

Why so Much Un-Executable Strategy?

By [Joseph B. Altonji](#) on July 23, 2014

Several weeks ago we suggested that there were at least three major categories of reasons why law firms so frequently fail to execute on their strategies ([Why Can't We Ever Seem to Get Anywhere?](#)). Generically, we identified 1) Flawed Strategic Plans 2) Unaligned Organizations and 3) Implementation Process Shortfalls as critical generic categories, with a fourth, "The Day Job" being an additional, though more subtle, cause of execution failure. Today I would like to dig a bit deeper into the first of these problems – flawed "Strategic Plans."

Law firms produce a large number of strategic plans but, unfortunately, relatively little "good strategy." Good strategy focuses on defining the challenge and an overall approach to addressing the challenge, along with key actions that will move the firm forward. Richard Rumelt, in his excellent book [Good Strategy, Bad Strategy](#) calls these components the "diagnosis", a "guiding policy" and a set of "coherent actions" that will carry out the guiding policy. "Bad Strategy" on the other hand, is characterized by "fluff," "failure to face the challenge," "mistaking goals for strategy" and "bad strategic objectives." For the curious, Rumelt defines "fluff" as a "form of gibberish masquerading as strategic concepts or argument."

In our experience, while law firms provide numerous examples of all of these problems, the most ubiquitous issue is the failure to face, or more likely even define, the challenge. Consider one common current manifestation of this issue: Many firms today are experiencing stagnation or gradual erosion of their core business base, punctuated by periodic loss of key lawyers. Many of these firms have an active strategic plan to build new business that focuses on three key "strategies":

1. Energizing individual and "team" marketing efforts, sometimes with a specific client targeting component
2. Cross-selling
3. Some combination of additional firm-level marketing/advertising, training and other marketing focused approaches.

None of these are bad things, of course, and they might work when the core challenge actually is that the firm isn't making an adequate marketing effort. But what if that isn't the problem? What if the erosion in the firm's business base is due to other causes? Some potential alternative causes and alternative definitions of "the challenge" might include:

- Obsolescence of the firm's human capital potentially combined with commoditization of the firm's core practice. Many firms have trouble facing the fact that a large portion of their lawyer base no longer operates at a competitive level and, absent radical change, is unlikely to in the future. Maybe you don't have the best lawyers around.
- Radical change in the industry structure, either locally or more generally. For example, has the local competitive market become saturated with stronger, out-of-town competitors with the resources to change the market's competitive conditions?
- Change in client expectations resulting in new approaches to buying the services your firm provides. Do your clients increasingly look to "one-stop" options? Do you provide services that can be deconstructed easily and divided among multiple service providers, effectively eviscerating your ability to leverage? *Are you a vendor or a valued strategic partner with your clients?*

The first and third of these alternatives are issues some firms have tremendous difficulty confronting, because they touch on the core self-image of the firm and its partners. So rather than confront the core issue, it's easier to encourage people to do more of something they weren't really doing before. The second example is also hard, because it forces some firms to consider alternative choices that they have resisted for years. Other potential issues have similar challenges, so facing them forces firms to rethink their core. It's easier to take the easy way out and focus on the symptoms, but unless you clearly and accurately define the problem your actions are unlikely to advance your strategy.

Which brings us to a core cause of bad strategy. Good strategy is hard! It takes real work, which takes real time. You have got to be prepared to roll up your sleeves and get to the root of the problem. Many law firms simply don't appreciate the value of that investment.

Other causes of un-implementable strategy also abound. Among the more common versions is goal multiplication. Rather than focusing on the core challenge, some plans divide the firm's attention to the point where everything becomes "core." These firms tend to launch numerous initiatives, only to have most of them fizzle out. Three years later the firm finds itself in the same place it was. Another common strategic shortcoming is failure to choose. There are many situations where it simply is not possible to advance the interests of all the firm's practices simultaneously (for example, where the firm puts a cover memo on a binder full of practice group plans and calls it a "strategy"), and sometimes what is good for one will be detrimental to others. What is the firm's core, and what is not? Are you prepared to choose? No firm has unlimited resources, and you cannot move forward on all fronts simultaneously. Devising strategies that require it will inevitably result in execution failure.

It might be true in some cases that the inability to execute on a bad strategy might actually be a good thing. At least if you can't execute, you can't make the situation worse. Unfortunately, though, it is more likely that this will just put you farther behind the curve, with the situation exacerbated by increasing partner skepticism of the value of strategy in the first place. Execution begins with getting the strategy right up front. As we've noted in other contexts, if you aren't prepared to do strategy right, don't waste your time.