

Paukert and Troppmann Business Model.

I worked in a traditional firm the first seven years of my practice. The traditional model operates around billable hours. I was lucky; if I went over my billable hours my firm gave generous bonuses. In 1997 I left the traditional law firm to work for myself. At that time I had two small children, and soon a third was on his way. I wanted to work part time.

I started my firm with another woman who had practiced in a large firm. We both wanted balance. Neither one of us wanted to be responsible for what the other person brought in or billed out. From day one, I was adamant I would not be responsible to anyone else for billable hours or the hours I chose to work. We each shared one assistant who also acted as the receptionist. We shared rent. We each pitched in the same amount for overhead. We kept our overhead very reasonable; everything else we made went in our pocket.

Fast forward to today. Currently, our office has six attorneys and two more are exploring joining us. I have the same model but on a bigger scale. There are no associates, instead we are all partners. In fact, anyone who joins our firm joins as a partner. You only come to our firm as a partner. We are all on equal footing and all have an equal vote. No one can join our firm unless each of us agrees 100%. We keep the overhead low! We share the overhead. We only pay for what is allocated to us. If we use it we pay for it. If we don't use it we don't pay for it. But, we still have a nice office, receptionist and bookkeeper. Out of the six attorneys only two of us have paralegals. Those of us that have paralegals are solely responsible for what they cost, but we also retain all the income they generate.

It may appear to some that our business model is just like an office share. One key difference is that we all agree to be on the hook for each other's malpractice. Also, some of us work on cases together and share the fee. We have a couple of partners that are building their practice. If they are ever in need of work, which happens when you are building a practice, we hire them on projects as contract attorneys. However, their need for work is rare these days. Those of us that have been around a long time send work around the firm if we have too much work or just don't want to do it.

Under this model we are basically an "eat what you kill" firm. We don't care how much you work as long as you pay your share of overhead. This has been a successful model all around, especially financially. We are one of the few firms that enjoy our yearly retreats because no one is battling over money or billable hours. There is a lot more detail that goes into our model, but this covers the general idea.