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Strategic Planning for Law Firms

By Frank Ramos, Jr. & John Trimble

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Foreward

Strategic planning is often misunderstood and under-utilized by law firms. Proper strategic planning is transformative and crucial for a firm's longevity and profitability. For law firms to succeed they need to understand the importance of strategic planning and implement it. This book teaches how crucial this process is and how to do it. If you accept strategic planning as an integral part of your firm's growth and development and embrace it fully, your firm will grow, evolve and transform. You will be left with the question, "Why didn't we do this sooner?"

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SECTION 01

What is Strategic Planning?

What is Strategic Planning

At its most basic, strategic planning is setting priorities and devising a plan to pursue them. Said another way, you create a vision, set goals to achieve your vision, and implement a strategy to pursue and accomplish those goals. You assess where you were, where you think you are, where you are in reality, and where you want to be. Many companies and law firms use this process to define their mission, vision, values, principles and goals and create a plan with concrete tasks to achieve their objective. The process has been used, developed, tweaked and applied in business for decades.

What is a Strategic Plan

A strategic plan forces a company, firm or organization to think about its future and how it plans to embrace and tackle that future. A strategic plan puts a mirror up to the organization so it can see what's working, what's not, what challenges it faces, and what opportunities are available. And a strategic plan helps an organization innovate, dream, evolve, and grow to identify and meet the needs of its team and clients.

The exercise of sitting down and thinking through the rationale for your firm – why it exists – who it serves – its purpose – starts a dialogue and spurs the imagination about what's possible, about how the firm not only survives, but thrives.

A strategic plan typically consists of

- An Executive Summary
- Mission and Vision Statements
- Values and Principles
- Analysis in the form of a SWOT (strengths, weaknesses, opportunities and threats)
- Goals
- An Action Plan with concrete steps
- A Budget
- Accountability – monitoring and evaluation of each goal and each step
- A Timeline for Completion of Each Goal and Each Step

A written plan serves as a map for the future. It is the blueprint which directs every member on the team toward the same mission, vision and goals. It's importance cannot be overstated.

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The Why Is More Important than the What

Why an organization exists is more important than what it does. As strategic planner, Simon Sinek, says, "Start With Why." "Why does your law firm exist?" "Why do you and your attorneys go into the office every day?" "Why do you serve the clients you serve?" Your team and your clients are less interested in *what* you do than *why* you do it. The Why – your firm's mission – directs everything else. Start with why and everything else will follow. To summarize, Sinek says, "People don't buy *what* you do, they buy *why* you do it."

Why Do Companies Craft Strategic Plans?

Companies craft strategic plans because they work. So many business books we read – Good to Great, The 4 Disciplines of Execution, Measure What Matters, Leaders Eat Last – extol the benefits of strategic planning. Companies that succeed, that win, that exceed expectations are ones who engage in strategic planning, draft strategic plans and enact them. Companies have been crafting and using strategic plans to beat their competition for years. Show me a successful company, and I'll show you a company that engaged in strategic planning.

What Can Law Firms Learn from this Process?

Strategic planning can teach law firms how to be more profitable, how to better serve their clients, improve their culture, and improve the quality of the careers and lives of their lawyers. The process is transformative for both the firm and its team. We lawyers create a case plan when we first get a matter. We define a win with the client and devise a plan to achieve it. Strategic planning isn't much different. We define where we want to be and devise a plan to get there. We are trained to think strategically. It doesn't take much to translate our skill set into one that adopts and applies strategic planning.

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Why Should Law Firms Craft Strategic Plans?

Law firms should craft strategic plans because they focus a firm on what works for them, they define goals and tasks to achieve them, and they provide marching orders to the team to accomplish the firm's objectives. They are, in effect, an architect's blueprints, and they set in motion the creation of a skyscraper that overlooks its competitors. More importantly, they can prevent a firm from impulsive spending and wasted resources.

Strategic Planning is Acutely Important

There are two primary takeaways from this book. The first is that strategic planning is acutely important. If we accomplish nothing more, we want to make you a believer in and a disciple of strategic planning. (The second takeaway, of course, is how to strategically plan).

Strategic Planning Makes the Difference between Success and Failure

Alice asks the Cheshire Cat, "Would you tell me, please, which way I ought to go from here?" The Cat responds, "That depends a good deal on where you want to get to." Alice says, "I don't much care where." The Cat says, "Then it doesn't much matter which way you go." Without a plan, you may well arrive at a destination, but odds are it is not yours. A plan doesn't always guarantee success, but a lack of one virtually guarantees failure. An effective plan is foundational for success and a firm that plans strategically enhances the brightness of its future.

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Delayed Strategic Planning May Be Too Late to Save a Firm

Sometimes it is too late to save the patient. Sometimes you have to call the time of death. If you look at the anatomy of dead firms, usually they waited too long and started too late to develop and implement a strategic plan. They say it's never too late, but for law firms when it comes to waiting too long to pursue strategic planning, it can be. Sometimes the clients are already gone. Sometimes the fissures are too deep. Often, those who matter the most such as associates and rising partners have departed. Merger with another firm is not an option and laterals cannot save the firm. Sometimes all that's left to do is turn the lights off. If you're going to pursue strategic planning, don't wait too long.

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SECTION 02

Resistance to Strategic Planning

"We don't want to spend money on a consultant"

Typically, firms who engage in strategic planning hire an outside consultant, and they can be expensive. Asking your firm to spend money on strategic planning can be daunting, especially in this COVID-19 cost cutting era. The paradox is that money spent on a strategic planning consultant often leads to increased firm revenue and decreased spending, the value of which far exceeds the cost. View a consultant not as a cost center but a revenue generator.

"We're too busy to commit busy lawyers to do this"

Time is money. Non billable work, even if it may lead to more billable hours, can be a hard sell. Discussions should be had how transformational (and profitable) effective strategic planning can be. Practicing law is a business, and businesses do far more than produce a service or a product. Owners must do some of everything even when they have professional staff doing the day to day operation.

"The firm is doing fine without one"

If it isn't broke, don't fix it. But is the firm doing fine without one? How are the firm's profits? Turnover? Culture? Median billable rate? Is the firm really doing fine?

"It's too much work"

Is strategic planning hard work? Yes. Is it too much hard work? No. If done right, the investment of time and money is manageable.

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"It's too theoretical"

The phrase itself – strategic planning – sounds like some Wharton MBA term. No one wants a book length treatise heavy on ideas and light on practicum. But that's not how strategic plans works. Done right, a plan offers achievable goals with measurable and obtainable tasks.

"It takes too long"

Some believe the process takes too long. If done correctly, where a firm limits the focus of the process and goals, it doesn't take much time.

"We won't get by in"

Some worry that the effort will be for naught, because of a lack of buy in. Will everyone buy into strategic planning? Perhaps not. Can you get your key players to buy in? Probably. If the process is explained simply and directly and it's not couched as a means to push someone out or put others in their place (which is not its purpose), you should secure sufficient buy in. At the end of the day, buy in is about leadership by your firm leaders and accountability of all.

"We can't come up with concrete goals"

This is another take on the process being too theoretical. The whole purpose of strategic planning is to devise goals and tasks that are measurable, calculable and can be held up to the light and studied and evaluated. Lawyers by nature and by training tend to be creative problemsolvers. "We can't" is a cop-out.

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"There is no accountability"

This statement belies the whole purpose of strategic planning because its role is not only to define goals, but create processes that hold everyone accountable to achieve them. Frankly, if partners in a law firm are not willing and able to make promises to one another and be accountable, then you are simply sharing office space.

"It'll get shoved in a drawer and collect dust"

Every firm has started at least one initiative, only to forget about it. Mention strategic planning, and attorneys will remind you about that firm initiative that never went anywhere. You'll need to explain how this process will be different. We will offer suggestions later in this book for how to keep a plan alive and on track.

"It'll be a waste of time"

Many of us bill by the hour, and every hour spent on strategic planning is an hour that isn't billed. Will it cost some billable hours? Yes. It has, however, the potential to increase revenue, billable hourly rates and reduce costs. It's a net win.

"Nothing is going to happen"

Some may say that the plan won't change anything. There will be a lot of pomp and circumstance and hoopla when it is initially rolled out, but it will quickly be forgotten. To avoid this, the plan should have specific tasks with specific deadlines.

"It's the flavor of the week"

We all read our share of business books, and it seems each week a new theory, approach or process is rolled out to better run our businesses. Curiously, the best selling business books are, in effect, describing strategic planning, without using those words. So strategic planning isn't the flavor of the week. It's been around and proven effective.

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"You're doing this to get me in line or push me out"

Some senior or underperforming lawyers may believe the process is about them and pushing them out. It may be, and if that is true, then a problem exists, and strategic planning will help address the problem. You will need to reassure them that the process will be objective and fair and that their voices and concerns will be heard.

"You're not going to listen to my concerns"

Some believe you won't listen to them or their issues and concerns. They actually want to engage in strategic planning, but feel they won't have a place at the table. When engaging in strategic planning, listen to your team and what they want changed or improved. Indeed, part of the beginning of any planning process will give attention to listening and a commitment by all to be open and fair to one another.

Other concerns

You may hear other concerns, other naysayers, other negative comments. Understand that change is hard. Many don't embrace it. Lawyers as a group abhor change. That's why some of us hold onto our sneakers, office chairs and briefcases too long. Be prepared to address these concerns in an empathetic and professional manner.

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SECTION 03

Barriers to Strategic Planning

Partnership Agreement

When a firm starts the strategic planning process, it must review its key documents, because they affect how the firm operates. The first document to review, typically, is the firm's partnership agreement. How it sets out partnership in the firm, and what that entails, will affect how the firm proceeds with strategic planning. Sometimes the partnership agreement is the largest hindrance for the firm to grow and thrive. Sometimes, its terms facilitate thoughtful, effective strategic planning. Who holds the firm's power, who receives the firm's compensation, who decides what and how, all affect strategic planning. Part of the strategic plan may be to revise the partnership agreement to better serve the firm and its attorneys. That's why you generally look at the partnership agreement first.

Firm Compensation System

A close second to the partnership agreement is the firm's compensation system. How attorneys are compensated affects how the firm is run, operates and whether it grows or contracts (there is no stasis). Different firms compensate origination, case responsibility, billable hours and collections differently. The behavior a firm compensates (good or bad) is the behavior it will promote and generate. To the extent compensation doesn't promote behavior favorable to the overall health and longevity of the firm, and favors a handful over the majority, it should be addressed.

Other Written Agreements

In addition to the partnership agreement and compensation system, the firm may have other written agreements that affect its operations – of counsel arrangements, agreements with institutional clients, long term building and equipment leases, etc. If there are agreements that affect how the firm is run, how attorneys are compensated and the firm's future, those should be reviewed and studied.

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Fear from Unprofitable or Overcompensated Partners

Unprofitable or overcompensated partners (or ones who adversely affect firm culture) may feel a target painted on their backs, and may try to avoid, sabotage, undermine, or delay the process. The firm should tell them they are important to the firm's future, its well being and to the process. The source of their anxiety must be explored by your consultant.

Fear from a Firm Administrator of the Burden of the Plan

The firm office manager, administrator or staff may see this as another layer of work to perform and be responsible for above and beyond their existing responsibilities. They may be thinking that now they'll have a plan they need to keep track of and make sure everyone is doing their part, and helping them do their part. The plan shouldn't overburden staff, and the firm should make that clear. (Typically, however, good firm adminstrators look forward to a plan because it makes their job easier.)

Partners who think they are too busy

Your firm may have one or more partners who don't want to get involved because they are either too busy or perceive that they are. An effective strategic plan will lift all ships and will help the bottom line of the busy partners too. It's in their vested interest to participate. You must insist that they be involved...period.

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Does the Firm Understand its Financials?

How often do we hear the refrain – I went to law school to practice law, not run a business? Many lawyers joke they had to go to law school because they were terrible with numbers. There are many lawyers who don't understand their firm's financials. An office manager or the managing partner is tasked with that responsibility and many lawyers at the firm don't know the numbers (and some, frankly, don't care, as long as they get paid their fair share and get paid on time). It's not uncommon for a firm to be struggling because its lawyers simply don't understand its financials. They don't know where the money is coming from, when and how much, and they don't know how the money is going out, for what and how much. They're looking at the wrong numbers, or factors or issues to determine the firm's financial health and viability. They don't know, for example, the cost per lawyer to operate the firm, the cost per square foot for their lease, soft costs (marketing, travel, lunches, gifts, etc), and what each lawyer is contributing to and taking out of the overall pot. A given lawyer may seem productive because he's employing five associates, but his and their lower hourly rate, may be adversely affecting the firm. Understanding a firm's financials is key to productive strategic planning. In most instances, a detailed examination of the firm's financials will be an important starting point for strategic planning.

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SECTION 04

Where Does Your Firm Stand?

Firm Check-up

Review your firm's financials, client list, attorney list and marketing efforts. Where is the revenue coming from and where is it going? Who are the firm's major clients and how has that list changed? Who are the firm's rainmakers and how has that changed? What are the firm's business development efforts and how successful have they been? Does the firm even have the capacity to generate reports that will answer these questions? What is the firm's culture? You want to conduct a firm check up and see how the patient is doing.

Firm's Purpose

What is the firm's purpose? What is its "Why"? What is the firm's Mission Statement? Its Vision Statement? Its Values? When were these drafted? When were they addressed, discussed or changed?

Firm's History

Is there a firm historian? A firm document summarizing its history? You need to know where the firm came from to know where it should go.

Firm's Financial Well Being

What is the firm's purpose? What is its "Why"? What is the firm's Mission Statement? Its Vision Statement? Its Values? When were these drafted? When were they addressed, discussed or changed?

Firm's Culture

How would you describe the firm's culture? How do you think the partners would describe it? The associates? The staff? What is driving the firm's culture? Who are the main drivers, in terms of lawyers, driving it? Are they driving it for the better or worse? Why do you say that?

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Firm's Leadership

Who are the firm's leaders? How long have they led the firm? What is their leadership approach? What leadership qualities and talents do they have? Which ones do they lack? How would you describe their leadership style? Are they grooming the next generation of leaders? How? If not, why not? How centralized is the firm's leadership? How do you think your team would describe the firm's leadership? Has the firm offered them any leadership training? If so, what?

Firm's Turnover

What has been the firm turnover at the partnership, associate, paralegal and staff levels over the last year? Last five years? Do you consider it high? If so, what do you attribute that to?

Hiring and Retaining Young Lawyers

What are the firm's policies, procedures and processes to hire associates? To retain them? To train them? Mentor them? What processes has the firm found successful? Which ones has it not found successful? What input do associates have in their training and mentoring? What feedback has the firm received from associates about their training and mentoring? What feedback does the firm give them? What information does the firm share with them?

Retaining Rising Stars

Who are your rising stars? How are you empowering, training and equipping them? How are you compensating them? What discussions have you had with them about their future at the firm and their future role in the firm? How is the firm treating them? What threats are there to losing them? How is the firm addressing those threats?

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What Do Your Rising Stars Perceive about Your Firm

If attorneys don't feel like they have a future at a firm, they won't stay. Do your rising stars feel they have a future at your firm? Do they see succession of client relationships occurring? Do they have an understanding of what it means to be a partner? If not, why? How can the firm address that?

Firm's Clients

Who are the firm's top clients? What percentage of the firm's revenue are they responsible for? Have those clients changed over the last five to ten years? Have you added major clients? How and why? Have you lost major clients? How and why? Who are the firm's worst clients? Why? How are they addressed? Is your firm at risk of losing major clients? Are you paying attention to the risks? Do you have a plan to shore up the firm if you lose a major client?

Firm's Successes

What are the firm's major successes over the last year? Last five? What is the firm known for in the legal community? What is it known for among clients? What is the firm's brand?

Firm's Failures

What, if any, are the firm's failures over the last year? Last five? What do you attribute them to? How were they addressed? Have you made changes to avoid repeating failures?

Firm's Business Development

What is the firm's business development plan? What's its business development model? What is its business development budget? How is it spent? Do you attempt to measure your ROI (return on investment)?

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Firm's Marketing Efforts

What marketing efforts does the firm pursue? Over the last year? Last five? How have the firm's marketing efforts changed? Which have proven successful? Which have not? Which attorneys head up those efforts? What roles do the individual attorneys play at your firm when it comes to marketing? Should you have a paid marketing director or a relationship with an outside agency or both?

Firm's Compensation Model

What is the firm's compensation model? How are equity partners compensated? Nonequity partners? Associates? Paralegals? Staff? What are the pros and cons of the firm's compensation model? Has it changed over the last year? Five? Why and how? Does your compensation model encourage good behavior or incentivize bad behavior? Is compensation equitable? Does your compensation model facilitate upward mobility and encourage rising stars to stay with the firm? Is your compensation transparent or secretive? Does your compensation overcompensate more senior lawyers who may be working or producing less?

Firm's Succession Plan

Does the firm have a succession plan? What is it? If not, should the firm have one (based on the age or retirement plans of senior firm attorneys)?

Firm Tech

How would you describe your firm's technology? Is up to date? Is it dated? Does it pose any security issues? Is it compatible with your clients' tech? Does it do what you need it to do? Are there any hardware, software, platforms or apps that would provide better client service, increase efficiency and improve work product? Does your technology encourage retention of young lawyers and staff or drive away more senior lawyers?

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Firm Costs and Expenses

What are your firm's costs and expenses? Is you firm spending too much in any area? What and why? Are there any cost cutting measures the firm could/should undertake? Does your firm create a budget every year, and does your firm management review it regularly and compare year to year and month to month? Are you disciplined about adhering to a budget?

Firm's Challenges

What challenges does the firm face? What challenges does the firm face from its competition, from the legal market, from clients, from the economy, and from within, etc?

Is Your Firm Vibrant?

Do you consider your firm to be vibrant? Does it have a strong, unique brand? Is it well known? Does it have an oversized footprint? Are your employees proud and happy? Do they speak well of the firm?

Is Your Firm Sliding?

Has your firm lost a step (or more)? Is it regressing? Is it losing income? Attorneys? Clients? Lawyers? Reputation?

Is Your Firm Dying?

Is your firm dying? Have you lost one or more significant clients? One or more significant rainmakers? Several rising stars? Are you unable to hire young lawyers? Would anyone want to merge with your firm? Are you able to attract laterals?

Is Your Firm Terminal?

Is it simply too late? Would any efforts to conduct strategic planning be worthwhile?

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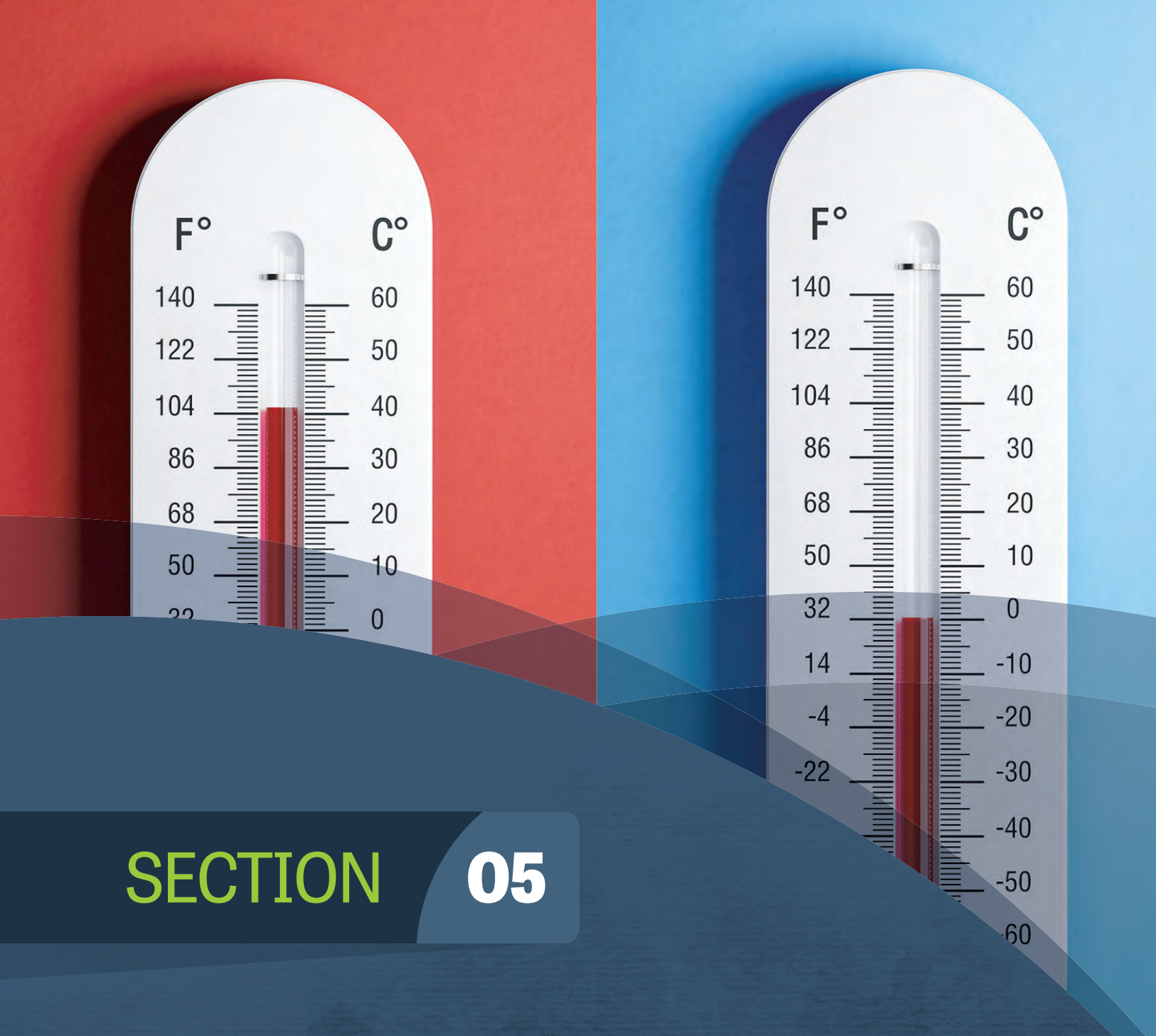

SECTION 05

Taking the Firm's Temperature

Seeking Feedback from Your Team

Before starting strategic planning, you want your team's feedback and input about the content, scope and purpose of the firm's proposed strategic plan. Remember, a strategic plan isn't intended to tackle everything, big and small. It should tackle three to five overarching goals. You want your team's input about what those goals should be and how to achieve them. You should ask everyone individually "If you could improve five things about the firm, what would they be?" You then distill those five things from everyone and see if there are common themes.

Communicating with Your Team

When starting the strategic planning process, inform your team what it is, why you're doing it and how you will conduct it. (Each firm defines "team" differently – first define who comprises your team.) Let them know their input is valuable and will be considered. They will receive a survey where they can share their thoughts, feelings and opinions. By explaining to your team the process and having them participate, you help ensure their cooperation and buy in.

Power of Surveys

Surveys are a powerful tool. As customers, we're asked by hotels, restaurants and retail stores about our experiences. We ask our clients about their experiences. Companies ask their employees about their thoughts and ideas. Consider preparing surveys for your team, through a survey platform such as Survey Monkey or an online WORD document, to secure their input. You will find it invaluable. The best surveys are ones that require the respondent to answer a question as opposed to simply choosing a response from a list.

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How to Obtain Honest and Candid Responses

Survey answers that suck up to you and the firm are worthless. Survey answers that give you the answers participants think you want belong in the trash. You need honest, thoughtful, even critical responses. The only way to get truthful responses is by setting up a survey method that keeps the respondent anonymous. You obtain these by keeping the surveys confidential and take steps to prevent the leadership from guessing who said what. (However, if you are using a consultant, it is not a bad idea for the consultant to be able to identify the respondents by age and status in the firm.

Survey Your Equity Partners, Junior Partners and Associates

Create a survey for your team. Ask their views and thoughts about the firm's mission, vision, values, principles, its strengths, weaknesses, opportunities, threats, and path forward.

Also, ask questions on mentoring, training, business development, customer service, work product, firm tech, etc.

Survey Your Staff

For you staff, focus your questions on customer service and relations, office processes, case handling, firm tech and firm culture. Don't forget to ask your staff to list the three things they would change and why. They may actually see things the lawyers don't see.

Survey Your Clients

Ask your clients what your firm does right and what it can improve. Ask them about your firm's work product, processes, and client service. Let them know you're undertaking strategic planning to better serve them and their needs.

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Evaluating Your Team's Feedback

First, ensure 100% participation. You want everyone's feedback. If someone really doesn't want to answer the questionnaire, well, you really want that person answering the questionnaire, because she may reveal issues the firm is not aware of or is simply ignoring. Once you have everyone's survey, have all the data dumped in a spreadsheet or chart so you can see overlap, patterns, and common issues and thoughts. The surveys may confirm what you thought the firm should focus on. Conversely, you may find one or more issues you did not consider important which most everyone else does. Gather the data, sort the data and organize the data. After doing all this, you can evaluate the data and prepare a report to share during the planning process.

How to Use Your Team's Feedback to Direct Your Firm's Strategic Planning

Keeping in mind that doing too much is as ineffective as doing too little, use the data from the surveys and your team's feedback to choose three to five meta issues to tackle. You'll find that if you tackle a few big issues well, other lesser issues will fall into place too. Often the lesser issues are offshoots of the major ones, and addressing the latter often resolves the former.

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SECTION 06

Firm Models

Insurance Defense Firms

The traditional insurance defense firm represents one or more insurers and handles their insurance defense or insurance coverage work (or both). They typically handle a large volume of matters from each carrier, in exchange for discounted rates and reduced fees. Insurance defense firms tend to generate less revenue per attorney due to lower hourly rates, but due to quantity of cases, they tend to employ more attorneys, including more associates, and they bill more hours per attorney, making up (at least in part) for the lower rates they charge. Even though the margins, per attorney, are less than a commercial firm, in the aggregate, they can be quite profitable. An insurance defense firm, that properly uses data and analytics, and has litigation and trial processes in place, can resolve matters quickly and efficiently, reducing legal spend to their clients, resulting in even more referrals. It's not uncommon to visit an insurance defense website and have them tout how quickly they close cases, from start to finish. It is a tried and true model, and has served as a training ground for many defense trial lawyers. The key in Insurance Firms is to keep overhead low so that a margin of profit can be obtained from lower rates.

Commercial Litigation Firms

Commercial litigation firms, typically, handle fewer, more complex matters, at higher hourly rates. Some have institutional clients which they represent in breach of contract, intellectual property, bankruptcy, class actions, employment, etc. These firms tend to have more clients and less repeat business due to the nature of their work. They also represent self-insureds in product liability, drug and medical device and other high end litigation, which sometimes can bet the company lawsuits. Because of the nature of their practice, the rainmakers at these firms have large national networks, though it is not uncommon for some of them to draw a lot of their work locally, requiring less travel and expense to bring in matters through the door. They tend to bill fewer hours and spend more time developing business.

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Corporate Firms

Corporate firms are those that handle primarily transactional work – trusts and estates, tax, corporations and partnerships, drafting contracts, etc. Like commercial firms, they tend to charge higher hourly rates, and accordingly, need to bill fewer hours. Some deals they broker can last weeks, months or longer, and can generate large fees for the firm. More often, they handle a larger number of smaller and medium sized matters. They, like commercial litigators, have a large network. They tend to have niche practices and have a strong reputation and brand in those practices, attracting work from other lawyers whose clients need those services.

Mixed/Hybrid Firms

As more and more firms consolidate, and more firms hold themselves out as one stop shopping for their clients, it's not uncommon to see firms be a mix of insurance defense, commercial and corporate (plus a smattering of family, criminal and immigration, among others). The more practice groups and practice areas and moving parts a firm has, the more challenging it is to have the whole firm move as a unit in the same direction toward the same mission, vision and goals. Further, because of disparities in hourly rates, compensation models must be more creative in order to be equitable.

Insurance Defense/ Commercial Firms

A common marriage among firms are between insurance defense and commercial litigation practices. These are very divergent practices. One practice bills more hours at lower rates. The other typically requires fewer attorneys and relies on fewer associates. The way they market their practices, secure clients, entertain and fellowship with clients, handle their matters and relate to the legal community is different. Any strategic plan involving this type of firm has to be cognizant of these differences and address them.

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Tensions Between Insurance Defense and Commercial Practices

It may be unspoken (though sometimes it is not) that there is a tension between insurance and commercial practices. Some commercial litigators look down upon insurance defense practices, dismissing them as less intellectually challenging, rote and fungible. Some insurance defense lawyers consider commercial litigators paper pushers, with little or no trial experience and incapable of persuading a jury. Some commercial litigators feel insurance defense lawyers bill too much, bill for everything, and are more interested in billing a file than resolving it. Some insurance defense lawyers feel commercial litigators don't bill enough or work hard enough. Keep these stereotypes and predispositions in mind when strategic planning for these mixed firms.

Different Hourly Rates

A firm comprised of lawyers with different hourly rates, especially if there are significant differences, can affect each attorney's role in the firm, their say in the firm, their compensation and the costs and expenses the firm will permit them to incur. The firm with attorneys with varying hourly rates has to have a plan on how to address that when it comes to compensation, leadership, management, personnel, etc.

Different Billable Hours

A related issue is the difference between billable hours among your lawyers. Some may bill 1800 hours or less, but due to higher billable rates, may generate more revenue than an attorney billing 2200 hours or more. It's one thing when everyone in the firm is expected to bill the same number of hours. It's quite a different thing when each practice group has its own requirement, and those requirements are vastly different.

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Different Marketing Efforts

A blended firm may have diverse approaches to marketing. Insurance defense lawyers' clients are often in other states and belong to national organizations. There is a cost associated with meeting and developing relationships with these individuals. Conversely, a commercial litigator may get much of his or her business locally, requiring less travel and less concomitant expenses. Sometimes the inverse is true. A firm will have to take into consideration the varying marketing costs and efforts each practice group requires.

Avoiding Class and Caste System

It shouldn't need to be said, but it bears noting that when leading a blended firm, efforts must be made to avoid a class and caste system. No group should come to see themselves as more important than the others, and no group should come to see themselves as less important. The firm survives and thrives because of everyone.

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SECTION 07

Your Strategic Planning Team

Who Should Be in Charge of Strategic Planning?

You need someone in charge of strategic planning. It won't happen, and certainly won't happen successfully, if you don't have someone at the helm. You have two choices – someone internally – the managing partner for example – or someone externally – a law firm consultant. Each approach has its pros and cons. Even when you hire an outside consultant you will need an internal planning chair.

Should You Hire an Outside Consultant?

In this COVID-19 era of cost cutting, the knee jerk reaction is "Why should I hire an outside consultant? We can do it ourselves." You certainly can do it yourself and this book shows you how. With proper preparation and planning, any firm can conduct it's own strategic planning and draft it's own effective strategic plan. Some firms, however, prefer outside help. There are benefits to outside consultants. They've done this before and they know what works and what doesn't. They know what questions to ask and know what answers to expect. They have a body of experience, knowledge and wisdom from which your firm can benefit. We'll discuss the benefits of consultants.

We Lawyers Are Busy

Strategic consulting takes time, effort and energy, and we lawyers are busy. When left to your lawyers, strategic planning may translate into many meetings and many string e-mails, eating a lot of time.

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We Lawyers Need to Bill Hours

There is a hard cost for hiring a consultant, but there is also a hard cost for not hiring one – namely a hit to your firm leaders' billable hours. Every hour an attorney spends on strategic planning is a lost billable hour. It may make more sense to pay a consultant and not take a hit to billable hours.

The Pros and Cons of Outside Consultants

The pros of hiring a consultant, as mentioned, include bringing in someone with experience with strategic planning, whose expertise helps ensure an effective strategic plan and whose time permits attorneys to use their time to keep billing hours. Good outside consultants who know your firm type can immediately spot underperformers, unprofitable practices, excessive expenses, or underinvestment in training, technology, or marketing. Furthermore, an outside consultant can interview and survey your Team and get candid responses. They can tackle firm problems and help people communicate. Most importantly, outside consultants have seen best practices and bad practices, and they can bring important perspective to your firm about what has helped, hindered, or destroyed other firms.

The cons include the cost, having a stranger stick their nose in your business, and having someone from the outside who doesn't intuitively know your firm history, culture and purpose. They can also be expensive if you do not have a budget and an understanding of how the consultant will bill before the engagement begins.

Types of Consultants

There are different types of consultants at your disposal. Some consultants are marketing gurus and will focus primarily on business development. Some go beyond marketing and provide more broad based strategic planning. Some consultants are experienced in working with large firms. Some with small and medium firms. Some with commercial firms. Some with insurance defense firms. Some used to be practicing attorneys. Some remain practicing attorneys. Some never practiced a day in their life. If you decide to go with a consultant, go with someone with experience with firms like yours.

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What Consultants Can Do that You Cannot

A positive consultants have is that they can play the bad cop, the heavy, the one who asks the hard questions without blinking. No one likes being told they're wrong. No one likes being told they're not pulling their weight. If someone internally makes these statements, they may create irreparable fissures in the personal relationships among the lawyers at the firm. Let someone else be the bad guy. Good consultants can also address difficult issues within a firm without blowing it up.

Why It Is Preferable to Use an Outside Consultant

Often we're too close to the problem and we don't see it. We're ensconced in the firm and can't see the forest for the trees. Someone coming from the outside, with a fresh perspective and vision, may be what you need. A good consultant will see issues immediately and have ideas on how to address them. They will have a frame of reference about what is happening in the industry that you may not know.

Consultants Ask a Lot of Questions

Consultants don't always have all the answers but they do ask the right questions, often a whole lot of them. Having someone who studies your firm critically and asks all the right questions and gets the firm to generate appropriate answers that will help it evolve and grow is an effective approach to strategic planning.

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Consultants Provide Fresh and Objective Eyes to Partnership Agreements and Compensation Plans

As we mentioned before, strategic planning generally begins by reviewing the partnership agreement and compensation plan. A consultant brings a fresh set of eyes to these. Also, they have reviewed their share of these and can bring insight about what works and what does not. There are a number of recognized models for firm compensation and good consultants will know them and will know what might work for your firm and what will not.

Consultants Provide Fresh and Objective Analysis of a Firm's Financials

Reviewing the firm's financials is critical to evaluate the firm's future and what needs to change to ensure its viability and profitability. Consultants can provide a fresh and objective analysis as to a firm's financials, and their past work will provide insight about comparables. Consultants can help you learn things about your firm that you did not know. They can assist you in budgeting. They can recommend reports that a firm should be generating and studying each month. (If anything, a good consultant can help a firm evaluate the "cost" of each lawyer so that the firm can accurately hold the cost of the lawyer up next to the lawyer's receipts.)

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Consultants Can Have Honest Conversations

Co-workers can have a hard time being honest with one another and with firm management. Consultants don't have that issue. They're being paid to be honest, and brutally so.

Consultants Can Have Difficult Conversations

To the extent your firm is having issues, they may be prompted by a partner behaving badly or a partner not pulling his weight. Nobody at the firm wants to be tasked to have those conversations. A consultant can take the heat for you and have those difficult conversations.

Consultants Can Prompt Troublesome Partners to Speak and Act

Often troublesome partners know they are the problem, but they don't want to admit it, discuss it or address it. Consultants, however, can have frank conversations with them individually or with the firm collectively, that will prompt them to look at themselves in the mirror, acknowledge their issues and speak out about and act on those issues.

Consultants Can Talk to Key Individuals and Identify Issues, Concerns and Problems

With their fresh and outside perspective, a consultant can speak with the key players at a firm and identify the primary issues, concerns and problems that a strategic plan should address.

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Consultants Need to Understand the Firm's Culture

For a consultant to be effective, they need to learn, study and understand the firm's culture. It is that culture that defines and drives the firm and an effective strategic plan must reflect it.

Consultants Need to Learn Underlying Feelings and Tensions

Every firm has its issues, conflicts, tensions and concerns which affect the firm's operations, for better and worse. A consultant needs to pierce the surface, take a deep dive and learn what's really going on.

What to Look for in an Outside Consultant

If you're going to hire an outside consultant, ask for references from firms like yours who can tell you whether the consultant was effective, professional, helpful and courteous. Also, you want a professional who will, in a pleasant manner, prod and probe, ask and question, gently push and pull to get to the real issues and build a consensus around real solutions. And, obviously, you want someone who will provide value and not overcharge you for their services.

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Finding a Consultant Who Understands Your Type of Firm

Different consultants specialize with different types of firms. Some consultants work mostly with large firms. Some with small firms. Some work with commercial boutique firms. Some with national insurance defense firms. Find the consultant with the expertise relevant for your firm.

Finding a Consultant Who Understands Your Business Model

Different firms have different business models, with varying hourly requirements, hourly rates, staffing, marketing, etc. There is no right and there is no wrong model, as long as the model works for the firm, is profitable and fits the firm's culture. The consultant has to understand your firm's model, how it operates, what makes it work and what undermines it.

The Role of an Outside Consultant

An outside consultant serves several roles. They work with the firm's leadership to survey and interview the team, study the results, and share and analyze the data. They help define the main issues to address in a strategic plan, and will head up a firm retreat to discuss and formulate a strategic plan. After the firm agrees to a strategic plan, and reduces it to writing, a consultant can be available to ensure compliance, help with tweaking the plan and help achieve benchmarks.

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If You Don't Hire a Consultant, How Should the Firm Direct Strategic Planning?

If you choose to go it alone, this book spells out the steps to do so. We've already discussed doing surveys. Studying the results of those surveys will direct your strategic planning and focus the firm on what truly matters. With this information, the firm can schedule a retreat with its leadership and key firm players, and devise and draft a strategic plan which will be rolled out to the whole firm, implemented firm wide and will become a source of accountability for everyone at the firm.

Who Should Lead Strategic Planning?

If you're going to do strategic planning internally, you want someone who knows the firm's structure, finances, culture and history, which typically is a senior partner or managing partner. The person who leads the planning has to know everything there is to know about the firm, and at most firms, only a handful of individuals fit that description. The person you choose must all have the time and the discipline to push the project forward. Ultimately, it must also be someone who has some experience with strategic planning.

What Skill Set Should Your Strategic Planner Have?

Your firm strategic planner should have strong leadership, management, inter personal, communication, financial and planning skills. That's a lot to ask for, and that's why firms often punt to an outside consultant. But a skilled firm leader, who has led the firm through difficult times (think the 2008 crash and the 2020 pandemic) should have that skill set.

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How Should Your Strategic Planner Act and What Should She Do?

Your strategic planner is looking for patterns, for overlap, for commonality. Your strategic planner is looking for imaginative and creative ways to move the firm forward. Your strategic planner is building consensus, is building a vision and getting the buy in for that vision. In many ways, your in-house strategic planner is not all that different than a leader trying to help the firm achieve a goal or pursue its purpose.

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SECTION 08

What Should Your Strategic Plan Encompass?

Think Big Picture

Your strategic plan can't tackle everything. If it tries, it will accomplish nothing. You're thinking about a handful of big picture issues to identify, discuss, address and resolve. If you can develop a plan that tackles three to five major issues facing the firm, then you've satisfied and accomplished the purpose of effective strategic planning.

Think Meta Strategy

What's your meta strategy? Think forest, not trees. Think 30,000 foot level analysis. Is your over arching strategy to transition from an insurance defense firm to a commercial litigation firm in five years? Is it to expand your firm from a local office of 10 lawyers to a statewide firm of 50 in ten years? What's the overall meta goal which serves as a lodestar for everything the firm will do?

Don't Bite Off Too Much

It takes time to prepare and execute a strategic plan. The bigger the plan, the more work, time, energy and cost to execute it. The attorneys at your firm will have plenty of ideas, plenty of big, powerful, transformative ideas. Understand you won't be able to tackle all of them. Choose wisely.

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What Topics are Appropriate for a Strategic Plan?

Big, firm-wide ideas and goals are appropriate for a strategic plan. Typically, strategic plans address expanding the firm's client base, increasing profitability, growing the firm's footprint in the legal sector, and developing the firm's niche practices. These are firm wide goals that improve the firm's bottom line. When firms consider strategic planning, typically they're looking to grow, to expand, to make more money and improve the quality of the services they offer. These are appropriate goals for strategic planning.

What Topics are Not Appropriate for a Strategic Plan?

Strategic planning is appropriate for big picture goals. They are not appropriate for small, day-to-day operational tasks. At any given point, your firm has hundreds of issues to address, many smaller, administrative and lower level tasks. Those need to be addressed too, but those issues are generally assigned to a person or committee who are given guidelines to address them, and the go ahead and do so. They are not part of a larger strategic plan.

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The Firm's Mission

Your firm's mission is its purpose. It is, as Sinek says, your "Why." What do you want to be as a firm and what do you see as the firm's purpose and destiny? This is a foundational question your firm must ask itself before charting its course into the future. If your firm already has a mission statement, when was it last reviewed and updated?

The best approach to creating a mission statement is to compile a list of key words that describe your firm and its team. Then, have your facilitator arrange the words into aspirational sentences. The Strategic Planning Committee can then work to edit the draft into an agreed statement.

Mission and vision statements are the first items you tackle when preparing a strategic plan. You cannot move forward as an organization without a strategic plan, and you cannot develop a strategic plan without first defining what your mission is as an organization.

The Firm's Vision

Your vision is how you achieve your purpose. Where are you headed? Your vision is driven by your mission. If the mission is the why, the vision is the how, what and where. Your vision is the first step to defining the meta goals for your firm.

The Firm's Values

As a firm, define your firm core values and first principles. These will guide you as you pursue your mission and vision. These are the rules you follow as you build your business.

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What Business Does Your Firm Want?

Your firm should define the business it wants. No meaningful planning can occur unless you can answer this question. What practice areas does it want to pursue? What reputation does it want? What business sectors does it want to serve? What specific clients does it want to pursue? Who does it want to get to know better? A firm must first define the target so it knows what it wants to hit.

How Do You Plan to Pursue this Business?

After defining the target, the firm needs a plan to reach and hit the target. What are the goals to achieve this business? What are the action steps to achieve those goals? First define the desirable business you want and then devise a plan to get it.

Client Experience

You want to know your clients' experience. Is it positive or negative? What do they like? What don't they? What impresses your clients? What gives them pause? Client surveys are an effective means to capture your clients' feelings, concerns, needs, wants and desires.

The Firm's Culture

Define your firm's culture and define what you want it to be. You may have a great firm culture that requires no changes. You may have a good one that only requires tweaking. You may have a poor one that requires wholesale reformulating. Surveying your team and speaking with key members will help the firm explore and determine its culture. Remember that culture is the glue that holds your firm together or the virus that destroys it. Every firm has a culture even if you don't realize it. You must pay attention to culture.

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Profitability

Study your firm's profitability, firm wide, client wise, practice group wise, partner wise, associate wise and any other metric you use. You want to see where the money is coming from, who is making it, how it's being made and where the profit and loss centers are. This process always leads to one or more surprises. Good budgeting is at the center of this issue. Too many firms operate without legitimate budgets and when that is the case, they are leeching profit. Furthermore, many firms lack good management reports to enable them to actually see their profit and loss. Ideally, your firm should have the software to allow you to view the profitability of the book of business of each originating lawyer.

From Where Does the Firm Get Its Money?

Which are the firm's biggest clients? What percentage of the firm's income comes from them? What efforts are made to keep them happy? What's the contingency plan if you lose a major client? What clients pay the highest rates and pay bills faithfully? Which generate the most number of hours? The greatest number of cases? The biggest cases? Which partners are responsible for this work, and what happens if that partner dies or becomes disabled? How are they compensated? What is the firm's relationship with them? What efforts can be made to diversify the firm's client portfolio? Dig deep into where the money is coming from. List your clients by gross revenue each year and compare the list year over year.

Where is the Firm Leaking Money?

What are the firm expenses? Beyond salaries and the lease, what are its expenses? What does it spend on marketing? Where do those dollars go? What does it spend on firm events? What monies are spent on partners' personal expenditures? What money is spent on the "little things"? What money is spent impulsively? You want to capture all the firm's expenses to the nickel.

Do you track writedowns on bills? Do you have a program to minimize internal writedowns before the bill goes to the client? Do you have training as to why writedowns are occurring? Do

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you track external client writedowns and lessen them? Do you track the outcomes of appeals of writedowns?

Do you insist that your lawyers and paralegals enter their time promptly? Do you insist that your partners get bills out promptly? Do you have a good system to make sure that work in progress is being billed on a regular basis? Do you have a good system to track and collect accounts receivable?

Do you have a program in place to make sure that your lawyers are taking profitable work? Are they required to get retainers? Do you use engagement letters so that clients understand what they will be expected to pay? Do you give budgets to clients and then live by them?

How Urgent is the Need for a Strategic Planning?

Take the firm's temperature and evaluate how important, how urgent, how relevant and how significant it is for the firm to engage in strategic planning. Are you tweaking? Are you reformulating? Are you starting from scratch? Do you have a strong foundation? Do you need to lay a new one? Know from where you are starting.

Does the Firm Need Tweaking?

Your approach to strategic planning will differ depending on how much of a significant change and shift your firm needs to undergo. Based on your firm's survey results and your internal communications, you will learn how much strategic planning is required.

Does the Firm Need Saving?

You may learn (and if your finger is on the pulse of your firm, you likely already knew) that your firm needs saving. If so, then strategic planning can't wait and can't be slow walked. The firm has to jump in with both feet and save itself.

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Does the Firm Need a Reality Check?

You may have a firm full of "the glass is half empty" pessimists or one full of "the glass is half full" optimists. If the latter, they may not see the issues everyone else does. They may not appreciate the need and importance of change. The firm needs to have the tough conversations and difficult discussions about what's not working and what needs fixing.

The Practice and Business of Law

Firms succeed because their lawyers are both great lawyers and great business people. Your lawyers must buy into this principle – they are both lawyers and business people. They are great advocates and great at developing business. This world view is necessary for a successful, vibrant firm.

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SECTION 09

The Planning Process

Analyze the Firm's Data

Your strategic planning team has to study all the firm's data – its key documents, its financials, its client lists, the survey results, etc. You need to survey the battlefield and gather and analyze the relevant data.

Analyze the Firm's Questionnaire Responses

Study the firm's survey responses and look for patterns, overlapping concerns and common issues. If 80% of the participants raise an issue, and strongly recommend it be addressed, it probably is a real issue that needs to be addressed. Consider using excel spreadsheets or charts or another method to gather, sort and analyze the responses.

Perform a SWOT Analysis

SWOT stands for "Strengths, Weaknesses, Opportunities and Threats." Through your surveys and through internal dialogue, determine your firm's strengths and weaknesses and the opportunities and threats it faces. This basic, straightforward analysis is quite helpful in developing goals for your firm. This can be done via the surveys, or it may be the basis for a mini-retreat at the beginning of a planning process.

Review the Firm's Key Documents

All the firm's key documents need to be gathered and reviewed. Due to their confidential nature, you need to decide who will review them and what information to share from them. But these documents establish how your firm operates and they need to be evaluated to decide whether firm operations will be changed.

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Review Partnership Agreement

The firm partnership agreement is typically the first and most important document to review. How you have set up the partnership, leadership, control and compensation need to be reviewed, addressed and discussed. Furthermore, the partnership agreement must address succession, withdrawal, and death. Your analysis should include the financial implications or burdens to the firm if a partner withdraws or dies. Some firms have unrealized contingencies that could destroy the firm and they simply don't know it.

Review Compensation Model

Study how the firm compensates its lawyers for rainmaking, managing cases,and billing hours. In addition, how does the firm compensate lawyers for firm management, administrative work, marketing and training tasks, and professional engagement? These need to be reviewed and addressed. This may be the longest and most arduous part of strategic planning. Inequitable, or the perception of inequitable, compensation can cause people to leave or it can blow up a firm.

Review Succession Plan

Does the firm have a succession plan? When was it created? What's the plan for retiring lawyers? Is there a mandatory retirement age to withdraw from the partnership or to retire from the practice of law? How are clients transitioned from a retiring lawyer to someone else in the firm? What is the role of attorneys after they retire? If a firm is going to crumble, it's more likely after one or more senior partners retire than at any other time, so the firm has to have a plan to address succession.

Review Lease

Review all of the firm's leases, both of its main office and of all the secondary and tertiary offices and leaseholds. In this environment where we have learned to work from home, and we have learned to do more with less (including less space), you may not need as much space when you renew. Furthermore, you need to understand whether the individual partners are expected to guarantee the lease.

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Review Other Key Documents

Review any other key documents – any other agreements or contracts you have with lawyers, third parties or clients.

Review Financials

Review the firm's financials and look for patterns over the last five years. You're looking for the firm's biggest and most critical clients, your rainmakers, where money is coming from and where it is going, among other things.

Drafting the Firm's Mission Statement

You want to draft the firm's mission statement. If you already have one, determine whether it remains true and relevant, or whether it needs to be tweaked or completely revised. You may want to review the mission statements of similarly situated law firms for inspiration.

Drafting the Firm's Vision Statement

As with the mission statement, determine if your vision statement needs tweaking or whether you need to start from scratch. The mission and vision statements are going to drive and direct your strategic planning, so it is important to get them right.

Drafting the Firm's Values

What are the values and principles that serve as a lodestar for you professionally and for your firm? Include them on your website for the world to see what you stand for, how you practice and how you conduct business.

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Defining the Firm's Practice Areas

Define the firm's practice areas, in terms of importance, size, fees and profitability, and just as important, define what the firm does not do and what work it will not pursue. This discussion should include staffing needs for lawyers now and into the future by practice group.

Defining Who the Firm's Clients Should Be

List the firm's clients, in order of size, importance, fees generated, longevity with firm, etc., determine what efforts should be made to secure more work from those clients and define what additional clients the firm wants to pursue and how. You may also want to decide that there are clients that you do not want any longer or practice areas that are not profitable or sustainable.

Defining the Firm's Business Model

Define what the firm's business model is, has been and what it is moving towards. Firms, like all businesses, evolve. Your insurance defense firm may be morphing into a commercial litigation firm. Your defense firm may be sprouting a white collar practice that once was fledging but is quickly growing and becoming a bigger part of the firm, its operations and its business model. Understand your firm and what it is and how it operates.

Defining the Firm's Culture

Firm culture is crucial for growth, retention and profitability. Attorneys won't stay at firms that tolerate and look the other way at attorneys and staff who are jerks and who do not obey firm rules. Lawyers will leave if no one is held accountable. A firm which is purely transactional has the potential of fracturing, splitting and falling apart. Understanding and directing the firm's culture in a proper direction is necessary for the firm's viability.

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Defining the Firm's Brand

Every company, every firm, every lawyer has a brand. Each of us is seen by others through a specific lens wherein we are perceived and viewed a certain way. You need to know what you firm's brand is if you want to affect it positively and shift it in a certain direction.

Defining the Firm's Marketing Plan

Your firm needs both a firm wide marketing plan individual attorney marketing plans (which are directed and defined by the firm wide plan) to ensure the spigot of future matters and new clients remains on and freely flowing.

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SECTION 10

The Plan

One Size Does Not Fit All

Remember, one size does not fit all, and your friend's firm's strategic plan or one you came across online may be of little use. You need to craft and build a strategic plan that fits your firm. Just as a business suit that is too big or too small doesn't work, a generic strategic plan won't work. of similarly situated law firms for inspiration.

Defining the Firm's Goals

You need to define three to five meta goals for your firm and have your strategic plan revolve around, lay the foundation for, and create a path toward achieving these goals.

Developing a Plan to Achieve the Firm's Goal

When developing your firm's strategic plan, there are numerous issues you can tackle.
The following is a non exhaustive list from which you can draw your three to five firm wide goals.

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A Plan for...

Business Development
How is your firm going to grow its book of business collectively and how will your attorneys do so individually?

Improved Client Services
How can your firm improve the quality of work product and customer service?

Firm Growth
How big does your firm want to grow in terms of office, attorneys, revenue, clients and matters?

Firm Brand
What is your firm brand? What do you want it to be? How do you go from here to there?

Marketing
How do you want your firm, your lawyers and staff to market? What does a firm wide marketing plan look like?

Firm Culture
How do you define your firm's culture? What do you want it to be? How do you get from here to there?

Attorney Compensation
What is your firm compensation model? What do you want it to be?

Attorney Recruitment
How do you recruit talent?
What changes should you make to your recruitment efforts?

Attorney Retention
Do you have issues retaining lawyers? What can you do to change that?

Succession Planning
Do you have a succession plan? If not, what should it be?

Firm Technology
Is your firm technology up to date? Cutting edge? What upgrades are needed?

Reducing Overhead
Is your firm spending too much? What cuts should you make? Do you have a budget? Would training assist in reducing overhead or losses?

Associate Training
Does your firm have an associate training program? Mentoring program?
If not, what do you envision for training and mentoring?

Staff Training
Does your firm have a staff training program? Does it need updating?

Other Areas
What are other big areas your firm should address?

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Making a Realistic Plan

Whatever plan you create has to be reasonable, achievable and doable. Yes, it should push your firm and lawyers to do more and achieve more than what they are currently doing and achieving. But it should include goals and tasks that are reasonable and can be accomplished.

Setting Realistic Goals

The plan should spell out reasonable goals. If your firm's revenue has never grown by more than 5% per year, don't set a goal of increasing firm revenue by 20% over the next year. If your firm has consistently been about eight to ten lawyers over the last ten years, don't set a goal of doubling in size over the next year. Don't set the firm up to fail.

Setting Realistic Deadlines

In addition to setting realistic goals, set realistic deadlines to achieve those goals. There is a tension between not pushing your team hard enough and pushing them too hard, and unrealistic deadlines can cause a lot of frustration and heartburn.

Holding Everyone Accountable

In addition to goals, tasks to achieve them, and deadlines by which to achieve them, you need to create a system in place which defines each attorney's role in the overall plan and holds them accountable to fulfill their role.

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SECTION 11

Strategic Planning Retreat

A Foreword About Firm Retreats

It is a misconception if you believe that you must have a firm retreat in order to draft a strategic plan. A well managed and disciplined strategic planning committee can create a draft of a plan that is sufficiently comprehensive so that a retreat is merely needed to ratify a plan. However, most firms are impatient and quite often their lawyers do not wish to spend hours in planning. So, in most firms the preferred model is to use a consultant and committee to lay groundwork and then have a well organized retreat to actually flesh out a plan. Either model works, and, as we have said, no one size fits all.

Why Have a Firm Retreat?

If you're going to craft a strategic plan without substantial committee work in advance, then it is advisable to hold a firm retreat of your firm leaders to discuss and draft a strategic plan. However, you can also decide to bring all of your lawyers into the retreat.

Before the retreat, you should have conducted and analyzed the firm's surveys, reviewed the key firm documents, and you may have already discussed which issues you want to tackle and created an agenda for the firm retreat to tackle those issues (although the retreat may prove to be the place for a group SWOT analysis, and that may produce the 3-5 goals). By having a firm retreat, preferably over the weekend, the leaders can get away from the work day distractions, get together, and work in an intimate, creative way to procure a strategic plan.

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Logistics of a Firm Retreat

When to Have it?

Consider having it over a weekend. Depending on the size of your firm, the issues you're tacking and the scope of the prospective plan, it can last anywhere from a Saturday morning to a full weekend.

Where to Have It?

You can have it at the firm's conference room and order in food, or you can have it at a conference room of a club, hotel, or conference facility. The latter may be preferable, because they can be responsible for food, drinks and coffee.

Who Should Lead It?

If you hired a consultant, they will lead it. If you're doing it yourself, the person who has taken the lead in the process of procuring and reviewing all the relevant data, information and documents should lead it. That will likely be your managing partner or a former managing partner.

Who Should be the Scribe?

Someone should be assigned to take notes and be responsible for turning everyone's input into a written plan. If you have a firm administrator, then they may be a good candidate.

What are the Ground Rules?

Lay ground rules so the attendees stick to and abide by the agenda. You can't have anyone hijack the process or filibuster.

Any Evening Plans?

If a firm is going to have its leaders spend the morning, day or weekend preparing a strategic plan, consider having a dinner for the attendees as a thank you for their work and participation.

Who Should Attend the Firm Retreat?

Decide who will be attending the firm retreat. Most firms will have only equity partners at the retreat. However, depending on the size of the firm, it can be all attorneys.

Senior Partners

The firm's largest stakeholders (and rainmakers) should attend.

One or More Junior Partners

Consider inviting one or more junior partners or rising stars.

Firm Office Manager or Administrator

Your firm manager or administrator knows the finances and their input is helpful.

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Retreat Committee

You should assemble a retreat committee, responsible for reviewing and analyzing the survey results, relevant firm data and key documents and based on their review, create an agenda for the retreat. Their role is to decide what big issues will be tackled at the retreat and how, logistically, they will be tackled.

Preparations for a Firm Retreat

Before a retreat, an agenda should be prepared and circulated. If there are key documents or information that will be discussed, those documents or information should be circulated to the prospective attendees. All the attendees should be provided logistics for the retreat, an understanding of what to expect at the retreat and an explanation of their role at the retreat. The purpose of preparation is to ensure everyone understands its purpose and their role to make it go as smoothly and efficiently as possible.

Agenda for Firm Retreat

The agenda for the retreat may wish to address the three to five major issues the firm wants to address and how best to address and discuss them (or it should mention the group will be identifying the three to five major issues from surveys and from a SWOT analysis). Everyone at the retreat should understand why they are there. Everyone should understand they are going to discuss three to five major issues facing the firm and will develop goals, tasks and deadlines to address those issues.

Everyone understands that by the end of the retreat, they will have a plan that will be reduced to writing, circulated, tweaked, and then used as a blueprint for the firm to proceed, advance and prosper.

Running the Firm Retreat

The key to running a firm retreat is to allow everyone their say while preventing anyone from monopolizing the conversation. That means you may have to prod some attendees for their opinion or you may have to politely cut off others. The person leading the retreat is leading a group conversation, making sure everyone is heard, everyone's views are respected and a productive dialogue is had. Notes are being taken, views are properly being taken down, consensus is being built and agreement is being reached on the goals and how to achieve them.

Do's and Don'ts of a Firm Retreat

In terms of Do's, make sure the main issues on the agenda are discussed, explored and a consensus is reached on how to address them. Goals have to be specific, tasks have to be defined, deadlines have to be set, and accountability has to be created. In terms of Don'ts, a firm retreat isn't a venue to air grievances and have factions attack one another. It may not be a love fest, but it is meant to be a productive forum to achieve consensus on where the firm should go and how to get there.

[On occasion a retreat will dissolve into a discussion of grievances. Such a discussion may be vital to the survival of the firm, so don't let strict adherence to an agenda keep you from a meaningful discussion. If airing of grievances will advance the firm, then agenda items can always be saved for a second retreat.]

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Reducing Plan to Writing

Make sure all the key points have been written down so that someone can turn them into a written plan. Put yourselves on a tight timetable to draft, circulate, revise and finalize the plan.

Securing Buy In for Plan

Once the plan is finalized, circulate it to the rest of the firm and get everyone's buy in. The team, collectively is responsible for bringing the plan into fruition, so you have to take steps to ensure everyone on the team understands the plan, understands their role in executing it and are committed to doing so.

Having a Follow up Retreat

Sometimes one retreat is not enough. Sometimes, despite the best efforts and planning, you can't accomplish what you set out at the retreat. If significant work remains and if what remains can't be addressed over a lunch meeting or a few e-mails, consider having a follow up retreat. The second retreat need not be as long or elaborate as the first. It can be 4-5 hours on a weekday after 5 p.m. or a Saturday morning in the firm.

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SECTION 12

The Strategic Plan

A Firm Wide Strategic Plan

This book is focused primarily on firm wide strategic plans. But your firm may be so large, may have so many practice groups, have so many offices and so many lawyers, that you have to go beyond a firm wide plan. If so, apply what we have discussed to creating plans for individual offices, practice groups and even for individual attorneys.

A Practice Group Strategic Plan

Each of your practice groups should have their own strategic plans to secure more work and better serve their clients. The way your employment practice group develops business and serves their clients may be very different than how your insurance coverage group or your IP group does so. Each should have its own strategic plan that dovetails into the firm wide strategic plan. In fact, it is best to develop a firm wide plan before individual practice groups develop their own.

Individual Strategic Plans

Strategic planning isn't just for companies, firms and organizations. The same approach is equally applicable to individuals who want to become experts, develop a book of business, develop a niche practice and expand their footprint in the legal community. Encourage and empower your individual attorneys to prepare their individual strategic plans. Support them with training and the money they need to be trained.

Developing a Personal Business Development Plan

In addition to a personal strategic plan, each attorney should take the time to develop their own personal business development plan, which dovetails into the firm's overall goals in terms of the work and clients it is pursuing.

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SECTION 13

Implementing the Plan

Roll Your Plan Out to the Whole Firm

If you want to lay the groundwork for a successful plan, then roll it out to the whole firm. Host a luncheon or reception where the firm members receive a full briefing on the plan and the timetable for execution of the plan. Give everyone a copy. Give them a framed Mission Statement for their office or desk. Hand out law firm swag. Announce firm wide committees with committee chairs who will address different tasks. Include your staff and paralegals on the committees. The more your plan becomes the plan of everyone, the more likely it is to succeed.

How Do You Make Sure the Plan Doesn't Simply Get Shelved?

If you remember back to the beginning of the book, where we discussed all the concerns your attorneys may voice about a strategic plan, one was the worry that it will be stuck in a drawer and collect dust. To avoid that, the firm has to have regular meetings and reminders to ensure everyone is doing their designated part to advance the strategic plan. It isn't simply a report prepared over a weekend never to be looked at again. It is a living, breathing document which is a map charting the firm's course and future. It is a document that needs to be discussed monthly, if not weekly, when your firm meets and discusses the firm's health, growth and administration.

How to Keep the Plan Alive and Vibrant

Keeping your plan alive and vibrant will come down to reducing your goals to specific action steps, assigning attorneys to perform those action steps, and giving them deadlines by which to complete them. This isn't all that different than creating and executing a plan to win a case. You create a plan. You set goals to achieve the plan. You lay out action steps to achieve the goals. You create a calendar by which you will do the action steps. Do the same for your strategic plan and make sure everyone knows their role, obligations, duties and deadlines under the plan.

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Creating and Enforcing Accountability

Have regular meetings where the individual team members report on what they've done and whether they have timely completed their action steps, and if they have not, why. Many firms will simply put "Strategic Plan Update" on the agenda for each partner meeting and the lawyer who is responsible for an aspect of the plan will be asked to report. If everyone knows they have to look their peers in the eyes and explain why they haven't done their part, the part they agreed to do on a schedule they agreed to do it by, you know they will do everything they can to timely accomplish their tasks and avoid the judgment and shame that accompanies not pulling their weight and not doing their share.

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SECTION 14

Tweaking the Plan

Updating Your Strategic Plan

Your strategic planning will likely need updates and upgrades, tweaks and changes. Revisit it periodically and work with your strategic planning team and firm to revise it as necessary to reflect changes in the legal sector and landscape, and changes brought upon by your clients, your cases and your team. The plan has to adapt to the changing environment, to ensure its remaining relevance and applicability.

Annual Strategic Planning Retreats

In addition to an initial strategic planning retreat, the firm should have an annual retreat to revise, change and adapt the strategic plan to address new issues, concerns and trends. Every January may be a good time to revisit and amend your strategic plan. At an annual retreat you check off what has been completed; what has not been completed; what is no longer considered important; and, any new issue that needs to be added.

Regular Strategic Planning Sessions

In addition to the yearly retreat, a quarterly or monthly luncheon to address whether the goals of the strategic plan are being met, and if not, why not, is valuable and appropriate. These regular meetings keep everyone's eyes on the prize.

Proper Care and Feeding of Your Strategic Plan

Strategic plans succeed if everyone involved is held accountable to achieve its goals and regular meetings and communications are held to ensure that the strategic plan is being pursued, enacted and achieved. Strategic planning is a long term process. Generating a plan is an important part of the process, but more important is enacting it, and that involves regular and proper supervision and proper care and feeding.

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SECTION 15

Measuring Success

Was Your Plan Successful?

So you prepared a strategic plan, you enacted it and everyone is pulling their weight and doing their part. But is it successful? To determine that, look back at the plan, evaluate the goals and see if the firm is moving in the right direction to achieve them. A good strategic plan spells out specific goals which are measurable. Evaluate the goals and see how the firm laid out what it wanted to accomplish and determine how far along the firm is in achieving those goals. If you have measurable goals, you can measure how far along you are.

Law Firm Metrics

Study your firm metrics. The firm's profits, profits per partner, profits per associate, profits for each attorney, profits per practice group, number of new clients, number of new cases, etc., and compare them to pre and post strategic planning and see how effective your firm's strategic planning is.

Measuring Success

You need a measurement for success and a barometer for achievements, because you need to measure whether the strategic plan is working. Define how you plan to measure success and regularly, constantly and unapologetically measure success.

The Intangibles

There are many intangibles to every strategic plan. By pursuing your strategic plan, you will become a better communicator, a better speaker, a better writer, a better rainmaker, a better advocate, a better lawyer and a better business person. If you chase and pursue your firm's strategic plan and all your attorneys do the same, the intangible benefit is that pursuit of the process will make you better in dozens of ways.

Staying the Course Versus Changing Course

With every plan, whether a strategic plan, a personal plan, or a plan for a case, there is a time to proceed and there may be a time to change course. As the song goes, you have to know when to hold them and know when to fold them. As a firm, you have to be honest and open with yourselves and realize when a strategic plan is no longer working and has to be revised, or even started over from scratch. There's nothing wrong with starting over. There's only something wrong with pursuing a plan that no longer works.

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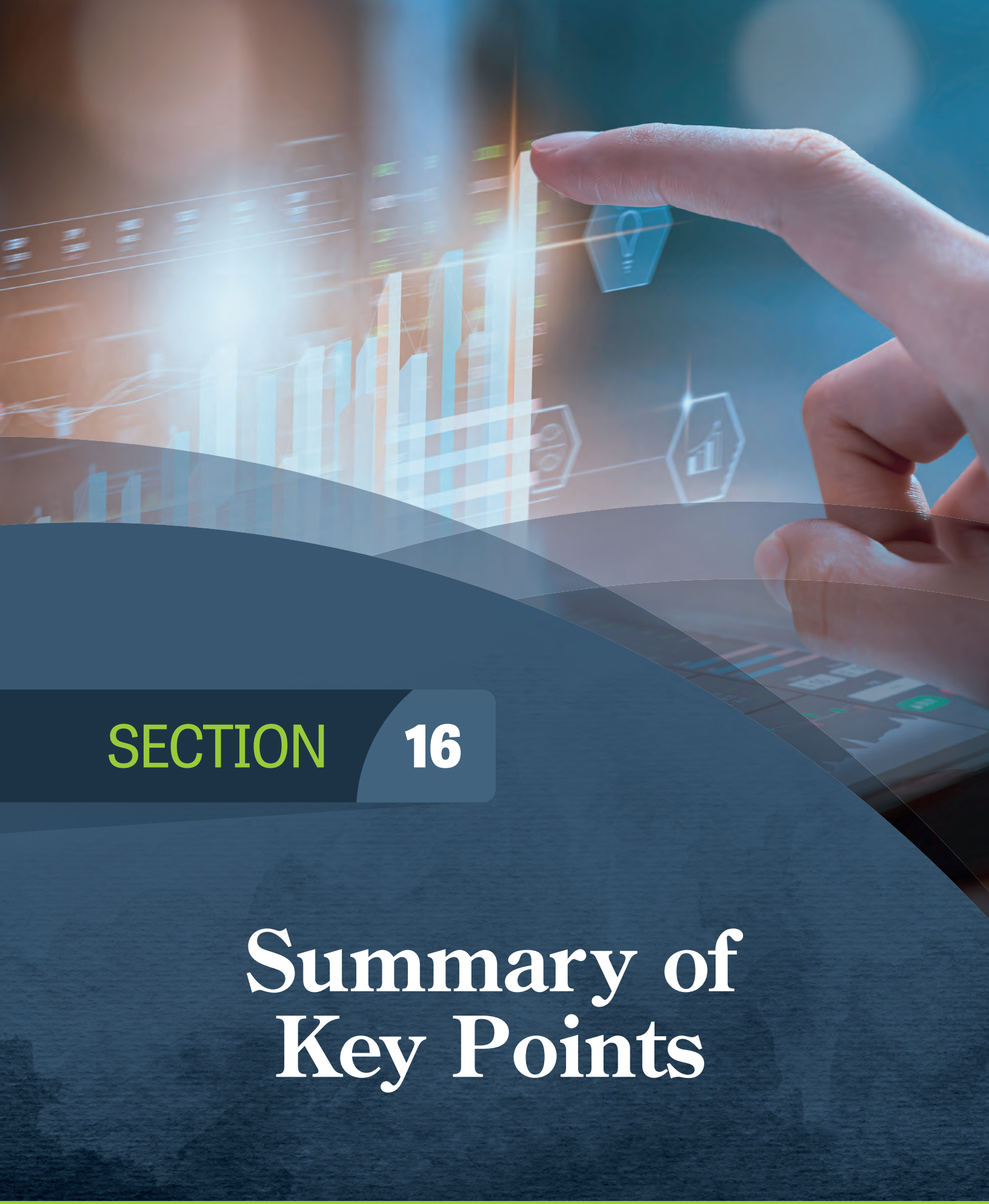

SECTION 16

Summary of Key Points

Summary of Key Points

In conclusion, we strongly recommend that your firm engage in strategic planning. Either hire a consultant or assign a firm leader to lead your firm through the strategic planning process, by gathering and reviewing relevant data and documents, developing and drafting a plan, implementing it and holding everyone accountable to complete it.

Please take our word for the fact that great firms plan. Failed firms do not. The legal profession is changing at lightning speed. Clients are changing and innovating. Younger lawyers have far different needs and goals than in the past. Standing on tradition and being too busy is not an excuse. You must plan.

And if you have any questions or are looking for a facilitator to head up your firm's strategic planning efforts, feel free to reach out to either of us (or both of us). We're at your service.

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