

HOW TO MAXIMIZE VALUE

FROM YOUR LEGAL BUDGET

A Guide for Small Business Owners

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My husband Kenny and I recently built a 10 x 20 woodshed for our farm in West Virginia. As we worked in today's 25-degree weather, it occurred to me that many of the lessons learned from our woodshed project are apropos for this guide.

Like lumber in recent years, lawyers are expensive. The traditional law firm model based on hourly billing discourages clients from engaging with us. A 2021 [survey](#) of small business owners found that half call their lawyer "as a last resort." Ironically, that increases costs because the adage is true: *an ounce of prevention is worth a pound of cure*. That's why Dunlap Law developed subscription-based services, so clients can engage with us as needed for no extra cost. However, every small business owner can benefit from understanding these six tips for maximizing value and efficiency from your legal spend.

Tip #1: Know Your "What"



Kenny and I knew our high level "what": we need a woodshed. Imagine if we had purchased supplies with only that level of understanding. Waste, shortage, and cost overruns

would have been inevitable. We had to get to the next level: How big should it be? What is the roof slope from front to back? Will it store just firewood, or might it be useful for storing other stuff too? Where should we put it? How level is the ground in the ideal location? In West Virginia, nothing is level.

We had a lot of research and development ahead of us. Kenny started in August. I am writing this blog in January and the woodshed is almost (but not quite) finished. One woodshed. Five months of research, development, and execution.

Similarly, we recently had a new client ask us to draft a contract for a program they have developed. Our client emailed some information about the program. Based on the facts they provided, our internal projections showed that the project would take about a month and generate around \$2,500 in revenue. We scheduled a deep dive call with a senior manager to learn more. During the 90-minute call, we quickly realized that they had not worked through many of the details. The senior manager could not answer our questions. Also, the nature of the program meant the client needed two separate contracts, instead of one. Further, we learned that they are allowing people to use their

program for free without a signed written agreement. What are the odds that these folks are going to happily sign a contract and start paying? This is how a business issue – building a new program – turns into a legal issue: offering the program without getting our advice first and without the contract needed to protect their intellectual property.

SIDE NOTE:

Contract drafting is an underappreciated skill honed through years of practice.

- First, ask ALL the right questions, in a way the client can understand.
- Second, understand their often-imprecise ideas and evaluate various means to protect them.
- Third, without relying on jargon or legalese, carefully draft highly precise language.

Harking back to our woodshed allegory, imagine if we pulled into the lumber yard and asked for supplies for our woodshed. But we were not sure how many 2 x 4s we needed. Or whether we needed 2 x 8s versus 2 x 6s. Or what size lumber we needed for the floor. That trip to the lumber yard wasted everyone's time.

Takeaway: Work through the details. Know what you want, why you want it, and what your desired outcome looks like. We'll help you figure out the how.

Tip #2: Get Our Advice During Research & Development OR Before You Set Deal Terms



In August, Kenny started planning the woodshed. He scoped out the area near our fire pit. He researched construction principles to learn how to build a sound structure.

He bought tools. Soooo many tools....(but that's another blog). He drew it out on graph paper in pencil, erased it, and drew it again. But, most importantly, he asked questions.

He talked to our son-in-law, a homebuilder, about the roof slope and appropriate lumber sizes. He asked our buddy Matt Waggle of MMW Excavating about the best location. Jeff Munn, our friend, mentor, and farm-neighbor, is a retired engineer. He was a wealth of ideas about the right size and other functions the woodshed might serve with proper planning.

Our clients' projects go more smoothly if they talk to us. Start by telling us your vision and goals for this project or deal. Then, as you work through your "what," talk to us on a regular basis. Dunlap Law's subscription plans provide for consistent engagement with us at no additional cost. When you hit milestones in concept development, schedule a call and bring us up to date. These calls don't have to be long or involved. They are highly effective because we can spot legal issues and help you steer around them as you work through the R&D process. Then, when we finally get to the contract drafting stage, we can draft quickly, efficiently, and

cost-effectively because we will be fully briefed with a deep understanding. Let's avoid a 90-minute call full of questions you can't answer, shall we?

Also, by engaging with us proactively, we can help you manage other people's expectations. Consider the client I mentioned above. After our 90-minute phone call, the senior manager had to go back to his CEO and explain that they could not launch the program on the planned time frame because there are too many R&D gaps. And, oh by the way, we will need two contracts instead of one so the cost will be higher. Ouch. I would not want to be that senior manager. Nor would I want to be the CEO when she reports to the board.

If you report to a board of directors, outside investors, partners, family members, or anyone else, then our advice during the development phase will help you accurately manage their expectations throughout this often-rocky time. Plus, because we'll proactively spot legal issues and help you plan for or resolve them, you get to be the hero who raises a problem and solves it in the same conversation. And, your company can avoid last-minute delays, retooling locked-in ideas, or blown legal budgets.

Takeaway: Consulting with us regularly about developments in your business increases: (i) the value you get for your legal spend, (ii) our efficiency in turning out documents that protect your business, and (iii) your ability to manage expectations, stay on time, and operate within budget.



Tip #3: Interruptions are Costly



In October, we sunk the six woodshed posts, set them in concrete, and built the floor joists. Then life turned upside down when my dad's year-of-illness culminated in his death on November

6th. Obviously, the woodshed had to wait. Finally, in December, we got back to the farm. On Saturday morning, we jumped out of bed, excited to resume our project. We got out the tools, found all the fasteners, set up the sawhorses, carried the ladder from the truck, and uncovered the lumber. Two hours later, we started driving nails. But our heads were not in the project. The lessons we learned when we built the floor joists had grown fuzzy. We had forgotten October conversations, during which we talked through who would do what when and how. We were working, but our groove was gone. Flow had flown. As a result, the entire day felt like two steps forward and one back. Progress was achingly slow. We made mistakes that wasted supplies. We made mistakes that wasted time. There are few things as frustrating as driving the last nail into a roof joist only to find it is misplaced and you've got to take it off and do it again. Similarly, legal

work is most efficient when we dive into a project and stay in it until completion. Interruptions are costly. Long delays cause us to shift our focus to other projects. Resuming work on the original project is painful because we must reengage with stale ideas, review our notes, re-read documents that we read a month ago, reestablish flow, and get back in the zone. Sometimes, as with my circumstances, delay is unavoidable. But here's a hard truth I'm going to lay on you: clients often cause unnecessary delays and that drives up their costs.

Interruption-driven cost overruns are especially likely if the project is highly complex and abstract such as technology or intellectual property agreements. Because these agreements involve abstract, intangible concepts, these projects require a high degree of critical thinking to ensure that definitions are accurate, potential risks to legal rights are accurately identified, and carefully drafted terms will fully protect you as you expect to be protected.

Takeaway: Avoid delays. Plan your budget and get us documents and information we need to work without interruption. When we have questions, be responsive.



Tip #4: Have Your “Stuff in One Sock”

My Dad had a way with words, and his career as a Naval Flight Officer on the Hawkeye radar plane gave him plenty of fodder. As kids, we earned praise when we “had our stuff in one sock,” which was Dad-speak for having a plan and being organized. Yes, some delays are beyond your control, but this paper is about what YOU can do to maximize value. Create an organizational system that plays to your strengths. For example, I am highly visual. Therefore, I function well if I use different colors to organize ideas and tasks. I am the person who loves those pens with four colors of ink in one. I do best if I have a notebook and that pen with me. This may not work for you, but that’s not the point. Figure out what works for you and commit to that strategy, even if it means hiring an organized assistant who can override your disorganized tendencies.

Takeaway: Have your stuff in one sock.

THIS IS WHAT IT LOOKS LIKE TO “HAVE YOUR STUFF IN ONE SOCK”:

- You have a system for tracking, storing, and finding important documents.
- Your schedule is sufficiently structured to provide you blocks of time for focus and productivity. This is when you can review draft documents or emails from us.
- Either routinely or periodically do the following:
 - Keep your desk clean
 - Shred or discard unnecessary documents or things
 - Organize files and discard/delete duplicates
 - Timely respond to our questions.
- If you have a team, then your team follows these guidelines too.

Tip #5: Manage Your Emotions



In 2021, our client, a former shareholder, accepted a buy-out from the company they had founded. In 2022, they received a refund check for the company but made out to them personally. Because

they had been a shareholder during the time covered by the refund, they believed they should get some of the money. It is an understatement to say that they had high emotions around this issue. Unsurprisingly, the company reached a very different conclusion. Negotiations were contentious, and our client struggled to manage their emotions. During phone calls related to the negotiations, they expressed their frustration and anger. Calls that could have been 20 minutes stretched on for 30 or even 45 minutes as the client’s anger kept interjecting and taking us off topic.

When you’re paying by the 6-minute increment, this gets very expensive.

At Dunlap Law, we do our best to keep conversations focused and targeted on the issues at hand, but sometimes that is impossible if the client’s emotions are high. We must balance the need to understand a client’s point of view with the client’s budget. Usually, there is no bright line between telling us material facts and emoting.

You can help by recognizing that we are your lawyers, not your therapists, your spouse, or your best friend. Find other outlets for processing your emotions and, when you’re talking with us, stay focused on the issues at hand. If having an agenda helps keep you focused and calm, then create one and share it with us ahead of time so we can collaborate with you and stay on task.

Takeaway: During calls or meetings, stay focused on the issues at hand. Process your emotions another time.



Tip #6: Budget for Legal Advice. The Right Lawyer is Worth It.

Strong businesses rest on sound decisions.



As a business owner, you make decisions every day, and often your information is imperfect. A good business lawyer should be among your trusted advisors.

We should know

your business, your vision, and your strategic plan to achieve it. “Thinking like a lawyer” means that our knowledge and training empower us to spot issues you miss. We are experts at weighing pros and cons. We are taught to look ahead, foresee how deals can go sideways, and advise you away from that outcome. Throughout our careers, we see it all: deals that go smoothly, and deals that don’t. Badly drafted contracts and the disruption they cause. Partnership disputes. Sharks eating minnows. Minnows narrowly escaping sharks. Having our advice means having our wealth of experiences too. At Dunlap Law, we work as a team, which allows each of us to leverage the experience and knowledge of our colleagues. I have seen first-hand how powerfully this protects our clients.

You should expect your business lawyer to talk like a human, with plain language that makes sense to you. We understand that sometimes reaching a business goal requires you to look past risks. Our role is to help you see and understand those risks so you can calibrate your judgment accurately.

One of the biggest mistakes you can make is to build your business without trusted legal counsel by your

side. I founded Dunlap Law in 2015. As the firm grew, I recognized a pattern: small business owners often hired us AFTER things went wrong and only because they had to.

Typically, small business owners wait to get legal advice because:

1. Lack of trust in attorneys is HIGH
2. Confidence that attorneys’ fees are cost-effective is LOW

Ironically, they usually spent far more money fixing the problem than it would have cost to get it right in the first place. And sometimes, there was no fix. This troubles me, and it drove me to reinvent how we show up for clients. We designed Dunlap Law’s subscription plans to offer a new and better way. Our goal is to be our clients’ trusted, long-term partners. But, let’s face it: we might not be the right fit for you. Alignment and trust between client and attorney are essential for enduring value. If not Dunlap Law, then find another law firm to trust.

We believe that small businesses are essential to our democracy, our national success, and our happiness. I hope this guide has been helpful. May your wildest dreams come true!

Takeaway: Engage with a business lawyer you trust. If you don’t have one, then find one.

