

The Surprising State of Law Firm Strategies

By [Michael D. Short](#) on July 9, 2013

As we dig deeper into the results from our recently published Partner Compensation System Survey, we continue to have little “a-ha” and “very interesting” moments, and I want to share another one with you this month.

Last month I wrote about how long the majority of firms have been using the same compensation system (click [here](#) to read), which was also an “a-ha” moment.

In order to correlate the Partner Compensation Systems used by firms in the various stages of the evolution of strategic planning, we included a question on “the current state of your firm’s strategic plan”. The nine potential responses were:

1. *We don’t have one*
2. *We have a business improvement plan but it’s not really strategic in nature*
3. *We have a plan but it’s really about doing what we already do – only better*
4. *We have a plan that has as its primary goal increased profitability*
5. *We have a plan that has as its primary goal maintaining our culture*
6. *We have a plan that has as its primary goal maintaining our independence*
7. *We have a plan that has as its primary goal being known for some – but not all – of our leading practices*
8. *We have a plan that has as its primary goal being known in select industries*
9. *We have a plan that has as its primary goal being known for expertise with select client types*

The only option that no respondent chose was #6. Good. That’s not a strategic goal and we were secretly hoping no one would select that.

As for the others, the strategy consultant in me was expecting the responses to cluster around the “improvement” options (2-4) and the “known for” options (7-9), with the “known for” firms having about two-thirds of these responses and the “improvement” firms having about one-third. After all, I thought that there had been a fair amount of strategic planning going on prior to the recession...and a little bit during the recession...and those activities would surely result in my predicted data distribution.

Well...I was half right. The responses did, in fact, cluster around the groupings I predicted. However, the majority of responses was *not* in the “known for” categories. Rather, the majority was in the “improvement” categories. A-ha.

There is no right or wrong answer here. Strategic planning and the results from those efforts evolve over time. The fact that you are routinely undertaking strategic planning is the important point...not where you are in this continuum.

Still...improvement plans will only take you so far. The business of law is changing more rapidly than ever before and some firms are creating new value-propositions that their marketplaces are clearly recognizing and rewarding. Most strategic planning processes will naturally reach a point where – to over-simplify a complex concept – it’s time to be known for something rather improving on what you already do. That’s a big, scary move that usually requires significant internal changes. Recognize when you arrive at that fork in the road and boldly take the new path to be travelled.

As for the state of law firm strategies right now – yes, I am a little surprised. I’m already looking forward to re-running this survey in a few years to see how the responses to this question move over time. I expect to see significant movement toward the “known for” options.

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We are keeping the Partner Compensation System Survey open indefinitely – to both increase the database and to make the detailed results, which are available only to participating law firms, accessible to all interested parties. Please contact me (mshort@lawvisiongroup.com) to request a data form.