

Business Insights

How the Right Bank Can Help Law Firms Build a Winning Business



Any client dealing with a legal issue should know that not all attorneys are alike; hiring a lawyer with experience in a certain field can make all the difference between success and failure. That same logic applies when a law firm chooses a commercial bank. At first glance, many banks may seem similar, but the truth is they can vary dramatically in their range of services and industry expertise. When it comes to serving law firms, a banking team with a strong understanding of the legal landscape can play a key role in a firm's financial stability and long-term growth prospects.

Here are several key attributes that individual attorneys or law firm administrators should consider when looking for a new commercial banking relationship:



1. Knowledge of the field.

Simply put, attorneys need bankers who speak the language of law firms and understand how they do business. To offer the best advice and service, bankers must have a firm grasp of law firms' unique operational structures, cash cycles and balance sheets, and how these factors can affect their credit standing. A quick interview with a representative will help determine whether a bank is the right fit.



2. Favorable financing.

Financing provides the fuel that businesses need to grow. Yet, because of the often-uncertain nature of their work and revenues, some law firms have a tough time securing standard commercial and industrial (C&I) loans at favorable rates. However, a bank with ample experience in the legal field may be able to offer more attractive financing solutions for legal entities that are looking to start a new firm, take on office improvements or expand to another city.



3. Specialized products and services.

Not all banks offer the same banking solutions, so it's important that law firms find a banking partner with products and services that align with their needs. These might include case financing solutions, IOTA/IOLTA accounts or qualified settlement funds (QSF) for mass torts. Again, if the law firm's bank isn't familiar with these solutions, it might be time to consider other options.



4. Full-service financial capabilities.

Beyond their industry-specific banking requirements, law firms may benefit from working with an organization that offers financial expertise spanning insurance, investments and advisory services. Firm administrators especially may appreciate the convenience of a unified source for all their financial needs, from managing the firm's employee retirement plan to covering attorneys with professional liability insurance.



5. Fraud prevention solutions.

Financial fraud is a prevalent problem for the general public, but attorneys seem to be frequent targets of sophisticated scams like phishing and email compromise. A bank with a robust fraud department can help law firms put prevention measures in place and work with them to minimize the damage if a scammer is successful.

Frost prides itself on building personalized relationships with Texas attorneys and law firms and maintains a dedicated team of financial experts who specialize in serving the legal industry.

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