

Sight-Checking your 2020 Strategy

Featured in the December 2019 edition of the [Edge International Communiqué](#)

By Nick Jarrett-Kerr



When I look at the strategic documents of law firms, I often see lack of clarity; it often seems to me that the plans form a patchwork quilt made up of many separate plans and business recipes of different practice groups – and can sometimes be 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 can often appear unclear or 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 practice groups that practice only locally. Descriptions which are explicitly corporate can alienate practice groups and their members who don't do corporate law, whilst litigation practice groups may not resonate with a focus which looks too transactional. Hence law firms gravitate towards the meaningless and the anodyne in their quest for words which 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-focussed', '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 firm's 'mission statement' but the detailed and executable strategic plan. However, if the firm's high-level strategic intent is fuzzy, unfocused and meaningless, there is every chance the strategic plan will lose its impact. As with a bad newspaper 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. This is not necessarily a bad thing as such plans usually involve trying to optimize such worthy matters as the pursuit of high quality, excellent client service, effective people management, hygienic finances and outstanding profitability. However, improvement plans do not tend to diverge or differentiate the firm from similar firms, and are subject to the laws of diminishing returns as the firm reaches its natural improvement ceiling.

At the opposite end of the spectrum, I have come across a number of firms that 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 service firm is that there should be a clear line of sight for every group, and indeed every partner, between 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.

As we approach the next decade of this century, my feeling is that many firms need to check their 20-20 vision. I propose a simple way of testing the effectiveness of your firm's strategy. I call it the **GLOSS** test – **GLOSS** standing for 'Good Line Of Sight Strategy'.

This is how it works: take a good look at each of your firm's practice groups and any discrete team within any practice group then answer, to the best of your ability and judgment, just three sets of questions for each group or team.

1. Does each group have a plan which clearly contributes to the firm's goals and its vision? Is there a clear link between the plans of the individuals within each group and the firm's plan?
2. Are the strengths, capabilities and experience of each and every group and its partners important to the achievement of the firm's strategic objectives and relevant to the firm's success? Do the groups and the partners help the firm stand out from the crowd in a manner which 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 group – and indeed each partner – will be able in due course fully to realise the agreed plans and to achieve overall objectives? Even if achieved, to what extent would this move the firm towards its long-term goals?

This test can tell the firm a great deal about the effectiveness of its overall strategy and its unity of purpose. If the answers are not compellingly clear and positive, it is time to take another look at the firm's strategy, particularly as we approach the twenty-twenties.

Edge Principal [Nick Jarrett-Kerr](#) is one of the leading UK and international advisers to law firms on business issues, strategy, leadership and management. In addition to matters of strategy, Nick has a particular interest in law firm governance, partner compensation, partnership performance criteria and partner development. He regularly leads or facilitates strategy days, retreats, partner conferences, practice group retreats and away days.