

BD&J

Investing in Growth to Defeat Cash Flow Disruptions

CASE STUDY

OVERVIEW

For over 15 years, Kevin Danesh and his business partner, Sean Banafsheh, have dedicated their careers to fighting for justice. From its inception, Beverly Hills-based BD&J has recovered over \$1.5 billion for its clients, focusing on auto accident, wrongful death, premises liability cases, and more. Since partnering with Esquire Bank, BD&J has grown to a staff of 275 strong. In 2020, when case fees and, subsequently, net income dropped dramatically for most contingency fee law firms, with the backing of Esquire Bank, BD&J invested heavily in marketing. Increasing its marketing spend by 177% in 2020 brought in the cases and fees necessary to realize a net income gain of +40% in 2020.

A FAMILIAR CHALLENGE

After graduating from UCLA School of Law, Kevin Danesh first practiced corporate law, but he didn't find it fulfilling. At the same time, he witnessed friends and family members who had been hurt in accidents get lost in the judicial system. They didn't have proper representation, no one to champion their cause and get them the justice they deserved. This was the catalyst that pushed Kevin to pivot his career and open his own personal injury practice.

As a young law firm owner with nowhere else to turn to, Kevin funded his practice with an advance on his personal credit cards which had an unanticipated impact on his personal life. When he was finally able to get a line of credit from a traditional, regional bank he found himself dissatisfied with the partnership.

"We're a law firm and a business all in one. We need a partner to really understand our industry, to understand why we need money, how long we need it for, and the flexibility to adapt."

- Kevin Danesh, **Managing Partner, BD&J**

+40%
**increase in
net income
gain**

after **increasing its
marketing spend by
177%** in 2020.

In the beginning, BD&J had a high concentration of high-volume, quickly resolving cases. These cases provided a consistent income stream allowing the firm to run its daily operations, paying for rent, staff, and expenses for on-going cases. However, Kevin knew that this daily grind would not translate to significant growth for the firm.

Kevin focused his long-term growth plans on catastrophic injury cases, but he realized that in order to achieve his goals he needed the flexibility to invest heavily into these cases. Working with a traditional bank wasn't providing the flexibility Kevin required because traditional banks don't know how to evaluate a case or the future value of fees associated with that case. Coincidentally, Esquire Bank happened to reach out to Kevin at this exact juncture.

A UNIQUE SOLUTION

In its first year with Esquire Bank, BD&J doubled its revenue – a pattern that has continued throughout the relationship. Esquire Bank worked to customize its product offering, tailoring unique financial solutions for BD&J's long-term growth goals while continuing to support its day-to-day operations through a Working Capital Line of Credit and a Case Cost Line of Credit.

From that phone call forward, BD&J has accelerated its marketing, tripling its

advertising budget, and growing its staff with the funding provided by Esquire Bank. Being a law firm owner is a balancing act. As a litigator fighting for justice for his clients, Kevin had to be an excellent lawyer and aggressively advocate for his client's needs. As a business owner, Kevin had to be a savvy businessman, wearing multiple hats while running marketing, HR, and customer service, along with a multitude of other thankless daily tasks.

“Getting the money and deploying it in advertising had the single biggest impact on the trajectory of our growth.”
- Kevin Danesh, **Managing Partner, BD&J**

2x in revenue
BD&J has **doubled its revenue every year** since allying with Esquire Bank

The stress of not having access to the capital needed to grow his business frustrated him, bleeding into his personal life and straining his love for litigation and the law. In the face of corporate giants with deep pockets and endless funding, Kevin knew he had the skills to defeat them and get justice for his clients, but because he didn't have the capital, he was hampered by what he could actually do in reality.

A WINNING RESULT

With Esquire Bank, Kevin has grown his practice in ways he never could have with a traditional bank. Today BD&J has over 8,500 cases in its inventory and growing, consisting both of low-value quickly resolving cases and high-value 7 to 8 figure cases. He's been able to bring on all-star litigators for cases he didn't have the capacity to work on before.

Reflecting on his journey in law firm growth, Kevin offers this advice: "Self-financing your own growth is probably from a business perspective, the number one mistake you can make." Recounting that he had at one point, more than \$15 million invested in case costs, Kevin called them "sunk costs". Today, Kevin is able to invest what were once "sunk costs" into advertising, which has brought about more business – and helped him obtain new talent to run the firm.

Since working with Esquire Bank, BD&J continues to grow exponentially every year with a staff of 275 and counting. Advertising has been the number one factor in exponentially growing BD&J. During the pandemic in 2020, when court closures and case delays caused many law firms to go into the red, BD&J increased its marketing spend by 177% with a Working Capital Line of Credit from Esquire Bank. This helped mitigate any cash flow disruptions, enabling the firm to grow its net income by 40% in 2020 while their peers experienced double-digit declines. In 2021, when many law firms were still experiencing knock-on effects of the pandemic and floundering, BD&J increased its marketing spend by another 14%, realizing a net income gain of 12%.

Today, not only is Esquire Bank helping Kevin to grow and scale BD&J, but it's also allowed Kevin to realize even bigger dreams. Dreams that were mere fantasy before.

"When we started working with Esquire Bank, the amount of leverage I was able to get almost tripled, and because of that, my advertising budget tripled."

- Kevin Danesh, **Managing Partner, BD&J**

3x increase in advertising budget

BD&J **redeployed \$15MM in sunk costs** to growth initiatives

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