or update featuring your crisis-specific offerings and resources relating to your field and the virus

• Harnessing your attorneys’ expertise
  • Write blogs for your website related to COVID-19 and your field of law
  • Help yourself be found on search engines, social media, etc.
  • Pitch your attorneys’ areas of expertise related to the virus to local and national media (TV stations, newspapers, online publications, podcasts, blogs, etc.)
Marketing Your Business (Cont’d)

• Email marketing
  • Send out newsletters to your clients and leads about your new business offerings, provide resources to topics related to your field and COVID-19, or just send a note that you wish them well.

• Social media
  • If your firm doesn’t have social media, now is the time to start.
  • Create your pages – Facebook, LinkedIn, Twitter, Instagram.
  • Social media usage is up right now because consumers have more time on their hands.
  • Facebook, Twitter and LinkedIn: post articles related to your field, showcase your attorneys’ expertise, promote your offerings
  • Instagram: post photos or videos of how your firm is adapting to the landscape, consider graphics promoting your services or other COVID-19 resources
Marketing Your Business (Cont’d)

• Paid advertising – Where are your clients looking for you?
  • If you have some money in your marketing budget, paid advertising could be beneficial
  • Facebook ads allow you to target a specific audience based on geography, demographics and interests
• Community relations – Give back
  • Showcase your firm’s efforts to give back (if you have the monetary and/or human resources to do so)
  • Gets firm’s name recognized in a positive fashion
Preparing for Future Emergencies

What did you learn about emergency preparedness this time?

- The strong will survive – are you strong?
- Just like in personal finance, emergency funds are crucial.
- Work with a team of individuals that represent different areas of your firm to create an organized, formalized emergency preparation document.
  - Include steps you would take to make major decisions, such as budget cuts, limiting exposure to debt, available credit, how much is enough
  - Identify which position within your firm is responsible for which areas of crisis response
- Re-evaluate where you fell short this time and what you can do going forward.
QUESTIONS?

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