

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity



### Full Episode Transcript

With Your Host

**John E. Grant**

[The Agile Attorney](#) with John E. Grant

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

So, there was a thread on one of the lawyer Reddits a few weeks ago that hit on something I think we've all wrestled with at some point: how to fire a client. This particular attorney, by their own admission, hadn't needed to do it before, and they were agonizing over it. The bad client was sucking up time and energy on a relatively mid-value case, but the attorney clearly felt invested in the outcome and, for any number of reasons, they were feeling obligated to continue their work.

The title of their post was, "At what point did you realize it was time to fire your first client?" And my answer, which I posted on the thread, is probably similar to what you're thinking right now. I don't know when the exact right time is, but you are past it.

Today, I want to unpack that answer: when to fire a client, how to actually do it, and maybe most importantly, how to build a practice where you need to do it a whole lot less often.

You're listening to *The Agile Attorney Podcast*, powered by GreenLine. I'm John Grant, and it is my mission to help legal professionals of all kinds build practices that are profitable, sustainable, and scalable for themselves and the communities they serve. Ready to become a more Agile Attorney? Let's go.

So, back to that Reddit thread. The thing that struck me was how many of the other attorneys who responded landed in basically the same place independently of each other. One commenter said, "The second you think, should I fire this client? Is the second you probably should fire them." Another one said, "If you're asking Reddit, you already know it's time." Over and over, the collective wisdom of the profession was saying the same thing: by the time the question forms in your head, the answer has already arrived.

And I think it's worth pausing on what's actually happening in that moment because the forces are pulling you in opposite directions. The thing pushing

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

you towards the exit is almost always emotional. It's the dread, it's seeing that client's number pop up on your phone and feeling your stomach drop or seeing their name in your inbox and wanting to scroll past because you just can't deal with them right now. The original poster of the thread said that the client in question was taking up something like 80% of their emotional energy on a matter that represented a relatively small fraction of their overall revenue. And 80% is probably high, but I'm sure it felt that way.

But of course, the forces pushing you to stay are powerful and, frankly, a lot of them are admirable, right? There's probably a sense of responsibility to the client. There's that commitment that you made when you first took the matter on and the professional pride in seeing things through. For a lot of us, there's a genuine desire for justice, the feeling that the person's case still matters, even if the person's become difficult. And yes, somewhere in the mix, there's the money, the revenue you'd give up, the invoices you'd write off. It can be a factor. I don't think for a lot of people it's as important a factor as some of the emotional stuff.

So, you've got the sense of dread on one side and maybe a sense of duty or commitment on the other, and that tug-of-war is why a lot of attorneys stay stuck long past the point where they know they should probably be getting out. And there are a couple of very human cognitive biases that put a thumb on that duty side of the scale. One is the sunk cost fallacy, which means that the time, energy, intellect that you've already invested makes walking away from the case feel like you're throwing that investment away. Even though, and this is the whole point of the fallacy, the investment is gone either way.

The other one that comes into play is loss aversion, and that's the thing where your brain weighs what you'd give up more heavily than what you'd gain back in capacity and your sanity. And then of course, there's just plain old inertia. Once we're doing a thing, that thing builds its own momentum,

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

and your natural tendency is to keep doing it even if it's producing suboptimal results.

And so, none of that makes you weak or a bad business person. It makes you human, but it also means that your instincts are systematically biased towards staying in a bad client relationship longer than you should. Now, one other thing I want you to see, especially if you have a team, is that a problem client doesn't just drain you; they drain everyone who touches the file.

You've got a paralegal maybe who keeps fielding those hostile or problematic phone calls. You've got an associate who maybe keeps redoing work because the client keeps moving the goalposts. The morale cost is real, and it compounds because, frankly, your team is watching how you respond. And if you keep absorbing the abuse and then asking them to absorb it too, you're teaching them something about what your firm will tolerate. And I don't think you want to tolerate that.

There's another thing that happens, and I want to call this out because I've actually seen it recently with a couple of the legal teams I work with, which is when one client pushes you past that breaking point, then you sort of get in the firing mood, and you think, okay, I'm going to get rid of all of my problematic clients. And that's especially true if you've let some of these problems accumulate. It might make sense to deal with them in a batch, but it definitely gets worse before it gets better when you do that, right?

Because now you're having to deal with maybe the nasty emails coming in, the disputed invoices, the threats of bad Google reviews. And in that moment, it can be easy to think that maybe I've done something wrong, that my practice is in chaos, that I've made a mistake. And I get it. You didn't. That chaos is not a sign that you made the wrong call, although letting all those things accumulate to fall on you all at once maybe was less than ideal. But the chaos of the breakup is the consequence of having made the right decision.

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

You consciously decided to rip off the band-aid, and the sting is the proof that you're actually doing it. And I get that it's uncomfortable, but the discomfort is temporary and necessary because the capacity drain that you were living with from that problematic client was not going to fix itself.

Okay, so let's get practical. You've decided that a client needs to go. How do you do it well? First off, your bar's law practice management team almost certainly has some great resources that you should read through, and if they don't, come check out Oregon's because I know we have good ones. But here are some key points.

First, get your ducks in a row. If it's a litigation matter, obviously if the court has a say, that's especially important. Different judges may have a different standard for withdrawal, and the core principle they're protecting is a good one. You don't want to leave a client high and dry with a deadline looming or a hearing coming up on the calendar.

You need to make sure that you can ethically withdraw and that your timing doesn't put the client in a materially worse position. Now, if you're on the transactional side, I will say even though transactional work doesn't carry the same formal obligations, I think the same principles apply. Don't lead someone partway down a path and then cut them loose somewhere where they can't navigate without you.

Number two, you want to package up all of your work product, your deliverables, anything that they've paid for, any original documents that belong to them. Get them organized and ready to hand over. You want the disengagement to be clean, professional, and complete, and then you also, of course, want a paper trail if it does come back on you for some reason.

And then once you've got those ducks in a row, I say just rip off the band-aid. I think a phone call is the most professional way to do it, followed by a clear disengagement letter that accompanies the file and the work

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

product. But don't drag it out. Don't leave the door cracked open. Say your piece, deliver the goods, and be done.

Now, one of the easiest things to get hung up on in this process is the money. And I will say this out loud: don't expect to collect on your outstanding bills. And honestly, in most cases, you shouldn't try very hard to do it. I usually say that whatever you're losing in terms of possible revenue, you should chalk it up to a learning tax. Hopefully, you haven't let the bill get too big in terms of work that you've done unpaid.

And if you haven't, if you're in the hundreds to the low thousands, I think that tax is a relatively small price to pay to get that capacity back and repurpose it towards clients who are engaged, who are doing their part, and who are moving their matters forward with you. You will definitely make that money back and then some with the time and emotional energy that you have just freed up. So don't get hung up on the unpaid bill. I know for some of you that's easier said than done, but I promise you the sky is a lot brighter on the other side of this decision.

Now, another thing that I see people get hung up on is the threat of a bad review. And I get that that doesn't feel great, but frankly, it doesn't matter that much, especially if you have other good reviews. Most people are happier to hire someone with a 4.7 or a 4.8 than a 5.0 because the 5.0 feels kind of fake anyway. And frankly, if you have a lot of bad reviews, well then probably you've got some deeper work to do on your client journey and other client experience work.

So you may get that bad review. It will pass. And you may choose to respond to it. But if you do, be really careful. I think there's a natural instinct to explain why the client experience wasn't your fault, but that is the instinct that can maybe get you in some trouble with respect to your duty of confidentiality to the client. So be careful on that. And then, of course, the same thing goes for anything you file in court on withdrawal. You need to

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

protect the client's confidences even if the client is being awful to you, maybe especially then.

The last thing I'll say with respect to these practical pieces of advice is once you've made that decision and actually executed on it, drop the rope. If the now former client sends you a vitriolic message, and some of them will, don't respond. You've said your peace, you've made your position clear. Every reply you send just gives them oxygen to write another one. Fading out is not a weakness. It is the professional move. You can just send the disengagement and ghost them afterwards. It's okay.

All right, so now let's talk about prevention because, frankly, the best client firing is the one you never have to do. So what can we do on our law practice to make sure that we never get to that point or at least get to it as seldom as possible?

The most effective mental shift, I think I can offer you is this: we have a tendency to see the client as the customer, but the client actually occupies two roles in your legal work, and we only tend to manage one of them. So, yes, they're your customer, but they are also a member of your project delivery team. And their role on the delivery team can vary. Sometimes they're the supplier of raw materials, the information or documents you need to do your work. Sometimes they're in a quality assurance role, confirming that the draft actually reflects their situation.

This is something that Clarke Ching and I dug into back in episode 117, and I've seen it over and over again in the teams that I work with. When you manage clients purely as customers, people to be pleased and to defer to, you often lose the ability to hold them accountable for their part of the work. But when you start actively managing the client as a supplier and as a team member, then a lot of the friction in difficult client relationships can go away.

And I'll briefly point out that this isn't just good practice, it's arguably what the rules of professional conduct expect of us. The duties of diligence,

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

communication, and allocation of authority between lawyer and client, they all point towards an explicit managed working relationship, not a vague one that runs on assumptions. And I think that managing that relationship at a minimum requires establishing three things at the very start of the engagement.

One of them is what is the work that the client needs to do? What are you expecting of them? Then, number two, what is the work that you're going to do in response to that work? So you're establishing something of a quid pro quo, right? It's not just your in service to them, they do a thing, you do a thing, and it works like that going forward. And then number three, I think you've got to establish regular sync-up times. Some of the most successful changes that my consulting clients have made involve setting a monthly or sometimes twice a month cadence to just do regular check-ins with their clients. It solves so many problems.

And what's nice about those three things is that, yes, they are clear process steps, but they're also clear boundaries that both of you can hold each other to. And then those sync-up meetings are the place where you can really gauge progress for and with each other.

Now, those of you who have been listening to me for a while know that I'm a big fan of putting this down in writing as a client roadmap of how the matter is going to go, especially in the early phases. And I would assign that roadmap as client homework. Get them to read it, to engage with it, to ask questions about it, and then hold them accountable to it because it's just another way of setting clear expectations, but also clear boundaries, like I said.

Especially because I think those boundaries that are reasonable, number one, number two, established at the beginning of the relationship, and then number three, in writing so you can go back to them. The client had an opportunity to review and agree to it. Those are the boundaries that are going to be most effective in the long run.

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

Now, I mentioned client homework, and I did a whole episode on this back in episode 55 called Fixing the Client Homework Bottleneck. The short version is that every homework request that you assign to a client should come with three things. Number one, a due date. Number two, a clear punch list or a task list. And number three, a working time estimate, how long do you think it's going to take? And if you do those three things, I guarantee that you will get faster turnaround and better accuracy from your clients.

I also want to repeat from that episode a tactical note about those due dates. I know this is counterintuitive, but it works so incredibly well. Most attorneys give clients way too long to do their part of the work. I see it with a week, two weeks, sometimes longer. My rule is as a default, you should give people no longer than three days to turn things around unless there's a really specific reason that that can't work. It sounds aggressive, but you're actually doing the client a favor because it keeps the matter alive in their mind. It keeps the momentum going, and it surfaces questions or other problems early when it's still relatively easy to address.

And I'll repeat another thing I talk about a lot, which is I think it's unfortunate that we use the term "engagement" to mean the legal contract we enter into with our clients because, yes, that is technically an engagement, but that is not the kind of engagement I'm talking about here. I'm talking about actual attention and interest and emotional feeling around the matter itself.

And I keep coming back to this principle that Radhika Dutt talked about in her conversation back in episode 112 that really stuck with me. This idea that every relationship, whether it is a marriage or a friendship or an attorney-client relationship, is in what she calls a metastable state. And what she means by that is you're either growing together or you're growing apart. There is no status quo.

And the client relationships are no exception. So long stretches of silence are where the relationship goes to die. If your client hasn't heard from you

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

in weeks and suddenly you need something from them, you're not just asking for a document or a review; you're asking them to re-engage with a problem and a process that they've maybe emotionally checked out of. So I think regular touchpoints, even short ones, really help keep that from ever happening.

Now, the other half of the prevention equation, I think, can happen before you even engage any particular client. And that's to get clear on what a good client actually looks like for you and your practice. And I'm not talking about a vague notion that you carry around in your head. I am a fan of building an actual rubric, some set of criteria that you can evaluate real prospects against.

Are these the kinds of people that I enjoy working for? Are these the kinds of matters that help me feel engaged and competent? What are the client behaviors that are maybe early predictors of trouble? Write these things down, make them into a checklist or some selection criteria, and then treat it as a living document. Every good client experience and every bad one is data, and it's an opportunity to revisit those selection criteria. And if you revisit it on a regular basis, it's going to get sharper and sharper every time.

Now, there was one other piece of advice in that Reddit thread that I want to call out before I wrap this up because it's something that is kind of a piece of conventional wisdom that I hear every so often. And I kind of have mixed feelings about it. So this particular commenter described an annual ritual of ranking all of their clients on a scale of 1 to 5 or A to F and then firing the bottom 20% every year.

And they claim that their client selection improved a lot over the 10 years of doing that and that they eventually got to the point where they're firing fewer and fewer clients. And I get that. And I like the exercise but not for the percentage. I like that it forces a regular reckoning with what a good client means to you and how that definition evolves, but the "cut the bottom

## Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity

20%" framing is a little blunt for my tastes. I'm a fan of a more continuous evaluation rather than doing it once a year.

Also, I don't think you necessarily have to do it every year. I think that when you get into a slot where you feel like you've got a lot of the right clients, you don't want to go cut the bottom 20%. That's awfully Draconian. That said, if you need to do an exercise like that in order to figure out what your client selection criteria needs to be, I'm all for it. I just don't think you need to be in a habit of doing it all the time or even on a regular basis, at least not in that way.

Now, once you do do it, and you have those selection criteria, the next thing is you should be pushing that clarity as far upstream into your marketing as you can. I think it's really common to treat marketing as a machine for generating leads, and certainly a lot of marketing agencies will want to evaluate themselves just based on a quality of lead. But anyone that's been doing this for any length of time knows that not every lead is a good lead.

And the thing about marketing is it can be one of your earliest and maybe least expensive client selection tools. We want to make sure that your messaging is truly speaking to the types of people and problems that you actually want, that you care about solving. And if you do that, then more and more of your incoming leads are already going to be those good ones. People know when you're speaking to them, and they will self-select out if you're not, and that's okay. I often tell my clients, we all understand that marketing is a tool for generating demand, but it is almost better used as a tool to shape demand.

Now, one other thing about having your marketing dialed in brings me all the way back to this part of the reluctance for firing a problem client coming from anxiety about replacing the revenue. And I get it, that anxiety is real, but it's also a signal. And I will say the more confidence you have in your business development pipeline, the less inclined you're going to be to cling

## **Ep #124: How to Fire a Client & Protect Your Law Firm's Capacity**

to clients who are not working for you. If letting go of a bad client feels existentially scary, that fear is telling you something important about your practice overall, and it might just be the kick in the pants you need to get you to build a more reliable system for bringing in the kind of work you actually want. Because when you know that next good matter is there, you're not going to be wanting to cling on to a bad one.

All right, that's it for today. As always, if you found this episode interesting or useful, please share it with a friend or colleague who you think would benefit from a more Agile approach to their legal practice. Maybe especially one who's been complaining about a certain client lately. And if you have a client management story or a question or anything you'd like to hear me talk about on the podcast, shoot me an email at [john.grant@greenline.legal](mailto:john.grant@greenline.legal).

As always, this podcast gets production support from the fantastic team at Digital Freedom Productions, and our theme music is "Hello" by Lunareh. Thanks for listening, and I will catch you again next week.