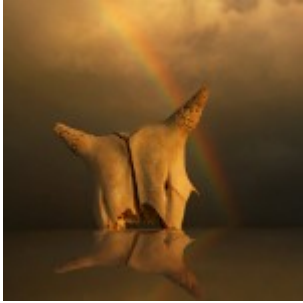


## Chasing Rainbows: Six Tips for Data-Driven Planning

By [LawVision](#) on November 24, 2015



*It's there at the end of the rainbow – the elusive pot of gold. All we need to do is follow this path...*

Strategic planning exercises are rampant in the legal sector right now, and for good reason. The market dynamics demand a better way – a new way – to approach clients and outpace the competition. Alongside this shift is a seemingly unquenchable thirst for knowledge. There is an industry-wide yearning to understand where markets are headed, how client needs are changing and what the future holds. Admirable goals, to be sure.

All too often, law firm leaders confuse market intelligence with “the solution.” There is a misconception that so-called big data, competitive analysis and market research holds all the answers. This belief couldn't be farther from the truth. At best this way of thinking can lead to misguided decisions. At worst, this expectation can pose hidden dangers and expose a firm to unnecessary risk.

Consider, for example, a mid-sized law firm intrigued by the fast-paced growth in cybersecurity. They gather data to learn how quickly spending is increasing. They can't pass up the rapid growth and immediately assign a small team of partners to lead the charge. This team invests countless hours and dollars attempting to build a cyber practice. Meanwhile, others at the firm continue to devote their investment time to their own individual practice areas, primarily in real estate, employment and general corporate business. Their clients don't indicate a need for data security services so they do not introduce the new practice. In twelve months, with no new clients in cybersecurity, the lead partners are discouraged. One of them opts to go in-house. The firm shutsters the practice. It will be years before the firm considers investing in another growth area.

Understanding clients and the markets in which a law firm operates are crucial to doing business in today's environment. These are the basics, the essentials to gain traction in today's fast-paced, ever-changing world. Yet this information alone can not transform a law firm or provide direction where there is no vision. Information without a clearly defined purpose is just that: information.

In my daily work, I regularly help law firms analyze markets for opportunities, discuss evolving trends with their clients and evaluate the facts to make better strategic choices. Yes, this work involves conducting research and performing analysis. However, the true value comes not in the information gathered but in how that information comes to life. The ability to transform data into insights is an art form. Here are six tips for ensuring that your next research endeavor provides you with more than just numbers:

1. **It's a two-way street.** Looking outward is a relatively new activity for many firms and one many have embraced with gusto. Yet don't lose sight of the internal realities that frame the firm. A strategic assessment of the firm's current state of affairs is just as, if not more important than understanding market trends. Begin with an evaluation of the firm's strengths, most profitable clients/services/locations and differentiating characteristics, then layer on the market perspective to add clarity and bring ideas to life.
2. **Say it again, Sam.** Research is only as good as the clarity with which it is performed. It is also an iterative process. One of our favorite lines in the research business is "if only I could have done the research before I did the research." Establishing clear, narrowly defined objectives at the outset, building in a phased approach to research (e.g., piloting a few pieces/interviews) and frequent touchpoints to review findings can help optimize the relevance and value.
3. **Don't "spray and pray."** Broad sweeps will inevitably just brush the surface of any issue, industry or area. Start by analyzing the firm's strengths, ideal clients, partner interests or financially viable options before going on a wild-goose chase.
4. **"I already knew that"** is a perfectly good outcome. You won't always learn something new from the efforts. However, confirming that the current thinking is accurate and on point cuts risk considerably and can save many pots of gold in the long-run.
5. **It's not a cure-all.** Better information on the market won't fix what's broken internally. If the firm suffers from a toxic culture, a misaligned compensation system or other internal barriers, a new vision is unlikely to gain traction. First, fix the foundation.
6. **Embrace the imperfect.** Law firms and their clients do not operate in a sterile, scientific environment. The data available or accessible is as imperfect as the people entering it or the algorithms gathering it. Understanding the limitations and liabilities of the information, tools and resources is just as critical as knowing what you can get out of them. Dig into the sources, ask how comprehensive the information is and adjust usage to reflect the level of ambiguity, bias or risk inherent in the data source.