



ALL DIGITAL MEMBERSHIP

Preparing Now for the End of Year



December 2018 Coaching Call

Scott: Welcome! My name is Scott Whittaker. I will be your host for today's All-Digital Coaching Call and in just a moment, RJon Robins is going to be on the line with us and he's got some great things to share with you because he's going to be sharing with you what I would consider is a timely coaching call because he's going to be sharing about some key numbers to look at this year versus last year, so how to drive those comparisons and set yourself up and set your law firm up for success in the coming year, plus there are going to be some tax stuff that he's going to share with you, end of year marketing, and business planning for 2019.

It's going to be a packed coaching call plus we are going to do a live Q&A so you'll have an opportunity to ask RJon your questions and hear from him and get insight into your law firm, plus it's a great opportunity for you to learn from others in their questions, and then we will give you instructions and it's only available to those who are listening live. So if you are listening by way of the CD, which I know some of you are doing because I got an email from somebody thanking us for the CDs, if you're listening by way of the membership site, we wanted to just reward those who were able to actually make it on the call, so we'll give you instructions on how to enter to win those two free tickets to the next Live Quarterly Meeting.

Having said all that, I want to invite RJon Robins on the line. RJon, I know you're there. Welcome to the call.

RJon: Hi, Scott! Thank you for making this happen because you do make this happen. I just show up and you make it easy for me, so thank you for that.

Scott: You're welcome, man. It's my pleasure. I know you know this, but one of the highlights for us every month is jumping on this call and investing in the lawyers who are part of the membership and just being able to serve them and come alongside them and partner with them in their law firm.

RJon: Yeah, and right alongside thanking you for

making this happen, of course -- I guess it could happen -- it just would be you and me talking to each other if it wasn't for all of the members who show up to make it happen, so thank you all for making that.

I just want to say that we do record these and you can of course listen to the recording and I hope everyone does, and even if you listen to it live, I think it's a good idea to listen to the recording as well. You'll learn a lot from it. It's also a really good idea to share the recording with your spouse or significant other or maybe even a key person on your team because it's hard to translate a lot of the ideas, and not just the big ideas, but the nuances. Sometimes something clicks for you because of the tone of voice or it clicks for you because of a joke that we made earlier in the call or it clicks for you because of a comment that one of the other participant makes. It's sort of like an inside joke. It's an inside joke for a reason because it's inside, so you have to be there. So it's a good idea to ask your spouse or significant other to listen to these recordings because there are nuances they will pick up on that.

If your relationship with your spouse or significant other is anything like the relationship that our members have with their spouses and significant others -- we've got 300 members and they're not all married. They don't all have a significant other, but a big percentage of them do -- it'll just make for a happier home life when your spouse or significant other understands not just what you're doing, but has a better appreciation for some of the nuances of why you're doing things the way you're doing them particularly if it's new to you to do things this way. It's probably difficult to explain or justify it and maybe you've even spent a few years telling your husband or your wife or your significant other why things have to be the way they are and now all of a sudden, you're coming back and saying to them, "Wow. You know what? Boy, was I wrong."

That was a tough pill for me to swallow years ago when I had my -- well, she was then my fiancé. Now, she's my wife. I had her convinced that things had to be the way things had to be, which

is another way of saying that I had sold her on my stories that essentially justified and rationalized and explained the way why things were the way they were, and they weren't that good. It was tough. It was tough to have to come back to her and say, "You know, I've been reading these books. I attended this course," and in my case, I went to a live event and I came back from this live event after three or four days and I was like, "You know, everything that I've been telling you for all these..." we were together by that time for a couple of years, "... it turns out it's not right. I essentially convinced you to believe that our life had to be the way it was, the way we were tolerating because of a bunch of false beliefs that I had about business, about myself, about the economy, about the way things were."

Anyway, I made it a point to begin asking her to listen to recordings and things that I was listening to and I begin asking her to read a couple of the books that I was reading and begin bringing her to some of the live events that I was attending. It made her much more sympathetic to my cause, if you will. It made her understand where I was coming from and why I was pivoting and changing and doing things differently.

That was particularly valuable when friends, family, colleagues, and people who we knew saw me doing things differently and weren't really that encouraging to us. They were not discouraging out of meanness. They were discouraging out of fear. They did not understand why I was making some of the changes that I was making and I did not have enough experience with these concepts and ideas yet by then or back then. In the beginning, at least, for the first couple of years, I certainly didn't have a lot of proof to demonstrate that there was merit to why I was doing what I was doing differently. I just knew that it had to be done differently because the things were making sense. The things were lining up. I was getting it. Things were clicking. Things were falling into place.

Nowadays, of course, those friends and family who discouraged me, who told me, "Oh, you've got to play it safe" and "Who else do you know

who's doing it that way? No one does it that way. Who do you know who's done it before?" now, they come to my house and my house speaks for itself. They can tell obviously something works or worked, but in the beginning, when you really got nothing to show for it, you just know you're on the right track. Having your spouse or significant other in your corner even if you just have that one person in your corner, it can really make all the difference in the world.

It's a very, very long way of saying I want to encourage everyone to even invite them to be on these calls live with you. You can tell them they're welcome and you got it from me, you got it from Scott. You're welcome to invite your spouse or significant other on these calls with you. They're welcome to raise their hands and ask a question if they want to. They're welcome to participate on the discussion forum and get involved. They're a part of your team and that might end up being the most valuable lesson you'll ever learn from me. Hopefully not. Hopefully I'll teach you even more great stuff. That's a really important lesson.

Scott: Absolutely. It's not just having them engaging in this, but then you guys having a conversation about it afterwards. That's the other thing I would add too. Have an intentional conversation to process together either as a team, if it's staff or your spouse or significant other, getting together and saying, "Let's just talk through some of the things that RJon mentioned on the call" and then even come up with some action items. What are your next steps? How can you take action upon what you're learning and what you're being coached on because it's one thing to jump on this call and listen to it and say, "You know, that was really great. That was really insightful. I really appreciate RJon taking the time out, investing. Wow! I'd never thought about things that way," and then tomorrow, wake up and it'd be another day in your law firm. That's one scenario.

It's another thing to be able to say, "You know what? RJon mentioned a number of next steps that can be done. What are two or three that we need to take action on right now? Who's going to take that action and assign it and then give it

a deadline? When are we going to complete that by?" That is really where you get to the implementation and the best use of your investment in this coaching.

That'd be one thing to add to that, RJon. It's one thing to bring them on, but take those next steps. Usually, at the beginning of the call, I say, "Get out a pad of paper and a pen." I didn't say that, but if you haven't done that, get out a pad of paper and a pen and write down next steps. As RJon goes through today's coaching call, write down those next steps and then put a name by it. Even if it's just your name, put a name by it of who you're assigning that to and then put a deadline by which you're going to hold yourself accountable to get that item done.

RJon: All right, so what do you want to do?

Scott: All right. Well, let's go into this. We talked about doing some comparisons versus 2019, versus last year 2018, and some key numbers to look at when you're comparing. Share with us those numbers and what are some key indicators that we need to be looking at for the comparisons for this year versus last year.

RJon: All right. The four things we're going to cover on today's call, we kind of broke this call into four segments and then we'll do Q&A. The first segment is -- well, five if you want to count that mindset lesson at the beginning. We're going to talk about some key numbers that you can look at to more objectively measure your 2018. If you're not looking at some numbers then what you're going to end up doing is measuring 2019 based on your feelings, based on your emotions, and that is an amateur hour way of measuring your business. You've got to measure your business by numbers. You don't need a lot of numbers. If you look at just five simple numbers that I'm going to share with you today, and these are simple numbers, you will have a really good insight into what's actually going on in your business. It'll cut through all the crap if you look through five simple numbers.

Lawyers run around saying, "Oh, I know my

business." If you know your business then you know these numbers. If you don't know these numbers then you don't really earn the right to say you know your business. I want to make it clear, I'm not talking about Shark Tank know your numbers. You watch Shark Tank and the sharks -- by the way, if you don't watch Shark Tank, you should start watching Shark Tank if you take your business seriously. It's a really good show and they teach a lot of practical lessons about business analysis. The questions that the sharks ask are very legitimate business questions that you should be thinking about how you would answer if your spouse or significant other said to you, "Hey, honey, we need to make a decision whether or not I," your spouse or significant other, "whether I am going to invest in your business again next year."

I need to make a decision whether or not to invest in your business for 2019 and I need to decide if I'm going to continue to extend you a line of credit. In other words, whether I'm going to allow you to continue to use household financial resources to help run your law firm, whether I'm going to continue to be a cosigner on a line of credit or maybe a home equity loan that you're using to fund your law firm, whether I'm going to continue to tolerate you earning maybe \$75,000 or \$125,000 or \$200,000 per year when if we just shut down this law firm and you could go out and get a job and make more than that, whether I'm going to continue to extend you the courtesy and credit of letting you work on the weekends and miss family activities and cover for you with the kid.

I need to make a decision whether I'm in it for another year or not. And to help me make a more rational decision, I as your chief investor want to know about some key numbers in the business, some simple key numbers in the business, and I want to see a plan, a written plan in plain English, no fancy mumbo jumbo. I don't need fancy charts and graphs or complicated research. I just need you to be able to explain to me in plain English the answer to some very simple questions that I need to know the answers to, that I deserve to know the answers to so that me and the kids can decide whether or not we are going to invest

in your business and give you our support again next year.

We're talking about some of these key numbers and we're talking about some of those questions that you should be prepared to answer, but the comment that I was making about Shark Tank, Scott, is that on Shark Tank, on the show, the entrepreneurs are sometimes chastised for not having their numbers memorized. Sometimes if you watch Shark Tank, you'd think that the phrase "know your numbers" is synonymous with "memorize your numbers".

I want to say my business will gross about -- well, let's just say it'll gross over \$10 million this year. I'm not sure if we're getting past 11, but it'll definitely do over \$10 million this year. I will personally report into the seven figures on my personal tax return, my wife and I. We run almost \$250,000 a month in payroll for our 35 plus employees, full-time employees, and there are very few numbers that I walk around with conversational knowledge about in my business. I don't walk around "memorizing" my numbers, but I know my numbers, which is I know where to get them. I know how to get them. I can get my hands on them easily and understand where they come from and what they mean and what the implications are. So I just want to let everyone off the hook in case you feel a little bit intimidated with the idea of -- when I say know your numbers, I don't mean memorize your numbers.

All right. We're also going to talk about some things to do with taxes. We're getting down to the end of the year. We've got one more call this year, Scott, or two?

Scott: One more call, just the December call.

RJon: Right, so we've got one more call this year, so I've got to talk to you about your taxes because if you wait until December, it will be too late and you will miss it and you'll miss out. I want everyone on this call to seriously consider doing an exercise. If you will commit to do the exercise, I want you to maybe raise your hand on the call and commit to do the exercise. If you are not

going to commit to do the exercise, I'd like you to raise your hand on the call and challenge me on why you're not going to commit to do the exercise or ask me for clarification on why I think this exercise is important. Are you ready for this one, Scott?

Scott: Yes.

RJon: All right. This is the ultimate truth, face-the-truth exercise. It's painful. It's excruciating. I've had lawyers literally tell me that they almost had a nervous breakdown doing this exercise, but if you push your way through it and you do this exercise, it can be a game-changer for you. It can literally change the rest of your life and we're going to talk about that exercise in the second part of this call. If I forget to come back to it, remember to ask me or somebody raise your hand and ask.

Scott: After that buildup, I'm not going to let you forget that one.

RJon: All right. This exercise could put an extra \$100,000 a year in your pocket and I'm not exaggerating at all. I've known many people, myself included, who this exercise broke the ice and unlocked us for things that created pretty amazing changes in our lives for the better, financial lives.

The third section of the call is going to talk about some simple things you can do at the end of the year to give yourself a nice revenue bump. It might be \$25,000. It might be \$50,000. It could even be more than that, but I would say that for the average person on this call, it's probably \$25,000 to \$50,000, nice revenue bump at the end of this year, and most of this revenue will be -- it'll be more profitable than most of the revenue you earned in the beginning of the year. So we'll talk about a few simple things you can do that don't cost you any money that could give you a \$25,000 or \$50,000 revenue bump. Hey, even if it's only a \$15,000 revenue bump, wouldn't that be nice with an extra \$15,000 of extra revenue you weren't counting on, most of which will be profit?

The last session of the lesson, we'll be talking about bringing it back to the question your family either has or would have if they knew better and they knew enough to ask. Your family would be asking you to explain to them in plain English what is your plan to make these things worth doing in 2019? Otherwise, let's just seriously have a conversation about shutting down your law firm and getting a job, which by the way, Scott, I don't want to be talking about this before with the members, but we offer a free -- this is my version of pro bono services. Anyone who is going to shut down your law firm and just get a job, if you're not going to make a commitment to do what is required to make your law firm successful then at least have the courage to admit that to yourself and have enough self-respect and the respect of your family and respect of your clients too to let us help you shut down your law firm in an orderly way.

I promise I will give you -- I'm not saying that I can necessarily do this where we've got thousands of members, but certainly as of November 2018, we don't have thousands of members of this All-Digital Program yet. I could still make this offer and say that I will give you private personal coaching to help you figure out how to get a job. It's very, very, very simple to get a job as an attorney if you know a few very simple things, which I will give you free coaching on that if that's the decision you decide to make to help you shut down your law firm and get a job, and then we'll do Q&A. Scott, are you ready?

Scott: I am ready.

RJon: All right. Key numbers, there are five key numbers. Listen, Scott, there are 50 numbers you could know. There are 500 numbers you could look at. There are infinite different ways to slice and dice and drive yourself absolutely insane having to know numbers. And when you get to about \$3 million in revenue, you're going to have a full-time, in-house chief financial officer and that person is going to spend a big percentage of his or her time really just crawling through your numbers and slicing and dicing and analyzing them to see what opportunities they can spot, what trends they can identify. Truly a good CFO will pay for him or herself.

When I hired my current CFO, his base salary is \$250,000 a year and he works for me for free as far as I'm concerned because he makes and saves me more than that per year, so it's not an expense for me. It's an investment for me to have this person on my team, but until you're at that point, you can start looking at your numbers and these are simple numbers to look at and these should be simple numbers for any halfway competent bookkeeper to give you these numbers right away. It should take your bookkeeper less than 30 minutes to pull these numbers together, less than an hour for sure to pull these numbers together.

Number one number is gross revenues. This is every dollar that you have collected and put into your operating account. We do not count money you put into your trust account as part of your gross revenues because that's not your money. When the money goes from the trust account into the operating account because you pay yourself, you can then count it as gross revenues. Gross revenues, you want to know three numbers on gross revenues. You want to know last year gross revenues year to date. You want to know this year gross revenue year to date. In other words, where were we in gross revenues at the end of October 2017? Today is the middle of November 2018, so you've all closed out your books for October, so you want to look at October 2017 against year to date October 2018, see if 2018 is on pace to be better or worse than 2017. It's also a good idea to look at just the month of October against just the month of October.

I've had conversations with too many lawyers to count who gets very, very upset. I remember one lawyer in particular years ago and he was really, really, really, really upset that June was just -- he thought his law firm was failing because June was so much worse than May. He's like, "Oh my God, last month, we did..." I forgot what the number was. It was like \$80,000 or \$90,000, "This month, June, we only gained..." something like \$50,000. It was such a huge drop-off. He's panicking.

I was like, "Well, hold on a second. Let's look at May of this year against May of last year against May of the year before; June of this year against

June of last year against June of the year before. Measuring May against June is a false comparison. Measuring May against May, measuring June against June, that is an honest objective. That's a real comparison." What he saw was wow, June is always worse than May in his firm. For some reason, June is just always worse than May. However, this May is better than last May and this June is better than last June, which means the firm is actually growing, but if you look at May against June, you might be misled to believe that the firm is not growing and that's where you make bad emotional decisions, so gross revenues year to date, gross revenues month on month.

Number two, second number, cost of acquisition. You take the total amount that you spend on marketing and sales. Just take the number. Don't worry about making it exactly precise or accurate. Just total amount that you think you spent on marketing and sales, divide that by the number of cases that you opened. So how much did you spend on marketing and sales last year against how many cases that you opened last year? I spent \$100,000 on marketing and sales in 2017 and I opened 100 cases in 2017. Clearly, we can do the math. That means your cost of acquisition was \$1,000 per case. If this year you spent \$100,000 on acquisition, marketing and sales, but you opened 200 cases, well, clearly that means your cost of acquisition is dropping, which means you're getting better at marketing, you're getting better at sales, and you're acquiring cases more efficiently. So you take the total amount that's spent divided by the total number of open cases.

If your bookkeeper cannot give you these numbers, your bookkeeper is incompetent. Listen to me, everyone. If your bookkeeper cannot give you these numbers, your bookkeeper is incompetent. There is no excuse for a bookkeeper to not be able to give you these numbers. There is no excuse. Now, you may discover that your bookkeeper will not give you this information. If your bookkeeper can give you this information but simply is uncooperative or unwilling to give you this information, that's a different problem. I think the solution to both problems is the same, but the bookkeeper who can't versus the book-

keeper who can but won't, essentially, same solution for both. You've got to know your cost of acquisition. You've got to know that number.

Third number, number of places that you opened versus number of places that you closed. How many cases did you open last year? How many cases did you close last year? How many cases have you opened this year? How many cases have you closed this year? A simple comparison, a number of cases opened versus a number of cases closed. Did you open more cases this year than last year? That's good. Did you close more cases this year than last year? That's also good. If you opened more cases and you closed fewer cases, what that means is you've got a clog in your system. There's a backlog building up and you better pay attention and think about where it is and what to do about it before the pipe bursts on you next year.

All right. Number four, your average case value. Listen, there are a hundred ways to complicate this analysis and they're all valid reasons to do it. There are a lot of valid reasons to do this in a much more sophisticated way than I am suggesting here on this call, but until and unless you've got a CFO, you can just work with some rough numbers to get the basic ideas.

Your average case value, very simple, you take your gross revenue, which is that number we talked about first, your gross revenue divided by the number of cases you closed. Gross revenue last year divided by the number of cases you closed last year. If you grossed \$1 million last year and you closed 100 cases last year then your average case value was \$10,000. Now, that is not a correct number, but it's close enough for you to do some analysis because what we're interested in is knowing did your average case value go up this year against last year, did your average case value remain steady this year against last year, or is your average case value declining this year against last year? You just need to see the trend. It doesn't need to be exact. It just needs to show you a trend.

Gross revenue divided by number of cases closed, again, these are numbers that your bookkeeper

should be able to give you in less than an hour. If your bookkeeper cannot give you this information in less than an hour, it means your bookkeeper has not been keeping up with your numbers. If they've got to scramble around and they go, "Oh man, I haven't been paying attention to this. I can pull this together for you, but it's going to take me a long time to pull it together for you," essentially what they're telling you is, "I have not been doing the maintenance. I have not been maintaining your books and now I have to catch up because you're finally asking me some intelligent questions about your own business."

Last number is your labor cost ratio. The lower the number, the better. Simply divide your revenue divided by labor cost. Revenue divided by labor cost. If it cost you \$100,000 to produce \$1 million in revenue, \$1 million divided by \$100,000 is 10. You have a labor cost ratio of 10. If you can produce the same million dollars of revenue for only \$50,000 then your labor cost ratio will be five. That's better. The lower your labor cost ratio is, the more efficiently your business is operating, and all things being equal, the more profitable it should be. These numbers, your gross revenues, your cost of acquisition, your number of cases opened versus your number of cases closed, your average case value and your labor cost ratio are leading indicators -- well, some of them are leading indicators.

This is like the canary in the coalmine. If these numbers start to look shaky, there's still time to evacuate. There's still time to do something about it. There's still time to call and get some help before your business goes down the tubes. If you pay attention to these numbers every month, I promise you, you're going to have a much better insight into what's really going on in your business and you'll be able to make much better decisions, much more proactive decisions, and your life will be less reactionary. Now, I've got to give you a word of warning. I've got to give you a word of warning. It's like the 47-year-old guy who stopped exercising a year ago because he made a bunch of excuses and suddenly started jogging again. Those first few times hurt.

If you have not been looking at these numbers regularly, the first few times you look at these numbers, it may hurt. It may hurt because you're unfamiliar and you have to struggle intellectually to wrap your head around it, but you'll get used to it. You'll develop the skills. You'll get the experience. It may hurt because you might see some things you don't really want to see and that you don't like the way it looks. Maybe that will motivate you to do something about it rather than just ignoring it.

All right. Scott, any questions about the key numbers before we move on to taxes?

Scott: No. I think you hit all the key numbers, being able to review those and not just reviewing it for this year, but pull those again for last year and do your comparisons there to see where you're at this year versus last year. Look for any fluctuation in the numbers and then set some goals for 2019 as part of it, as you move forward into the New Year, so I think you hit it.

RJon: All right. Again, I just want to emphasize, if the only thing you get out of doing this exercise by asking your bookkeeper, "Give me this information. Give me my gross revenue this year against last year, last year total, last year year to date, where we are this year, total year to date," "Give me my cost of acquisition by taking my total marketing spend divided by my number of open cases," "Give me my number of cases opened versus number of cases closed," which your bookkeeper should have access to that too, "Give me my average case value," gross revenues divided by number of cases closed, "Give me my labor cost ratio," revenue divided by labor cost, if the only thing you learn from asking your bookkeeper for this information is that your bookkeeper has no idea what you're talking about and that prompts you to find a better bookkeeper for 2019, I will have done you a great service to you and your family for 2019 because you will gain better professional services.

All right. Taxes, number one, make sure your bookkeeper is closing your books every month. If by the middle of the following month you

don't have your books closed, that is a problem. You've got to get your books closed by about the middle of the following month. The sooner, the better, but you've got to get that. That means every month, your bookkeeper has to be giving you an updated budget. Your bookkeeper has to be giving you a budget variance report. Your bookkeeper has to be giving you an updated account receivables report. Your bookkeeper should be giving you an updated cash position, cash in operating, cash in trust. Your bookkeeper should be giving you an updated WIP Report, Work in Progress Report, how much work do you have in progress that's not yet been built. Budget, budget variance report, cash flow projection. Your bookkeeper should be giving you an updated cash flow projection within two weeks of the end of every month.

Your bookkeeper should also be giving you every month -- let me close your books -- they should be showing you the 941s. Just write down 941. I must see my 941. 941 is the form that your bookkeeper should be using to file your taxes, your quarterly withholdings with the IRS -- I'm sorry, your taxes with the IRS. I might be getting my form numbers mixed up, but you should be looking for two documents at the end of every month. One is you should be looking for a receipt that your bookkeeper remitted to payroll taxes to the IRS. You collect the payroll taxes by withdrawing it or withholding it from your employees. You've got to see if that money was actually paid to the IRS.

If you're using a service like ABP or Paychex or something like that, they do this for you automatically and you probably don't have anything to worry about. If you're not using a payroll service like that then you've got to be seeing to make sure your payroll taxes are actually being paid. You're collecting the money. You've got to make sure it gets paid. I saw an owner of a million dollar law firm who brought us in this year and we discovered that his bookkeeper was not -- they're withholding the payroll taxes, but they were not paying the payroll taxes to the IRS. The bookkeeper, unbeknownst to this lawyer, was using the payroll taxes as essentially an internal line of

credit for the firm. That's the kind of thing that gets you into jail. Don't let that happen.

You've got to be remitting your payroll taxes, then of course your quarterly K-1 withholdings. 941 is for payroll taxes. Your K-1 withholdings, so you get paid three different ways from your law firm hopefully. You should be getting a W2 salary from your law firm with payroll taxes withheld. You should also be getting K-1 distributions, shareholder distributions. When you get the shareholder distributions, you're supposed to pay income tax on those shareholder distributions and you file a K-1 form. Again, your bookkeeper should know this and you should be filing those K-1 taxes.

In 2013, I remember I had the flu. I had an appointment to speak with my accountant. I was in bed. This is why I remember where I was because I had a flu and I was talking to my accountant while I was in bed and my accountant told me, "Hey, congratulations! Last year was your best year ever. I see you finally broke the seven-figure barrier in 2012." This was 2013 I'm having this conversation. I said, "Yes, thank you!" My accountant was congratulating me and he said, "Listen. You owe \$60,000 in K-1 distribution taxes, taxes on distributions." I said, "What do you mean I owe \$60,000?" He said, "Well, last year, you grossed \$600,000 and the year before, you grossed \$600,000, so we were putting money aside every quarter expecting you to only gross \$600,000, but you knocked it out of the park. You got over \$1 million last year, in the most recent year, and so we were putting that money aside in your quarterly withholdings. I had to come up with an extra \$60,000 on very short notice."

Now, I want to make it clear. I didn't overpay -- it didn't cause me to overpay on my taxes. It was a timing problem, so you want to make sure your bookkeeper is doing the timing of this right so you don't wake up and suddenly, "Hey, congratulations! You had your best year ever, and now, you've got a big tax bill that you had not been setting money aside for and planning for."

All right. Next, you should be meeting with your tax strategist now. If you do nothing else, please

do this. Send an email to your tax strategist, whoever does your tax strategy work with you, and say, "I want to meet as soon as possible, but definitely before the end of the year." If you wait until April of next year or February or March of next year, if you wait until after December 31st of this year to meet with your tax strategist, it will be too late to do a lot of things that can save you a lot of money on your taxes.

We do a Tax Strategy Workshop a couple of times a year. We do a Tax Strategy Workshop and we offer a triple your money back guarantee, that is, the fee for attending the Tax Strategy Workshop, we guarantee that we're going to show you how to save three times that much in taxes or you get a prorated refund on the fee for coming to the Tax Strategy Workshop. In all the years we've been doing this with dozens and dozens of firms that have gone through it, we only ever had to give that refund twice and both of them were causes for celebration, not causes for unhappiness, and that's because one of them, the reason they did get a refund is because the lawyer simply did not have enough income to -- he applied the strategies, but there just wasn't enough income to apply the strategies to, and so he couldn't get the savings. That's why we later realized we had to make a minimum threshold for the guarantee. In other words, if you don't take at least \$150,000 a year out of your firm, we can't guarantee that we're going to save you enough money to triple the fee because you can't get a gallon out of a quart. I think everyone understands that. But that lawyer said he got a lot of value and he just saved a lot of money in the future and he said, "Keep the money that I paid you as a credit and let me do another workshop with you" and we did and we're still in very good terms with that lawyer.

The other lawyer actually just sent me a book that he wrote and to his great credit, he was a very sophisticated business attorney, very, very sophisticated business attorney, and he actually already knew and was implementing all of the tax strategies or most of the tax strategies that we were using at the workshop, and so we were not able to save him any money because he was already saving all the money himself.

The last Tax Strategy Workshop we did, the least that anyone saved was \$20,000 a year in taxes. That was the least that anyone saved in that Tax Strategy Workshop. That's \$20,000 of after tax, disposable consumer power. What would you do if you had \$20,000 to spend on something? Would you take a luxury vacation? Would you put a down payment on a condo or invest in property? Would you pay off a bunch of bills? Would you dump it in your kid's college fund? Would you maybe use it to jumpstart a new marketing initiative or hire a new employee? What would you do with \$20,000? That's how much money you could be saving on your taxes with proper tax strategies, but the time to be meeting with your tax strategist is before the end of the year, not ask for after the end of the year.

Ideally, you should be meeting with your tax strategist in January to plan the year, but I'm assuming -- and I probably shouldn't make assumptions, but I think it's a pretty safe bet -- that most of the people listening to this did not meet with their tax strategist in January of this year, and so you do not have a tax strategy that you've been working on all year. So at least now in November, there's still time to do something to try to salvage that situation to the tune of maybe \$3,000 or \$4,000 or \$5,000 of savings instead of \$10,000 or \$20,000 of savings, but still, it's \$3,000 or \$4,000 a savings.

All right. Exercise, are you ready for the exercise?

Scott: I'm ready for it. I've been looking forward to this one.

RJon: All right. This is the exercise that's going to break you free. You know what? I'm going to save it for later. This exercise, what you'll do is it'll break you free to make a lot more money, maybe a lot more money for some of you in only \$20,000 or \$30,000 a year of additional income. Maybe for some of you, a lot more money is \$200,000 or \$300,000 of additional income. I doubt very much that any of you are already making more than a million dollars from your law firms or you probably would already be in our Million Dollar Solo Lawyers Club, but this exercise will definitely be something that could shake loose an extra

\$10,000, \$20,000, \$50,000, \$100,000 a year of additional income. Just imagine what you would do with an extra \$10,000 or \$20,000 of additional income. You could make an extra \$20,000 of additional income. I'm not talking gross. I'm talking net. What could that do for your life? Just take a moment and just imagine what that could do for your life and that's what you'll be missing out on if you don't do this exercise.

Scott, what do you say with something like that? Everyone would do this exercise especially about how it'll only cost you \$100 to do the exercise. By the way, I'm not selling you the \$100. This \$100 is not going to my pocket. It'll only cost you \$100 to do this exercise and I promise you, it could shake loose an extra \$20,000 to \$30,000 of income in your life. Don't you think everyone, every rational person listening to this, would try it?

Scott: I would like to believe they would try it, but experience tells me that not everybody will.

RJon: Most people won't because most people, when push comes to shove, are just plain full of shit. If that causes someone to get offended and cancel their subscription to this program then I'm sorry to say, if it's really push, do something about the truth. Don't run away from it. If you do this exercise then we know you're serious. If you don't do this exercise, well, that's okay. Just acknowledge that you're not really serious about building a more successful law firm and giving your family a better life, but you waste hundreds of dollars every week on bullshit and I'm giving you an opportunity to do an exercise that'll only cost you \$100, but I promise you will shake loose a lot of money in your life. We'll get to that later.

Year end revenue bump. Are you ready?

Scott: Yes, simple things you can do to give yourself a revenue bump before the end of the year.

RJon: Yeah. I had a conversation with some members of the Million Dollar Solo Lawyers Club the last time we met and over dinner, we all went out for a really nice dinner, a beautiful table

setting and fine China and beautiful lighting and really, really, really nice restaurant up in Cary, North Carolina near the Umstead Resort. I don't really drink wine, but they said the wine was fantastic and they loved it.

We were talking about how you reach a certain point in the growth of your law firm where your ego has to check itself. You have to check your ego at the door because you reach a certain point and you realize that having \$1 million, \$2 million, \$3 million, \$7 million, \$5 million -- the biggest firm at the table was over \$30 million, but the average is around \$3 million to \$5 million, solo, single shareholder law firm. By solo, I mean single shareholder, not there's only one that's going to be in the firm. A single shareholder, average \$3 million to \$5 million, and we're all talking about at some point, you just realize that the sad truth of the matter is that half of our success, if we're really being honest with ourselves, Scott, half of our success comes from the fact that most people in the market are simply forfeiting the game. They just don't even show up to play.

Half the reason why the owners of the million dollar law firms, the multimillion dollar law firms and Million Dollar Solo Lawyers Club, half the reason why we have the businesses we have is because most people in the market just don't show up on game day or they show up, but they're not ready to play. They don't read books that could be read. They don't participate in webinars that are available. They don't take advantage of 100 percent money back opportunities to attend workshops and seminars and things like that.

You'd think, Scott, that when we offer an opportunity to get a 100 percent triple your money back -- you're going to get three times of savings in taxes. I know no one likes paying money to the government for taxes, so we figure if you offer the opportunity to save three times the admission price for the workshop or your money back, that should be a no brainer, right? But still people have excuses. You'd think that when you give them an opportunity to participate in a workshop on sales or a workshop on when and how to hire and train and manage staff and it all comes with 100 percent

money back guarantee, you'd think that that would be a no brainer, but the truth of the matter is most law firm owners, certainly most struggling law firm owners, are more attached to their excuses and their stories than they are committed to really producing better results in their lives.

Sadly, I know that the vast majority of the people listening to this, Scott, when offered the opportunity to do an exercise, that a guy who's built a \$10 million business in less than 10 years from nothing and helped hundreds and hundreds and hundreds and maybe even thousands of law firm owners build highly successful law firms and one of the Million Dollar Solo Lawyers Club tell you, "Try this exercise. It's only going to cost you \$100," I know that the vast majority of people listening to this still won't do it and they're basically just making it too easy for the rest of us to be successful. So, on behalf of everyone in my Million Dollar Solo Lawyers Club to everyone who nods their heads but doesn't do the exercise that I'm going to share with you at the end of this call, thank you. You make our wonderful lifestyles possible.

Are you ready for the year end revenue bump?

Scott: Let's go for it.

RJon: Well, I just taught a lesson that underpins the whole thing. The fact of the matter is that most lawyers stop running before they get to the finish line. Most law firm owners stop running before they get to the finish line. The year is not over until midnight on December 31st. Until then, you still have an opportunity to make your year better.

A few years ago when I broke a million dollars the first time, I broke a million dollars based on a check that I literally received and deposited on December 31st. December 31st, I received a check overnight from someone who wanted to pre-pay the following year to get a tax savings and I deposited that check into the bank because that number is what actually caused me to "break" the million dollar barrier. Isn't that amazing?

Scott: Yes.

RJon: Well, if I had been posting for the last two months of the year, I wouldn't have done that. The fact of the matter is most lawyers in your market are forfeiting the last two months of the year. The fact of the matter is your clients are more worried and more concerned and more agitated and more focused on how to make next year better now than they will be at almost any other time of the year because they're realizing that they've missed all the other opportunities that they've had.

Now, also, they're out of work for the holidays. They're home with their families and it's the perfect opportunity to pick up the phone and make what we call GAS calls, Give A Shit calls. Call all of your former clients or call as many of your former clients if you can find time to call and say to them, "Hey, it's the end of the year and I'd like to make it a practice to call some of my favorite clients at the end of the year whenever I can and really just say thank you for being a client. Thank you for trusting your case or your matter to me. I just want to find out more about how did your 2018 wrap up for you and what are your plans for 2019, and I just wanted to see how you're doing because I care about and to say thank you." Just have a conversation. You know what happens when you have that conversation with 20 or 30 or 40 of your clients, Scott?

Scott: Well, there's going to be a number of them that'll say that they've got plans coming up. They need you. They consider that a timely call that out of the blue, they've got a need and then you call, so they're going to need your services.

RJon: Exactly. They appreciate it. They know you care. Some of them are going to say, "Wow! I've been meaning to call you. I need help with something else." Some of them are going to say, "Hey, you know what? I'm glad you called. I've got someone I need to introduce you to or refer you to." Some of them are going to say, "I have no need for your services anymore. Thank you very much. I appreciate what you did for me, but I don't need your services anymore nor does anyone that I know need your services, but I'm going to start a business. Can you refer me to a

business attorney?" "I need a new accountant. Can you refer me to a new accountant?" "I am buying a house. Do you know a good realtor?" Take an active interest in what's going on with them as human beings with their hopes and their dreams and their goals and their plans and what they did for this year and what they're planning to do for next year.

You call 20 or 30 of them, which cost you nothing to do, and you're going to pick up \$10,000 or \$20,000 of either repeat business, referral business inbound, or referrals you can make to people who are then going to be in a position to refer business back to you and this is just a really, really simple way to give yourself a nice year end revenue bump, and yet most lawyers will say, "Yup, if I did that, it would probably work." I believe it would work for anyone. There's no reason it shouldn't work for me. It wouldn't cost me anything to try it. You don't need to spend a bunch of money on fancy technology or a new website or anything like that.

Worst thing that happens is I call some clients and I left a note that I care about them and I put some good karma out into the world, it can't hurt me, and yet most lawyers won't do shit with this. I'm laying money down in front of your feet and most lawyers still won't bend over to pick it up. Like I said, on behalf of everyone with a million dollar law firm, thank you for forfeiting the game because we like to win.

All right. Are you ready, Scott, number four?

Scott: Before you go on, RJon, I'll say that I've talked with a couple of our members here in All-Digital who've been doing the GAS calls and both of them have said that it's a little bit nerve-wrecking, the first call or second call, but then they actually enjoyed it the more calls that they did. They felt better just as a human being, just as a person in reaching out and doing that. So if your hesitation is, "I'm not sure what to say or how to say it," we have talked about it in one of our previous coaching calls. RJon gave a portion of the script and I'll be glad to help you get that coaching lesson out of it, but write it down. Write

down your script and then have a script for -- if somebody answers the phone then have a script for it. Well, if I get a voicemail, I'm going to leave a voicemail, so have a script for voicemail.

You'll find out that not only as you do these calls will you be helping your clients, but that you will be feeling better as a person that you are doing good in helping others. You're wanting to invest back in them. So if your hesitation is not knowing what to say, how to say it, let me know and I'll help you with the script and walk you through it, and then I'd love to hear back. Go into the forum, shoot me an email, post on the forum and let us know how your GAS calls go. Work with one another about some of the ideas that you guys are having with one another when it comes to doing your GAS calls and what's working and successful for you and how those are turning out, so that's one thing that I would just add. I have spoken with a couple of our members who are actively doing those GAS calls every month.

RJon: Oh yeah, they're scarier to make in the beginning. The thing people really hesitate on is, "Well, what happens if I find out that they're not happy?" Well, wouldn't you rather know that they're not happy so you can find a way to try to fix it or even make an apology rather than have them out there stewing? The truth cannot hurt you because the truth is the truth whether you know that or not, then you'll know about it and then be empowered to do something about it than keeping your head in the sand because it's still going to be true.

Scott, I hope that everyone understands that when I'm saying things like, "Thank you on behalf of me and all the other members of the Million Dollar Club for forfeiting the game. We like to win," I'm trying to challenge you. I'm trying to get you to step up. I'm trying to get you to -- anyway, I think everyone gets what I'm trying to do. I'm not trying to be a jerk. All right.

Scott: No! Try to get them to be a million dollar law firm. That's exactly what they're doing --

RJon: Yeah. There's no reason whatsoever --

there's no one on this call, there's no one in this All-Digital Membership that had shared any information with us that leads me to believe that you can't have a million dollar firm in the next 36 to 48 months. Some of you could have it much, much sooner. Some of you, I just don't think any of you do have a million dollar firm or you wouldn't be in this digital program. You'd be a C-Suite or you'd be in the Million Dollar Solo Lawyers Club, but there's no one on this call who shared -- you'll want to raise your hand and say, "Here's this unique situation that I have that prevents me from being able to have a million dollar firm in the next 36 to 48 months." You'll want to get on the call and raise your hand at the end of this thing. I'd be happy to help you think it through. Maybe you do have something and I'll say, hey, I don't mind being -- maybe I'll stand corrected, but that doesn't happen very often that I'm wrong about people being able to build million dollar firms.

By the way, maybe you don't want to have a million dollar firm. That's fine. I'm not saying you should. Maybe you only want to have a lifestyle that requires a \$500,000 firm to support. If you only need a half a million dollar law firm to support the lifestyle you want to live, don't bother building a million dollar firm. Why do that if you don't need it? You do it because you have a reason for it.

All right. Last thing is business planning. Do you love your family? Scott, do you love your family?

Scott: Absolutely. I just took my daughter overseas. We had a great time, my youngest daughter. I love my family dearly. It's all about making memories together.

RJon: Do you love them enough to plan for their future?

Scott: Yes.

RJon: If you love your family, you should write a business plan for them. That is the most romantic thing, the most loving thing you can do for your spouse or significant other. It's the most loving thing you can do for your family, is to say, "I care

enough about our life together that I'm willing to make a plan to give us a life together." Business planning is an act of love and is an act of self-respect. Not writing a plan for how your business is supposed to function next year is a dereliction of duty for a parent, for a spouse, certainly for a business owner or an employer.

You don't have to do a complicated software. You don't need fancy technology. People have been writing business plans for law firms for hundreds of years. Back then, we just use pens and pieces of paper. My first business plan was literally written on a piece of paper, on a pad of paper, a bunch of yellow pages written by hand and it served me well. It just starts off with what are my financial goals, how much net income does it take to live the way I want to live next year, what do I guesstimate my gross margins are going to be to tell me how much I need to gross in order to take that much out of the business. If I got to make \$100,000 and I figure I'm going to run 25 percent profit, that means \$100,000, 25 percent of \$400,000 gross. If my average case or matter is going to be \$1,000 and I need \$400,000, obviously I need 400 cases.

If I got a one-third conversion ratio and I need 400 cases, 400 is one-third of 1,200, that means I need 1,200 prospective new clients to come in the door, so 100 a month. If I'm going to have 100 clients a month coming in the door, I need to figure out a marketing plan to get 100 prospective new clients to come in the door and I need to figure out a sales strategy for who is going to meet with 100 new clients a year, prospective new clients a year, and convert them into paying clients.

Pretty soon, you figure out that it can't be you doing all of this, so you've got to start building a team, which means you've got to start having workflow processes and systems and procedures for how you get the work done and job descriptions for who is going to do what by when and why and how they're going to be compensated, and some financial controls, budget, budget variance report, tax flow projections. It's the key numbers that we're talking about at the beginning of this call.

Scott, correct me if I'm wrong, but everyone who is listening to this call have access to the Business Plan Workshop recording and workbook as part of their membership, am I right?

Scott: They should, yes. I will make sure that it's in the membership site for them.

RJon: So this is something that people use to pay us \$5,000 to participate in. We used to sell this as a standalone program for \$5,000. It's \$5,000. Lawyers would come in from all around the country and we would do a two-day business plan, live Business Plan Workshop and they would walk out of there -- they walked in and they've never written a business plan in their life. They've never even read a business plan in their life. They only know what a business plan is and they walk out of there after two days and they're on their second or sometimes even their third draft of their business plan and not surprisingly, their law firm becomes much, much more profitable, much easier to manage, and they just start living a much better life because they actually have a plan.

Imagine taking a case to trial with no plan, no discovery plan, no plans for objections, no strategy, nothing in writing. You're just going to fucking wing it because you're so great. That's just stupid and irresponsible and that's exactly how lawyers run their law firms. We used to sell this Business Plan Workshop \$5,000 and before people would come out to the Business Plan Workshop, we would give them a recording to watch to get themselves prepared, and then at the Business Plan Workshop, we would complete this workbook together. You get the recording that prepares you for the Business Plan Workshop and you get the workbook that you can follow along and implement on your own for -- Scott, are you ready for this? How much? Free! For nothing!

Scott: Free!

RJon: Because you're already paying for nothing, for free. You get it for nothing because you're already a member of All-Digital Business, one of the things you get for being a member of Digital. There's some really great value there for you.

All right, Scott, are we going to go to Q&A today or not go to Q&A today? I have 10 minutes to do Q&A.

Scott: Okay. We've got 10 minutes for Q&A. We will do it. I want to invite Stephanie on the line. RJon, we've got those two tickets to give away, so we'll do that at the very end of our call here after our Q&A. We'll give away the two free tickets or give you instructions on how to enter to win the two free tickets to the next Live Quarterly Meeting, so let me have --

RJon: I want to just be clear. I want to just be clear we're going to give you the two free tickets to come [inaudible 01:10:57]. It's two different digital members each get a free ticket, right?

Scott: Oh, so we're going to give away -- okay.

RJon: We're going to give away two -- okay. Either way you do it, Scott, all I'm saying is the tickets are free, but we're going to require -- and I want everyone to understand this. We're going to require you to put up a deposit refundable. It's 100 percent guaranteed will be refunded to you. We just need you to put up a deposit to guarantee you're going to show up and use the ticket so we don't give the ticket to you instead of giving it to someone else who desperately wants it and could benefit from it and then you don't even show up. So we're going to ask you to put up a deposit and then when you get to the Live Quarterly Meeting and you go to the registration table and you sign in and you get your name badge and you get your workbook and you get the course materials and you get all the good stuff that we're going to give you, you're also going to receive a check in an envelope already signed and made out to your name for the seat deposit and it will be refunded to you right there on the spot. You can cash it and there's your money back, but it guarantees you show up.

If you do not show up, I'm not going to donate the money to charity. I'm not going to use the money for a worthy cause. I'm going to use the money and I'm going to personally blow it on something fun and self-indulgent that has as little socially

redeeming qualities as I can possibly think of. I'm just going to blow your money for fun if you don't show up and I'm going to send you a picture or a video of me blowing your money if you put up the fee deposit for the Live Quarterly Meeting and deny other people the opportunity to take that ticket and don't show up.

Now, if you have an emergency, if something comes up, you send us a doctor's note. We'll let you roll it over to the next Live Quarterly Meeting. We're not trying to stick it to you here, but I just want to make sure that you take advantage of these free tickets and you use them because it's not fair to other people who could benefit.

All right, Scott, a little bit of Q&A.

Scott: Yeah. Stephanie, will you come on the line and give everyone instructions on how to get in the queue for the Q&A?

Stephanie: At this time, to get on the question queue, simply press *1 at this time.

Scott: All right, so if you have a question, press *1 and what will happen is our operator, Stephanie, she'll isolate your phone line, bring you on to the phone line with RJon and myself. You'll be able to ask RJon your questions and get a direct response back from him. Everyone else on the line, you'll be able to hear the question that is being asked and RJon's answer to the question, so it's a great way to learn, not only get your questions answered, but learn from others who are asking questions. So if you have a question, press *1 and Stephanie will isolate your phone line and bring you on to the call to do that.

RJon, just for clarification, we're talking about the two free tickets. We will do two members who will get a ticket, so we'll do a drawing. Two members will be selected and I'll give you instructions on how to enter to win and I'll give you a deadline by which you're going to be able to do that because we're not going to let this roll. I want to reward those who are on our coaching call live. If you're listening to this by way of the recordings, the CD, the membership site, I want

you to know it pays to be on the call. So if you're on the call, you'll have the opportunity to enter to win, so we will announce that just before we hang up so that you can do that.

Stephanie, are we ready for our very first question?

Stephanie: Yes. Our first question comes from Carey. Your line is open.

Carey: Hi, RJon! I was wondering. What is the exercise that you were talking about?

RJon: Oh, right. All right. Are you ready for this one?

Carey: Yup.

RJon: Okay. First off, a little background, if your law firm is anything like almost everyone else's law firm, there are a lot of things you could be doing to make more money or save money that you're not doing that probably wouldn't take very long to do. Do you acknowledge that?

Carey: Yes.

RJon: Okay. It's kind of like all of us have probably a few thousand dollars of shit laying around our house that's waiting to be returned to storage for credits and refunds and we don't ever get around to it and then eventually we just donate it. Do you get what I'm saying?

Carey: Yes.

RJon: Okay. Do you acknowledge that if you were to look at these key numbers that I've shared with you, you couldn't help but find opportunities to make your law firm more profitable to the tune of probably thousands of dollars?

Carey: Yes, I acknowledge that.

RJon: Okay. Do you acknowledge that if you were to sit with your accountant now instead of waiting until the end of the year to come up with a tax strategy, you could probably find an opportunity or ways you could move some things around and save a couple thousand dollars?

Carey: Sure.

RJon: Okay. Do you agree that if you were to pick up the phone and call 20 or 30 of your former clients and making GAS calls that we're describing, there's probably a really, really good chance that you'd come away with some thousands of dollars of new business?

Carey: Yes.

RJon: Okay. Do you agree that if you were to write a plan, a business plan to revise your financial goals, your personal goals, your professional goals, and lay out a basic marketing plan and a basic sales strategy and lay out your SKUs and all this stuff that you're going to do there, that's got to help you grow your firm by \$20,000 to \$30,000 or more next year?

Carey: Absolutely, and we are planning on doing that.

RJon: Okay. Here's what you do. Take out a fresh \$100 bill or five \$20s or ten \$10s or \$25s or 100 \$1 bills. Go to the bathroom and one by one, tear them up and flush them down the toilet.

Carey: Okay.

RJon: That's it. Just stand over the toilet and tear up one by one by one 100 \$1 bills or tear up \$25 bills or tear up ten \$10 bills or five \$20 bills and just one by one tear them up and watch them go down the toilet.

Carey: Okay.

RJon: That's it. That's the exercise.

Carey: All right.

RJon: While you're watching them go down the toilet, just think about all of the stories and excuses and reasons that you've given over the past year to not do this stuff that you acknowledge would make you a lot more money if you did it, so you can make tens of thousands of dollars of extra money. You don't if you're com-

fortable with stories and excuses and justifications, but you're probably going to have a nervous breakdown before you get halfway through the exercise or you might not even do it.

Carey: I'll do it. I'll flush the \$100.

RJon: Okay. The smaller the bills and the more drawn out you can make it, I promise you, the better it'll be because what you're really trying to do here with this exercise is you're trying to really get an opportunity to confront your bullshit and realize, wait a second, this is insane. I'm having a nervous breakdown over a mere \$100 when I'm wasting thousands of dollars and even tens of thousands of dollars every year. I can't even bring myself to doing about that, but I'm freaking out over \$100 because the \$100 in cash that you're tearing up is more real to you.

Carey: Yeah.

RJon: If every time you made a story or an excuse to not do something you know you could do to grow your business you were forced to go to the bathroom and tear up cash, you'd stop making stories and excuses pretty quickly.

Carey: Yeah.

RJon: All right. Listen, there are lawyers listening to this. There are probably a hundred lawyers listening to this on this call live right now or maybe even listening to the recording later and they'll say, "That is just the stupidest thing ever. I don't need to tear up \$100. That's just a waste. That's irresponsible." They're probably coming up with all kinds of reasons to discount this and dismiss me and saying this is a horrible idea, and I'm telling you, try it.

Carey: Okay. We'll do it.

RJon: You'll lose 100 bucks. You lose 100 bucks every week on bullshit anyway.

Carey: That's true. All right. We'll do it.

RJon: Yeah. I'm speaking to everyone listening

and not just you, Carey. It might just unlock something that's stuck in your mindset that could really free you up to do some amazing things. All right. That's the exercise.

Carey: Okay. Thank you, RJon. Yeah, that's my only question.

RJon: All right. Scott, do we have anyone else?

Scott: Stephanie, do we have anyone else in the queue?

Stephanie: Yes. Next, we have Claudia. Your line is open.

Claudia: Hello!

RJon: Hi, Claudia!

Scott: Hey, Claudia!

Claudia: Hi! First of all, I want to let everyone know that I started my marketing, so I did do what you told me to last month.

RJon: You did what last month?

Claudia: I started my marketing. I did what you told me to do last month.

RJon: I apologize, but I don't remember what I asked you to do last month.

Claudia: Oh, sorry. You told me that I had to start my marketing again.

RJon: I'm sure it was really brilliant. I just don't remember what it was.

Claudia: Well, I do want to let you know that I actually did what you told me to do and just listened, but took some action.

RJon: I appreciate that. I just don't remember what I asked you to do.

Claudia: To start back my marketing on, turn on my marketing because I didn't have --

RJon: Oh, you turned it back on. You had turned it off and you turned it back on.

Claudia: Correct.

RJon: Okay. How is that working for you?

Claudia: Good, but the way I do my marketing is I build relationships with my referral sources. That way, when they send me a client, it's pretty much a done deal. I already started contacting and I have already met some CPAs. I do tax and I have meetings for more. It usually takes about a month for a client to get in, but then it's pretty much a done deal when I need them because they're being referred by their CPA, so that's --

RJon: And the reason you had turned off your marketing is because you didn't have the production capacity.

Claudia: Correct. I just felt overwhelmed. I'm feeling overwhelmed right now, but I'm just working through it and just not even paying attention to that overwhelming feeling.

RJon: Raise your prices.

Claudia: I know. You told me that's the second step. Once I start getting them in, start getting new clients in, to raise my prices and to be more selective, and then with a profit, get additional help.

RJon: Or maybe you'll reduce demand by raising your prices and you'll make more profit on that vine. Either way, you solve your problem.

Claudia: Correct, but I do have current clients that I'm working on, so it is what it is. I'll filter it for now. My question was when you talked about the key numbers, the cost of acquisition and how much you spend in marketing, do I include my time in that number?

RJon: No.

Claudia: Just current cost?

RJon: For purposes of this conversation, let's say no.

Claudia: Okay.

RJon: Ultimately, in long-term, the answer will turn out to be “yes”, but there are calculations that we have to do to get to the “yes”, so for now, just say “no”.

Claudia: Okay.

RJon: Here’s the deal. The number itself doesn’t really matter. What is important is the ratio because if your cost of acquisition was \$1,000 last year and it’s \$2,000 this year, that’s clearly a problem, don’t you think?

Claudia: Yes.

RJon: But if your cost of acquisition was \$2,000 last year and \$1,000 this year then that’s good. That’s the point of this exercise, is we’re looking for trends.

Claudia: Okay. Got it.

RJon: Because if it was \$2,000 last year and it’s \$1,000 this year, what’s the obvious question?

Claudia: Why did it go up?

RJon: Exactly. I don’t know the answer. Do you know the answer? You don’t know the answer. I don’t know the answer. The point of the exercise is to get to the questions so you go looking for the answer. It’s always amazing to me. Lawyers who are supposed to be good at discovery, who are analytic, analytical, who are curious, who are supposed to be intellectually courageous, they won’t even ask themselves basic questions about their business that forces them to go on a journey of discovery to figure things out. The purpose of looking at most of these numbers is to get to the question “why” so you could start to dig in and figure that out. If you can’t figure it out, you can come back to the forum on this Digital Membership and say, “Hey, this is what I’ve discovered” and we’ll help you figure out why, but first you’ve got to get the numbers so we can ask the question.

Claudia: Okay. Got it.

RJon: All right. Any other questions?

Claudia: No, that was it.

RJon: All right. Thanks, Claudia.

Claudia: Thank you.

Scott: All right. RJon, we have two more questions. Stephanie, we are ready for our next question.

RJon: And these will be the last two questions because I got to go.

Scott: That’s right. These are the last two.

Stephanie: Next, we have Lena. Your line is open.

Lena: Yes. Hi!

RJon: Hi!

Lena: Yes. I have a staffing question. I was looking to hire one person who would be doing a little bit of everything, so receptionist, legal assistant, paralegal. I started interviewing and identifying three great candidates and they offer just a little bit of everything, but they’re very different people.

During the interview, I just realized that it’s probably going to be very difficult to find one person who’s going to do a lot of different things including paralegal and being constantly interrupted. There are the potential client calls and other calls and doing legal assistant work. I just thought maybe I should hire two people. It’s a little bit of a scary concept. It would be my first time hiring somebody full-time. I have a part-time marketing person who is filling in all kinds of hats. She hasn’t done any marketing. I also have a part-time person who gave me two and a half months notice, so she’ll be leaving in a month and a half. What would you recommend?

RJon: You said paralegal, you said receptionist, and what was the other thing?

Lena: Legal assistant.

RJon: Legal assistant. In your mind, what is the difference between a legal assistant and a paralegal?

Lena: Well, in my mind, a paralegal is somebody who would potentially work quite a bit uninterrupted, working on cases so they could actually concentrate and produce billable work. It's very difficult to produce this type of work if you're constantly interrupted, if you're going to be doing more marketing and receiving more phone calls.

RJon: In your mind, what is the job of a legal assistant?

Lena: Legal assistant in this case would be doing a job of a receptionist and also preparing letters and --

RJon: No, no, no. A legal assistant is a legal assistant and a receptionist is a receptionist. So what's the job of a legal assistant? You can't say the job of a legal assistant is a receptionist because the job of a receptionist is a receptionist. The job of a legal assistant is a legal assistant.

Lena: Okay, so legal assistant would be helping me preparing the letters, retainer agreements, assisting me. I do trust and estate. It would be assisting me to the signing, scanning of documents, that sort of thing, then some of the drafts and perhaps --

RJon: In your mind, what is the job of a receptionist?

Lena: Receptionist would be answering phone calls, answering email inquiries from potential clients, lenders, dealing with the mail, managing the calendar, that sort of thing.

RJon: All right. You just described at least three different jobs in the job of a receptionist. In the job of receptionist, you described the job of a receptionist, you described the job of a file clerk, and you described the job of a marketing assistant.

The first thing you've got to do is you've got to get clear on what the job descriptions are. Pretend

like you had 50 people working for you. If you had 50 people working for you, you would never in a million years say that the legal assistant is supposed to do the job of the receptionist, right?

Lena: Correct.

RJon: Okay. There are 50 people working for you. The paralegal would be locked in a room with the door shut and no phone call and no light and we would just have that person cranking out paralegal stuff, right?

Lena: Correct.

RJon: Okay, so you've got to build your firm that way from the beginning. Do you understand what I'm saying?

Lena: Yes, so I would hire more people --

RJon: Because if you hire a paralegal, for example, and you let the paralegal get distracted by doing receptionist work and you let the paralegal get distracted by doing legal assistant work, you have just crippled your paralegal and then your paralegal will never be able to be productive for you as a paralegal even though they're going to be getting paid paralegal rates because they've got the skills and then you stall the whole thing out. Do you follow what I'm describing here?

Lena: Yes.

RJon: Okay. My suggestion based on what you've said -- and I'm just going to go on some -- you called me a little bit. You didn't tell me everything, and I'm going to go -- based on almost 20 years of experience doing this, I'm admittedly making some assumptions which is never safe to do, and I'm also going on a little bit of intuition, so take all of this with a few grains of salt. Do you get my meaning?

Lena: Yes.

RJon: This is what I think you should do based on what you told me. I think you should hire a paralegal first and I think you should treat the

paralegal as a paralegal. I think you should not let the paralegal do reception work even if he or she wants to. I think you should not let the paralegal get dragged into legal assistant work even if he or she wants to and I think you should treat the paralegal like a machine.

If you had a copy machine, what would you expect it to do? You'd expect it to make copies and maybe some scans. You would not expect your copy machine to also answer the phone and make coffee, would you?

Lena: Okay. Yes. No, that's correct. Would I answer the phone then?

RJon: Whatever is happening now is happening now, so you hire a paralegal --

Lena: I did have somebody answering the phone for a time and then I brought the second person who is the marketing person. Right now, she's also answering the phone on the days when the first person isn't --

RJon: Fine. How much are you going to pay the paralegal?

Lena: Probably -- I haven't decided yet, but probably \$40,000 to \$50,000.

RJon: Let's say you pay the paralegal \$50,000 times 1.20 for benefits and everything else. It costs you \$60,000 a year, right?

Lena: Okay, yeah.

RJon: \$50,000 a year divided by how many productive hours do you expect to get out of the paralegal per year?

Lena: Oh, this is a very good question provided that I can get them busy. I am not sure. Let's say 800 hours.

RJon: Okay. How many productive hours do you expect to get out of the paralegal in a day?

Lena: Well, let's say -- if they don't have to be in-

terrupted, let's say they're going to be productive for six hours.

RJon: I think four is probably more realistic.

Lena: Four? Yup.

RJon: Let's just be conservative, four hours, okay? So four hours a day times five days a week is 20 hours a week. How many weeks per year do you expect the paralegal to be productive?

Lena: Forty-seven.

RJon: Forty-six is probably more realistic because you're not going to expect the person to work on Christmas or Thanksgiving or New Years or all the major holidays. They add up to two weeks. You're also probably going to count on this person taking a two-week vacation. Now, you're down to 48 weeks. And then probably this person is going to take two weeks of just -- they're going to get sick. Their kids are going to get sick. The car is going to break down. Life is going to happen for another two weeks. Now, we've got 46 real weeks in a year, so 20 hours a week times 46 weeks is 920 hours a year. Are you with me?

Lena: Yes.

RJon: So \$60,000 divided by 920 hours cost you \$65 per hour.

Lena: Okay.

RJon: You pay \$60,000 a year to buy 920 hours. You're paying \$65 an hour. Are you with me?

Lena: Yes.

RJon: Do you understand how recklessly, irresponsibly wasteful it is to pay \$65 an hour for a receptionist?

Lena: Oh wow, absolutely.

RJon: Okay. Understand that every time the paralegal touches the phone to do the job of a receptionist, it's costing you \$65 an hour. Now, how

do you feel every time the receptionist wants to flush \$65 of your money down the toilet because he or she is trying to be helpful by doing the job of a receptionist?

Lena: Absolutely.

RJon: Do you get my point?

Lena: Yes.

RJon: This is the way you have to think about it. How much are you going to bill the paralegal for?

Lena: \$135 to \$150 an hour.

RJon: Let's say \$135 an hour, again, to be conservative. \$135 minus \$65 is \$70 an hour. \$70 an hour times 920 hours is \$64,000 a year of profit. So if I could lease you a machine for \$60,000 a year and the machine would crank out 920 widgets a year and you could sell each of those widgets for \$135 a piece, you could double your money on that machine. Would you lease that machine?

Lena: Yes.

RJon: Of course you would. Now, you take the \$64,000 paralegal and how much are you going to hire the legal assistant for?

Lena: Legal assistant, probably \$35,000 to \$40,000.

RJon: Well, guess who pays for the legal assistant.

Lena: Paralegal?

RJon: There you go. The paralegal buys you the legal assistant and probably most of your receptionists too. Now, you reinvest that free time that you buy back by having a paralegal and a legal assistant and a receptionist. Now, you've got all these extra free time on your hands and you use it to do more marketing.

Lena: Absolutely.

RJon: Now, you bring on an associate. You go

through the same exact analysis that I just did with the paralegal, the receptionist, and the legal assistant, and pretty soon, you've now taken yourself out of most of the legal work and running the marketing machine, managing your team, doing quality control and making probably the same money you're making now in terms of net income, but you're working half as much. Then you decide, "Do I want to continue making the same money working half as much or do I want to reinvest the half of the time that I'm not working and now double my firm again?" This is how we build million dollar law firms in the real world.

Lena: This makes a lot of sense.

RJon: Is this helpful?

Lena: Yes, this is really helpful. I do have a little bit of a follow-up question. Out of the three people I interviewed -- well, I interviewed a lot more -- but some of those people, one person I think would be a great receptionist or legal assistant, one person would be a great trust and estate paralegal, but the third person I interviewed, she's actually an Elder Law paralegal and extremely experienced. I've been trying to get into the Elder Law, but because I'm so swamped with all kinds of things, is bringing in the Elder Law paralegal would help me get into it? Would I have that person now or wait until I figure out what to do with the other two people that I'm going to hire?

RJon: Well, you're swamped with estate planning. You're not swamped with Elder Law.

Lena: Correct, and I don't advertise.

RJon: So hire the estate planning paralegal because that's what you're currently swamped with.

Lena: Yes.

RJon: That's my answer.

Lena: Okay. Yes. Thank you very much. Thank you, RJon.

RJon: You're welcome. Okay, Scott, last question and then we've got to jump.

Scott: Yup, last question, you'll jump, and then I'll give everybody the info on how to win the two free tickets, enter to win.

RJon: Stephanie, we're ready for our last question.

Stephanie: Our final question comes from James. Your line is open.

James:RJon, I was a little late to the call. The three things I got out of the call was I'm going to meet with my accountant before the end of the year, I'm going to call 20 to 30 former clients before the end of the year, and I'm going to make a business plan for 2019. My first question is did I miss anything?

RJon: I'll tell you what. First off, you'll want to meet with your accountant as soon as possible, not just before the end of the year because you want to give yourself as much time to maneuver as you can and you also missed some key numbers that you're going to ask your bookkeeper for. You heard me go on a little bit of a rant about how the fact that your bookkeeper can't or won't give you these two numbers. It should only take your bookkeeper about an hour to give this information to you and if he or she can't or won't, the conclusion has to be the same. You've got to get a new bookkeeper.

You also heard me -- you actually missed it when we taught a little mindset lesson at the top of the call, which was an unannounced bonus. I'm not going to repeat the whole thing, but you'll get a recording of the call to listen to it.

Scott: Yeah. James, I would say the recording should be in your membership site by noon tomorrow. I'll get the recording probably later this evening from the conference call company. I will follow up with you personally and make sure that you get the recording so that you can listen to the first part of the call.

James:One last quick question, you talked about

a script for calling the former clients. I did not see that on the website. Do you have that available?

RJon: That's a Scott question.

Scott: Yeah. That was not a formal script. It was one of the coaching calls where RJon talked through the script, so I will follow up with you and I'll get you that recording and transcript as well so you'll have the transcript of the recording of where he went through how to do the GAS calls and what to say.

James: Okay. Sorry. Thank you.

Scott: Nope, you're good. Great questions.

RJon: All right, Scott, I've got to go. Thanks, everyone!

Scott: All right. Well, thank you, RJon.

RJon: I've got to hang up.

Scott: Yup, go for it. Hey, everyone, before you hang up, let me give you instructions on how you can enter to win these two free tickets. Again, what's going to happen is two people, two members will be drawn to win a free ticket to the next Live Quarterly Meeting. You might also have heard it called the LQM. It's going to be coming up in January in Austin, Texas -- or I'm sorry, not Austin, Texas, San Antonio, Texas, January 18th through the 20th, so here's how to win.

I want you to go to managemylawfirm.com. Go to managemylawfirm.com. I'm typing that in myself. Go to managemylawfirm.com. It's going to send you to a website here where it says, "Click here to enter to win" and you'll see "Enter to win. Two free tickets will be given away to the Live Quarterly Meeting. Two members will have the opportunity to join us over 200 of the fastest-growing law firms in the US." Click there to enter to win. You're going to enter your name and your email address and I will follow up with you.

Once I get all of the entries, I will have a random drawing and two people will be selected. You'll

be contacted by phone and by email, and then we'll announce also to the rest of the membership the winners, so go to managemylawfirm.com. I'm going to put a deadline on this. You've got until 8:00 p.m. tonight. I've got a 5:45 p.m. Eastern Time, so you have until 8:00 Eastern Time to do it, so why not do it now and enter to win these tickets that we're going to be giving away.

Again, normally, this LQM is just for C-Suite members, so you're going to have a great opportunity to meet some other lawyers, to network with them, to hear from them, and to learn from RJon and the rest of the coaches that will be at the LQM and that will be presenting, so go to managemylawfirm.com to enter to win. If you're listening to this by way of the recording, your CD or your membership site, it is only for those who are live on the call because you've got to do it before 8:00 Eastern Time today, November 15th, so do so today. Again, go to managemylawfirm.com and enter to win those tickets.

I want to thank RJon. I know he's hung up, but I want to thank RJon for a great coaching call. As you heard me mention, the recordings should be in your membership site hopefully by noon tomorrow. I'll get the recording all edited and everything and put it in your membership site, and then shortly after that, you'll have the members bonus kit and the -- I'm sorry, the transcription in your membership site as well. Just give us some time to put that in there. Also, I'll be working on getting the additional bonuses that RJon mentioned on the call, which will be the Business Plan Workshop and video, so you'll have that and we'll be all set.

Thank you for being on the call. Thanks for a great call. Thank you, Stephanie, as well. I hope everyone has a great evening and go to managemylawfirm.com to enter to win. We look forward to having you at the next LQM if you're a lucky winner. We'll talk to you then.

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