

Kathryn: Podcasting from Dallas Texas, you're listening to Compass, where we talk with location independent women about finding work and getting paid. I'm your host Kathryn Hunter and you're listening to episode 5 with Elizabeth Potts Weinstein, small business attorney. Today we're talking about following the scientific method in business, knowing what you need, and finding the right business for you on accident. Elizabeth, welcome to the show.

Elizabeth: Thanks for having me.

Kathryn: So I'd like to start with, kind of your early life, to see where that influences you later on. What did you want to be when you were five?

Elizabeth: It's funny thinking about when I was that young, I'm actually not 100% sure when I was like five years old. I know back then even at five I was a bookworm and so I was kind of person who was always reading books, unlike everybody else back then. Everyone else wasn't yet reading all kinds of things. I know when I got a little bit older, like when I was eight, nine, ten I wanted to be a physicist, which was not the usual thing for everyone. So that was a bizarre answer when I answered, Oh, I want to be a physicist or I want to be... one of the things I actually wanted to be was a cosmologist, which is a kind of physicists that studies the origins of the universe and no one knew what that was, when I would tell adults that I wanted to be a cosmologist, that was what I started out wanting to be. It was specific types of scientists.

Kathryn: How had that changed by the time you left high school?

Elizabeth: You know, I wanted to go into the sciences and, by the time I got to the end of high school, I still wanted to go into science. But then I had switched to chemistry, mostly because when I was in high school, my favorite teacher in high school was Dr Berker who had a phd, which is really unusual for a high school teacher and was a woman who had a phd. She was this wonderful teacher and was the kind of teacher where you could ask her questions. And unlike most teachers, if she didn't know the answer, she would go look up the answer for me. And so that really made me excited about chemistry. So by that time I got to that point I wanted to major in chemistry, which of course that didn't obviously lead me exactly to being a lawyer now. But that's what I was starting my bachelor's degree. I was looking at majoring in chemistry.

Kathryn: Did you graduate with a degree in chemistry?

Elizabeth: Yeah, my, well my undergraduate, I had three majors. I majored in chemistry, biology, and environmental studies. And then, I did go straight to law school though. I had already decided that I didn't want to be a scientist because during the summer I did research projects and realized that I didn't want to be stuck in a lab. The idea of, and I think I was right about this, to be a scientist you kind of have to get a phd to really do a lot of things as a scientist. And the idea of being stuck in a lab for seven years, getting a chemistry phd, being very focused on one narrow thing I realized was something I didn't want to do because I got so frustrated doing that kind of work for 10 weeks during the summer. So, the idea of doing that for seven years seemed horrible. And I think it was

true, I'm not the kind of person who likes doing just one subject and narrowing myself down to one small area. So I decided, I looked around for a lot of different ways where I could still use the sciences and apply it to something else. And that's one of the reasons I went to law school. Which I ended up, at the time I thought I was going to do environmental law, but I ended up doing patent law, was what I did when I first graduated from law school.

Kathryn: Is there anything that you use from your chemistry or environmental sciences in what you currently do? Or is that just that's part of your past?

Elizabeth: Yeah, in the beginning I did, cause I did do a lot of like patent work and things like that for biotech companies and stuff. What I do right now, it's not that I use the sciences in the sense of my clients being science companies, because generally they're not. But there is a way of thinking as a scientist that's different, you know? So and I think that's true about every profession. Lawyers think a certain way. Scientists think a certain way. Philosophers think a certain way. You know, you learn to think a certain way and when you get a certain kind of education. And as scientists you do experiments and you come up with a hypothesis and you do an experiment and you find out the result and that does change how you do business. I think it's actually a very helpful way to do business, you know. So when you do marketing, instead of approaching it as I try something and it failed and that's the end of the world, you can try, it as an experiment to test a hypothesis and get a result and then you can remove that emotion of failure from it. Because as a scientist, you know, you have to try all kinds of things and most of them are gonna fail, but it's just a scientific process. So it does impact a lot of the ways I do things as a business person and as an attorney because I have that scientific background.

Kathryn: One of the things that I try and remind myself when things start to go sideways, it's all just data.

Elizabeth: Exactly. Yeah. I mean it's all, everything that you do that doesn't work out, it's just more information to help you move forward.

Kathryn: When did you first become location independent? As far as your work. like not going into a firm?

Elizabeth: Yeah, so when I first left working in a big giant law firm to start my own practice, I did, I worked from a home office, but I had clients actually come to my office and I saw them in person and stuff like that. So it wasn't really location independent. At the time I was doing financial planning and estate planning, and with estate state planning, like when you're writing wills and trusts and things, you have a signing thing where people actually have an appointment, people have to come in and sign the documents and have a notary and all that. So that was not location independent at all. Then as time went on, for a number of reasons, I realized I did not want that kind of a practice. And I also morphed into doing work that wasn't as much estate planning and financial planning it was more advising businesses, mostly because people asked me for that advice. I think this is something that is important to pay attention to. Sometimes the best businesses are ones that happen almost accidentally. Like people are just, they want to pay you to

do things, you know, they, they want advice from you about certain things or they want to, to these products that you're already creating. And so, those are great businesses that have happened almost naturally. And so, people were wanting legal business advice from me because they were the colleagues that I already knew. And there were people that were everywhere. Some of the times they were local to me, but sometimes they were in different parts of California or different states in the United States or even different countries. And so obviously I wasn't going to be meeting them in person. And also technology had changed. You know, when I first started working as a lawyer, my clients wrote me checks because paying in other ways would have been very difficult to do. It's at that time even just getting a merchant account so people could pay me by a credit card was a huge deal. And you know, things like doing a video conference and all... like that was the technology didn't exist yet. Where now I can, you know, do webinars, conferences with clients and other side of the world and I can, everyone can pay me by credit card or paypal or whatever. And it's very simple and, especially people who are paying with different currencies, it's relatively seamless now. So technology changed where it made it easy and effortless to set those things up as time went on. And also people got used to doing business that way. So, in the beginning, if I would have told people to pay me by paypal, they would've been nervous about that. And where now, I have a place where people can pay me by credit card or paypal and everyone thinks that's a normal way to pay a lawyer. Where back then that would have been bizarre. So as time went on, those things evolved. And now it's at a point where that's just become how I do business. I still get people who, that's one of the filters on my website, I say if you want to meet with the lawyer in person, if you want this traditional way of doing business, I'm not the lawyer for you. And I have to put that expressly because people still want that and they need to know that they need to go somewhere else. It's really important to be express about that.

Kathryn: When you tell someone that you're an attorney, pretty much everyone knows what that means. But what's the day to day like for you?

Elizabeth: So it depends what kind of work that I'm doing, but over like this week, let's get an example. I spend probably about an hour to an hour and a half doing, answering emails. And when I say that I'm not talking about spam emails or junk or things that I can delegate to an assistant. They really aren't, because I have a business manager who I can delegate things to. These are emails that are actually giving advice to clients. So I'm being paid to answer these emails. So, these are not delegatable emails, so I'm actually giving advice to clients by email. Sometimes it's a new client and sometimes it's a client who I'm... they're under a annual contract with me and sometimes I'm working on just a project with them. So I'm going, I'm giving them advice by email. Sometimes during the day I have a project where I'm like, writing a contract for somebody. So I ask them questions by email and then they reply with responses. And then I am drafting a contract. So I'll draft a couple of contracts during the week. Yesterday I had a couple of different phone calls with clients. A couple of them were quick calls, which are these like little 15 minute calls that people can schedule but they just pay \$100 for 15 minutes and they can ask whatever questions. So like for example, I think both of those calls were where people had gotten a cease and desist letter from somebody and they were like, oh my God, what do I do with this cease and desist letter? And so they scheduled a call with me, and I gave them advice about how to handle it. And then I had another call

with someone, which was about a trademark where one of my clients who's been a client for many years, wanted to do a new trademark. And so we were discussing like the strategy for doing that trademark and then one of the things about my calls, is I batch them up. So like yesterday I had calls and then tomorrow I have calls, but I don't have any calls on Mondays or Fridays ever. Today I have this, but I'm doing it, this podcast recording, but I don't have any other calls today. So, I batch up calls because they use a lot of energy for me. So if I have three calls in a day, I'm not writing any contracts today cause that uses all my energy units. And then some days I am doing a lot of more like government kind of work. So like I do a lot of creating businesses. So those are kind of more, it's almost tedious work. So like, when I have to deal with government stuff, government agencies are like, I always say they're very tedious. They are very tedious. So, I'm like filling out forms and trying to make government agencies do what I want. So I batch all that stuff up together too. So I'll sit and like be going on websites and putting in passwords and then filling out all these different things. And it sounds like though I could delegate those things too, but I really can't delegate them very much because I have to like figure out, I have to make legal decisions in the middle of filling out these forms on what this government agency thinks that they need. And stuff. It's really, like most of it's just names and addresses, but then you get to this question, it's like, oh, what do they actually mean by this? And it's actually a legal decision. So there's a bunch of that stuff too. And one of the big things too, like right now it's going on is as we're recording this, the government, of the federal government in the United States is currently pending whether or not they're going to be closed. And so the patent and trademark office is currently open, but we don't know when they're going to be closed. So I'm trying to get all my trademark work done and filed, because I don't know when the trademark office is going to close or if it's going to close. So there's a little bit of craziness with that. Most of the time I don't have very, very strict deadlines, but sometimes I have things like that where the government, might close and I have to get a whole bunch of stuff done.

Kathryn: What would you say your first major struggle was, once you had become an attorney?

Elizabeth: You know, as far as like when I was actually having my own practice... I think, you know, one of the big difficulties when I started my own business was, you hear all this, you read books and you go on the Internet and you may go to seminars or sign up for classes and all this stuff that's like super positive and excited about how you can start a business and make all this money and all these things. You may invest a whole bunch of money and you may even get some really good results, but then you get to the point where you're not getting really good results and not making the money that you thought you would. And I had those problems, where I had some initial good success and got in a bunch of clients and then I had these big, huge lulls and was really unhappy. Unhappy, because I was not happy I was getting clients but also not making money that I wanted to be making or need to be making. And that was one of the reasons I pivoted from what I had been doing and pivoted into something else, to what I'm doing now. But it was very, very frustrating. Partly cause you hear from people, you read all this stuff and you think everybody else is successful, which is totally not true. And then you think, am I the person who is incompetent, that I can't do what everyone says. You do these seven steps and you're gonna make \$100,000, or you know, whatever. Is something wrong with me? And so it's very, very frustrating. And you think that you're

doing all the right things and you're trying everything. You're throwing more credit card debt at it or, or whatever it is. And so that was really challenging. And so I made a lot of mistakes. Looking back on it now, one of the good things about making all those mistakes as I made them all, so I know all those mistakes to make. And I learned all those lessons and now with a lot from that I have, there are so many potential mistakes that I don't make now because I learned all those things to not do and I run the business in a much more smart way, but I had to learn all those lessons the hard way. So in a lot of what I feel like I got, it's like a master's degree in small business, but I got it the hard way by learning all those lessons.

Kathryn: I'm not sure the easy way is actually all that helpful.

Elizabeth: Yeah. I mean I think that, you know, getting an MBA is great, if you want to go work for a big gigantic corporation. Like that's what those are for, you know? But for a small business, especially a micro business I don't think they're very helpful. It's really there's... There are good books to read and things like that, but a lot of it is learning it on the ground and, and making the mistakes as you go and hopefully making some small versions of the mistakes instead of big versions of the mistakes.

Kathryn: What is the, I guess, licensing process to become an attorney? How does... Start to finish, how does that work?

Elizabeth: Right. So it really depends upon what country you're in of course. So I'm just going to be speaking about the United States and how it works here. So I'm physically located in California. This is where I went to law school. How it works in California is, you go to law school and then you take the bar exam. In California is actually two different ways you can do it. You can't... If you go to an accredited, California accredited law school, then you just take the... You graduated from law school and then you take the bar exam. If you go to an unaccredited law school, like if you go to an internet law school then you have to take something called the baby bar and pass that and then you have to take the regular bar. And I say that because the, there are people who go to an unaccredited law school now cause there's Internet law schools and things. The California bar is actually incredibly difficult to pass. I think the one that they just did had like a 40% pass rate. It might be a bit lower than that. When I took it, it was a 50% pass rate. And when you take the bar exam in California in July, you don't find out your results until November. So it's harsh. And you can retake it, so it's not like you can never get to take it again, but it's just an they'd be aware of. Now, one of the weird things about law is it's like a generic degree. Like you're, you get this generic law degree, you don't really major in anything. You can, I mean, you can choose to take classes and certain things, but you don't major in something. You're just this kind of generic lawyer. And then to really learn any specific kind of lawyering is up to you. So, then you take continuing education classes or you go work for another lawyer or you go work for a firm or whatever it is to learn the training that you actually need to become that kind of lawyer. Which I have done over the years to learn all the different pieces of lawyering and that I needed, to do the kind of practice that I do. And there's been times over the years where I've even taken continuing education seminars and courses and other kinds of areas, thinking maybe I'm going to do this. And then I realized, oh no, I'm not going to do this. Like I thought about doing volunteer work in immigration because it's such a huge thing in

Immigration. And I took a big seminar in immigration was like, wow, this is really complicated and I would need more than just a seminar to be able to give people really quality advice. Like I would need to train with another person, another lawyer. I mean there's just no possible way I could just randomly do this for somebody even with just having gone to a big seminar about it. So, law is just very, very complex in that way. If someone's a lawyer in another country and then they want to be a lawyer in the United States, you can't just like take the bar here, my understanding is that you have to come, and I think you have, you get usually an LLM, which is like a master's degree in the law here. I think it's a year and a half or two year degree and then you can take the bar exam here. That's usually how a foreign attorney comes to be an American attorney. So, um, complex to be a lawyer.

Kathryn: So, that thing you see on television where someone who is incredibly intelligent and studies all of the books and decides to take the bar on their own, it's not really that straightforward.

Elizabeth: It is all state law. There was one guy, I had read an article about this, who was in I think Massachusetts and I'm not quite sure where he actually had to like go all the way to the, I can't remember was it a he or a she - the gender of this person, went on to go all the way to Supreme Court of Massachusetts and appeal it all the way up to actually get admitted to the bar. And even though they passed the bar because they didn't go to an accredited law school. So it's a big controversy. In some states you can do the old fashion way, technically is still on the books, which is to be an apprentice. So instead of going to law school you, cause this is what people did, you know, a hundred years ago you were an apprentice for a lawyer and then you took the bar and in some places it's still on the books to do that. I don't know if anyone's done it, but technically it's still there. The thing is, is that there's a whole lot of lawyers who have gone to law school and had passed the bar who still are not really that competent. So, and I run into them every once a while. I'm just like really, you passed the bar, cause is terrible. Even with all those hurdles we have to go through, there's still some people who get through while I'm just like, oh my goodness, I can't believe that you're writing me this letter. This is so not correct. But there you go.

Kathryn: So, you said you keep up with continuing education about how much of that do you do on an average year?

Elizabeth: It, it really depends on the year. So we have to do, how much is it? I think it's 35 hours or something like that every three years. But then it depends upon what's things I need just for my practice. So like tomorrow I'm doing one on, on blockchain, it's that there's actually it's blockchain contracts, which I'm not even a hundred percent quite sure how that works, but I'm into it, which is the reason I'm going to a continuing education thing on it. So, I'll do a couple day long or half day long seminars a year on different topics that I think that I need to be brushed up on. So I might have a client who comes in with some, not necessarily new issue, but some more complex issue that or something that I haven't dealt with in a while. Or it could be something that the law has changed. So, or some new technology like the blockchain contracts, which is obviously brand new. So something also may be that the Supreme Court came down with something new in trademark law or whatever. If they came up with a new ruling and then some lawyer

will come out with a continuing education seminar about it and then I'll let them research at all and then I'll go attend that, that seminar about it. I do that on a regular basis. And then there's also some people I follow on Twitter and some blogs I follow to just keep up on things. And that's a great way to just keep up on changes in the law as time goes on. Because that's one of the issues with the legal profession is the law literally changes every day. So you have to constantly keep up on things. So as I do work for clients, I always look things up, I always check and make sure, is this still the law on this issue? Because it could have changed last week, it could have changed this morning. And so you always have to keep up on things all the time and not assume that it's still the same.

Kathryn: That's one of the areas where billable hours might end up being higher than people might expect because you're going to have to go in and verify everything.

Elizabeth: Like, if I'm just researching something for my information, like if someone, if a client comes in with an issue and it's like, oh, I need to go and update myself on this, I would never bill that to them cause that's because I need to go update myself on this. If it's something where I have to research this because they specifically me about it and I have to research how it applies to their situation, that's a different issue because that's me researching it for them specifically. But for most of my clients, I do their work, not on an hourly basis. I do it on some kind of flat fee basis. A few of my clients are hourly, but most of them, I'm either doing it as a project or they're on some kind of retainer. So, that way we don't have to worry about the billable hours. And it's just doing the work, because doing things by the billable hours rewards efficiency. And it also discourages clients from asking questions and being proactive about asking questions. And then they tend to only come to you when things are blowing up and on fire and it's much better for them to come to you in the beginning when it's just a tiny little problem and you can put it out, deal with it very easily. So, that's why I like to have people, either they're on a retainer basis of some kind or they sign up for a startup plan or some kind of project to set them up.

Kathryn: Well, getting into the numbers, what would you say your salary range is?

Elizabeth: So for my business, my business makes a little under six figures. It depends on the year and how much I'm working. So that's typically what I'm doing. I don't work full time. So that's part of, that's obviously a personal choice that I made. Lawyers generally make a huge wide range of how much they can take home. Like how much I bill per hour is \$400 an hour. But a huge percentage of the hours that I work, I am not billing because I'm doing marketing or administrative work or continue education or whatever. So yeah, and you know, and it's funny, kind of thinking about how much do lawyers actually make? I know lawyers who make \$35,000 a year, and I know lawyers who make \$3 million a year. So it's like how much do business people make, right? It's this gigantic thing and it really depends upon who you want to work with and what do they like, what kind kind of work that you're doing. And it was like, I choose to work with little tiny small businesses. A lot of my clients are either one person's businesses or they have, my larger clients have maybe staff that's 15 or 20 people, like at the very biggest of my clients. I mean, that's the biggest my clients get. So I like to work with really, really small businesses. And then obviously I have friends who are attorneys who work with... and

then at one time I worked with companies who are, you know, fortune 50 companies and you make a lot more money that way, but it's a very different kind of work. And also litigation pays a lot more than, well, generally speaking than the kind of work that I do, which is more setting up businesses and things. And the other thing too is that there's lawyers who work more speculatively. So how I work with my clients when I set up businesses is they just pay me money. You know, like, so I do a startup plan and someone pays me x dollars to start up their business. There are some people who work with startups where instead of doing it that way, they get paid a percent of equity. So like Wilson Sonsini, which is a big law firm here in Silicon Valley, they get paid, I don't know, 1% or whatever of the equity. So a whole bunch of times they get nothing out of that because the business never becomes anything. But then sometimes they make huge amounts of money because the business gets bought by facebook or something

Kathryn: One percent of \$100 million is not a small amount.

Elizabeth: Right. Exactly. Now for me, I don't do that work, partially because I don't do those kinds of startups. I tend to do smaller startups, but then also the pay, you've got to set up a lot of businesses to make that money. It's volume, you make money on the volume and so you have to do a lot of that work to be able to make that money and knowing that a big percentage of them will pay you zero. So it's, I think you have to have a larger staff to really be able to do that effectively. So I just keep it simple and deal with, handle things as people actually paying me in dollars instead of equity. But yeah, it's different choice.

Kathryn: How did you decide what your rates would be?

Elizabeth: So trying to think when I originally started, I think when I originally started it was based upon what my rates were at my old law firm. You know like, and this is, this is a very long time and this is more than 10 years ago, which is not, I'm not saying that was actually a good way to pick your rates at all. And then then as time went on, I changed that because back then I was hourly. How it works now is I look at a number of things. Part of it is based upon, this is flat fee or retainer, how much time does it take for me on average to do this kind of project? How much value do the people typically get from this work and from their perception of the work? And I factor those things in. So it's a balance of those things and I keep track, even though I don't charge people hourly, I keep track of all my time. And I always have kept track of all my time so I can go back and look and see do these, do these fees still make sense of how much time I'm actually spending on this work? Is it still average out where this type of work is still making money to at those prices? Because when I first create a package, if I haven't been doing, packaging things that way, to a certain extent, you're kind of just picking out somewhat random number. I mean you, you don't completely pick it randomly, but you have to pick something. Then the first six months or a year is a bit of a test and you have to see did that actually make sense? And sometimes it's totally doesn't make sense. And then I realize oh, I have to reconfigure all these different prices. So sometimes that has happened in past and sometimes on the other end I've raised the price on something and it actually was, I raised it too much and then then it ends up that no one's buying something. So, I haven't had that happen many times but I have that happen once. Because it was, people didn't perceive the value. Sometimes that's just a marketing problem. Sometimes you need to just reword the sales page or whatever and it fixes

that issue. So, it's a combination of things and that's one of those things, it goes to being a science experiment where I create the package for what it is and the prices. And then I test it typically for a year and see how much time I spend on things, see the value that people perceive from what they received, and then see if it actually worked. Then I decide if we're going to keep that same price for those packages or if we're going to raise it or if we're going to, if not enough people are purchasing it, then we might add instead of lowering the price, we might just add more value to it. So people think that they're getting their money's worth.

Kathryn: What are your next steps?

Elizabeth: For the business? As we're recording, this is early January and so I don't have a good answer for that because we haven't done our 2019 planning. One of the things that we do every year in January is we sit down, which we're going to do this next week and go through our numbers for the prior year and look at everything like the efficiency and profitability of all our different projects and all our different like project lines. We'll look at all the different marketing things and see what happened for each of those different marketing projects and look at all those different things and see how do those all flush out. And then the next week we'll sit down and decide what do we want to do this year. And we haven't done that yet, so I'm not 100% sure what changes we're going to make, if any. And what are the things that we did this past year was we started doing email marketing again and last year we started an email newsletter, which is just a quarterly email newsletter, which has a gigantic open rate. It's like a 60 something percent open rate. We only send out one email a quarter. And that has been really interesting because email marketing is so old, such an old school kind of thing to do. But, and then having an email newsletter is such an old school thing to do, but I think doing it in a way that is very ethical and has a really good energy about it and gives people a huge amount of value can still work. So that's one thing that we have added back in. So we'll have to look at, decide what other things we may add back in and what, and I haven't decided what things we're going to change about any offerings that we have been doing or what we're going to be doing going forward this year yet.

Kathryn: Where can listeners find you?

Elizabeth: So if you want to find my website, you can go to elizabethpw.com and that will redirect you to my website so you don't have to remember how to spell my name, Elizabeth Potts Weinstein and I'm also on Twitter and Facebook as ElizabethPW. And if you go to my website at elizabethpw.com there's tons of blog posts. There's some videos and you can learn about all the different services that I have. So you can get a bunch of free content and also sign up for the newsletter and learn about all the different services for trademarks and forming businesses and also doing the quick calls. If you just have a little short question where you just needed a little bit of advice from a lawyer, that's a great way to get just a quick question answered.

Kathryn: And we'll have all of those links in the show notes to make it super easy to find you.

Elizabeth: Cool.

Kathryn: Elizabeth, thank you so much for joining us. This has been great.

Elizabeth: You're welcome.

Kathryn: Thank you for listening to Compass. You'll find today's show notes at compasspod.com/005. If you enjoyed this show, please share it with a friend, by visiting compasspod.com/005 and clicking the share buttons at the top of the page. Next week we'll be talking to Amy Scott, editor.