

The Lawyer's Guide to Strategic Practice Management

2nd edition



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Executive summary

The legal profession continues to experience change, and law firms must continue to adapt. While the economy has improved, and businesses are recovering from the global economic downturn, the recession that was undergone introduced new challenges in the form of greater client demands, increased competition, internal cost cutting, and a greater focus on operational efficiency – to name but a few. And these are here to stay. Law firms that recognized and responded to these changes have survived. The leaders of these firms are aware that they must continually seek to improve and refine their management strategies in order to compete and thrive in an increasingly challenging market.

The Lawyer's Guide to Strategic Practice Management, 2nd edition, has been fully updated with new material providing expert advice for law firm leaders on key management areas. This edition has been expanded to contain 33 chapters, covering six crucial areas of law firm management: strategy; market and client development; people and talent management; finance and pricing; and optimization and technology.

Section One (Chapters 1–5), in recognition of the fact that law firms need to have clear and coherent plans in place in order to continue to prosper, is devoted to law firm strategy. It begins with chapters on defining law firm strategy and the steps in a strategic planning process, and moves on to provide expert guidance on how to analyze strategic trends in order to determine how your firm could be affected, and what plans are needed to prepare for them. This section also covers mergers as a strategic option, as well as the importance of innovation in legal services and how to cultivate a culture of innovation within your firm.

Chapter 6 is the first to appear in Section Two (Chapters 6–11), and this chapter bridges the gap between law firm strategy and the next area of focus – market and client development. This chapter identifies methods for looking to the future to identify and capitalize on growth opportunities. Continuing on from this, the remaining five chapters in this section explore how a firm needs to constantly evolve its business

development and client strategies in order to remain competitive in today's market. Expert advice is provided from renowned business development coach David H. Freeman who outlines the steps a firm can take to identify market niches and develop business development strategies that will differentiate your practice. David's experience and expertise is also shared in another chapter in which he provides practical advice on how to motivate lawyers to cross-sell within your firm.

Section Two also contains a chapter on key relationship programs, with information on how to assess your firm's need for such a program, along with a key relationship management self-diagnostic. Heidi K. Gardner (Harvard Business School) and Rebecca Normand-Hochman (Venturis Consulting and the IBA) discuss how culture can assist you in giving clients a true one-firm global service. The section concludes with an important chapter on how to unlock value through collaboration with outside counsel.

According to the Altman Weil "Law Firms in Transition Survey" 2015: "Law firms that have changed their strategic approach to lawyer staffing, efficiency of legal service delivery and pricing are consistently more likely to see increases in gross revenue, revenue per lawyer (RPL) and profits per equity partner (PPEP) than those firms that have not embraced strategic change."¹ In recognition of this need for strategic direction in the areas of staffing, legal service delivery/optimization, and pricing, these are the areas of focus for Sections 3–5 of this book.

Section Three (Chapters 12–18) covers one of the most crucial components of a law firm's success: its people. This section focuses on lawyers of all levels and a firm's talent management strategy in acknowledgement of the fact that, without having the right recruitment, professional development, compensation, and leadership practices in place, nothing else in your law firm will work. The section begins with a focus on diversity and the importance of building inclusiveness into the talent development function for the benefit of the business. In particular, this chapter provides practical advice on how to align women's initiative efforts with your firm's talent management strategies.

Chapters 13 and 14 cover the crucial topics of law firm compensation systems and measuring the performance of your partners, with advice on integrating incentives with firm goals and how to link performance to rewards. Following on from this, Section Three also contains a chapter on the roles of partners and leaders. It outlines the future partner roles that will exist in law firms, along with the use of competency frameworks and Balanced Scorecards. Chapter 16 continues the leadership

debate with advice on law firm leadership development. It outlines a plan for practice group leadership development, with guidance on leadership styles. Patrick McKenna's chapter explores the topic of leadership succession, and it provides tips for the succession process for both the outgoing and the incoming leaders. This section ends with a chapter on the hugely important topic of how law firms can get the best from the new generations of lawyers entering the profession.

Section Four (Chapters 19–22) focuses on finance and pricing, and it opens with a chapter on cash and lock-up profiles for law firm teams and departments. This is accompanied by a practical chapter on improving cash flow. Fee expert Patrick Lamb shares his advice on alternatives to the billable hour in Chapter 21. He explains the link between fee structures and behavior, and outlines the options in different fee arrangements. In a joint chapter by Toby Brown (Akin Gump) and Vincent Cordo Jr (Reed Smith), the authors advise on developing the right pricing model for your firm, based on data.

Section Five then moves on to the subjects of law firm optimization and technology. The section begins with two chapters on optimization and Lean strategies for law firms. Chapter 23 explains the importance of optimization for law firms, with detailed information on what optimization looks like in a law firm and the difference between a strategic and operational focus on optimization. Legal Lean Sigma Black Belt and certified Six Sigma Green Belt Catherine Alman MacDonagh provides insight into what legal process improvement is in practice and how Lean and Six Sigma can be applied in a law firm context. The fundamentals of technological advances in law firms are covered in Chapter 25, with a focus on concepts such as bring your own device (BYOD), big data, and cloud technology. Next, Chapter 26 explains how to align your firm's IT and business strategies, and this is followed by a chapter focusing on how to ensure greater value from your firm's IT investments.

The increasingly recognized and accepted topics of AI and “robot law” are discussed in Chapters 28 and 29. Advice is shared on the future of law in this technological age, with examples from practice, and guidance on the need for preparation to deal with these changes and use them for the benefit of your firm.

Finally, the book ends with Section Six (Chapters 30–33) and covers some important legal and business development skills for lawyers. With all of the work done to get prospective clients interested (based on the advice shared in Section Two) comes the hard part – the pitch. Having a bullet-proof pitching process in place dramatically improves your

chances of winning new business and Chapter 30 looks at the pitch planning process, with advice on how to decide on your pitch team, pricing and fee reviews, meeting plans, and the overall pitch strategy. Next, expert tips on social media strategies are shared in two chapters. Practical advice on building a social law firm is discussed in Chapter 31, which outlines how a firm can develop a strategic social media plan and put governance in place to monitor this. This chapter also highlights how a firm can build social advocacy into its culture, and go on to measure and adapt its social media strategy to suit the firm. Tailored advice is then shared on how to optimize a LinkedIn profile in order to be found by and attract your ideal clients. Step-by-step advice is provided on building your profile, with information on how to make your profile stand out. Finally, to conclude Section Six, in the final chapter of the book, cognitive interviewing expert Geoff Coughlin shares advice on how to manage a witness interview and the skills required to ensure that your interviews elicit as much accurate information as possible, in order to save time and ensure success for your case.

Within the pages of this book is the expertise and practical advice of some of the best minds in the legal and business consulting industries. The second edition of *The Lawyer's Guide to Strategic Practice Management* gives you the advice you need in order to ensure the future success of your law firm.

Reference

1. Clay, T. and Seeger, T., "Law Firms in Transition: An Altman Weill Flash Survey", by Altman Weill, 2015. See: www.altmanweill.com/dir_docs/resource/1c789ef2-5cff-463a-863a-2248d23882a7_document.pdf.