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Q&A: Sarah Bartholomeusz – “I want to be able to empower people and have the flexibility for my team and me.”

In this Q&A, You Legal chief executive officer Sarah Bartholomeusz discusses the rapid rise of her start-up firm, her hidden talent pool and how she found time to write and launch a new book while juggling work demands.

A new law firm, a baby and a new book – it sounds like your life has been a whirlwind in the past couple of years. How have you coped?

“It has been busy, but busy in a good way.”

Your firm, You Legal, fits into the so-called NewLaw[#] category of modern digital-driven firms and provides corporate and commercial legal services and corporate governance support to ASX-listed companies. What led you to set it up?

“I was listening to a podcast about a law firm in the US – it was one of the fastest-growing law firms in history and the lawyers either worked from their homes or their clients’ offices and I hadn’t seen that model here. I initially didn’t think I was going to start a firm like this. I thought I would work as a consulting lawyer as a sole practitioner, but then the demand for the work grew, so I needed help. I wanted a model with low overheads where we could scale up for clients as they needed it and scale back, but without having to carry overheads, which means it can be a lot more cost-competitive.”

You have gone from zero revenue to \$1 million-plus turnover in two years and are the recent winner of the 2015 South Australian Start Up Award at the Telstra Business Women’s Awards. Has it all caught you by surprise?

“From a growth perspective, it was more explosive than I expected. I thought there would be a steady growth curve, but I was doing my monthly turnover and I brought someone in and turnover doubled, and I brought someone else in and it doubled. Managing that growth is tough from a business point of view and also from a client management point of view. So finding people who I could trust to go direct with clients has been absolutely vital because I just don’t have enough hours in the day.”

What particular challenges have you faced?

“The challenge is that the more you get involved in an alternative law firm model, the more that as a business the traditional model makes sense because it works from leverage. But I’m adopting this model for other reasons. I want to be able to empower people and have the flexibility for my team and me, which means the traditional model doesn’t work for us.”

That has led you to hire mainly female lawyers. Why did you go down that path?

“I feel like it’s a talent pool that is very underutilised by the top-tier firms. It’s been fantastic for me, but it’s also great for them because they get the opportunity to work on matters as a team again rather than as sole practitioners. They get to work for clients that, as sole practitioners, they don’t normally have access to.”

You set up the firm after being made redundant when you were heavily pregnant. So out of adversity came an opportunity.

“I worked as joint company secretary and group solicitor at Elders and it was undergoing a lot of change at the time and my main client was sold as part of that change. So the redundancy wasn’t unexpected; I just didn’t know when it would happen. I was 32 weeks’ pregnant and I started my business the next day. Two years later it seems like this is amazing, but when you’re doing it every day it’s just about putting one step in front of the other.”

How have clients responded to your model?

“It’s a model that clients really understand. Even though in law firm world this is a new model, this isn’t a new model in the business sector.”

You have just released your new book, *How To Avoid a Fall From Grace: Legal Lessons for Directors*, which provides insights so company directors can navigate the corporate jungle and be aware of the obligations and liabilities involved. Why did you write it?

“I had a series of clients who made mistakes that they didn’t even realise were mistakes as directors of small and medium-sized businesses. This resulted in regulators knocking on their door, and these innocent mistakes began affecting them personally, financially and legally. I tried to put together a series of blogs to answer all their questions on directors’ duties, but it wasn’t as simple as I’d hoped, so I put them together in a book form – like a business book rather than a law text book. So it’s accessible and has cartoons and practical tips. My aim is to empower people to be confident in making decisions in their businesses.”

Juggling the demands of a relatively new business while also writing a book must have been difficult. How did you manage to get it finished?

“I found that to write the book I had to do a lot on Sundays when the phone wasn’t ringing and the emails weren’t coming in because I needed that mental space and to try to set aside time to focus on it.”

Your business and your book suggest you have a strong entrepreneurial spirit. Has that always been the case?

“No! Except when I was a junior lawyer I worked as a wedding DJ. So I think that’s the most entrepreneurial I’ve been – other than paying my sisters to do my paper round when I was in primary school.”

The book also drives home the importance of lawyers communicating with the public and their clients. Do you agree?

“Well, hopefully that’s what we’re aiming to do as lawyers. Communication in the law is the aim of the game.”

Back to your firm – You Legal works based on a set of four key values: unstoppable, fresh, thoughtful and love your life. From where did they come?

“Essentially, they are my values and I want to work with lawyers and clients that share similar values because I’ve always worked for very large organisations and it’s very hard to know that everyone is in the same boat rowing in the same direction. Actually having these values on our website has attracted to us clients who have those same values. They’re just so fantastic to work with because the aim of our business is to help people future-proof their businesses, so people who are wanting to build businesses that are built to last come to us – and that’s what we’re doing. We’re all on the same journey together.”

Are you confident your firm can continue to prosper in tough markets?

“Now being an entrepreneur, the line to success is a squiggly one – so just putting one foot in front of the other is the mantra at the moment.”

And where will you be in four or five years’ time?

“Well our big, hairy audacious goal, which is a start-up saying, is that in 2020 our online law firm empowers its 1 millionth client. We’ve got a dashboard and we record how many clients we have – and I can tell you there’s a fair way to go.”

What about the future for law firms more generally – how do you see things playing out?

“I’m not sure. There are great opportunities for existing law firms and for the new wave of law firms with technology. It will keep changing as fast as technology is changing.”

www.youlegal.com.au

How to Avoid a Fall from Grace is available at Amazon.com and www.legallessons.com.au.

NewLaw refers to the rise of firms that can be substitutes for traditional firms and which typically take a significantly different approach to the creation or provision of legal services than was the norm in the past.