

Does Your Strategic Plan Say Little and Accomplish Even Less?

By Blane R. Prescott

While most law firms embrace the concept of planning their future, they quickly discover that true strategizing is hard and developing a consensus among partners is even harder. Even among the most talented Managing Partners across the profession, strategic planning continues to be one of the more challenging and frustrating parts of their job.

Law firm strategic plans generally fall into one of three categories:

- The most common type can be summarized as follows: “Here are all of the things we do now, but we are going to do them better, and we are going to market more.” This is a plan that avoids hard decisions and confronting existing problems, thereby making it easy to approve. But it also results in little meaningful improvement.
- A second type is heavy on slogans, has a litany of relatively minor management decisions, and some organizational reshuffling (“*industry groups will replace practice groups!*”). The result is a plan that is filled with inconsequential changes, and innocuous enough that no one is sure when it has been achieved. Even if it perfectly executed it doesn’t result in meaningful change.
- The third type is the most successful, but sadly, quite rare: It is short (often 1-3 pages) and focuses on a few significant, but difficult and fundamental changes. This type of plan typically focuses on shifting the firm’s market position and approach, prioritizing investments for the short and mid-term, addressing cultural weaknesses and realigning the structure for the success of the firm.

Why is planning so challenging in law firms? There are five common causes:

1. **The wrong people or too many people drafting the plan.** Successful planning requires great leadership, careful digesting of internal and external input, the ability to discern symptoms from causes, a willingness to be brutally honest, and ultimately, widespread support and buy-in. To be democratic and inclusive many firms mistakenly assume that the more people involved, the better the results and the more widespread the acceptance of the plan. These firms overlook two important realities: First, there is a critical difference between incorporating important, thoughtful input from all constituents and just handing over the process to a large group. Unfortunately, as most planning committees gets bigger most plans get longer, yet ironically, they tend to say less and less. Second, though it may be hard to hear or accept, few lawyers have great leadership skills or the ability to run a successful firm. (That doesn’t mean they are bad people or lack intelligence. It is just a factual acknowledgment that great leadership skills are

exceedingly rare). So large groups tend to have fewer talented leaders and as a result, tend to produce the least successful plans.

2. **The plan is undertaken for the wrong reasons.** Strategic planning should not be a “fun” team-building activity at a retreat, or an exercise to make routine management decisions, or an effort to produce a marketing document. Strategic planning should be reserved as a serious effort aimed at refocusing and changing the firm. If you don’t need to change the firm, or aren’t willing to admit that, why do any strategic planning? Perhaps the better approach in this case is to develop a new management plan.
3. **It’s about building the firm, not just a practice or office.** As the General Counsel for a large public company observed: “I had no idea how many big firms are just loose coalitions of sole practitioners who don’t cooperate internally unless I force them to.” That is less a criticism than an acknowledgement of a reality: Many firms/partners unconsciously prefer latitude and freedom to teamwork and accountability. Unfortunately, such firms tend to have lower levels of success, profits and morale than their team-oriented peers, and frequently suffer mixed reputations for quality. For such firms, strategic planning is little more than a collection of unrelated, uncoordinated practice area initiatives. Every practice demands to be named in the plan or else there are claims of being under-represented or unappreciated. Real strategy requires cooperation and teamwork to jointly achieve something together. For many firms that is one of the most challenging aspects of strategic planning.
4. **Fear.** Some firms/leaders fear change. That fear results in soft plans that sound nice, but don’t require any change from anyone. A good rule of thumb is that if your planning effort doesn’t force you to debate difficult issues and make hard decisions about investment priorities in your future, you probably just made a list of slogans and irrelevant initiatives rather than a strategic plan.
5. **Overinvesting in drafting/underinvesting in selling and implementing.** For too many firms the time invested in drafting their plan vastly exceeds the time spent selling and implementing it. If you don’t convince your lawyers of the need for change, and help them to deal with it, you have probably wasted your time. This is one of the reasons we see highly successful firms with short strategic plans: They focus on big, challenging initiatives that fundamentally advance the firm, rather than long documents that have a multitude of inconsequential changes.

How do successful firms develop and implement a meaningful strategic plan? Experience shows their planning efforts tend to share six characteristics:

1. They more often use a small group of natural leaders who are not afraid to voraciously listen to input regardless of its source, and who can make hard decisions. The challenge for many firms is that they don't have enough great, natural leaders or they don't recognize them (regardless of age, gender, etc.)
2. They focus on significant, macro level strategies/goals and avoid platitudes. They contemplate real shifts in market position, changes in practice investments and historic approach, and don't cloud the plan with rote management issues. (If the goals and strategies are well thought out, they should remain unchanged for five or more years. But the *tactics* should constantly evolve as some succeed, others fail, and new ones are developed. So, it isn't common or necessary to list every tactic in the plan itself.)
3. They clearly acknowledge the firm's weaknesses and how the market and competitors are changing, or perhaps even outperforming them. (Hint: Your partners and associates know the weaknesses of your firm - they talk about them over lunch and in the hallways every day. So, you aren't scaring anyone by admitting what they already know. To the contrary, acknowledging your firm's weaknesses buys you credibility to make hard changes, whereas avoiding admitting them will only make you seem out of touch.) They explain precisely what must change, talk about the difficulties the firm will encounter and confront the impact on partners.
4. Partners put the firm before self. Don't assume everyone will like your plan. It isn't unusual for 20% of partners to dislike a plan even in the most successful firms. But partners in firms that are philosophically aligned (in other words, successful, integrated firms) routinely compromise some of their own priorities to do what is in the best interests of the firm, not just themselves.
5. Everyone understands the plan. If the average partner or associate can't clearly articulate your plan in thirty seconds, including what will change and what their role will be, then you failed to sell and communicate it.
6. They use talented leaders to help partners achieve the plan. Leaders in successful firms don't just throw around slogans and wait for a miracle. They literally spend hundreds of hours talking one-on-one with all of their lawyers, guiding them, and helping them to succeed.

As noted at the beginning of this article, strategic planning is one of the most difficult and challenging efforts any leader can undertake. But it should be if you are truly interested in ensuring the long-term success of your firm. If it was easy, anyone could do it, and everyone would be successful. No one should be discouraged if creating a plan is at times a difficult, frustrating process that involves tradeoffs, angst, and many long hours. But it should require as much more time to sell and implement as it does to develop.

Blane Prescott (B.Prescott@MesaFive.Com) is a consultant and the Managing Shareholder with the strategy consulting firm, MesaFive, LLC (www.MesaFive.com). MesaFive works with law firms and in-house legal departments across North America, Asia and Europe, on strategy, structure and growth issues.