

From the Best-Selling Author of *The E-Myth*

The **E** Myth Attorney

*Why Most Legal
Practices Don't Work
and What to Do About It*

MICHAEL E. GERBER

ROBERT ARMSTRONG, J.D.

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Table of Contents

[Title Page](#)

[Copyright Page](#)

[Dedication](#)

[A WORD ABOUT THIS BOOK](#)

[A NOTE FROM ROBERT AND SANDY](#)

[PREFACE](#)

[Acknowledgements](#)

[Introduction](#)

[CHAPTER 1 - The Story of Edward and Abigail](#)

[CHAPTER 2 - The Story of You and Yours](#)

[CHAPTER 3 - On the Subject of Money](#)

[The Four Kinds of Money](#)

[The First Kind of Money: Income](#)

[The Second Kind of Money: Profit](#)

[The Third Kind of Money: Flow](#)

[Rules of Flow](#)

[The Fourth Kind of Money: Equity](#)

[The Story of McDonald's](#)

[Equity and the Turnkey System](#)

[CHAPTER 4 - Your Money or Your Life?](#)

[CHAPTER 5 - On the Subject of Planning](#)

[The Planning Triangle](#)

[The Business Plan](#)

[The Practice Plan](#)

[The Completion Plan](#)

[Benchmarks](#)

Benefits of the Planning Triangle

CHAPTER 6 - Plotting Your Course

Your Business Plan

Your Practice Plan

Your Completion Plan

CHAPTER 7 - On the Subject of Management

Management System

CHAPTER 8 - Managing the Unmanageable

Crafting a New Vision

CHAPTER 9 - On the Subject of People

The People Law

CHAPTER 10 - People Needing People

The Faces of Your Firm

CHAPTER 11 - On the Subject of Associates

Solving the Associate Lawyer Problem

CHAPTER 12 - The Lawyer's View

CHAPTER 13 - On the Subject of Estimating

CHAPTER 14 - Billing and Certainty

CHAPTER 15 - On the Subject of Clients

Confusion 1: What Does Your Client Really Want?

Confusion 2: How to Communicate Effectively with Your Client

Confusion 3: How to Keep Your Client Happy.

Confusion 4: How to Deal with Client Dissatisfaction

Confusion 5: Whom to Call a Client

CHAPTER 16 - Your Client Loves You, He Loves You Not

CHAPTER 17 - On the Subject of Growth

CHAPTER 18 - Growth

CHAPTER 19 - On the Subject of Change

Contraction versus Expansion

The Big Change

CHAPTER 20 - The Gift of Change

CHAPTER 21 - On the Subject of Time

Be versus Do

CHAPTER 22 - What Time Do You Have?

CHAPTER 23 - On the Subject of Work

Strategic Work versus Tactical Work

CHAPTER 24 - The Reason Behind the Work

CHAPTER 25 - On the Subject of Taking Action

Thought Control

The Story.

CHAPTER 26 - Taking Action

AFTERWORD

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To Luz Delia, whose heart expands mine, whose soul inspires
mine, whose boldness reaches for the stars, thank you,
forever, for being, truly mine . . .

—Michael E. Gerber

A WORD ABOUT THIS BOOK

Michael E. Gerber

My first E-Myth book was published in 1985. It was called *The E-Myth: Why Most Small Businesses Don't Work and What to Do About It*. Since that book, and the company I created to provide business development services to its many readers, millions have read *The E-Myth*, and the book that followed it called *The E-Myth Revisited*, and tens of thousands have participated in our E-Myth Mastery programs.

The co-authors of this book, *The E-Myth Attorney*, Robert Armstrong and Sanford (Sandy) Fisch, were two of those more than enthusiastic readers, and, as a direct result of their enthusiasm, their estate planning legal practice became one of those clients. Both gentlemen became, over the years, very close friends of mine.

This book is two things: the product of my lifelong work conceiving, developing, and growing the E-Myth way into a business model that has been applied to every imaginable kind of company in the world, as well as a product of Robert and Sandy's extraordinary experience and success applying the E-Myth to the development of their equally extraordinary legal enterprise, the American Academy of Estate Planning Attorneys.

So it was that one day, while sitting with my muse, which I think of as my inner voice, and which many who know me

think of as “here he goes again!” that I thought about the creation of an entire series of E-Myth vertical books. That series, of which this is the first, would be co-authored by experts in every industry who had successfully applied my E-Myth principles to the extreme development of a practice—a very small company—with the intent of growing it nationwide, and even worldwide, which is what Robert and Sandy had in mind as they began to discover the almost infinite range of opportunities provided by thinking the E-Myth way.

Upon seeing the possibilities of this new idea, I immediately went to Robert and Sandy and shared my excitement with them. Not surprisingly, they said, “Let’s do it!” And so we did.

Welcome to the first of those many vertical market E-Myth expert books, *The E-Myth Attorney: Why Most Legal Practices Don’t Work and What to Do About It*.

Read it, enjoy it, and let us—Robert, Sandy, and I—help you apply the E-Myth to the re-creation, development, and extreme growth of your legal practice into an enterprise that you can be justifiably proud of.

To your life, your wisdom, and the life and success of your clients, I wish you good reading.

—Michael E. Gerber
Founder-Chairman
Michael E. Gerber Companies, Inc.
Carlsbad, California

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A NOTE FROM ROBERT AND SANDY

A word of warning before we get started: Reading this book and implementing its message will transform the way you practice law and, in the process, may even change your life. We are lawyers and over 20 years ago a close friend and successful financial advisor gave each of us a book by Michael E. Gerber, *The E-Myth: Why Most Small Businesses Don't Work and What to Do About It*. No one, except maybe Michael E. Gerber, could have imagined what followed.

The “we” refers to us, Robert Armstrong and Sanford M. Fisch, law and business partners for more than twenty years. Sandy vividly remembers placing his copy of the book in his briefcase as he was leaving our San Diego office for the airport for one of his regular trips to one of our northern California law offices. He spent three busy days in those offices and never had a minute to even open the book.

Finally, as he settled into his seat on the return flight home to San Diego, he opened the book and read the inscription our friend had scribbled on the inside cover, “Read, Re-read, Enjoy!” Sandy still has that book and sometimes opens it to look at the notes he made that fateful evening. Once he started to read, he never stopped. The flight was only an hour and half but he made a real dent in the book. Once home, he just continued the journey. This book’s message spoke to him directly, and he was compelled to finish it, make his notes, plot his course of action, and anxiously look forward to a discussion with Robert because he knew we were on the same journey.

The next morning was monumental because when we got to the office, each of us had finished the book. We compared notes, had animated discussions and knew exactly what we

needed to do. Our first priority was to begin “working on the business” not just “work in business.” You see, that’s one of the many extraordinary principles that jumped out for both of us. We came to understand that this idea of a legal practice as a business was something bigger and more importantly, separate from ourselves, a living entity that we could intentionally design, mold, and create.

Over the years since our first introduction to Michael’s book we have moved beyond merely understanding his message to living it day by day. The E-Myth point of view was the beginning of the framework for retooling our successful law practice and ultimately building a national organization to teach attorneys how to become not only consummate legal technicians but also savvy business leaders. The extraordinary thing about the E-Myth point of view is that it applies universally to all businesses—yes, even the business of practicing law! We know this firsthand and have coached hundreds of lawyers all over the country for the past 17 years.

As experienced lawyers ourselves, and being intimately familiar with how lawyers think, we know some of you are already muttering that it is different for you and your law practice because. . . . You fill in the blank. Believe us, we’ve heard every reason why these principles won’t work in Utah, Vermont, Tennessee, Montana, Illinois, and, of course, New York City! We’ve heard how it can’t apply to a litigation practice, bankruptcy law, or even tax and estate planning. However, we’ve seen these timeless principles work wonders in any locale or any kind of practice area.

To benefit from this book, you’ve got to clear away all those old ideas that your practice is somehow different, because this type of thinking keeps most attorneys stuck in the daily grind of, as Michael E. Gerber says, “doing it, doing it, and doing it.” The real key is to start thinking of your

practice as a business that provides legal services. If you don't want a "business," then give this book to someone else. Make no mistake about it, this book is about business and, more specifically, how you can turn your law practice into a business that ultimately has a life apart from you.

As lawyers ourselves, we understand the evolution of the dream from your first day of law school. We understand how the dream peaked as you passed the bar and were sworn in. We remember the heady days of living the dream in your early days of practice. And we understand the moment when your dream comes face to face with the harsh reality of the long hours, tedious paperwork, and the nonstop conflict required by both the beginning attorney and the journeyman practitioner.

Unfortunately, after many years grinding it out, we also understand the all-too-common cynicism that replaces that dream. In fact, for most, the dream that once was a guiding star is now just a distant and foolish memory.

The unique aspect of law is that it is an honorable professional practice, the combination of knowledge and experience—the intellectual in the marketplace. One is always gaining more experience and adding it to the unlimited knowledge about a particular topic. That alone is a full-time job. However, add to that the skills required to run a profitable law firm and it morphs into something more complex, exponentially more time consuming, and more importantly, something no one ever taught us in law school.

So here we are down the road as lawyers. In our cases, Robert has over thirty-four years and Sandy more than thirty as lawyers. We've seen it all and know exactly what's needed to get you out of the unfulfilled practice trap. Our initial guiding light was the book we received years ago. Now we join with Michael, as E-Myth attorneys, to help you

see the practice of law in a whole new light with a revolutionary point of view.

If you are ready to be a serious student and fully commit to changing how you think about your practice, turn the pages and get ready for the ride of your lives. Granted, this is by no means the final word on each of these topics, but it is a grand introduction to a new way of thinking. For us, the reading of the original E-Myth book was a defining moment in our lives. We hope that our book will be as significant for you.

And as someone once said to us, “Read, Re-read, Enjoy!”

—Robert Armstrong and Sanford M. Fisch
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PREFACE

Michael E. Gerber

I am not an attorney, although I have helped thousands of attorneys reinvent their legal practices over the past 35 years. I like to think of myself as a thinker, maybe even a dreamer. Yes, I like to do things. But before I jump in and get my hands dirty, I prefer to think through what I'm going to do and figure out the best way to do it. I imagine the impossible, dream big, and then try to figure out how the impossible can become the possible. After that, it's about how to turn the possible into reality.

Over the years, I've made it my business to study how things work and how people work—specifically, how things and people work best together to produce optimum results. That means creating an organization that can do great things and achieve more than any other organization can. Or, in the case of attorneys, a legal practice that surpasses the competition and provides high standards of service, high income, and equally high job satisfaction to all who work at the firm.

The end product has been a series of books that I've authored—The E-Myth books—as well as a company, E-Myth Worldwide, which I founded in 1977, Chief Dreamer Enterprises, in 2005, and Michael E. Gerber Companies in 2009. For over 30 years, my first company, E-Myth Worldwide, has helped tens of thousands of small business owners, including many attorneys, reinvent the way that

they do business by (1) rethinking the purpose of their legal practices, and (2) imagining how they could fulfill their purpose in innovative ways.

Many attorneys view practice management as an unwelcome burden that distracts them from their main responsibility of representing the interests of their clients, creating and closing transactions, winning cases, and not least, getting paid. Yet practice management—what I like to call practice liberation—can be just as exciting (and lucrative) as a jury returning a record verdict in your client's favor.

This book is about how to produce the best results as a real-world attorney in the development, expansion, and, yes, liberation of your practice. In the process, you will come to understand what the practice of law—as a business—is, and what it isn't.

This book, intentionally small, is about big ideas. The topics we'll be discussing in this book are the very issues that attorneys face daily in their practice. You know what they are: people, money, management, and many more. My aim is to help you begin the exciting process of totally transforming the way you do business. (And whether attorneys want to admit it or not, they are indeed doing business. Some not as well as others, despite the long hours they log.) As such, I'm confident that *The E-Myth Attorney* could well be the most important book on the practice of law as a business you'll ever read.

Unlike other books on the market, my goal is not to tell you how to do the work you do. Instead, I want to share with you the E-Myth philosophy as a way to revolutionize the way you think about the work you do. I'm convinced that this new way of thinking is something attorneys everywhere must adopt in order for their legal practice to flourish during

these trying times. I call it strategic thinking, as opposed to tactical thinking.

In strategic thinking, also called systems thinking, you, the attorney, will begin to think about your entire practice—the broad scope of it—instead of focusing on its individual parts. You will begin to see the end game (perhaps for the first time) rather than just the day-to-day routine that's consuming you—the endless, draining work I call “doing it, doing it, doing it” (followed by “billing it, billing it, billing it, and hoping you actually get paid”).

Understanding strategic thinking will enable you to create a practice that becomes a successful business, with the potential to flourish as an even more successful enterprise. But in order for you to accomplish this, your practice, your business, and certainly your enterprise must work apart from you instead of because of you.

The E-Myth philosophy says that a highly successful legal practice can grow into a highly successful legal business, which in turn can become the foundation for an inordinately successful legal enterprise that runs smoothly and efficiently without the attorney having to be in the office for 16 billable hours a day, six days a week.

So what is the “E-Myth,” exactly? The E-Myth is short for the Entrepreneurial Myth, which says that most businesses fail to fulfill their potential because most people starting their own business are not entrepreneurs at all. They're actually what I call technicians suffering from an entrepreneurial seizure. When technicians suffering from an entrepreneurial seizure—in this case, attorneys—start a legal practice of their own, they almost always end up working themselves into a frenzy, going straight from one case to the next, and hardly ever taking a break. They're burning the candle at both ends, fueled by too much coffee

and too little sleep, and most of the time, they can't even stop to think. If this sounds familiar, keep reading.

In short, the E-Myth says that most attorneys don't own a true business—most own a job disguised as a legal practice. They're doing it, doing it, doing it, hoping like hell to get some time off, but never figuring out how to get their business to run without them. And if your business doesn't run well without you, what happens when you can't be in two places at once? Ultimately, your practice will fail.

It's happening throughout the world even as you're reading these words. In today's economy, fewer and fewer attorneys are being hired by big law firms, which means that around 85% end up hanging out their own shingle or toiling in a small law firm at some point in their career. But as long as law schools neglect to teach courses on the business of law, a large percentage of these small firms and solo practitioners are going to fail. No matter how much an attorney may know about tort, intellectual property (IP), domestic relations, tax, estate planning, criminal law, contract law, or any of the other subspecialties—and you could very well be an expert in any or all of these fields—none of that expertise is in itself sufficient to build a successful business.

The good news is that you don't have to be among the statistics of failure in the legal profession. The E-Myth philosophy I am about to share with you in this book has been successfully applied to thousands of legal practices just like yours with extraordinary results. In fact my co-authors Robert and Sandy, through the American Academy of Estate Planning Attorneys, have for 17 years regularly implemented this philosophy in law firms across the country.

The key to transforming your practice—and your life—is to grasp the profound difference between going to work on your practice (systems thinker) and going to work in your

practice (tactical thinker). In other words, it's the difference between going to work on your practice as an entrepreneur and going to work in your practice as an attorney.

The two are not mutually exclusive. In fact, they are essential to each other. The problem with most legal practices is that the systems thinker—the entrepreneur—is completely absent. And so is the vision.

The E-Myth philosophy says that the key to transforming your practice into a successful enterprise is knowing how to transform yourself from a successful legal technician (attorney) into a successful legal technician-manager-entrepreneur. In the process, everything you do in your legal practice will be transformed. The door is then open to turning it into the kind of practice it should be—a practice, a business, an enterprise of pure joy!

It's my thesis that the E-Myth not only can work for you, but that it will work for you. And in the process it will give you an entirely new experience of your business and beyond.

To your future and your life. Good reading.

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Our deep gratitude to the financial advisor, friend and visionary, himself—Aubrey Morrow, CFP. Thanks again for insisting that we read the E-Myth book.

Also, thanks to all the attorneys we've had the privilege to work with, including the extraordinary Members of the American Academy of Estate Planning Attorneys.

And finally, our heartfelt thanks to the amazing staff at the Academy who have brought our vision to life.

—Robert Armstrong

—Sanford M. Fisch