



# A SIMPLE PLAN

*Why solos and small firms need a long-term business strategy.*

**BY ROY S. GINSBURG**

**HOW MANY SOLOS AND SMALL FIRMS CAN CLAIM TO BE ABSOLUTELY SATISFIED?** Most want more and better business, but to achieve this goal, they need a strategic plan. If you don't know where you are going, after all, any road will get you there. But following many roads in random directions is inefficient and ineffective. If you *do* know where you are going, you can follow a specific and direct path to success.

When asked what their law firms should accomplish in the next few years, most small-firm leaders say they want to be more successful and that they plan to do this by working harder and smarter. These vague aspirations, however commendable, are not a plan.

## WHAT IS STRATEGIC PLANNING?

Strategic planning is not all that complicated. It is simply a process that forces a law firm to pause briefly to carefully consider where its practice has been, where it is today, where it should be in the future—and how to make this happen. The process forces busy lawyers, who are often scrambling to keep up with the day-to-day tasks of lawyering, to actually anticipate the future. Most plans cover one to three years.

A successful strategic plan should consider a solo or small firm's culture and vision, emerging trends in the legal market that might provide opportunities, emerging threats in the market that might dictate a change of course, and any needed operational changes.

A strategic plan can be simple. In fact, less is more. Law firms should not try to accomplish too much too soon. If initial goals are too ambitious and not reached, firm members will likely get discouraged and resist future efforts. Success in achieving smaller, simpler goals can create the momentum and confidence needed to achieve more difficult objectives down the road.

## WHY DO LAW FIRMS RESIST?

Common obstacles to strategic planning include:

*Lack of incentive.* Strategic planning requires an investment in non-billable hours, which are not rewarded by most law firm compensation systems.

*Lack of consensus.* Most law firms are democratic institutions that rely on consensus in order to get things done. Strategic planning may uncover difficult issues and spark differences of opinion.

*Lack of leadership.* Strong leadership is required when dealing with difficult issues. Often, when consensus is hard to achieve, a managing partner operating alone lacks the skills and political capital to effectively manage significant changes.

*Lack of execution.* Once created, even the best strategic plans must be implemented. This takes time and resources.

*Lack of accountability.* Strategic plans often impose no adverse consequences for inaction.

## STEP-BY-STEP PLANNING

**1. Assess status and gather facts.** One popular and straightforward strategic planning tool that can be used by a small law firm is a SWOT analysis, in which lawyers identify the firm's strengths, weaknesses, opportunities, and threats. Do not get carried away. Identify only the most important elements in each category. To be more thorough, use these questions to trigger discussion.

*Regarding the marketplace:*

Who are our competitors?

What do they do better than we do? What do they do worse?

What is our reputation in the marketplace? How can it be improved?

How can we distinguish our firm from our competitors?

*Regarding internal issues:*

How would we describe our firm culture?

What are our core values?

Do we have the right leadership? Are there gaps?

Are we getting work out efficiently and effectively?

What improvements are needed?

Are our marketing efforts adequate, or should they be upgraded?

Do we have the right number of the right kind of employees? Are our training needs being met?

Are any of our lawyers close to retirement? What changes will this bring?

Is the firm the right size or should it be smaller or larger?

Are professionals and staff compensated fairly and consistently with our culture?

Does our technology allow us to compete in today's culture?

*Regarding external issues and trends:*

Will any practice areas be impacted by upcoming changes in the regional economy, legislation and regulation, and/or the political climate?

*Regarding clients and services:*

Who are our top clients and what kind of work do we do for them?

How will their needs change in the future?

Which are our most profitable practice areas?

Should we reduce or eliminate some areas and grow or add others to meet client needs going forward?

**2. Organize and rank.** To keep the strategic planning process simple and focused, concentrate on just three or four issues. If these are not immediately obvious, discuss one further question: What worries us most about the firm's future? The answer to that question will inform your list.

**3. Create a plan.** With the information gathered and priorities ranked, it is time to create an action plan. It should address:

What are three or four realistic goals for this plan?

Don't be tempted into expanding the list.

How will we achieve these goals? What are the specific tactics (including "to-do" lists)?

Who is responsible for the accomplishment of a tactic?

What are the final deadlines and interim deadlines?

How will the firm measure and reward results?

Will the firm offer disincentives to ensure accountability?

**4. Just do it.** The most difficult part is execution. Constant monitoring is critical to hold people accountable, and results must be measured and communicated. A strategic plan is a flexible, living document—it is not etched in stone. Most often, monitoring is best accomplished by holding monthly scheduled meetings, which should allow just enough time for each person to give an update.

#### INCLUDING OTHERS

*Associates and Staff.* On the plus side, associates and staff can offer a different perspective on issues, and including them sends a positive message that the firm is inclusive and values the opinions and contributions of everyone.

On the other hand, they do not have an ownership stake in the firm and will be less affected financially by changes that are part of the strategic plan. Also, there may be certain issues that are best kept confidential.

*Outside Consultants.* A disciplined small law firm should be able to work through the strategic planning process on its own, but many find this process far easier when it is facilitated by an outside consultant. A skilled consultant can:

Keep the process moving along by avoiding sidetracks.

Rein in uncooperative partners.

Obtain more accurate perceptions about the firm from the partners.

Question long-held assumptions and beliefs that cannot be raised by partners due to firm politics.

Provide an independent and objective voice to the process when individual lawyers are tempted to favor their own vested interests over the firm's.

#### CONCLUSION

Small law firms that want more and better business cannot achieve these results simply by wishful thinking; they need a direct road map to get from where they are today to where they want to be tomorrow. They need to follow that route without getting sidetracked. They need a strategic plan. **TBJ**

#### ROY S. GINSBURG

*is an attorney coach and consultant who helps lawyers achieve practice development goals and career satisfaction. Ginsburg is a frequent CLE speaker and consults with firms and individuals nationwide. Go to [royginsburg.com](http://royginsburg.com).*

Reprinted with permission from *Bench & Bar of Minnesota*, the magazine of the Minnesota State Bar Association.