

# Reality Checking your Law Firm's Strategy

By Nick Jarrett-Kerr

When I look at the strategic documents of law firms it is often evident they are a patchwork quilt made up of many separate plans and business recipes — sometimes as many as there are partners in the firm. It's probably no surprise then that the summary statement of a firm's purpose and direction (sometimes known as the firm's 'mission statement') can often appear very bland, resulting — as such statements often do — from much internal debate, negotiation and compromise.

After all, a statement which is too overtly global can upset partners who practice only locally. Descriptions that are explicitly corporate can alienate lawyers who don't do corporate law while litigation lawyers may not resonate with a focus that looks too transactional. Hence law firms gravitate towards the meaningless and the anodyne in their quest for words that sum up the firm, resulting in phrases such as 'the preeminent firm in our region', 'a top 50 law firm' or 'a leading national firm' adorned with descriptive but largely empty adjectives such as 'client-focused', 'energetic', 'dynamic', and 'innovative'.

The problem is that none of these statements end up meaning much either to clients or to partners. It is true of course that what matters is not the mission statement but the detailed strategic plan. However, if the mission statement is bland and meaningless, there is every chance the strategic plan will lose its impact; if, for example, a newspaper article has a bad headline, the reader

will usually turn the page leaving the article unread. What's more, without a compelling sense of destiny, a strategy plan can easily default into yet another operational improvement plan — the pursuit of high quality, excellent client service, effective people management, hygienic finances and outstanding profitability.

At the opposite end of the spectrum, I have come across a number of firms who have worked out a compelling and inspirational sense of their vision, purpose and direction and who then assume they have a strategy — when in fact all they have is an ambition with no real idea how to attain it.

One very important feature of an effective strategy for a professional services firm is that there should be a clear line of sight for every partner between his or her day-to-day operations and the firm's overall strategic goals. In short, partners must be capable of identifying how their work, career aspirations, specializations and capabilities fit in with and contribute to the firm's overall strategy. It is difficult to achieve this line of sight when the firm's stated but vague objective is just to get bigger, to become generally famous, or to improve its profitability. There is a simple way of testing the effectiveness of a firm's strategy. I call it the GLOSS test, GLOSS standing for 'Good Line Of Sight Strategy'. This is how it works. Take



all or a representative selection of partners (or it even works with a single partner — maybe yourself as a law firm partner, or any average law firm partner who is just trying to mind his own business, look after the clients that he or she serves and keep up with the firm's targets and expectations of its partners).

Then answer to the best of your ability and judgment, just three sets of questions, using a scale of one (for hardly at all, or poorly) to ten (for extensively, or greatly) for each set of questions and for each partner.

1 Does each individual partner have a plan that clearly contributes to the firm's goals and its vision? Is there a clear link between the plans of the individuals and the firm's plan?

2 Are the strengths, capabilities and experience of each and every individual partner strategically important to the achievements of the firm's strategic objectives and relevant to the firm's success? Does each partner help the firm stand out from the crowd in a manner that supports the firm's strategy and in ways that are meaningful to the generality of the firm's clients and referrers?

3 How likely (be honest!) is it that each partner will be able in due course to fully realise his or her plan and to achieve his or her objectives? Even if achieved, to what extent would this move the firm towards its long-term goals?

Scores on the GLOSS test can tell the firm a great deal about the effectiveness of its overall strategy and its unity of purpose.

- If any individual partner scores less than 50 percent, then it tells you one of three things about the firm's strategy:
  - i. - that it is blurry, unfocused and unconnected (and needs clarifying), or
  - ii. - that the individual partner is currently largely irrelevant to the firm's strategy (or perhaps just unfocused and drifting), or
  - iii. - that the firm's strategy is irrelevant to the individual partner. In this case, he or she would be wise to move to a firm more likely to appreciate his or her talents.
- If all or a substantial group of partners together score less than 50 percent, then a fundamental review of the firm's strategy is certainly required.
- If the score is between 51 and 75 percent, then the strategy almost certainly needs reviewing and the firm urgently needs at the very least to do some work to clarify and 'connect the dots' between front-line partner activity and the firm's overall goals.
- If the combined score is over 75 percent, the firm is probably doing quite well but should in no way be complacent, as there will inevitably be some weak areas which need correction.
- Mixed and overall patchy results, with some partners scoring well and others badly, denote a firm with little unity of purpose.

But if the score is 100 percent, then you may well be a sole practitioner!

Remember that this is just a test of the overall effectiveness of a firm's existing strategy and is not intended to be a strategic planning methodology.

