

April Showers Bring...??

By [Joseph B. Altonji](#) on April 13, 2018

The first quarter is behind us and the legal industry as a whole seems to be doing reasonably well. Early reports on AMLaw firm performance suggests that at least most (though not all) of the larger firms are doing very well, and growth in the industry seems to be concentrated mostly at the top. Midsize firms' performances as privately reported are more mixed. Meanwhile, the pressures on firms continue. Clients' expectations around efficiency, innovation and change dominate the industry press but efforts to change don't seem to be impressing the most important audience – the clients (according to, for example, a recent survey of in-house counsel by [Thompson Hine](#).)

Meanwhile, 2018 is well underway – and what happens in the next month or two will matter tremendously for the success of the year, economically, of course, but strategically as well.

Most firms start the year slowly – not just on collections but work tends to be slower coming off of year-end projects and such. Economically, the period from Spring Break until Summer vacation tends to be a high productivity period, and one for which most fees will be collected before year end. If you are not busy now, you should be concerned. More importantly, though, given the collection lag implicit in the industry, it's the projects and work getting started around April that have the greatest chance of making a big impact on the year. Hopefully your partners have been working aggressively the last few months to make new rain ("showers") in April that will drive success for the rest of 2018.

Strategically, this is also a critical point in the year. What projects have you not yet fully launched that you hope will be completed or even bear fruit in the current year? What changes do you want firmly embedded in the firm in advance of 2019?

- Do you need to revise your firm strategy? Getting started now still allows time to manage a quality effort and achieve buy-in in advance of 2019.
- Does your compensation system need to be overhauled? This is an area where structural decisions should be separated from implementation, and most firms begin compensation in the November/December time frame. So start now and get your changes agreed to before the end of the Summer.
- Do you hope to achieve material growth this year with significant laterals or firm acquisitions – get started now before the window closes.
- Are you saddled with excess capacity and finally ready to do something about it? Severance costs delay savings, so if you want (need) to cut costs this year, now is the time to act. And, it's a good time for the affected people to find other positions as well.
- Do you want to embed project management skills in your teams, or do some leadership training? Now's the time to book it so you can make progress this year.
- Do you want to launch innovation programs that let you buck the client feedback noted in the survey referenced above? Well, that might take longer but there is no time like the present to get them started.

What are the critical objectives for *your* firm this year? Everyone has some, and they should match your firm's needs. The critical thing is that you should be making real progress on launching or revitalizing initiatives at this time of the year (if

you haven't already) if you want to make real progress on important ones in 2018.

This is a critical time in the year for law firms – and what you and your colleagues do now and over the next month or two can have a major impact on both the firm's economic year and the progress it makes toward its longer term goals. We encourage "April Showers" and hope they "bring" great strategic and economic success this year.