

Strategic Planning for Law Firms – A Practical Guide

BY EMILY MORROW

MANY LAWYERS TELL ME THAT their firm does not have, or has never had, a strategic plan. Law firms with up-to-date, carefully drafted strategic plans that inform their day to day and long-term decision making are, sadly, few and far between.

Why is this? Perhaps it is because drafting a strategic plan involves non-billable time and/or because many lawyers don't fully understand the process. Or, maybe some lawyers, being natural sceptics, question the benefits of even having one.

Having a well-crafted, regularly updated strategic plan correlates directly with long-term success for a law practice. It's the difference between embarking on a complex and challenging journey with a good road map as opposed to jumping into the car, driving off and hoping you will arrive where you want to go in a timely fashion.

Having a strategic plan is also a critical component of future-proofing your law practice. Firms that are adept, consistent, realistic and practical strategic planners are the winners.

If your practice does not have a current, high quality strategic plan, here are some thoughts to get you started.

The discussion phase

All good strategic plans originate in discussions involving partners, directors, management and often third parties, including trusted external advisors and/ or a facilitator. Because having some uninterrupted time for such discussions is critical to the success of the venture, an offsite retreat is often a good forum for the conversation.

The discussions could include the following:

- A critical reflection about the core elements of the firm's culture, including its current and aspirational components. In other words, what aspects of the culture are most important, what is working well and what might be less than ideal.
- The firm's successes and challenges to date, including who is doing what, market conditions, financial considerations etc.
- An "envisaging exercise" in which participants consider what an optimally successful version of their law practice might look like in the next five to 10 years. Frequently, I divide the group into smaller groups and ask them to write a one or two sentence version of an optimal vision for the firm. This vision must be sufficiently specific to provide some immediate guidance and sufficiently flexible to accommodate the unpredictable, an often challenging and provocative exercise.
- Once participants have reached consensus on an optimal vision, I suggest they do some initial "drill down" into what needs to be done to achieve it. What topics will be critical to address in the plan?
- Identifying who may be interested in drafting the plan and authorising them to do so including providing clear guidance about expectations, timeframes and outcomes for the process.

Drafting the plan

Ideally, the individuals who will draft the strategic plan, a timeline for doing so and some direction for the process will have been agreed upon by the group during the strategic planning discussion. If the firm has a managing partner, practice manager, general manager or CEO, one or both of these individuals will often provide leadership for process.

Consider who should be involved in the drafting. For



example, those who have a natural interest in big picture, conceptual undertakings and those who have more interest in and attention to detail. Analytical thinkers and people who understand the realities of the firm's interpersonal and group dynamics could be useful.

After the strategic planning retreat, the drafting group should have a good idea of a vision for the firm that will correlate with its long-term success, as well as the issues that need to be addressed.

The following topics will need to be fleshed out in some detail in the "drop-down menus" of the strategic plan:

- What is unique about the firm's culture?
- What are the firm's current and potential target market areas?
- What are the financial implications of the plan?
- What are the personnel and staffing implications of it?



- What should be considered preparatory to opening a satellite office and what will need to be done to make that happen?
- What practice areas are flourishing, to what extent is the firm's practice too dependent on certain practice areas and what new opportunities might there be?
- What role will technology play in the process?
- What are the business development implications for the plan and how will they be addressed?
 As a critical part of the plan drill down, each of these topics (and others) will need to be addressed in some detail to provide guidance.

Adopting the draft plan

The draft plan should be shared with the original participants for their review and comments. Ideally, the strategic plan will be approved by the whole group "in concept" with the understanding that some agreed upon revisions will subsequently be made.

After the plan has been finalised and approved by the partners and other participants in the process, I suggest it be shared to some extent with everyone else in the firm. The entire plan may contain confidential information so an executive summary would be more appropriate.

I always suggest making it clear that this is a working draft and an evolving document. All too often I have seen firms adopt a strategic plan, file it away and forget about it until several years later. Keeping the plan in "draft" form can ensure it gets reviewed regularly.

Using the plan to guide future decision-making

For the plan to be really beneficial and inform everything the firm does, it needs to be a living, organic document. It should provide a lens through which decision-making about important matters can be viewed. Should the firm undertake certain new initiatives? Are there opportunities that are worth pursuing (or not) and so forth? The document should give guidance on all of these issues so there is an internal consistency to the firm's direction and decision-making.

The working group should meet at least twice a year to review the plan, revise and update language as

appropriate and refresh everyone else's memory about what is being done and why. Also, assuming there is an annual partners' retreat, the strategic plan should be a regular agenda item. It should become a core part of "how we regularly do business in our firm".

Fortunately, engaging in a high-quality strategic planning process is not particularly arduous or esoteric work. The critical question is whether you and your firm want to plan for, and reliably achieve success, or whether you would prefer to hope for the best. The choice is really that clear.

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