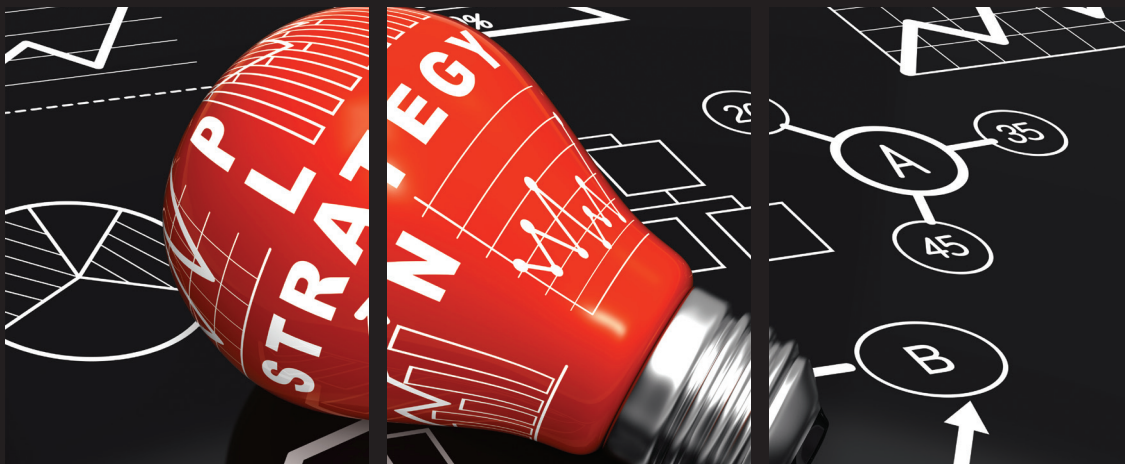


The Lawyer's Guide to Strategic Practice Management

EDITED BY FIONA TUCKER



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Executive summary

THE LEGAL profession has been through a dramatic and unprecedented period of change. The impact of the recession has been felt by firms of all sizes and practice areas. Greater demand for 'cheaper' services brought Alternative Fee Arrangements (AFAs) to the forefront; the disappearance of traditionally profitable practice areas increased competition in new market sectors; and internal cost cutting and reductions in operating budgets has meant that law firms have had to take a long hard look at the way they do business from top to bottom.

Those firms that did not adapt to changing market conditions are either no longer in business or have merged with their previous competition. The firms that recognized and embraced these changes are thriving in what is now the new modern legal profession. But they cannot rest on their laurels. Law firm leaders must continually look to improve and refine their management strategies.

The Lawyer's Guide to Strategic Practice Management looks into seven crucial key areas of management for law firms – information, process, strategy, market, people, finance, and technology– and discusses why law firms need to have clear and coherent strategies in place in order to continue to prosper.

The report begins by looking at how law firms deal with one of their most precious assets: their information. Knowledge management has been a cornerstone for

law firm success for some time, but with the more recent additions of big data and business intelligence, law firm leaders now have even more information tools at their disposal to remain competitive.

This section begins by looking at information management (IM) in law firms as a whole. It specifies IM best practice and information ownership, and looks at how budgets and personnel can positively and negatively affect law firm IM processes. The application of business intelligence (BI) only recently began to be incorporated into the law firm environment and Chapter 2 looks how the use of BI differs in law firms from the mainstream business practices, and how firms are using BI to improve client relationships, maximize costs, and gain competitive advantage.

The sheer amount of information law firms collect means that big data has become a key component of operational and strategic business initiatives. Chapter 3 details the future of big data and how it is being utilized within law firms for billing, cost, and forecasting analysis. Section 1 ends with a look at law firms and knowledge management in the digital age, and examines how law firms can deal with the 'information revolution' of the digital age.

Section 2 deals with process and starts with Chris Bull defining 'process' within the legal profession and how recent changes – from the financial crisis to the emergence of new technologies – have impacted legal process improvement and the delivery of

legal services. Project management, another non-traditional legal business process, has also come to the forefront. The contributing market factors are discussed in detail in Chapter 6, and a compelling business case for legal project management is made. The final part of this section looks at how you measure and manage the performance of your people. The role and purpose of measuring certain types of information is explained, and the relevance of analyzing that information is discussed in detail.

Law firm strategy is the subject of the third section, and Chapter 8 provides an introduction to a four-phase roadmap for creating a strategy plan at the firm or practice group level. Chapter 9 continues by looking at growth strategies and market position, and the strategic decision making process behind building a firm structure while gaining internal commitment and buy-in. The strategy section closes with an insight into new revenue and profit models, profitability strategies, and law firm profit drivers.

Following on from strategy the report moves on to the market, and more specifically how a firm needs to constantly evolve its business development and client retention strategies in order remain competitive in today's market. The section opens with David H. Freeman taking an in-depth look at finding market niches and developing individual business development strategies that will differentiate your practice. With all the work done to get prospective clients in the door comes the hard part – the pitch. Having a bullet-proof pitching process in place dramatically improves your chances of winning new business and chapter 12 looks at the pitch planning process including how to decide on your pitch team, pricing and fee reviews, meeting plans, and the overall pitch

strategy. Chapter 13, by Sally Dyson, covers the all-important area of client listening, and how you can utilize client listening techniques to get the most out of your client relationships. Publishing has been a part of overall marketing and business development strategies for some time, but without strategic direction, the content ultimately gets lost. Chapter 14 details individual market strategies, content creation, and distribution and looks at success metrics for each market. The section ends with a discussion of current trends in practice development, such as commoditization, technology, outsourcing, and the increasing influence of professional buyers.

Section 5 covers perhaps the most crucial component of a law firm's success: its people. Without having right hiring, professional development, communication, and leadership practices in place, nothing else in your law firm will work. Chapter 16 looks at the challenges faced by practice groups and their leaders; it looks at where practice group management has gone wrong in the past, and where to begin in order to make groups more effective in the current legal market. Alan Hodgart then provides insight into the complex nature of organizational culture in law firms, and more specifically how varying cultural strategies and messages effect and guide a firm's behavior, processes, and systems. Chapter 18 explores the expectations of clients and staff and details the strategic business case for strong communication, connectivity, and collaboration within law firms. The final chapter of this section looks at lateral partner hiring and examines how the current state of hiring across a number of international legal markets is evolving, and how hiring has been shaped and forever changed as a result of the global recession.

Section 6 deals with that all-important issue: finance. Perhaps the one of most significant changes to the legal market has been the arrival of AFAs. The importance and impact of AFAs has changed how firms financially do business. In the first chapter of this section, Patrick J Lamb examines the various alternatives to the traditional billable hour and the benefits each one presents to both the firm and the client. Sally Dyson then takes this a step further and focuses on fee negotiation and how to ask for (and get) the desired fees and structures by demonstrating value to the client. This section of the report closes with Steve Lauer identifying major obstacles law firms and corporate legal departments come up against with alternate fee arrangements, and provides solutions to mitigate these challenges.

The report ends by looking at technology. The rise of the internet and resulting mobile layering and e-lawyering means that law firms and lawyers must consistently adopt and embrace the latest technological advances in order to continue to move forwards and remain competitive.

Chapter 24 provides an overview of law firms in the digital age and explores how the digital age has already shaped the legal profession and will continue to do so in the future. It also takes a look at the varying risks and opportunities that lay ahead for the digital law firm. The provision of online legal services is examined next. Stephanie Kimbro looks at the forms of online delivery and strategies for implementing online services within existing law firm models. The report ends with a look at innovation for law firms – something considered by many (both inside and outside the law) to be somewhat of an oxymoron, but also something that absolutely cannot be ignored. For law firms to continue to grow and expand in this ever-changing

legal marketplace, innovation needs to be not just a priority, but ingrained within the psyche of the law firm itself.

Within the pages of this report is a collection of essays from some of the best minds in the legal and business consulting industries. *The Lawyer's Guide to Strategic Practice Management* gives you everything you need to ensure the future success of your law firm.