

LAW FIRMS EXPAND TOO: BUILDING A STRATEGIC PLAN

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Webster's New Collegiate Dictionary defines strategy as "the art of devising or employing plans or stratagems toward a goal". Within the context of their practices, lawyers (and most particularly litigators) employ strategic planning on a daily basis. Litigators analyze each case and develop a plan about how to "win". Every aspect of discovery is part of an overall goal of winning the case. The same type of planning can be applied toward developing a strategy for the firm's future.

Absent a plan, the firm may amble aimlessly from year to year, relying only on an annual expense budget (if one exists). Without prior planning, it may decide to raise associate compensation to match the compensation levels at other firms without taking time to analyze the impact of such an increase on overall profitability. It may decide to hire a lateral partner in a new practice area without determining the potential impact on staffing and synergy with existing practice areas. The process of preparing and implementing a strategic plan serves to educate attorneys about themselves, their firm, their clients and their competition. It helps them address "who we are today", "who we want to be tomorrow" and "how will we get there?" As a result of strategic planning, the firm should be better positioned to succeed and prosper in the future.

In order to start the process of strategic planning, all members of the firm must commit to participate. The best results occur when a strategic planning committee is selected, comprised of partners of all ages that represents the firm's major practice areas. Some progressive firms include associate representatives on the strategic planning committee, because the decisions made today will impact them when they eventually become partners. The firm's administrator should also be a member of the strategic planning committee. Firms often include an outside consultant with strong leadership and facilitation skills as an ex officio member of the committee, to assist them to develop an internal questionnaire, gather and summarize results and facilitate committee and/or retreat meetings.

If strategy is left as a discussion item for regular partnership meetings, very little productive strategic planning will occur. For that reason, the strategic planning process often takes place at a weekend retreat away from the office. Sometimes the retreat is the initial planning session for the strategic planning committee. Sometimes it is a forum for all partners to discuss preliminary observations and recommendations made by the strategic planning committee.

Prior to holding the first meeting of the strategic planning committee, an internal survey should be prepared. The survey questions should ask all partners, associates, and key managers to describe what they perceive as the firm's internal strengths and weaknesses, as well as external opportunities and threats. Partners should also be asked about personal and firm goals, firm governance and leadership. The information received from the survey should be summarized and major issues highlighted in preparation for the first committee meeting. In addition, three to five years of historical financial and personnel data should be compiled as reference material. Understanding where the firm has been will reveal where the firm appears to be headed. Only then will there be sufficient information to help the firm plan its future.

The first step of strategic planning is the development of a mission statement, which describes how the firm views itself today and how it wants to be seen by the outside world. It depicts shared values and expectations of the firm's lawyers. Items to be considered for inclusion in a firm's mission statement are when the firm was founded and by whom; the philosophy of the firm; practice areas; and geographic area(s) serviced. An example of a law firm mission statement is: "The mission of the Adventure Law Firm is to provide creative, high quality legal services to entertainment industry clients on the West Coast. We strive to represent clients as we ourselves would want to be represented." A carefully worded mission statement will assist the firm in setting goals and adopting courses of action necessary to support those goals.

Next, the committee should discuss the results of the survey as well as historical financial information. Attention should be focused on the firm's strengths, because they are the foundation upon which the firm's future will be built. Weaknesses need to be reviewed, but should not dominate the discussion. As topics and priorities emerge, the firm is ready to set goals. Approximately five to ten long-term goals should be established, which support the firm's mission statement. A sample goal for the Adventure Law Firm would be: "Expand the firm's practice by attracting music industry lawyers who are successful at client development." For each goal, several action plans that support the goal should be developed. Each action plan needs to identify tasks, who will handle the tasks, and the timetable required to complete the tasks.

Strategic planning is a process that takes time and commitment by the firm's partners. When I have facilitated strategic planning sessions for lawyers and bar associations, a few lawyers in every group want to gloss over the development of a mission statement and survey analysis, and jump straight to goal setting. In fact, it is when lawyers let themselves enjoy the creative brain storming process before setting goals that they embark upon the development of the most insightful and meaningful strategic plans.