



MERITAS 2015 Annual Meeting
April 15-17, 2015 - Denver, Colorado

**CHARACTERISTICS OF TODAY'S
MOST SUCCESSFUL LAW FIRMS**

John Remsen, Jr.
President
TheRemsenGroup

April 16, 2015

BIOGRAPHICAL PROFILE

John Remsen, Jr., President

John Remsen, Jr. is widely recognized as one of the country's leading authorities on law firm leadership, management, marketing and business development. After serving as in-house marketing director at two major law firms, John formed TheRemsenGroup, a consulting firm that works exclusively with law firms to help them develop and implement long-term strategic objectives to improve cohesiveness, performance and profitability. Since 1997, he has worked with over 300 law firms and thousands of lawyers. Most of his clients are mid-size commercial law firms, ranging in size from 15 to 200 lawyers.

John is a frequent speaker and author on law firm leadership and marketing topics. He has spoken at national and regional conferences of the Legal Marketing Association, the Association of Legal Administrators, American Bar Association and numerous state and local bar associations. His articles have appeared in such well-respected publications as *ABA Journal*, *Asian Lawyer*, *Florida Bar News*, *For the Defense*, *Law Practice Management*, *Law Practice Today*, *Lawyers Weekly*, *Legal Management*, *Marketing for Lawyers*, *Marketing the Law Firm*, *Managing Partner*, *New York Law Journal*, *Rainmaker's Review* and *Wisconsin Lawyer*.

In the late 1990's, John served on the national Board of Directors of the Legal Marketing Association (LMA) and was President of its Southeastern chapter for three years. Under his leadership, the chapter was recognized as LMA's Chapter of the Year in 2001. In addition, he was Executive Editor of *Strategies*, LMA's monthly newsletter. He also served on The Florida Bar's Standing Committee on Advertising for six years and was the only non-lawyer appointed to serve on its 2004 Advertising Task Force.

In 2001, TheRemsenGroup launched The Managing Partner Forum, the nation's richest source of information and the most highly acclaimed conference series for leaders of mid-size law firms. More than 900 managing partners from 750 law firms in 42 states have participated in 23 leadership conferences. Designed exclusively for law firm managing partners, the MPF has expanded from its original geographic base in Florida to present programs in Atlanta, Boston, Chicago, Dallas, Denver, Houston, Philadelphia, St. Louis and San Diego.

In 2007, John was appointed to serve as a core member of the ABA's Law Practice Management Section. In 2008, he was appointed to serve on the ABA's Education Board. Since then, he has contributed numerous articles to various ABA publications and has been a featured speaker at ABA meetings and conferences throughout the country.


In 2013, John was elected as a Fellow of the prestigious College of Law Practice Management in recognition of his twenty five years of demonstrated expertise in law firm leadership and management. Founded in 1994, the College honors those who "inspire excellence and innovation in law practice management." Membership is by invitation only and includes just 200 individuals.

A native of West Palm Beach, Florida, John holds an MBA degree from The University of Virginia (1985) and a Bachelor's degree in Business Administration from the University of Florida (1980). Prior to attending graduate school, John was Executive Director of The Florida Council of 100, an organization consisting of Florida's top CEOs and business leaders.

June 2014

Today's Most Successful Law Firms

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CHARACTERISTICS OF TODAY'S MOST SUCCESSFUL LAW FIRMS

John Remsen, Jr.
President – TheRemsenGroup

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JOHN REMSEN, JR.

- President, TheRemsenGroup
President & CEO, Managing Partner Forum
- Previous:
Gunster, Porter Wright
- More than 300 law firms since 1997
- Speaker:
American Bar Association, Association of Legal Administrators,
Legal Marketing Association, MPF Annual Conference
- Education:
MBA – University of Virginia
BSBA – University of Florida

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- Florida, Texas, Southeast, Midwest, Northeast
- 900 participants from 750 law firms
- High level participants
- Maximum peer interaction
- Next Conference: May 7, 2015 in Atlanta, Georgia
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Today's Most Successful Law Firms

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TODAY'S SESSION


- Characteristics of Successful Firms
- Audience Polling Technology
- Results of MPF Surveys – 180 firm leaders












LONG-TERM TRENDS

- The Economy Is Globalizing – So Are Law Firms
- Technology Is Expanding/Improving at Breakneck Speed
- Clients Are More Demanding
- Competition Is Much More Aggressive
- BigLaw Is Getting Bigger
- Disruptors Will Continue to Proliferate
- Record Level of "Merger & Acquisition" Activity
- Successful Law Firms Run More Like Businesses



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LAWYER PERSONALITIES

- Highly skeptical
- Hate change
- Risk averse
- Love autonomy
- Low resilience
- High sense of urgency

Source: Dr. Larry Richard – LawyerBrain, LLC

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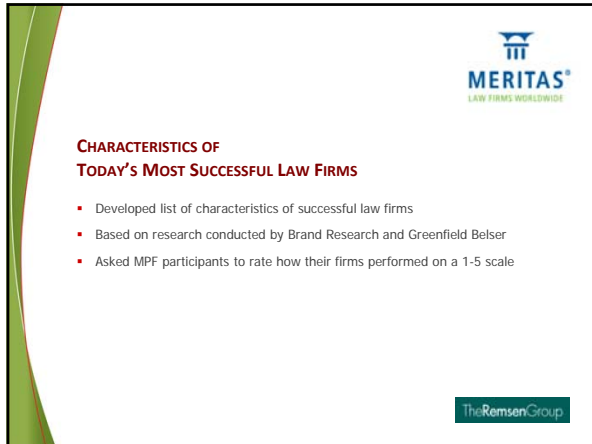
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**ASK QUESTIONS
PLEASE, ASK QUESTIONS**

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CHARACTERISTICS OF TODAY'S MOST SUCCESSFUL LAW FIRMS

- Developed list of characteristics of successful law firms
- Based on research conducted by Brand Research and Greenfield Belsler
- Asked MPF participants to rate how their firms performed on a 1-5 scale

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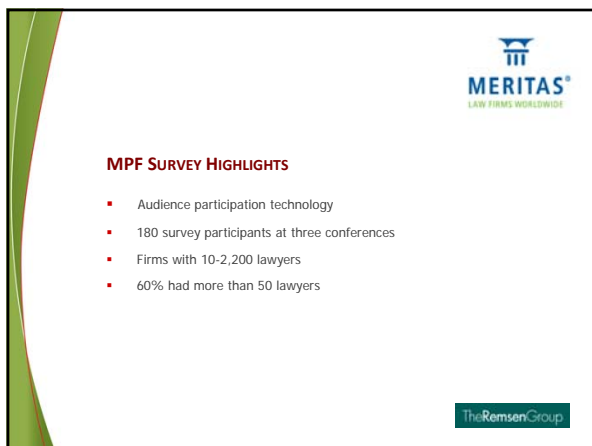


AUDIENCE POLLING WITH MERITAS APP

- Ranking questions – 1 is the highest
- Anonymous, instantaneous responses
- Bench-marking data to share with colleagues

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MPF SURVEY HIGHLIGHTS

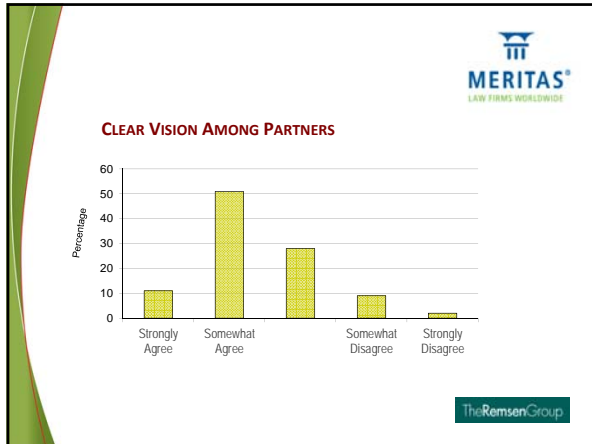
- Audience participation technology
- 180 survey participants at three conferences
- Firms with 10-2,200 lawyers
- 60% had more than 50 lawyers

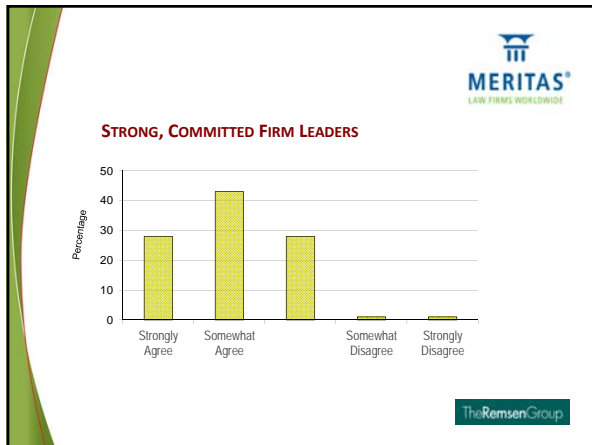
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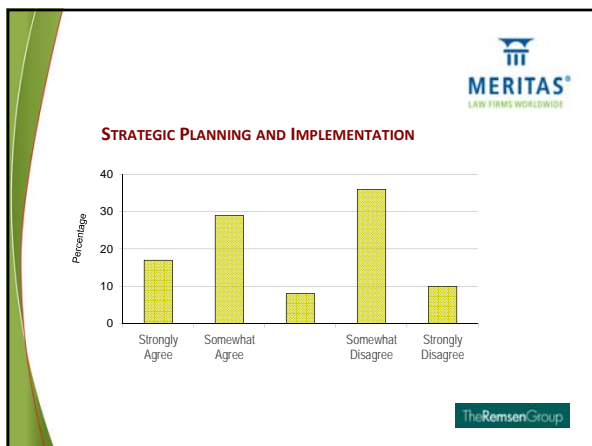
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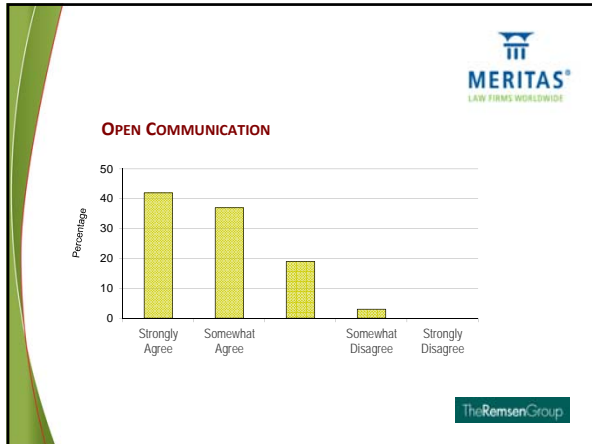


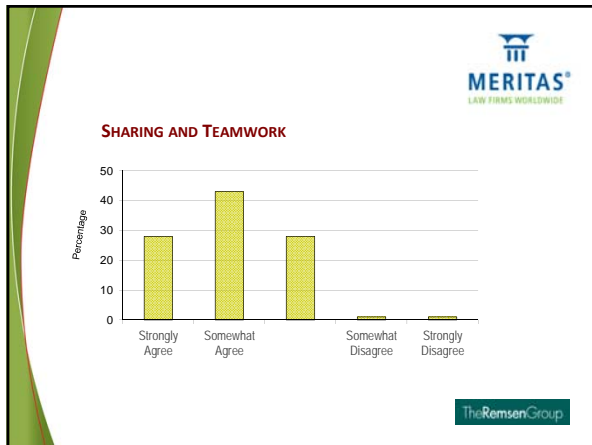


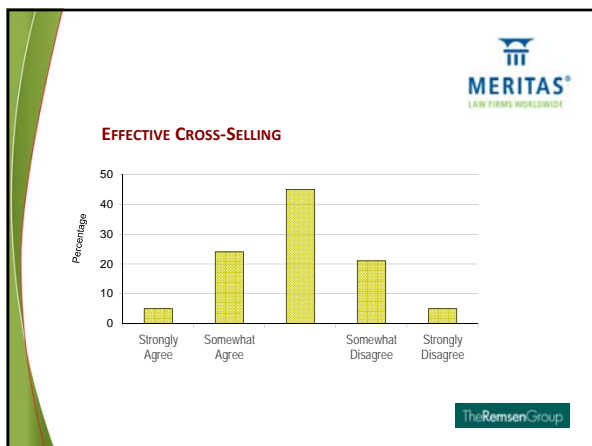


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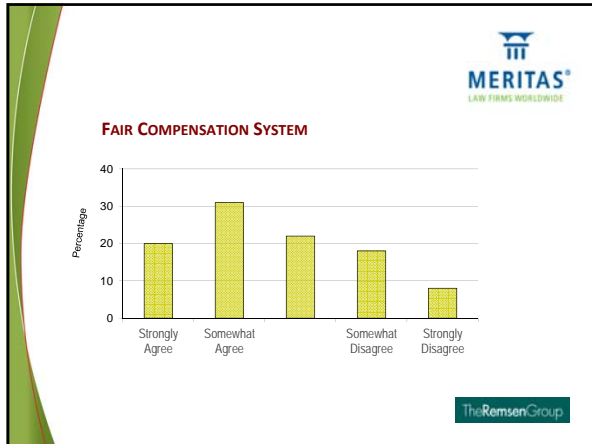


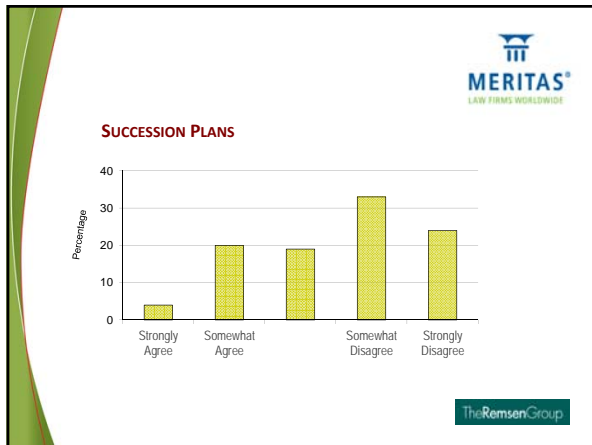


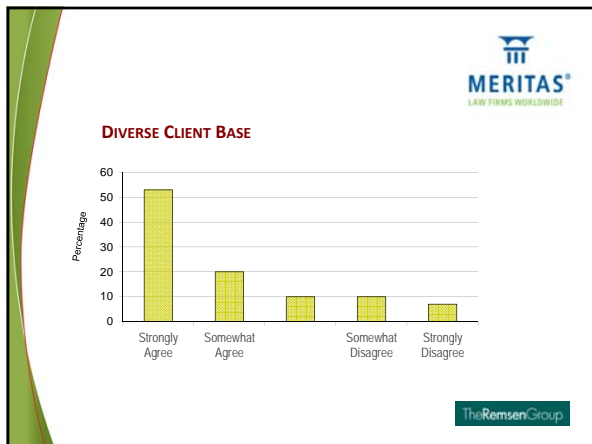


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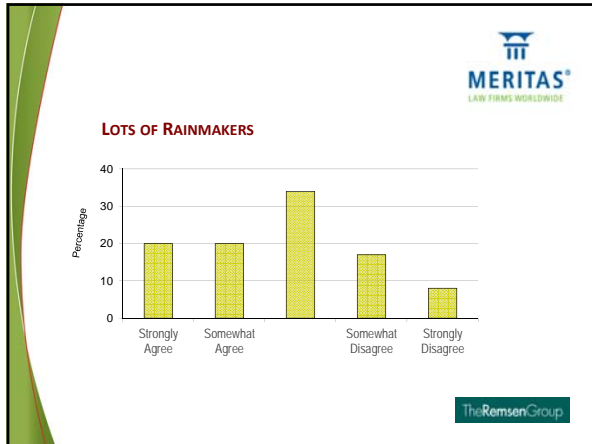


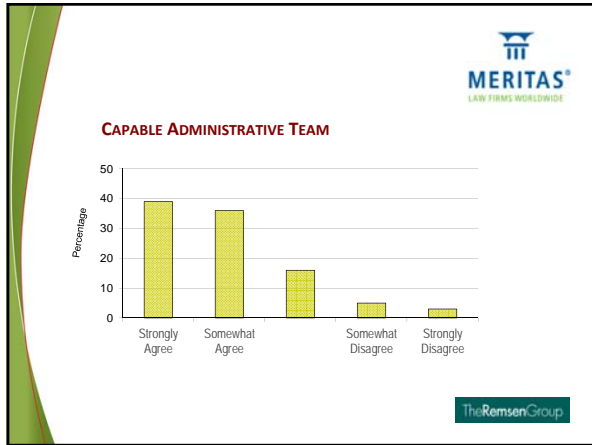


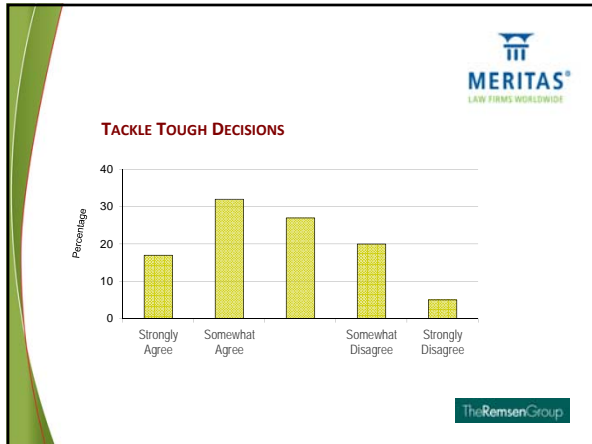


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OTHER CHARACTERISTICS

- Efficient Billing and Collections
- Selective Intake
- Associate Training and Development
- Track and Value Non-Billable Time

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With an Eye toward the Future...

Isn't It Time that Your Law Firm Develops a Strategic Plan?

By John Remsen, Jr.

Today's law firm can either take charge of its future or sit on the sidelines watching the marketplace change around it.

In corporate America, virtually every successful company has a strategic plan guiding its future. Banks won't lend money without one. Shareholders and venture capitalists demand them. It gives an organization a competitive advantage.

Ask just about any managing partner or firm administrator whether his or her law firm should have a strategic plan and almost all of them would say "yes." After all, without institutional direction, the law firm is little more than a collection of sole practitioners sharing office space...or a "hotel for lawyers," as our friend Bill Flannery likes to say. Yet, according to a recent survey, fewer than 5 percent of the law firms in the United States have such a plan in place.

Why then, do so few law firms have a strategic plan? And what does it take for a law firm to develop and implement one?

What Is a Strategic Plan?

In short, strategic planning is a *process*, the result of which is a written document that sets forth where an organization wants to go and how it will get there. Many experienced law firm marketers suggest that a law firm's strategic plan should consider a five-year horizon. It should, among other things, state how big the firm will be, where it will have office locations, what its major practice areas will be, and what its client base will look like.

Once the firm's partners reach consensus on these big-picture issues, the firm can develop its three-year goals and objectives and then determine the strategies and tactics to achieve them. Strategies and tactics are more short-term in nature. They should be specific, measurable and achievable within a year.

If strategic planning is so important, why do so few law firms have a plan? The reasons vary, but the following obstacles are most common.

Denial that it's no longer business as usual

Despite everything one reads in *The National Law Journal*, *The American Lawyer* and just about every other publication on the legal industry, there is a continuing denial among many attorneys that the *business* of lawyering has fundamentally changed. Times are good right now and, generally, firms are doing quite well. However, it is the firms that long ago recognized the value of planning that are emerging as the new leaders in the global marketplace for legal services.

Focus on the short term

Strategic planning looks at the future, while most law firms have a very short-term view of the world. Compensation systems often reward today's billable hour, with little reward for non-billable time invested in the firm's future. That's very dangerous—shortsighted, to say the least.

Law firms need to measure and reward those activities—firm governance, associate mentoring and training, and business development—that are necessary to insure the firm's long-term prosperity.

Difficulty Establishing Consensus among Partners

No doubt, lawyers like their autonomy and tend to resist institutionalization. Many firms like to refer to themselves (with pride) as very democratic institutions. They operate very much like a collection of sole practitioners sharing office space. They want to be left alone. On top of that, there are often very different philosophies among the firm's owners about the future of the firm. So it's easier not to talk about it.

Certainly, getting everyone to buy-in to a specific plan is challenging. There is a tendency among lawyers and law firms to want to be "all things to all people." In this type of culture, lawyers often resist any plan to move in a particular strategic direction and toward a more institutional way of thinking.

Lack of leadership

Inevitably, the strategic planning process leads to change. And change requires leadership. Often, firm leadership is simply not willing to make the tough (and not always popular) decisions necessary to make the firm a stronger,



■ John Remsen, Jr. is the principal of The Remsen Group, a marketing consulting firm that works exclusively with law firms. He is the past president of the South-eastern chapter of the Legal Marketing Association and served on its national board of directors. He can be reached at jremsen@theremsengroup.com.



more profitable institution in the long run. Managing partners and executive committees must realize that they can't please everybody.

Failure to implement

There are many firms that have made a half-hearted attempt at strategy planning and, for one reason or another, it has failed. The reasons are many and varied. Nobody seems to have the time to get things done. The plan exists, but it collects dust on a corner shelf. Inadequate resources were allocated to achieve the goals set forth in the plan. Or there was a lack of leadership. Or the plan was too ambitious. Or there was no accountability. And so on and so on.

The common refrain is, "We tried that, but it didn't work here." Chances are, the firm went through the motions, but there was never a genuine commitment to make implementation a priority. Without implementation, the planning process can be a frustrating waste of time, effort and money.

Keys to Successful Strategic Planning

Now that we've discussed why so many firms have not gotten around to developing a real strategic plan, let's examine the keys to making it happen.

Establish a sense of urgency

A sufficient number of lawyers in the firm must believe that it is no longer business as usual and that strategic direction is necessary if the firm is to survive and prosper in the years ahead. They must instill and constantly reinforce a sense of urgency that change is necessary.

Commitment from firm leadership

Firm leadership (or at least a critical majority) must have a genuine commitment to develop and implement a strategic plan. Without strong leadership and passionate commitment, it is still "business as usual," despite the rhetoric. Under these circumstances, the firm's efforts are doomed to failure.

Involve all partners in the process

At the end of the day, the owners of the firm must buy into and support the plan.

By involving each of them in the process through a series of one-on-one meetings and/or in a group brainstorming session, each partner will feel a part of the planning process. The likelihood of success jumps dramatically.

Associates and staff must also buy into the future of the firm. Special programs that enlist their support will add to the plan's successful implementation.

Keep the plan simple and focused

If the firm is developing its first strategic plan, it should keep the plan simple and focused. Most firms try to take on too much, too fast and wind up accomplishing little. With a realistic plan and by starting slowly, the firm is able to maintain its focus on the most important projects. The firm can always add to the plan later. A law firm is wise to start slow, publicize success and grow from there.

Create a plan that lives and breathes

Once a strategic plan is adopted, it does no good to set it aside, never to be looked at until the following year, if at all. The plan should be a flexible and dynamic instrument. Its principles should be incorporated into the firm's day-to-day operations. Firm leadership should communicate the goals and objectives of the plan often and in a variety of ways throughout the firm. Make sure everybody has a copy. Review it at internal meetings. Update it often. All important decisions should be considered in the context of the plan. If the firm makes decisions contrary to what is contained in the plan, it needs a new plan.

Establish accountability

Nothing happens without accountability. For most firms, this is best accomplished at monthly meetings of small groups (5-6 individuals) of attorneys, often organized by practice group. There must be a strong group leader and meetings should have an agenda and meeting notes. Assignments must be made and progress must be monitored.

Measure and reward desired behavior

Simply stated, the firm needs to measure

and reward desired behavior. If the firm wants its partners to spend time training younger associates, the investment of non-billable time in the firm's future must be measured and rewarded. If the firm determines that business development is important, it should reward it through recognition, origination credit, and/or by measuring and rewarding effort. Otherwise, behavior changes will not occur. Without incentives (or disincentives), it's business as usual and there is little change.

Does everybody have a role to play?

There is no right or wrong answer here, but the firm must determine up front if all of its attorneys have a role to play when it comes to investing in the firm's future. If so, what is the role of each attorney? What about associates? Is it the same for everybody or do we ask different attorneys to take on different responsibilities?

Making it happen

The strategic plan is not an end, in and of itself. It is a *process* through which a law firm contemplates its future and determines how it will allocate resources to take it where it wants to go.

Without implementation, a strategic plan is worthless. Planning should never replace and distract from the *doing* part of the equation. Implementation must be given the highest priority.

Conclusion

Many sole practitioners and attorneys at smaller firms seem to think that strategic planning is for larger firms. However, any firm with an eye toward the future can benefit from the process. Planning can help a firm develop consensus on key big-picture issues, promote internal communication within the firm, inspire attorneys to get out and do things they wouldn't otherwise do, and help the firm allocate its resources more effectively.

With leadership, commitment and a good strategic plan, any firm can develop a profitable practice working with clients it enjoys and in the areas of law it finds most appealing.





Marketing

The Law Firm[®]

Volume 19, Number 2 • June 2005

ALM

BUILDING AND SUSTAINING A MARKETING AND SALES CULTURE AT YOUR LAW FIRM (Or, How to Make Marketing Really Matter)

By John Remsen, Jr.

Getting lawyers and law firms do things differently is not an easy task and instilling a marketing mindset among lawyers is a major effort for most firms, resembling the proverbial challenge of “herding cats.”

A national consulting firm recently examined personalities of lawyers from around the country using the Caliper personality index and was able to quality what many of us have known for years. Compared to the rest of us, lawyers

- Hate change, respecting precedent because it was drilled into them at law school;
- Are highly skeptical of new ideas and concepts, demanding proof that change will work;
- Love autonomy, preferring their own judgment over that of any hierarchy or policy; and
- Have a high sense of urgency, expecting immediate results on even complex efforts.

It's not surprising, then, that most law firms (especially smaller and mid-size firms) operate much like fraternities. Governance and decision-making are often difficult and time-consuming, because everyone wants a voice in the process. However, the most profitable firms are moving closer to a corporate model of governance, with institutional goals, strong leadership and streamlined governance. They are also starting to embrace marketing, recognizing the need to get closer to existing clients and invest time and resources on focused, proactive strategies to go after new ones.

So why try to roll the marketing boulder uphill? Simply because any firm that wants to survive in today's increasingly competitive marketplace must support a marketing and sales culture. Mergers, acquisitions and consolidations, rising associate salaries and operating costs, and client cost-cutting are making lawyers run their firms more like a business, and less like a profession. Failure to market brings red ink, irrelevance and an “out of business” sign on your door. Marketing is what enables a firm to attract and retain desirable clients, and it puts the firm in a position to fire the ones it no longer wants.

That said, a marketing culture can't be implemented overnight - it must be slowly, gradually fostered through basic, focused, step-by-step efforts. Overcome typical lawyer impatience and resistance by showcasing successful pilot programs. A communications effort that presents the proof, demonstrates a successful result and validates the judgment of the participants, will appeal to lawyers' lemming instinct: “If Jim can do it, so the hell can I!”

The key, then, is to create the initial success that will make everyone in the firm believe marketing matters. I mean *really* matters. As marketing consultant to thousands of lawyers at hundreds of firms, I've seen that ten key

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elements are absolutely crucial to generate marketing momentum. Neglect even one of them and your legacy will be, “We tried *that* before, it didn’t work.”

1. Find a Passionate Leader. If a firm’s leaders - those lawyers who have the most clout and the greatest respect - aren’t committed to marketing, no one will be. Convince them that marketing is an investment in tomorrow, not just an expense for today. Cultivate a senior level marketing czar who is passionate about marketing and inspires others. Don’t waste your time on naysayers or junior associates. Convince an alpha male, and the herd will follow.

2. Apply Some Structure. Attorneys are the world’s worst visualizers. Vague generalizations about how marketing works won’t motivate them. Your marketing effort has to involve concrete, tangible benchmarks and requirements that show the firm is serious:

- Set clear expectations for non-billable time devoted to marketing. Set a target of 200 hours a year for partners and 100 hours per year for associates. Overcoming the billable hour fixation is crucial for marketing efforts, which often take years to generate results.
- Incorporate marketing into partnership requirements. Derail the partnership track of grinders who sit at their computers all day and don’t have a book of business.
- Create marketing plans at every level - attorney, industry or practice group, the entire firm. The marketing plans should be written, simple and focused, and should set short-term goals (have lunch with two media industry prospects per month) in the pursuit of long-term objectives (double billings with media clients).
- Communicate marketing successes by every tool at your command. Meetings, emails, newsletters, bulletin boards in the lounge, Intranet postings, monthly status reports, and more.
- Monitor marketing performance. Hold the laggards accountable and reward the performers. Most marketing initiatives must be repeated ten or more times over a period of two-plus years before they pay off. Rewarding only the ultimate result isn’t enough incentive. Peg some compensation to *efforts* that emphasize and support the marketing plan.
- Eliminate the time and expense wasters. Scrap “random acts of golf and lunch” and “powerful partner pet projects” that don’t support firm-wide marketing objectives.

3. Provide Training and Resources. Sales techniques aren’t taught in law school. There are, however, plenty of sales training programs for lawyers that emphasize the basics: if you’ve taken a prospect to lunch seven times, *ask* if you can handle their contract work. One-on-one coaching sessions can be supplemented by attendance at the Marketing Partner Forum and the Legal Marketing Association annual meeting, participation in the LawMarketing listserv, and circulation of marketing newsletters. Help lawyers overcome their marketing insecurities by exposing them to best practices.

4. Create a Forum of Accountability. The best way to generate marketing momentum is through face-to-face discussions - but *not* with marketing at the tail end of a long agenda. Create specific marketing forums where groups of 10 to 20 attorneys can report on their initiatives, share leads and ideas, and be held publicly accountable for their marketing efforts. Meetings should be held at least monthly, scheduled well in advance for a set time and place, with mandatory attendance and a leader committed to marketing in charge. Distribute minutes and make sure the results are publicized through reports, newsletters and retreat presentations. The only way to overcome resistance to these forums is to make clear that they are about results and accountability - and then use them to reinforce both.

5. Invest Time and Money. Every firm’s needs are different, but certain rules of thumb apply - for example, one in-house marketer for approximately every 40 lawyers, and a marketing budget roughly equal to 3% of gross revenues. Lawyers in their skepticism will ask, “Is this *really* necessary?” Appeal to the lemming instinct by demonstrating which other firms are doing at least as much.

6. Identify Your A, B and C Clients. Law firms often fail to identify the clients and the business they want, making little differentiation in attorney time and effort between getting the \$5,000 real estate contract and the \$5 million IPO. You should identify your A-List clients, the frequent flyers you really want to encourage, and emphasize winning more business from *these* guys. Then target them: Go visit them at their place of business, solicit their feedback on your services and act on it, invite them to events and seminars, join their trade associations, wine and dine them. Showing that you really do care about them is the essential step to getting more work from them.

7. Focus on Industries, Not Area of Law. Too many law firms practice marketing by trying to market their practice. Clients don't think that way. They focus on their business and industry concerns, and want their law firm to do the same. Competent legal technicians are a dime a dozen; law firms that talk the language of the hospitality industry are valued much more highly. Focusing on industries targeted by your marketing plan prevents wasting time and effort by trying to be all things to all people. It also promotes cross-selling among practices, as you identify which real estate, corporate, tax and other services you can tailor to clients in specific industries.

8. Get an Identity. Emphasize that you're not just another law firm. Making an impression captures share of mind, then share of market. All the effective marketer's tools apply here: a logo, a short and memorable firm name (no more than two words), sharp web site, readable collateral materials that are not mind-numbing exercises in lawyer-ese, email templates with links back to your web site, promotional items that clients will want to use. Remember that a nice brochure or impressive web site constitute just a small part of a *total* marketing effort.

9. Hire "People People." Lawyers are trained to be good communicators before groups, whether juries or boards of directors. They typically aren't good at establishing interpersonal, one-on-one communication. Rather than trying to turn an introverted lawyer into a rainmaker, it makes sense to hire lawyers with a focus on personality as well as on grades and law journal experience. Look for outgoing types who are flexible and embrace change, and they can become missionaries for your marketing efforts. The same applies to everyone in the organization - receptionists, administrative assistants and (yes) marketers.

10. Manage Lawyer Expectations. All the steps that we've discussed here take time, and the marketing plan they support will continue to evolve. Make sure the lawyers at your firm know and understand this from the start. Set a limited number of priorities and don't try to move too far too fast. But make absolutely certain that you deliver everything that you promise - which, in the end, is a good definition of effective marketing.

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About the Author

John Remsen, Jr. is the principal of The Remsen Group, a marketing consulting firm that works exclusively with law firms. He is a Past President of the Southeastern chapter of the Legal Marketing Association and has served on its national Board of Directors. He can be reached at 404.885.9100 or jremsen@theremsegroup.com.

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MPF FEATURED ARTICLE

STRATEGIC PLANNING

IT'S NOT JUST FOR "BIGLAW" ANYMORE

John Sterling
Sterling Strategies

John Remsen, Jr.
TheRemsenGroup

July 8, 2014

TheRemsenGroup

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LEGAL MANAGEMENT

THE MAGAZINE OF THE ASSOCIATION OF LEGAL ADMINISTRATORS

LI LEGAL INDUSTRY/BUSINESS MANAGEMENT

Strategic Planning

It's not just for 'BigLaw' anymore

Law firms have been rocked in the past 20 years by extraordinary change. There has been an oversupply of lawyers and a flat demand for services since 2008. Clients are more demanding and sophisticated than ever before, and competition is more intense. Technology has changed the way lawyers practice, collaborate and interact. Further, massive generational change is coming as boomer-generation lawyers retire and Generation X and Millennials take their place.



JOHN STERLING
Founding Partner of Sterling
Strategies

In today's legal environment, a firm that is standing still is losing ground. Every law firm should create a plan that looks forward five years in terms of practice mix, client mix, firm size and geographic footprint.

Importantly, we believe that every firm needs a plan, regardless of firm size. In fact, we believe that a solid, realistic plan is every bit as important for solos and smaller law firms as it is for their larger brethren.



JOHN REMSEN, JR.
President and Chief Executive
Officer of The Managing
Partner Forum

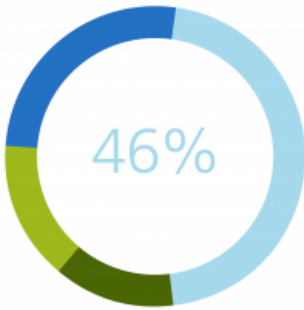
Most law firm leaders recognize that they must run their firms more like a business to remain viable and competitive in today's rapidly changing marketplace. And like any business, a plan is essential to take the organization (and the people in it) where it wants to go. A strategic plan is no longer optional. Without one, the firm might be best described as rudderless ship moving with the tide or, worse, as little more than a hotel for lawyers.

Start with identifying the destination. It's important for firm leaders to solicit input from partners, associates and key support staff. This input allows firm leadership to define a shared vision for the future and to identify common goals. And that involvement creates a sense of ownership in the strategic plan that ultimately emerges.

MORE FIRMS ARE GETTING THE MESSAGE

During the past 15 years, we've surveyed law firm managing partners from time to time on the topic of strategic planning. Historically, about 40 percent would tell us that their firm had a plan. Those with plans would report positive results.

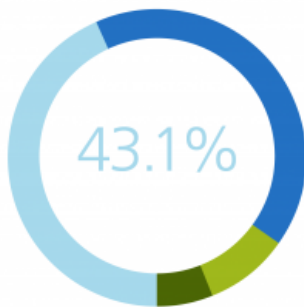
However, more firms seem to be getting into planning in recent years, according to our most recent data. In March 2014, The Managing Partner Forum (MPF), in affiliation with Sterling Strategies and The RemsenGroup, conducted an online survey about strategic planning in which 120 managing partners participated.



Do you have a written strategic plan?

- **46%** Yes – it is of recent vintage (developed in the past few years)
- **26%** No – we do not have a strategic plan
- **15%** Sort of – our strategic plan is currently a work in progress
- **13%** Yes - but it is a bit long in the tooth (more than a few years old)

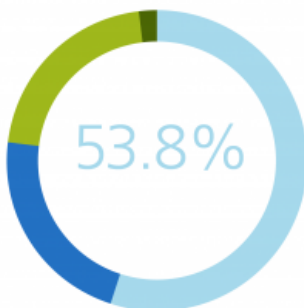
Fifty-nine percent of survey participants indicated that their firms have a written strategic plan. Among those with plans, 52 percent claimed to be doing a good job on implementation.



Implementation Success

- **43.1%** Pretty well – we could do better, but we do most of the things we committed to doing
- **41.5%** Fair – we are doing a spotty job when it comes to implementing our plan
- **9.2%** Very well – we track and implement the plan diligently
- **6.2%** Poor – we just can't seem to implement much of what we committed to doing

Furthermore, 77 percent say that planning has had a clearly positive impact on firm performance. Now that's pretty compelling data in favor of strategic planning.



Strategic Plan – Impact on Firm Performance

- **53.8%** Somewhat successful – clearly positive impact, but there have also been some real disappointments
- **23.1%** Very successful – a clear and positive impact on our law firm and its overall performance
- **21.5%** Somewhat disappointing – the plan has largely sat on the shelf gathering dust, with a few positive exceptions
- **1.5%** Total bust – has not helped our firm, it was a wasted effort all around

The data is clear: More firms are embracing strategic planning than ever before – and they're seeing positive results from their efforts. The 2008 economic downturn and the subsequent rocky recovery seem to have forced firms to change their thinking on this matter.

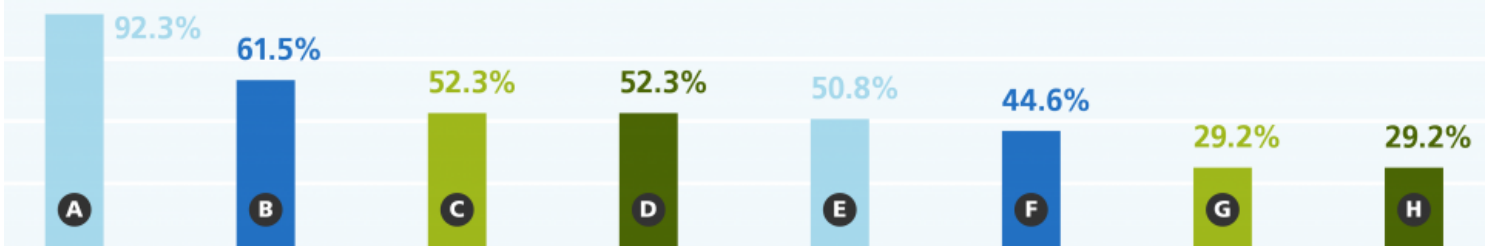
LOOK TO THE FUTURE – NOT TO THE PAST

In approaching a strategic plan, we urge firm owners to look out five years into the future. Where will the firm be in terms of its client mix, its practice mix, the demographic makeup of its partners and other professionals, its size, its financial performance and its geographic footprint?

Developing a strategic plan can be a challenge for firm leaders, as lawyers don't like change or anything they perceive to be risky. Partners tend to look to the past — gathering facts and seeking precedence. Additionally, they are skeptical by nature, value their autonomy and have a short-term

outlook. Our recent survey uncovered the most common approaches firms take when developing a strategic plan.

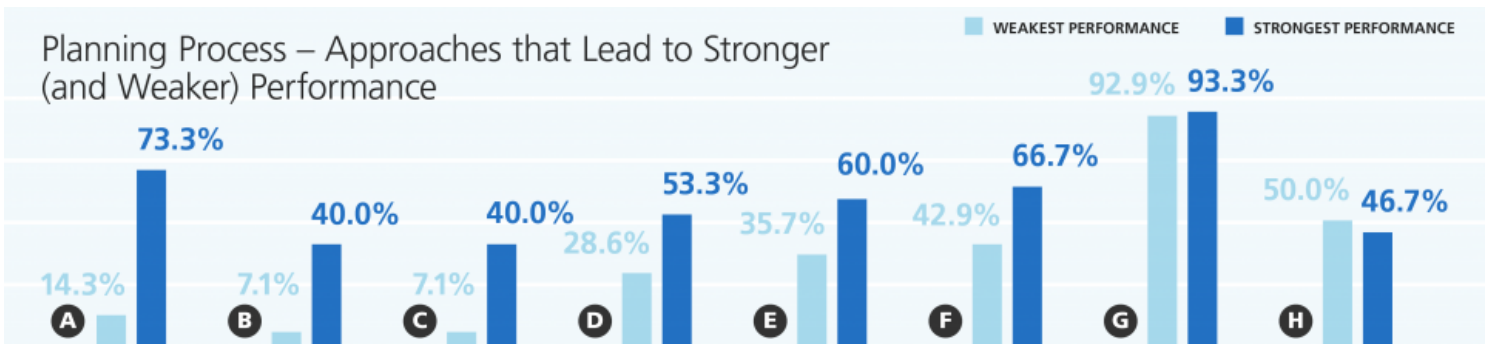
Strategic Planning Process – Common Practices



- A. Gathered input from partners via interviews or survey
- B. Analyzed legal industry trends/considered future scenarios for the legal industry
- C. Carried out profitability and related financial analyses
- D. Gathered input from associates/staff via interviews or survey
- E. Engaged a consultant to help with some aspect(s) of the process
- F. Analyzed benchmarks/statistical comparisons with peer firms
- G. Gathered client input
- H. Carried out competitive analyses (on direct competitors/ other law firms)

However, firms whose strategic plans have the strongest positive impact on performance take a decidedly different approach to planning than their less successful counterparts. The more successful firms are much more outwardly focused — examining peer performance, carrying-out competitive analysis and gathering client input.

Planning Process – Approaches that Lead to Stronger (and Weaker) Performance



- A. Analyzed benchmarks/statistical comparisons with peer firms
- B. Carried out competitive analyses (on direct competitors/other law firms)
- C. Gathered client input
- D. Carried out profitability and related financial analyses
- E. Engaged a consultant to help with some aspect(s) of the process
- F. Analyzed legal industry trends/considered future scenarios for the legal industry
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Make sure you have an external perspective as you develop your own strategic plan.

WHAT GOES INTO YOUR FIRM'S PLAN?

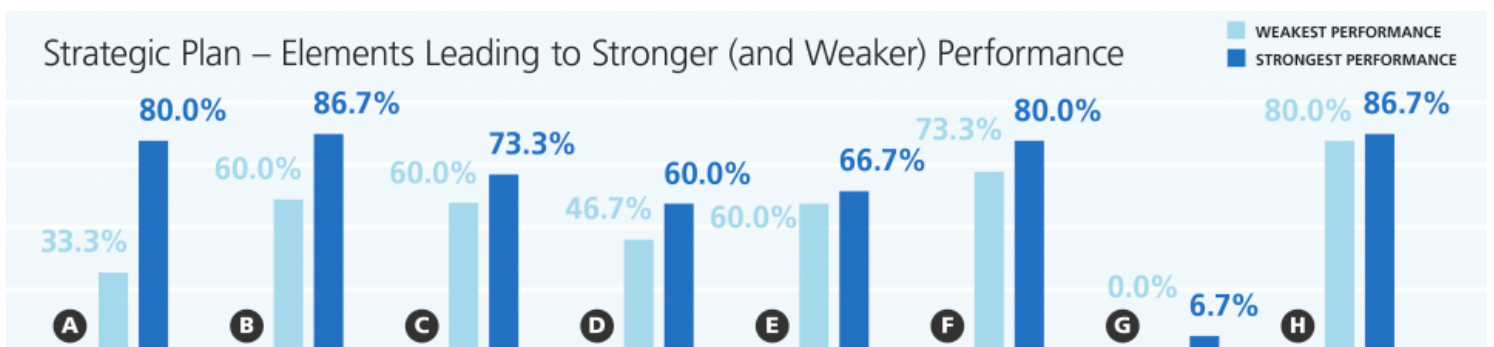
What comprises a strategic plan? Specifically, we recommend including the following elements in most cases:

Vision and Mission Statement: Your vision and mission should describe what your firm aspires to do throughout the next five years. It represents the big picture direction your firm is taking, so it's important to have firm-wide buy-in.

A Limited Number of Primary Goals: Once you've identified your vision for the future, the next step is to identify a small number (three or four) goals that give meaning to your vision. Primary goals become the focal points for the rest of the strategy — identifying those few things that will enable the firm to maintain a solid competitive position and distinguish itself in the marketplace.

Resource-Allocating Strategies: A good strategic plan allocates the necessary resources to achieve the firm's goals. It's important to recognize that implementing your plan will require a significant investment of non-billable time. Discuss this reality and establish a system that ensures that firms reward lawyers for the time that they invest into the firm's future.

Objectives and Metrics to Track Progress: Defining key metrics of success is critical to ensure that your efforts are on track. Financial metrics are obvious (e.g., revenue and profitability). It is important to also measure the depth, breadth and strength of client relationships; to track progress vis-à-vis people-oriented strategies; and to measure performance in operational and other non-financial areas. Note that the most successful firms are much more likely to adopt and track objective metrics than their less successful peers.



A. Measurable objectives (i.e., financial and non-financial metrics the firm expects to reach if it is successful)

B. Strategies directed toward the achievement of vision, major goals/objectives

C. Vision statement (i.e., what the firm aspires to over the long range)

D. Values statement (i.e., shared values that define the culture of the firm)

E. Mission or statement of purpose (i.e., who/what the firm is/what makes it distinctive)

F. Action plans or implementation initiatives to be accomplished in the near term

G. A balanced scorecard

H. Major goals for the next three-plus years

Action Plans: Finally, action items are short-term tasks that support your primary goals and strategies. Action plans should include clear milestones or deadlines for tasks – and they should clearly identify who is responsible for getting it done.

While creating your plan, remember the KISS principle:

Keep It Simple, Stupid: An over-complicated plan won't get implemented. Try to express the core elements of your strategic plan (vision, goals, key metrics and strategies) on one page. Focus your efforts on the easiest-to-reach goals, where your chances of success are greatest. You can't change everything overnight, so find traction where you can, capture early successes and communicate relentlessly.

GETTING STARTED FOR THE FIRST TIME

If your firm has never embarked on a strategic-planning exercise, here are several items to consider:

Be inclusive and secure firm buy-in. Without the buy-in of your firm, many initiatives are doomed to fail. Seek input from the entire firm early in the process. This includes partners, associates and employees. We recommend you speak to clients and other business leaders in the community. These outside perspectives can give you valuable insight into your firm's strengths and opportunities.

Don't bite off more than you can chew. This is especially important when you're creating a strategic plan for the first time. Many firm leaders come back from a retreat or a planning session with a long list of priorities and action items. Unfortunately, back in the real world, most firms just don't have the bandwidth for such a huge undertaking. You're far better off focusing on a few important, realistic priorities.

Be sensitive to firm culture and history. Planning often brings difficult issues to the forefront – issues such as partner succession and chronic underperformance. While difficult issues shouldn't be ignored, it helps to address those issues in the context of long-standing firm values and history.

Consider hiring an outside expert. At the risk of sounding self-serving, we recommend that firms engage an outside consultant while creating their plan – particularly if it's their first time through this process. A third-party perspective can often reveal strengths, weaknesses, opportunities and threats that those in the firm didn't see. And because they are looking in from the outside, a consultant can provide balanced, objective guidance.

KEYS TO SUCCESSFUL IMPLEMENTATION

A law firm's strategic plan should be simple, realistic and achievable. It should focus attention on just three or four meaningful priorities at a time. MPF Faculty Member Brian Burke often says that "If you can't fit it on a 3X5 index card, it's too long."

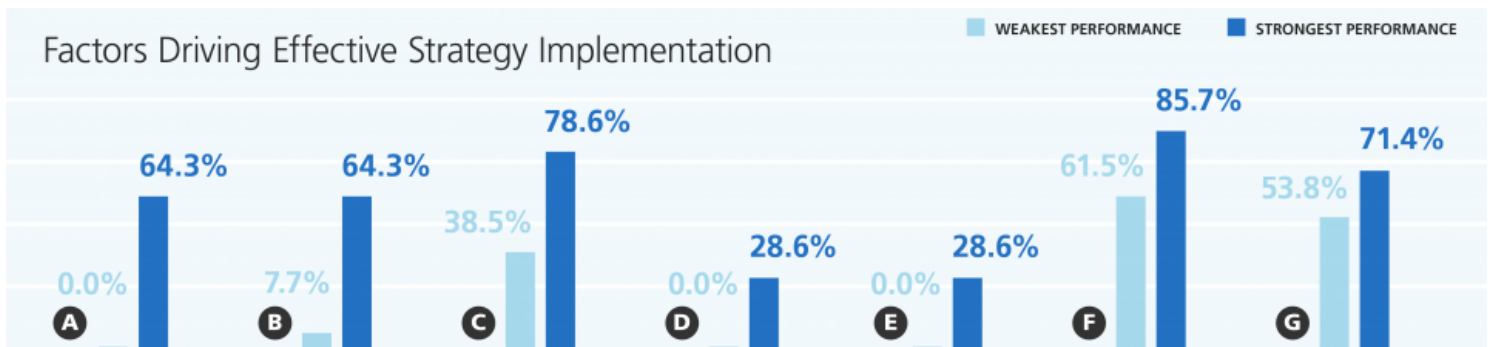
It's important to set deadlines and establish accountability. Many strategic plans go off track when a firm assigns implementation to a committee with no set deadline or clear milestones. Delegate tasks to individuals, and make sure they clearly understand what is required and when it is due. Then, support them however you can. It's also important that you make it a regular practice to step back

and update the plan from time to time, based on your progress and on the continued evolution of your marketplace.

Perhaps most importantly, have the courage to lead as leadership is required to initiate and sustain a strategic planning process in most firms. Lawyers are a challenging bunch to lead. They are typically very resistant to change, and they love autonomy. In fact, MPF Faculty Member Dr. Larry Richards often compares leading lawyers to “herding cats.” Wanting to be liked can actually be a liability, as strong leadership is required to get your firm working toward the same goals.

Align rewards and recognition with the plan. Firms reporting the greatest success in implementing their strategic plans are much more likely to have aligned those firm level plans with practice and individual level plans, rewards and recognition.

Why Do Law Firms Need a Strategic Plan? Listen to John Remsen's Answer.



- A. Tied firm or practice level plans to individual level plans
- B. Tied firm level plans to practice group level plans
- C. Tracked/reported on performance against goals, objectives or other milestones
- D. Linked implementation success/responsibility to partner compensation
- E. Engaged a consultant to assist with aspects of implementation
- F. Assigned clear responsibility for leading implementation of key initiatives to individuals/standing committees
- G. Named a strategic planning committee/chair person to monitor and coordinate implementation

MOVE FORWARD OR FALL BEHIND

The legal marketplace is evolving rapidly, right before our eyes. As always in the marketplace, there will be winners and there will be losers. We believe – and the evidence backs this up – that law firms that embrace strategic planning will be better positioned for success, both today and in the future.

To help you and your firm, we've assembled a nice collection of resources on the topic at www.managingpartnerforum.org/index.cfm/planning/.

ABOUT THE AUTHORS

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