How to Open a Second Office for Your Law Firm

Written by Rachel Parisi

More is better, right? Sometimes, but not always. One time that more is better in your law practice is the addition of another location. What's not to love? More space, more people, and a bigger footprint for your firm.

Our firm had a great experience adding its second—and now third—office, but there are still things I wish we had known before we got started.

Read on for helpful things to consider during every step of the process, from whether to open a new office at all, to planning, to dealing with the inherent obstacles of opening a new law office location—both expected and unexpected.

Why multiple offices?

Get clear on why you are considering a second office

There are lots of reasons why your firm may be considering adding another office. In some cases, the reason why you're making this change can guide your process.

Do any of these sound like your firm?

- We have run out of room ... physically.
- We have run out of room market-wise.
- We want to have a bigger footprint and enhance our reputation.
- We want to compete in another area.
- We want to increase our access to talent.

Do a reality check before plunging ahead—even if your firm falls into one of the categories above. Will a second office allow for meaningful competition? How? What does the market environment look like in your target second location? Do the research before even thinking about digging into a move.

This same line of thinking applies for talent. If your second office is intended to increase access to talent, research the talent market in that area. Don't take the leap without doing the legwork, and don't rely on assumptions or word-of-mouth in making the major

decision to open a second office.

Opening an additional office location is a huge commitment of your firm's money, time, and focus. Before forging ahead, draft a pros-and-cons list—on paper, a whiteboard, a Word document, or whatever medium you prefer.

Basic? Sure. But it really forces you to evaluate the decision carefully.

Do you really need a second office?

Even if you determine that your firm needs another office, there are a few questions you should ask to ensure that opening a new location is really the right decision:

- Is this the right time to take the plunge?
- Does our cash flow allow it?
- Is a merger or other structural change in the offing, making a second office premature?
- Is our personnel in flux, making a new office unnecessary?

Get all partners on deck for this evaluation. Even better, if you have a trusted and independent consultant or confidante outside of the firm, ask him or her to poke holes in your plan. Getting the point of view of someone from outside the firm can be a great tool to avoid firm tunnel vision.

Give yourself plenty of time to choose your new office

Once you've decided that adding an office is a good move for your firm, allow yourself plenty of time to actually locate said office. We were surprised at how long it took us to find a suitable office space, even in a major metropolitan area. There were plenty of office tower options in the heart of downtown, but they didn't fit what we were looking for. At the end the day, the time spent shopping for locations was well-spent. Eighteen months later, we are all glad that we didn't jump on the first spot that was "decent"—but instead waited for a fit that worked best for our firm and its most important asset: its people.

Consider the following when scouting your new office location:

- Ease of access for clients

- Amenities of location
  - Is there free parking for staff and clients?
  - Is it fairly easy to get to for staff?
  - Are there perks that would make the day-to-day life for your people more pleasant? Think about green space, local lunch options, updated interiors, lots of natural light, etc.
- Tax issues
  - Are there township, city, or other taxes that could be avoided with a different location?
- Potential for continued growth
  - Is the space full the moment you move in? Or will it grow with you?
- Layout
  - Different firm cultures thrive in certain types of physical office environments. Will an open layout work best? Or a more traditional office setup?

Be sure to take time to also consider anything specific to your practice, firm, and location before making any decisions.

Make a checklist so that nothing gets missed

Adding an additional location to your law firm is not something you want to do (or even can do, successfully) when flying by the seat of your pants. There are lots of details and moving parts to consider, and efficient implementation requires some serious preplanning.

We found that using a simple shared tracking document worked well. The spreadsheet detailed all items that needed to be accomplished prior to, during, and after the new office opening.

Having all tasks—big and small—in one place ensured nothing fell through the cracks, allowed for easy monitoring of the entire process, and served as a combination to-do list and timetable. A bonus of the tracker? We were able to adapt it for our third location opening—leveraging our learning curve from the first time around.

I reviewed our latest tracker and pulled a few examples of the range of tasks that you will need to handle. These items may vary depending upon the size of your firm.

- **IT needs:** Are you cloud-based? If not, work with your IT staff to ensure fluid and non-lagged access to all firm server documents.
- **Letterhead changes:** Update your office letterhead to include your new location's address.

- **Hardware:** Review and plan for the outfitting needs for each moving staff member, from furniture, to office supplies, to telephones and laptops, including any IT or other support needed to make their space work-ready on day one.
- **Phone service:** How will your office locations connect when it comes to phone? Will there be a central firm number that handles all calls no matter which location is being dialed?
- **Office services:** Duplicate all office services and ensure the start dates coincide with when you need them (e.g., security, shredding services, internet, telephone, car rental drop-off, deliveries, janitorial, etc.)
- **Signage for the new location:** Have this in place to greet your staff on move-in day. Make sure you consider all areas that need signage (interior doors, exterior, etc.)
- **Update website to reflect additional location:** While you're at it, consider press releases to relevant industry or local publications to get the word out. Your firm is growing, and that's worth sharing.

Budgeting

It's no mystery that additional offices mean additional expenses. A few points to keep in mind when it comes to the bottom line:

- **Add a contingency cushion to your budget.** Just as with a home renovation, even the best-laid budget is bound to underestimate the mark. Be honest with yourselves when preparing your estimated spend on opening a new office, and then tack on another 15% for good measure.
- **Make a plan to pay for your opening costs.** Does your capital account and firm cash flow allow for it to be paid as you go? Or does a line of credit make more sense?
- **Make a plan to factor operational costs for the new location into your current budget.** Combine costs where you can, but be realistic about the bottom line. Helpful tip: do this step before you pull the trigger on a new space.

Keep an open mind and be ready to adjust

If you've moved homes, you likely remember those first few weeks or months in your new house. After the novelty has worn off, you start to identify things that you hadn't expected. Maybe your favorite gym is now a 20-minute drive instead of a five-minute drive. Maybe your new garage isn't nearly as roomy as your old one. Maybe you didn't realize how much you would miss those neighbors.

Expect the same adjustment period when opening a new location. Even the very best planning and implementation process cannot guarantee a growing pains-free move. Go into the move and that first period in the new space with a realistic attitude and an ability to roll with whatever comes your way.

Challenges

Many of the challenges we faced with opening our new office were expected, but some were not.

Prepare to manage varying office cultures in different locations

One challenge that we didn't consider ahead of time was different cultures between our locations. While opening an additional office is not as radical of a change as a merger with another firm, you will still face an inherent difference in culture between locations. While the basic principles and operating dynamics of your firm will survive intact, be prepared for unique differences between offices. Why? A different mix of people creates a different culture. That's not a bad thing—in fact, it injects new energy and ideas that can help your firm succeed—but it is something to be aware of. Be engaged and monitor things like workload, expectations, and perks between your locations and keep things on an even keel as much as possible.

Ensure equal access to training

If you have a designated person who trains new staff, multiple locations can pose a challenge. You want to ensure your staff is getting the best training (not only initial training, but ongoing as well) no matter where they sit physically. If you have a new attorney and he or she will be at a different office from where your training specialist works, consider how best to deal with that obstacle. Perhaps your new hire needs to work at a different location with the specialist for four to six weeks to get consistent and regular training. Perhaps the training specialist needs to touch base daily via phone with the new hire. The specific solution chosen is less important than recognizing the issue and dealing with it from day one.

Make sure management focuses on all locations

If your firm has a managing partner (and it should), he or she must give full attention to all locations. This can be harder than you think, and requires mindfulness to ensure your firm keeps moving in the right direction. After all, the managing partner will have a base office at one of the locations and will necessarily spend most of his or her time there. We all know

how busy schedules can get, and it's easy to lose sight of the fact that your visits to your new location are becoming fewer and farther between. Prevent that by hard-scheduling regular visits to your new location. Don't be a stranger!

Minimize client disruption

Let's not forget the most important piece of this puzzle: the client. What is the easiest way to minimize client disruption? Don't skimp when it comes to that planning step. Your new location must be able to operate at 100% capacity on the day it becomes operational. Don't make the mistake of thinking it will all take care of itself.

To minimize client disruption, all services that allow you and your clients to connect (phones, email, faxes, websites, etc.) must be ready before move-in day. Your move-in day is still a day of business for your clients. They don't want to wait until you're settled to get a question or phone call answered—and they shouldn't have to.

Be extra prepared if you are moving to a different state

What if your additional location is in a different state? Keep in mind all of the aspects that go along with moving into a different geographic area. Bar admissions are obvious, but don't forget to let your accountant know about the move to allow time to take care of state-specific tax withholdings and the like. You will also need to ensure the appropriate paperwork with the Secretary of State for the new state is done to register your firm in the "foreign jurisdiction."

Lessons learned

I have a type-A personality. I like my lists and lots of them. Even with a bent for details and organization, I still found the process of opening a new law firm office in my role of managing partner to be a challenging one.

Our goals were twofold: one, have our second (and now third) location running seamlessly on day one without client disruption and two, make the change as easy as possible on our attorneys and staff who would be working from the new location. The goals were aspirational, but I think our team hit the mark. Along the way, we would occasionally realize we had forgotten something, but with an adaptable attitude going into the process, we kept rolling along.

My top three pieces of advice for firms adding locations seem a fitting way to close this article:

1. **Plan, plan, and plan.** Once you do a deep dive, you'll be amazed at how many individual steps it takes to open a law office, even when it's your second location. All of the things you've taken for granted now need to be organized, coordinated, and planned for. I found an actual physical walk-through of our original office to be helpful. I visualized all of things, services, and people needed to make each piece of our office work and included them in that tracker.
2. **Allow more time and more money than you think.** When you're depending on a lot of different vendors for a lot of different things, don't expect all of those delivery or service dates to work out just how you hoped. We experienced furniture delivery delays and construction delays. Obviously everything ultimately arrived, but delays pushed our move-in date out.
3. **Be flexible.** Even the most meticulously planned opening is going to run into some snags. It is simply unavoidable. As a sampler, we experienced a very unhappy moving crew that had not expected a double-landing staircase trip up to our new space.

Good luck!

Moving your practice to the cloud makes opening a second office a whole lot easier. Learn more in our free guide, Why Law Firms Are Moving to the Cloud.

Get the guide

About Rachel

Rachel Parisi is Managing Partner at Ledbetter Parisi LLC. With more than 15 years of experience, Rachel practices exclusively in the area of employee benefits law with a focus on health care reform, ERISA compliance, and withdrawal liability. She is an active member of the local community, and frequently writes and speaks on industry topics.

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