

A photograph of a desk with a laptop, a mouse, and a pair of sunglasses. The text is overlaid on the left side of the image.

# How To Set Up And Run A Successful Consultancy Model For Law Firm Owners

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**Solicitor (non-practising)**

## How To Set Up And Run A Profitable Consultant Model Law Firm

The consultancy model is thriving.

Traditional firms are starting to test the consultancy model, new firms have gone all in on the consultancy law model and there are many hybrid firms offering a mix of employed and consultancy roles.

What fascinates me is how badly nearly all of them are doing it.

In the first part of this guide, I look at the reasons it is being done so badly, then I move onto the best way to set up and run a consultancy model.

I have written this guide as more and more law firm owners are approaching me to help them finalise their offering, then to get it off the ground, and more and more consultants are approaching me as they are disheartened by their current arrangement.

If, after reading this guide, you would like to talk with me about how I can help you, I show you how to do so at the end of the guide.

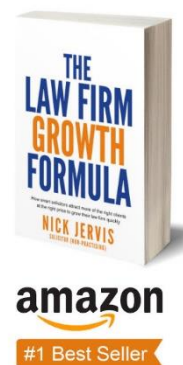
### Why Listen To Me?

Let me keep this very short (as I know it is dull) but I hope it helps to show that I have some expertise in this area):

- Author of the Amazon best seller [The Law Firm Growth Formula](#).
- Work exclusively with law firm owners to grow their law firms.
- Manage a spend in excess of £2 million per annum both online and offline.
- My consultancy advice covers everything from growth to recruitment, retention, management and the topic of this guide.
- Solicitor (non-practising) since 2003 (practising from 1991 until 2003).



*Nick Jervis, Solicitor (non-practising) & Law Firm Growth Consultant*



## **1. Where Most Consultancy Models Go Wrong**

It is easy to see how most firms and consultants have ended up in a position where they both feel frustrated and the model isn't working for either of them.

Let's look at each of their viewpoints.

### **1.1. Consultant solicitors**

Whilst employed, they are billing successfully.

They reach the point that they resent the law firm owner doing so well from their hard work and decide that there has to be a better way.

Whilst they do not want to set up their own law firm (too much administration and hassle) they would like to keep more of the income that they produce for themselves.

They run some numbers and realise that if they were a consultant keeping 60-80% of their turnover, suddenly on their £150,000 annual billing, instead of only receiving a salary of £50,000, they would now receive £90,000 to £120,000.

Why wouldn't they do this?

So they do....

### **1.2. The Law Firm Owner**

Every law firm owner knows that the biggest problem with running a law firm is staff!

They always want more:

- More money
- More time off
- More benefits
- More pension

... and the list goes on.

On top of this, some of them do not even hit their billing targets consistently, or even at all, yet their list of demands continues.

Imagine if these law firm owners only employed fee earners who were as interested and as invested in consistently reaching billing targets as they were?

*“Hold on a minute, there is a way; the consultancy model.*

*Suddenly I only have to pay the consultant solicitor if they actually bill something, and as they will be motivated to bill because they keep so much of it, it is a complete ‘win win’ situation for us both.*

*It really doesn’t matter if I give them 60-80% of what they bill as aside from insurance and some office administration expenses, it is pretty much all profit.*

*Let’s do this!”*

### **1.3. The Outcome**

Both parties enter into the agreement and are incredibly excited.

The Consultant cannot wait to keep 60% of what they bill; that £90-120,000 is in touching distance now...

The Law Firm Owner cannot believe he or she has a fee earner who is equally invested in their strategy.

*What could possibly go wrong?*

This is what always goes wrong:

- The consultant has never once had to generate any of their own work. They do not know where to start and have absolutely no budget to market their services.
- Once they have exhausted the list of any clients they were able to wheedle away from their old firm, their filing cabinets are empty.
- Months and then the first year goes by, and rather than billing the anticipated £150,000 which they have always billed (when the work was handed over to them), they only manage £50,000. From a salary of £50,000 they are now on £30-40,000.
- The Law Firm Owner, far from generating the £30-60,000 in hassle free income, receives £10-20,000.

There has to be a better way, and there is!

## 2. How To Set Up And Run A Profitable Consultant Model Law Firm

What I am about to share with you now, will probably not come as much of a surprise based on what I have shared above, yet I can assure you that every month law firm owners are falling into the traps above, as are consultant solicitors.

I know, from speaking with dozens of consultants every year, that they are stuck in a consultancy model which is not profitable and not good for their health.

I also know, on the flip side, that there are many law firm owners who are not happy with having the hassle of consultants on their books who are not making them any profits.

To get this model right, you have to play to both parties strengths:

- Let the consultant focus on doing a great job for their clients.
- Let the law firm owner focus on everything else, including counting the profits from a thriving consultancy network.

In my opinion, and experience, the only way that this can happen is if the law firm owner takes complete control of generating the leads for their consultants.

Whilst this might make the model seem less profitable and attractive to begin with, remember the numbers above for how this usually pans out at the moment.

Not good!

However, look how the model might work when you take full control of the marketing, remembering that once you have more than one consultant on your books, the economies of scale of generating the leads for them means that your marketing costs per consultant get smaller and smaller.

These numbers are based on real marketing numbers from the many Google Ads campaigns that I run. Obviously some services cost more to generate leads than others, but this gives you a flavour for how the consultancy model can work.

## Potential Consultancy Model

Consultants	Marketing Costs Per Month £	Leads Generated	Clients Taken On	Billing £	Your share 50%	Profit Per Month
1	950	15	8	6,000	3000	2,050
2	1,800	30	16	12,000	6000	4,200
3	2,550	45	24	18,000	9,000	6,450
4	3,200	60	32	24,000	12,000	8,800

Now you might look at that and find it somewhat uninspiring, but if you compare it to the model most firms are running now, based on 4 consultants on 70% but billing very little (£50,000), you can see how it fares better, and once the consultants are established, their fees will exceed the modest £72,000 I have based the above scenario on.

	<b>Annual Income For Law Firm Owner</b>	<b>Notes</b>
<b>4 Consultants 30% of £50,000</b>	£60,000	The income will reduce once the clients who have come with the consultant conclude their matters.
<b>4 Consultants 50% of £72,000 less marketing costs</b>	£105,600	The income will increase as the consultants become more established and your marketing costs will reduce as you recruit more consultants

### 3. The Consultancy Model Can Be Very Profitable

If I ever wanted to start a law firm (I don't, in case you were wondering), the consultancy model would be the one that I would choose.

If you are thinking any of the following:

- I like the sound of this, but how will I generate the clients required?
- Can it really be achieved?
- Is it worth it?

Then we should talk.

[Click Here To Schedule A Free, No Obligation Call With Me To Discover More :>>](#)

The consultancy model works, if you set it up and manage it correctly!

Very helpful and Nick went straight to address the issue I had. I was expecting a hard sales pitch, and was surprised and delighted not to get that. I got some clear pointers as to the next steps I should take (without charge) and a useful personal introduction."

Nick Jenkins

"The call was extremely helpful. The information provided on the website content was really informative and a valuable use of time indeed."

Nancy Hibbert, Garner Hancock Solicitors

"It was very helpful with clear and direct instructions and done in a friendly manor."

Bo Gordon, Wainwright & Cummins LLP

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