

The Gut Check™ Scorecard - Income: am I making what I should?



	Frazzled	Frustrated	Fine	Focused	Fulfilled	Score
Criteria	1	2	3	4	5	
<p>The Great Practice, Great Life Challenge™</p> <p>The beauty of running your own practice is autonomy over your life. You get to design both: a great life and a great practice. Use what you learn today to choose a new start tomorrow.</p>	Sometimes I feel frazzled. It sometimes feels like I am failing, or at least struggling with both my practice and my life. I am worried I might be burned out. I am not sure if this slog is worth it. I am hopeful that things will change, but I am not sure where to start. But, I am afraid if I try something new it might make things worse.	I feel frustrated. I don't think I know how to unlock my potential or my team's potential. I feel with a little more work I can "turn the corner" soon. My primary focus is on increasing my income and building my practice. Once I make enough money my "great life" will take care of itself. I might have a few "blind spots" that are holding me back.	I feel successful, but often I feel "trapped" by my own success. Sometimes I feel like I am stuck on a "treadmill" running fast but getting nowhere. I am worried that if I make changes I will wreck what is working. I have great practice but the great life could use some work. I maybe overworking but isn't that the price of being successful?	My practice is doing great. I am at the top of our market and feel like we are the dominant firm. I am really confident in how well my firm is doing. I am not too worried about my great life because my sacrifices are necessary to be on top. My family understands I must work so hard and long to take care of everything.	I am growing a Great Practice, and cultivating a great life. When my friends ask how I am doing it, I tell them but they dismiss my advice because that "would never work." I put a lot of time, effort, and investment in to my practice and life, and it feels good to see it working. Sometimes I feel guilty because everything is working so well. I am fulfilled, happy, and occasionally joyful (but don't tell the bar)	
<p>Net Income-how do I rank?</p> <p>Am I doing better, worse, the same, or crushing it in comparison to other solo attorneys? The assumptions are: practicing more than 8 years, solo more than 2 years, working full time and great owner benefits (health insurance, retirement plans, etc.)</p>	Income is 0 (or losing money) to \$75,000. I am working too hard for too little. I am going to try and outwork the problem. Sooner or later, I will get ahead. If I can just keep working on my legal skills soon everyone will know I am a "great lawyer." If I can learn how to be a better lawyer the money will naturally follow. The next CLE will make the difference.	Income \$75,000 to \$140,000. I feel pretty good, but I think could do better. I am gaining confidence in my pricing, referral sources, and improving my time management. I am learning how to niche. I am learning to be more selective on clients and hiring. But, I am frustrated with getting better clients, long hours, and not finding a good team. (Note: once you break \$128,000 you are above the average for all attorneys Congratulations!)	Income \$140,000 to \$300,000. I think I am successful. I feel like my practice and referral sources are sustainable. Cash flow is consistent. I am not sure if I personally can manage more clients or more work. I am seriously considering hiring an associate or more paralegals but I don't think I can manage more people either. I don't think working more is the right answer. (\$140,000 to \$240,000 is considered "average" solo)	Income \$300,000 to \$600,000. I am doing great. I am starting to appreciate the business skills that allow me to hire, train, and leverage other professionals. I realize that the I can 'scale' and grow based on management systems, processes, and trained team leaders. (Note: \$300,000 to \$600,000 is considered upper 20% to 10%-Great job!)	Income exceeds \$600,000. I own a great practice. I feel like we are breaking free of the gravitational pull of typical practices. My primary focus is on business skills over legal technical skills. The more I invest in the team, and the less legal work I do, the more profitable we become. It feels weird, almost counterintuitive. (10% to upper 1% of solo small firm. Some Solo's are in excess of \$1,000,000 in net income but most of the income is driven by firm profit centers than their personal production, see below.)	
<p>In addition to my income, is my practice profitable?</p> <p>One of the key ways of building a great practice is to build profit centers inside the practice. This is a core business skill of some of the top income earners and the most valuable practices. The profit centers should drive more income to the owner.</p>	I pay myself a small base because my CPA says I must. At the end of the year, I pull out whatever is left and consider this my "profit." Everything feels financially tight. When I have a cash flow problem I need to rely on lines of credit and credit cards to get by. If I just work harder and longer I can do better next year.	I pay myself a low base. When I feel like I can afford it I will distribute profits out when I think I have enough money. I don't think I am doing a good job of thinking through my profit margins or planning for profits in my firm. I feel like I could do better but not sure how. I feel like I am working and stretched thin, this just sounds like more stuff to do.	I am starting to see that if and when I leverage other professionals (associates, paralegals, legal assistants) I can drive profitability. I think I might be adding \$10,000 to may be as high as \$50,000 in profits to the practice but I am not sure. I just feel like I am profitable when others are doing their work.	I am starting to see where my business skills pay off. I am learning how to build, leverage, and manage independent profit centers. For example, trust and probate administration services are its own profit center with its own manager. (\$200,000 and up are common in this practice).	The investment into business skills, people, management systems, and team leaders is producing a significant ROI. A significant portion of my income is coming out of profits rather than my own personal production. I understand that once the profit center is built I can market into this profit center and scale it. The key to great profitability is great team managers. (\$350,000 and up seem to be a common threshold in this practice)	
<p>Do I own my practice or does my practice own me?</p> <p>You can work a bunch to pump up income, but it is guaranteed way to burn out for you, and your team. This approach usually leads to being stuck at an income level for years, and ultimately burnout and consistent staff turnover. The key is the business skill to build a self-managing team and to take significant time off to boost your energy and creative problem-solving skills. (A day off is 24 hours of no form of work)</p>	I love practicing, but sometimes I feel like I work 24/7. I work most weekends, and if I am not in the office working, I am on my phone or checking my email while out of the office. I check email early, late, and on weekends. I have not had more than a solid week off (no emails, phone calls, emergencies) in over a year. Working more than anyone else is the only way to grow, right? I am pretty sure the firm owns me.	I get in early and stay late. I am on my phone or checking constantly. I do get weekends, and holidays off but I feel anxious when I don't check my emails while out of the office so I check my email when I am off. I could easily pull off a 3-day weekend, but my anxiety about not checking emails or phone messages usually wins out, besides, really successful attorneys don't take time off. Maybe, just maybe, my firm owns me.	I am focused at work. I take at least one two week vacation annually. I take most weekends off and holidays. When I am off, I seldom check email or phone messages. I only deal with emergency issues. I am confident my team can handle most emergencies. My firm owns me, but I love that I feel really important.	I am very focused at work on my highest-leverage activities. I don't work weekends. Sometimes I can pull off a four-day work week. I average four weeks a year off. While I am off, I do not check email or phone messages. Rarely do I get an emergency. I am very confident that my team can handle most emergencies. My firm is owned by me, but occasionally it tries to control me.	I can take 175 days off and the firm works just fine, if not better, as opposed to when I am there. When I am off, I don't check email, do client work, or take phone calls. I feel like I am the owner and leader of my firm. I am confident I own the firm and the firm does not own me. I see the firm as an asset that will produce a significant income for me long term and with the right leadership team in place to be a very sellable business.	
<p>Am I investing in the skills that drive growth?</p> <p>The growth driver of my income and my free time are my business skills. Being a great lawyer is the start; the real key to growth is investing in your business skills. How are you investing your time and money into becoming better at your business skills?</p>	I am struggling to find the time and money to invest to improve my business skills. My key strategy is to outwork everyone. I don't have any time to plan or know how to get better. I am kind of making it up as I go along. Plus, if I did have the time to work on my business skills I would rather use that time to catch up on client work. I am doing the best I can! (Investing under an hour a week.)	I think some business skills might be important, but I am not ready to invest to get better. I read books, the listserv, and learn here and there. I ask other lawyers for their opinions or tips. I really don't have a structure or process for thinking about or growing my practice. I feel like something is missing. I feel overwhelmed and I am not sure what to do to get things moving. (1 to 3 hours per week on my business skills.)	The business skills I am focused on are time management, marketing, cash flow, and building a great team. I am making slow and steady progress. I review my goals/plan every 90 days. Growth is steady, and I am learning how to grow my business skills to impact my profitability. I invest 2% or more and one day or more into the business skills of myself and my team.	My team and I are happy with our progress. We are committed to reviewing and improving our implementation of our plan on at least a monthly basis. Growth is consistent. I invest more than two days a week and at least 3 percent in my and my team's business skills.	My team and I are growing. We work on our strategic plan in 90-day increments. Growth and profitability are strong. I invest more than 50% of my time in the business side and comfortably invest 3 to 5% into business skills for me and my team. The leadership team is strong, and I am confident that I have a legacy firm.	

Top 3 Insights		

Top 3 Actions		