Podcast Transcript: Going your own way – One Lawyer’s Story with Lav Chhabra

**Heather:**You're listening to More Than Knowing the Law, the podcast that explores how to minimize risk through building good business culture and approaches presented by the Legal Practitioners' Liability Committee.

Hello, and welcome to More Than Knowing the Law. I'm Heather Hibberd, Chief Risk Manager at the Legal Practitioners' Liability Committee. In this episode, we're focusing on what it takes to set up your own practice. Whether you've been thinking about starting a practice or perhaps you've recently gone out on your own, this episode will provide you with valuable tips for setting up for success.

And I'm excited to welcome Lav Chhabra to the show. Lav is the principal of Perpetuity Legal - a small boutique practice of three people, that was started two years ago in 2019 and located in the Melbourne CBD. The firm specializes in wills and estates and elder law.

We were keen to speak with Lav as someone who relatively recently decided to go out on his own and start his own firm. In this conversation, Lav shares the process he went through, what he focused on and how he set things up. I hope you enjoy this conversation with Lav Chhabra.

So, welcome, Lav and thank you for joining us today on our podcast.

**Lav:**Thank you, Heather, thank you for having me.

**Heather**: We've been speaking with Liz Harris who's a consultant at Ovid Consulting about the things that she sees when she advises lawyers about setting up and running a practice. But today, we wanted to hear from you, Lav, about how you've actually gone about setting up and running your practice?

01:58 So, can you tell our listeners a bit about your firm, how long you've been in practice and what you do?

**Lav:**First of all, I really appreciate this opportunity. I almost feel flattered that I've been given this opportunity to come here and have a chat with you. I am a wills and estates practitioner and the practice is purely operating in this area of wills and estates law. And we do three main elements, we do state planning in the front end, we're drafting simple wills to really complex succession planning for people with multiple businesses and complex family needs, like blended families or children with special needs.

And then the second element is probate administration where if someone passes away, we assist the family through getting a grant, assisting with the administration of the estate, guiding them through that difficult process. And the last element which we try to keep people out of is will disputes.

So, and that is an area where I really want to sort of do a bit more, because in my past roles, I was not given the opportunity to operate in that area given that firms were focusing mainly on the front couple of... the two elements I've talked about.

However, I'm finding with having my own practice, I have the flexibility to market my skills in the areas I want to get more into.

**Heather**: What is the career path that's behind your story? And what made you decide to set up your own firm?

**Lav:**Oh wow, how much time do we have?

**Heather:**The short version.

**Lav:**The short version. So, after my law degree, I got offered through Leo Cussens a placement in a law firm which is now Tisher Liner FC Law. And that was a three-week placement and potentially one of the best things I did to get a jumpstart in my career, was that placement and I really worked hard through those three weeks.

And then, when I was ready to find a position as a lawyer, I contacted Tisher Liner again, and I said, "I'm looking for a job, if you know anyone who's wanting to hire at first year, let me know." And they said, "Well, we've got a position and we know who you are, and we know your work ethic, come and join us."

04:07 And I worked there for a few years. In fact, I was working for a few partners at the time, and that was a great thing for me because doing that enabled me to choose the areas I had more interest in. For example, I knew very early on that I enjoyed the client and direction side of things quite a lot.

However, like most young lawyers, I also wanted to try new things. So I moved from there to become a corporate counsellor for the Department of Health for a couple of years. And just as a side step to see what else is out there and I realized very quickly that I prefer my area where I started, which was will and estates. Then I started looking for a role in that area and there's a firm which has a national presence, a documentation firm and they wanted to start their wills and estates arm and they had a lawyer there, a senior lawyer and they brought me in as another person to assist.

And I stayed there for quite a few years and eventually working my way through a senior position to end up being the director of that practice for one year and I realized that if I am working as a director, I'm taking on a lot of risk, taking a lot of stress and doing all the functions which a person who has a firm would be undertaking anyway, those roles.

So why am I not doing this for myself? And that was the moment where I called my wife, I still remember the day, I called her, I said, "Stef, I think I'm ready to have my own practice." And she says, "Well, then, what are you thinking? Go for it."

It helps to have a supporting family, I have to say, because I think most lawyers will understand what I'm saying that we are our own harshest critics. So we want to make sure that we are performing at our best.

So I started a master's in the area of wills and estates, I finished that master's, I was very happy with the result that I got awarded best graduating student in that area.

**Heather:**Congratulations.

**Lav:**Thank you. So, then after my master's, I set the accreditation as well and this is all while I was setting up my practice in the first couple of years, and then I got the LIV last year in Victoria, Accredited Specialization in wills and estates as well. And those couple of steps really gave me the reassurance that I'm equipped to handle having my own practice. I'm equipped to give my clients my best.

06:16 **Heather:**So you had that "aha" moment about, "I'm gonna set up my own practice..." How did you then actually go about doing that? Did you sit down and write a long list of what you needed to do? Did you talk to lots of people? What was the process that you went about once you decided to set up your own practice?

**Lav:**Yeah. It may sound daunting, setting up your own business. As lawyers, we are trained for it. Anything that comes to our desk, the first thing we look at is what is the issue, we break it down into elements, what we need to do to get where we want to be.

So I just treat it, setting up my own practice as, okay, "What are the elements, what am I looking at?" I'm looking at first and foremost which is the area I'm gonna practice in, do I have skills in that area, that's where the master's came in, the specialization, the thought of doing that came in.

The second is, what structure am I going to adopt? Am I going to be a sole practitioner, am I going to run it as a company or through a family trust? Is it going to be something where I'll be bringing in more people to assist down the track at my level or do I want to keep it small?

Those are the things I had to consider. And then once you establish the structure, and the area of practice, the next thing's of course the compliance side of things, what is required, having the practice and certificate to operate as a principal, to do the course offered through Law Institute of Victoria and other organizations.

Then, the website. We live in an age where it's all about social media. So, having that online presence, and we wanted to make sure that our website is friendly, is approachable, but not too cluttered, but at the same time delivers the message that we are here to assist in this area and this is who we are.

So, having that website, the online material, the online presence was important. So, work through that step by step and then the next thing was the offices. I wanted to operate in the legal precinct, so we found it can be a huge expense, setting up your own office... You have to deal with telecommunications, internet and all that.

So, then I looked at which are the firms or companies offering serviced offices and I came across Clarence Chambers. And I saw an office and I saw what they delivered and it was the right thing to do for myself and we took an office here in Clarence and it's been two years, I'm very happy with everything.

08:24 **Heather:**And what about the technology side of things, 'cause I know a lot of firms struggle with that and a lot of firms start out without a practice management system and don't really have the IT support that they need for cybersecurity, how did you go about deciding on those things?

**Lav:**Thank you for pointing that out because having the right practice management system is I think the most critical thing in running a law practice. So, one of the things I thought, this was before I started practising, I need a practice management system where I can sit in a garden and run my practice from there.

That was my benchmark. So, if I can sit in a park and be able to operate my practice, that's the practice management system I want. And we chose LEAP, it is something which I've noticed is designed for small to medium-sized firms. We are a small practice, a boutique practice. And it works perfectly for us. We've used them to even provide us with coding of precedents.

So, they do that for us at a fee and they've also actually taught us how to do it if we want to do it on our own for smaller letters or smaller documents. So, LEAP has been phenomenal for us. It comes with a cost of course, but the efficiency it creates and the reporting it provides and the compliance it is able to assist us with, I think that cost is easily absorbed.

09:41 **Heather:**Yeah, it's very true, isn't it? Some people look at the costs and think of any of the practice management systems and think they won't bother doing that at the start. But, I think if you can start the way you mean to go on, it's certainly much more efficient and effective. So, good decisions there I think at the beginning.

How did you go about setting up your website? Did you just get that word of mouth from someone or did you already know someone who could build your website for you?

**Lav:**I think most would agree that lawyers can be quite pedantic. So, even though we had our service provider provide us with the different formats they offered for websites, we pretty much spent time, my wife is quite creative as well, we sat down and worked out what we wanted to see if we are going to a lawyer who practices in wills and estates, what we wanted to see from a website point of view.

And we gave the pictures we wanted, and we strolled through quite a lot. We gave the wording we wanted on the website, and how we wanted to look, so we gave the brief to the designer who then incorporated all that and put it through, to us, for approval.

I find simplicity speaks for itself, when someone can just click on the website, get the relevant information, and contact you. Even though we've set costs, we've decided not to put prices. I'm just giving an example of the thought process behind it, because I think legal services, even though we're moving to a fixed price model where the clients expect to know upfront what it's going to cost, I think it's important for the client to have the ability to speak with the practitioner before they just look at the price and say, "No, yes, no."

11:16 So, that's why we've decided not to put our price list on. But we have given the option to clients to be able to for example book a meeting through our website. So if they wanted a telephone conference or a video conference, or a meeting in person, those options are there.

I think having that technology incorporated into a website is great because that saves us the client saying, "Can you look at my calendar?", or "I'll look in my calendar and give me some options..." You know, it just removes that discussion. So, here's the link, have a look at what's your availability and book in a type of meeting you want.

So, that's where we think the modern technology really helps in reducing some administrative burden. But we also still want to maintain the human contact before looking at our price list, so have a chat with us, see what we can do for you, what your issue is.

11:54 **Heather:**I think that's very true, that people are expecting to be able to self-service and go in and book appointments online when they feel like it at 10 o'clock at night or whatever, so I think that's a great initiative.

If we can just step back a bit and think a bit more broadly, I was speaking with Liz Harris on another podcast about the change of mindset required when lawyers set up their own practice - where they have to go from lawyer to business owner, from working in the business to working on the business is how Liz put it. Was that something that you consciously thought about at the start when you set up your own firm?

**Lav:**I did think of it, because early on, someone said to me, "Lav, you need three people to run a business, one person who's working on the business, one person who's working in the business and one person who's managing all of that." And he says, "When you set up your own, it's that you have to wear three hats."

So, I think it's true if you're running your own practice, the expectation of, you're going to bill a set number of hours every day, sometimes that can be very difficult. Because, if you look at my typical day, I have a portion of my day dedicated to attending to new queries. You can't just always get a junior lawyer or someone to tend to a new query because that's the expectation we're setting up for the client, that the principal is not available, whereas the premise of having a boutique practice is you get direct contact when required with the principal.

13:26 Your matter is not delivered to a junior person and next thing, you only hear the principal the first time and the last time. So, part of the day is dedicated to attending to new queries, then also networking.

I've actually started enjoying that side of things because it was something which I never did in my previous roles when I was working as an associate or senior associate, is to go out to meet people, have lunches with them. And I've actually made some good friends out of that experience.

And those friends also send us business and we do vice-versa if we're able to. So, networking is important. I am finding that when I started the practice, I didn't think it would involve as much of my time as it does. But that has forced me to work out, okay, how can I better schedule my week or my fortnight? That means making sure that having one or two days every fortnight where there are no meetings booked so I can make sure that the work doesn't build up, having meeting-free days, or I call them working B-days where we just sit in an office and just work away.

14:21 Making sure that the networking doesn't take over the actual work we're doing. So there has to be some balance in that as well. Joining groups, social groups. It's very important. And solicitors are not trained like that. We're trained to analyze the situation and give a response and assist the client with their needs. We're not trained to be marketing ourselves.

One of my biggest fears is someone saying, "I'm not happy with what you've done and let's get someone else involved, like a commissioner or someone to see what you've done." That's one of my biggest fears. I want people to say, "It was the right decision engaging you, we're happy with the result, thank you very much."

Or I will say, "Thank you for the services, and we will certainly recommend you to someone else." The best form of marketing is word of mouth. That's what I've found. We have to market ourselves. But clients are very savvy. If you say that this is who you are, this is what you can deliver, and if you fail to deliver once, you've lost the client and any referrals which come from that.

That's why I've decided that my area of expertise is wills and estates. If I get and clients will often say, "You've done such a great job in that work, can I also give you this other matter I have?" And I say, "I'm sorry, that's not my area of expertise, it will not be cost-efficient for me to do that job for you, even if I'm able to, I can refer you on to someone who's more suitable for that work."

So by keeping my focus narrow, by making sure I have time to do the work I'm getting and then also scheduling regular networking events, or catch ups, I think I'm able to so far manage that business side of things.

15:53 But in the end, we are still practitioners, and whilst it may sound amazing to have a great inflow of work, you know they say, revenue is vanity, profit is sanity, cash flow is king. So we still have to make sure that it's not about how much revenue we're generating, what quality of legal services we are giving. It means saying no, we don't have the capacity to take on more.

**Heather:**We often see claims where practitioners have been dabbling in areas outside their expertise because it's often tempting to take whatever walks in the door or it's often hard to say no. And I was going to ask, were you tempted at the very beginning when you first started your firm to do work that was outside of your area of expertise or have you always been very strict about it?

**Lav:** Fortunately, when I've started my practice, I've been practising for more than 10 years. So I was at a level where I could say no. I was confident enough to say no and I have seen with some practitioners who after the fourth or fifth year of their profession they've tried to open their own firm and there is this temptation just to get some revenue and take on files.

I feel that there is no reason. If the work is not coming straight away, again, go back to those points I mentioned earlier about networking, joining groups, presenting, writing papers, getting more qualification, doing a master's or accreditation. Those things will get that work when you get your name out.

So it's a matter of having patience because the most important thing as practitioners or practitioners within a smaller area is you forget that we're also family members, fathers, mothers, sisters, brothers, you know, partners... So, a small business can consume your person if we don't put boundaries around it.

17:40 And the only way we can put boundaries is if we're efficient in what we do, so we can have that, the so-called work-life balance. So, I've been fortunate enough to be able to say no, and I think practitioners should be able to say no and should say no to work which is outside of their area of expertise.

When I have juniors working with me, I say the one, I said, "If you go to a medical practitioner, if the person says, 'I'm a heart surgeon.' You will not go to them and say 'I've got some issues with my brain, you just operated on my heart, I want you to do a brain surgery on me as well.'

I said, treat yourself the same way. If you are a practitioner, operating in this area, and someone comes with a family law matter, it is not an area we practice in, and the first answer should be, “If you don't know anyone, we can give you a couple of options for you to try.” It's a no, that's how I look at it. I always fall back under the medical practitioner analogy, I think it works well.

18:30 **Heather:**Yes, yes, that's a very good analogy. And I think people understand that with medicine, but they don't quite understand it with law, so it's a good way to educate people. And I think what you said about being efficient and having good systems and processes, that's certainly what Stephen Bubb , one of our Risk Managers says when he talks about this practice management area, that you can't make good decisions if you don't know the law, and you can't do a job efficiently and effectively if you haven't got the good systems and processes in place. So, it's music to our ears to hear you saying that.

**Lav:**Thank you, Heather.

**Heather:** Is there anything that you would do differently if you had your time again?

**Lav:**Differently in terms of from the point I started my practice, is there anything--

**Heather:** Yes, yeah, from setting up your practice. So if you were doing it again, would you do it differently, or another question might be, "What's the best advice you could give someone who's setting up their practice if there's nothing that you would do differently yourself?"

19:31 **Lav:**In terms of differently, I'd start my master's earlier, I think I left it too late and we just had a child and I decided to start my master's and I honestly believe that I have an amazing wife, but I could see the kind of pressure I put her under. We had a little child, and I was doing my master's, working full-time, trying to set up my own practice.

And I think that is a mistake I made. If I had my time again, I would do my master's earlier and be able to spend more time at home with her, supporting her. The flip side is that now I say, "What can I do for you?" Because she wants to do further studies and I said, I will make that time available. But it was something I believe I regret doing, not calculating the other needs in my life as well as I should have.

Other thing, in terms of work, what I do is, it's not really a mistake, it was a learning curve, is where I started working on my precedents, my workflow after starting the practice. Thinking that I'll have enough time by the time I get matters coming in, to be able to work on those things and I think that again put pressure on the system and where the matters came in, I had to get on with that very quickly.

So I'd set up my precedent bank, my workflow, steps how to deal with matters beforehand. Having checklists really helps, having stages written out properly and some of the practice management software will provide you with a base of the checklist we can build on that. But that also helps with risk management.

20:54 So, having pre-approved precedents, where if the matter is straightforward, you know the variables, and if they fit within that, you've got an approved precedent there which you can then review and settle.

Whereas, not having those will put the pressure on the system. So those are the things I'll do, things which I've done, but I'd do them earlier rather than doing them as the practice is developing. But again in practice, sometimes, in theory we can talk about these things, in practice things turn out to be a little bit different.

So if I had the time again, I'd do my master's earlier and be prepared for this transition. And it's not like, I'm sure there are people who say, "I want to open my own practice after these many years..." For me, it was overtime, this thought came to me.

I didn't start out, that one day I'll have my own practice. As lawyers, we are given the dream of becoming a partner in a firm. That's what you generally work to, work hard and one day you'll be able to become a partner. But to me, that thought progressed over time, that cemented over time.

I like the idea of having a smaller practice. I like the idea of saying to my staff, "You don't have to work overtime, you just go home, at a reasonable time, have a life." I'd rather have happy and healthy lawyers who will work efficiently than tired and unhappy lawyers who are working with me.

22:11 And I try to apply the same principle to me. So that's what I wanted to sort of add on things I'd do differently. The other thing is having the right kind of people. The most important thing is, in a small practice, if you've got a practice with three or four people in it or even two, each staff matters, each member of the team matters.

And I say to them, "You're not working for me, we are all working together, you have a job, I have a job, and we're all assisting each other - if you're not able to do your part, I will not be able to do my part, and it won't be an efficient job for the work." So we're all working together, so take ownership and talk to each other.

**Heather:**Lav, I know you did the practice management course before you started your own practice. Do you think the course set you up well to understand and manage the risks of running your own practice and what was the best thing about it do you think?

23:01 **Lav:**So, when I did the course, it wasn't compulsory. It was about to become compulsory, but I still wanted to do it because I mean, the transition from a lawyer to associate, senior associate, it takes years and then hopefully a partner or principal of a practice. It takes years.

But during that time, whilst we learned how to deal with clients, how to deal with colleagues, how to run matters, legal advice, there are elements which we over time forget because it's not that we ignore those elements, it's just that the training stops in those areas.

For example, if we're not handling trust monies, the training is not there because some firms will have their own department doing that. And for example, compliance with insurance, how does that work? I know a lot of lawyers, I talk about, and they pay the indemnity cover, but a lot of them are actually not sure about what does it mean.

So I've thought the practice management course really brought that back home to me again by putting it in full front - "You're about to become a principal, these are the things which you need to consider in addition to making sure that you are giving the right advice, that you're doing all the risk-management, you've got to look at your trust accounting compliance all the time, you've got to make sure that your risk-management is up to date and if not, what you need to do."

24:15 One thing I had to work, which was highlighted in the practice management course beautifully was succession planning. I mean, I do this for a living, wills and estates, but where's the succession plan for a boutique firm like my own practice? If something happens to me tomorrow, if I love capacity, or I pass away, what is going to happen to ongoing matters we have in our deeds packet, how does that work? So I'm actually currently working on that plan myself to submit to the Board.

So these are the kind of things which the practice management course brought up and I took note and that was the reason I did. Another thing is, as a person who's just moved to the level of principal, partner, there are other senior partners or the owners of the practice, and it's hard to say, "No, I'm not comfortable with this." But if you've done a course, then you have a reference and say, "Look, according to these rules, I'm not able to do this."

You take the person out of it and you bring it back to the actual law or the rules and you point that out and that sort of defuses the tension a little bit. So I found it very helpful, I cannot recommend it more. It's great, a great tool to have. And I think I've noticed the Legal Services Board, the LPLC, there's a lot of material which we find, the guides which we find really helpful.

25:24 It is a message which needs to be given again and again because in the busy world of doing the matters, we forget that that is an important element. So I think for small practitioners working in small practices, we have to do a trust accounting every month. And now I think the trust accounting audits will happen quarterly rather than yearly. So it's very important and I recommend anyone who's thinking of, even if people don't want to become principals, there's no harm in doing that course, because it will certainly add to your knowledge about what are the compliance things they need to look at.

**Heather:**It's good to hear that you found the course so useful, Lav. And I commend your lifelong learning attitude. So thanks so much for your time today. It's been a delight to have you on our podcast.

**Lav:**Heather, thank you very much for the opportunity and to the LPLC team, it's been my pleasure.

**Heather:**Thanks so much to Lav for sharing his experience and advice with us. The key takeaways from this episode are: Setting up your own practice can be a pathway to allowing you to practice in areas you enjoy or have a special interest in. When setting up your own practice, you should break it down to the key elements and work on them step by step.

Using good technology can help you with administrative burdens and free you to practice as you want to. But of course, keeping in contact with clients is also important. Allocating time to work on the business as well as in the business is an important part of the principal's role.

It's also important to be able to say no when work is outside of your area of expertise. And this is something we will talk about some more in another podcast episode.

You have been listening to More Than Knowing the Law. And I'm Heather Hibberd. If you would like more information about the topics we have discussed today, and links to helpful resources to manage your risk, visit LPLC.com.au.