

What Is The Best Money Spent With A Business Lawyer?





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According to a survey of corporate legal departments, relationships were the most important factor in evaluating the hiring of outside legal counsel, followed by:

- *Proven results*
- *Responsiveness*
- *Efficiency*
- *Flexible pricing*
- *Transparency in billing*
- *Specialization*

*“We hire lawyers,
not law firms”*

If these factors matter in the business of law regarding the hiring of outside legal counsel, I am confident these factors are equally or more important to business owners seeking a lawyer.

Lee Change, Chief Litigation Officer of Newegg, Inc., said, “We hire lawyers, not law firms.”

So indeed, it comes down to likability and results followed by a host of other important qualifications.

Is It Worth Paying \$1,000 Per Hour For Attorneys?

Business Insider says, *"Like a sick person, a company facing litigation is willing to spend big bucks to get out of trouble. It's entirely justifiable, and lawyers are only too happy to oblige, billing clients for every minute worked, and then some."*

... how about paying more than \$1,000
for an hour of legal advice?

As an attorney, it's more common than you would think. An example is the business owner who was charged 26 hours for a single day. Or the legal bill that pretty much represented 52 all-nighters in a row! Or how about paying more than \$1,000 for an hour of legal advice?

Other dangers of attorneys spending your money include:

- Double-billing
- Trivial tasks
- Padding hours
- Expense accounts
- Overhead
- Exorbitant hourly rates

At Phillips | Kaiser we believe there is a better way for affordable, accountable, and results-driven legal representation.

Getting the right fee arrangement and service plan customized for the specific legal project at hand will be the best money spent for a business lawyer.



What Do Top Business Lawyers Do For Business Owners That General Lawyers Don't Or Can't?

A business lawyer (also called a Corporate Lawyer) deals with several specialty areas of law, unlike some attorneys who focus on basic business legal tasks such as forming your company. There are also some lawyers who focus only on small businesses and startups, while others focus on large enterprises.

The specialty areas a business lawyer can help a business owner excel in include:

- Contracts - negotiating deals
- Employment agreements - handling issues relating to employment
- Mergers & Acquisitions
- Intellectual Property (IP) - anything having to do with protecting intellectual property, that is intangible (something you can't touch, like an idea). The three major areas of law within intellectual property are copyright, trademark, and patent although trade secrets is becoming an increasingly important area of intellectual property law
- Corporate Governance
- Compliance - assist with any legal issues related to government regulations.

Getting the right lawyer will be the best money spent with a business lawyer.



How Do I Know If My Business Lawyer Is Good Enough Or Is The Right Lawyer?

According to ValuePenguin, Houston has over 12,670 lawyers. The good news is there are plentiful lawyers from which to choose. The bad news is it could become costly in time and money if you choose the wrong lawyer.

Since you've read this far, you have probably noticed that I have predominantly used the term "business lawyer" in this article. I also use it with clients since most people aren't familiar with the term "corporate lawyer."

Choosing the right lawyer is a little like choosing the right doctor.

Choosing the right lawyer is a little like choosing the right doctor. You don't see a radiologist if all you have is a bad cold and need a general physician. The same is true of choosing a business lawyer. It's not good enough just to get a good lawyer. You need the right one.

We recommend you start by determining the type of lawyer you need.

A "Corporate lawyer" is a term more often used by attorneys than clients. Enterprise or large businesses with big in-house legal budgets will be familiar with the term, but smaller to medium-sized businesses probably aren't as familiar with the term.

"Corporate" is synonymous with "commercial" or "business." When the term is used by attorneys, it typically means a lawyer who works on business transactions --- forming companies, contracts, intellectual property, compliance issues, corporate governance, helping raise capital, merging or selling businesses, breaking businesses apart, creating joint ventures, and other important things that involve activities that happen outside the courtroom.

As for the words "lawyer" or "attorney," they mean the same thing.

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Every Business Needs A Corporate Lawyer.

If you are a business owner, you don't need to spend a lot of money or hire one in-house. We recommend choosing a corporate lawyer who is experienced, skilled, trustworthy, and one that you feel right about building a relationship.

Be careful when comparing fees from one attorney to another. Be diligent in learning what you are getting for the legal fees.

To better compare one legal services provider to another, it is important to understand how they will bill you.


The three most common fee structures are flat fees, monthly retainers, and hourly fees.

Flat Fees

Many business lawyers will charge a flat fee for procedural business services, such as drafting a standard contract or setting up your business's structure. This may be an efficient way for businesses to get legal counsel for basic business decisions.

Monthly Retainers

Monthly retainers is probably the most economical fee structure for legal services from business lawyers. A monthly retainer involves legal services providers offering the option to pay in advance for services you use throughout the month in the form of a monthly retainer.



Monthly retainers is probably the most economical fee structure for legal services from business lawyers.

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Cut Your Legal Expenses By As Much As

75%

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Monthly retainers can help business owners determine their legal budgets in advance. This is also a fee structure advantageous to businesses that would prefer not to worry about billing by the minute.

Hourly Rate

The legal standard is an hourly rate, which can often conflict with the financial goals of your business. Many lawyers in traditional law firms are incentivized to bill as many hours as possible to increase their profits. This is particularly true for the vast majority of traditional law firms which employ an organizational strategy known as “leverage.”

What Is Leverage?

For a business, the concept of leverage means that a business has borrowed money, typically from the bank or investors, to purchase assets. This is not the case in the

legal profession. For lawyers, leverage means the delegation of client work from more senior partners to the associates beneath them. More specifically, leverage, also known as “gearing,” refers to the average ratio between associates (all non-partners) and partners (total partners, including both equity and non-equity partners).

For leveraged law firms, the practice and pursuit of maximizing leverage mean that they can make much more money in fees and billable hours by putting less expensive, junior associates on a project while still billing for high-cost “supervising” partners.

A Better Alternative

A better alternative to hourly rates is General Counsel Services that utilize mainly monthly retainers, and in some instances, flat fee arrangements that often save business owners 40 to 60% in legal fees!

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Benefits of General Counsel Services

- The ability to operate at a senior level in the company's organization.
- Provide practical solutions which help meet a company's business goals.
- Provide a close understanding of a company's policies, strategies, and business objectives.
- Work with a company's personnel, supplies, and customers as may be required.
- Assist in company operating processes, methods, products, suppliers, and customers.
- The ability to manage legal risk, to analyze the company's strategies and identify legal issues and to develop plans and programs that minimize legal problems.
- Using knowledge and skills to improve the way a company manages its legal risks and pursues its legal rights and opportunities.
- Manage external legal services in a cost-effective way that achieves optimum benefits for the company.

No junior associates or others will be billed to your project

When you have a business lawyer who understands your business, they will help you make good decisions around legal strategy and priorities. Think of this lawyer as the quarterback for your business. They have the insight to see the issues and risks and present the right approach to company management and draft legal documents (though usually not lawsuits).

General Counsel Services provide expert legal personnel to the client site. This reduces the burden of bureaucracy on the client firm while significantly reducing legal liability and risk exposure. Expert on-demand legal counsel is readily available. High-quality technical work can be accomplished without the hiring, vetting, onboarding, and training

necessary for inside counsel. Unlike outside counsel provided by a traditional, leveraged law firm, fees are also significantly reduced.

For leveraged law firms, the practice and pursuit of maximizing leverage mean that they can make more money in fees and billable hours. As a result, lawyers themselves actively promote the pursuit of leverage within the industry which can sometimes put the financial interest of a leveraged law firm in conflict with those of the business owner.

General Counsel Services firms have no such leverage. The lawyer you contract from a General Counsel Services firm is the lawyer you will be working with. No junior associates or others will be billed to your project.

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By taking on the day-to-day legal duties of running a business, General Counsel Services free up time and resources that small business owners can instead use toward innovation and business growth strategies.

General Counsel Services firms understand business relationships and work directly with the business owners and managers to help the company succeed through business-oriented strategies.

Business lawyers in a General Counsel Services arrangement are the problem-solvers throughout the life of a company --- from the founding of the company to termination of the entity.

Some situations will arise when you will need a specialist for things like bankruptcy law, tax law, or employment law. These are some areas where you will find lawyers who practice only that specific type of law. For other areas where you are more likely to encounter specialists rather than generalists, check out the Speciality Areas on the TTexas Board of Legal Specialization website.

Getting the right lawyer and the proper agreement will be the best money spent for a business lawyer.

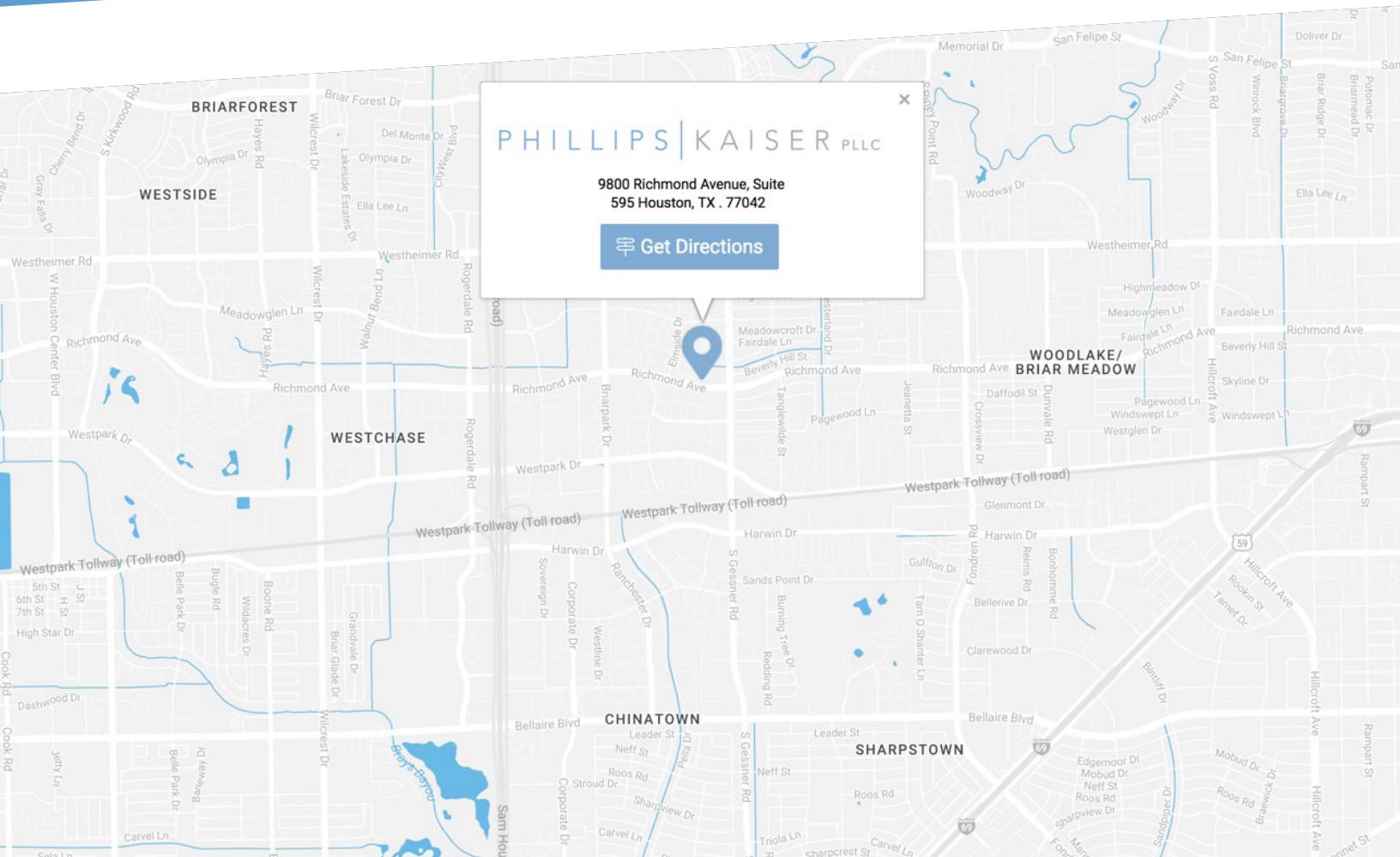
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We'd love to chat
[Schedule a consultation today](#)

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