

IN-HOUSE AND LAW FIRM MANAGEMENT

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IN THIS ISSUE

Strategic planning is an important management tool that many firms do not use. This practical summary offers some excellent tips for a firm to consider as it takes on this important process.

Strategic Planning for Law Firms

ABOUT THE AUTHOR



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ABOUT THE COMMITTEE

The In-House and Law Firm Management Committee educates IADC members on the latest trends and developments pertaining to the “business of law,” so as to allow in-house legal departments and law firms to establish best practices for providing excellent legal service in a cost-efficient, effective, and responsive manner. They serve as a resource for IADC members, leadership, and staff on strategies for managing law firms and in-house legal departments in a manner that enhances client service and business relations; as well as improving economic value and profitability; marketing and business development; leadership succession and planning; and culture, diversity, and ethics. Learn more about the Committee at www.iadclaw.org. To contribute a newsletter article, contact:



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“If you don’t know where you are going, you’ll end up someplace else.” — Yogi Berra, New York Yankees.

Strategic planning may be the single most important action a law firm – or business of any type – can undertake. At the same time, though, strategic plans are often the most overlooked management tool of modern law firms. Whether lack of time, lack of vision, or “things will work out” mentality, about half of the U.S. law firms do not have or follow a strategic plan. Without a plan, a law firm often simply reacts to the market, losing the chance to proactively manage and mitigate risks, consider, and address the ups and downs of the legal field, and grow in a way that makes sense.

So, what is the best way to start a strategic planning process? What are some considerations for creating a successful strategic plan?

1. Hire a Consultant?

Consultants. Should a law firm hire one? Consultants can assist in various ways. From general advice to handling the complete planning process, consultants are aware of the challenges and opportunities of peer firms and “big picture” trends that impact the market. On the other hand, though, consultants may not understand individual firm or partner dynamics, institutional history, or your local market. On balance, though, a consultant can usually bring a perspective (or help your firm find a perspective) that can be invaluable. For a

firm that has never undertaken a strategic plan, a consultant is more important for success than for a firm that is tweaking an existing plan or has a long history of strategic planning. In short, though, this is an important initial decision that your management team must make.

2. Gather Available Information . . . and Then Some.

A strategic plan is only as good as the information that it is based on. Make sure you understand your firm’s financial information from all perspectives. Where is the firm making/losing money? What is the cost/overhead associated with the top clients? Are the firm’s expenses in line with market trends? Are the firm’s revenues in line with peer firms? Since nearly all strategic initiatives have a price tag, comprehensive and accurate financial information is the foundation of any strategic plan.

Other information is also important. Numerous publicly available surveys (conducted by the ABA, ALA, and other groups) examine market trends from different angles. These surveys can be invaluable on issues like technology, marketing, diversity, growth practices, professional development, salaries, partner compensation, remote work environment, among others. While some of these resources must be purchased, many are free. State and local bar organizations also often have industry reports and surveys which can be helpful, particularly in your

local jurisdiction. Finally, talking informally to colleagues in peer firms can provide invaluable information and perspective. Bottom line is that relevant and accurate information is key to identifying issues, setting goals, and making plans.

3. Get buy-in from all Perspectives.

Without buy-in from partners, associates, and staff, strategic plans can be relegated to a back burner. How does a firm encourage its partners and employees to embrace a strategic plan? A first step is allowing all constituencies to have “a voice.” Surveys, focus groups, and one-on-one interviews are important ways for attorneys and staff to give feedback and discuss ideas, concerns, and opportunities. Make sure your partners vote and formally adopt the plan. Have a kick-off lunch to present to the staff. Circulate the short version in the firm newsletter. Post the vision statement in areas that employees congregate. Tout successes and achieved goals.

In short, talk about the plan and relate it to firm actions throughout the year. A law firm’s strategic plan should be “front and center” so that no one is in doubt of the firm’s major goals.

4. Keep it Simple.

Don’t overdo it. Create a vision or values statement that describes what is important to your firm. Then develop a few high-level goals coupled with more specific steps and “to-do” items to achieve each goal. While

the goals can and should be lofty, make sure the action items are feasible and achievable. Practicality is the key. If goals are too complicated or are just not possible, the plan itself may be compromised even before it gets off the ground.

5. Accountability and Timelines.

Finally, make sure your plan is set for success. Use a timeline and make someone (or some group) responsible for each “to-do” item. Accountability is critical. Make sure those who are working on the plan have adequate support and resources. This could be a reduction in hours or collection goals or some other way to free time to work on to-do items. Once a timeline is in place, follow up and plan ahead. Make sure you are discussing the next step and looking ahead on the timeline. The plan is only as effective as those working to make it happen!

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