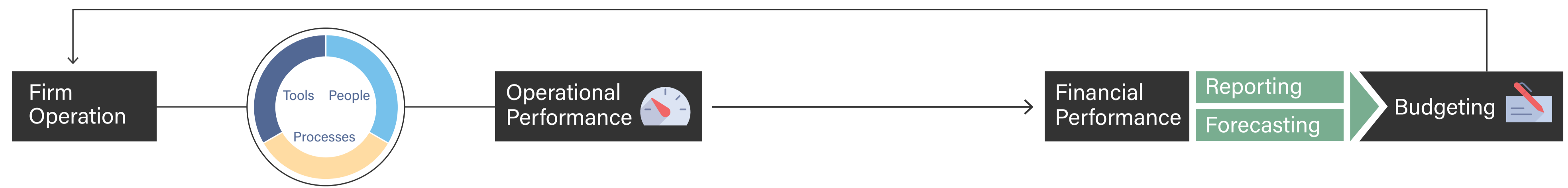


# The Operational Cycle of a Legal Business- A Competitive Assessment



## KEY OPERATIONAL AREAS:

INDICATORS:

### Marketing

**challenge:** GROWTH TRAJECTORY

**good performance:** STABLE GROWTH

- Narrow Marketing Definition
- Lack of Engagement
- Inadequate Tools and Funding
- Weak Policies and Procedures
- Weak Support System
- Expanded Marketing Definition
- Mature Planning Process
- Adequate Tools and Funding
- Strong Policies and Procedures
- Strong Support System

### Attorney Performance

**challenge:** UNDER-PERFORMING LAWYERS

**good performance:** 95% OF LAWYERS HITTING PLAN

- Negative Cultural Factors
- Weak (PM) Performance Measurement
- Inadequate Performance Evaluation (PE)
- Unclear Progression Criteria
- Lawyers Operating Below Level
- Supportive Cultural Factors
- Strong (PM) Performance Measurement
- Balanced Performance Evaluation (PE)
- Written Progression Criteria
- 95% of Lawyers at or above level

### Client Service Management

**challenge:** INCONSISTENT CLIENT SATISFACTION

**good performance:** HIGH CLIENT SATISFACTION SCORES

- Unclear Client Service Expectations
- Lack of Tracking Systems
- Inadequate non existent KPI
- Inadequate Client Communication
- Deficient Policies and Procedures
- Defined Client Service Expectations
- Tracking Systems
- Real-time Monitoring of KPI's
- Frequent Client Communication
- Written Policies and Procedures

### Compensation & Incentives

**challenge:** INEFFECTIVE COMPENSATION SYSTEM

**good performance:** PROFITABLE BEHAVIORS

- Lack of Market Knowledge
- Weak Compensation Models
- Unclear expectations and rewards
- Lack of Transparency and Objectivity
- Unfair or incorrect incentives
- Market Competitive
- Aligned Compensation Models
- Documented expectations and rewards
- Full Transparency and Objectivity
- Strategically Aligned Incentives

### Technology

**challenge:** EXPENSIVE & UNRESPONSIVE SYSTEMS

**good performance:** RELIABLE AND COST EFFECTIVE IT SYSTEMS

- High Technology Cost per User
- Productivity Issues
- IT Reliability Issues
- High Personnel Cost
- Expensive Manual Systems
- Competitive Technology Cost per User
- Productivity Advantages
- High IT Reliability
- Competitive Personnel Cost
- Few Manual Systems

### Strategic Planning

**challenge:** HIT OR MISS SUCCESS

**good performance:** STABLE GROWTH

- Lack of a Planning Process
- Lack of Future Vision
- Unwillingness to Change
- Lack of Market and Industry Awareness
- Unclear Goals
- Mature Planning Process
- Well Communicated Vision
- Change Management Process
- Demonstrated Industry Leadership
- Clearly Communicated Goals

### Firm Continuity

**challenge:** UNFOCUSED LEADERSHIP

**good performance:** 95% OF LAWYERS HITTING PLAN

- Lack of a Transition Plan
- Unclear Retirement Timelines
- Unclear Buyout Compensation
- Lack of Client Transition Plan
- Unclear Leadership Transition Plan
- Basic Transition Plan
- Retirement Timelines for 5 year Outs
- Written Buyout Compensation Plan
- Long Term Client Staffing Plans
- Leadership Development Program

### Facilities

**challenge:** INEFFICIENT SPACE UTILIZATION

**good performance:** OPTIMAL SPACE UTILIZATION AND COST

- High Cost per Employee
- Inefficient Space Allocation
- High Cost as Percent of Revenue
- Location Disadvantages
- Lack of a Strategic Space Plan
- Competitive Cost per Employee
- Efficient Space Allocation
- Optimal Cost as Percent of Revenue
- Location Advantages and Flexibility
- Strategic Space Plan Approach

### Talent & Human Resources

**challenge:** HIGH TURNOVER

**good performance:** STABLE WORKFORCE

- Negative Cultural Factors
- Weak Policies & Procedures
- Lack of Roles & Responsibilities
- Lack of Feedback Systems
- Poorly Defined HR Function
- Positive Cultural Factors
- Clear Policies & Procedures
- Defined Roles & Responsibilities
- Functioning Feedback Systems
- Clearly Defined HR Function

### Financial Management & Reporting

**challenge:** INADEQUATE FINANCIAL RESOURCES

**good performance:** AVAILABLE STRATEGIC \$ RESOURCES

- Weak Financial Discipline
- Inadequate Financial Reporting
- Lack of Key Performance Indicators
- Lack of Planning & Budgeting
- Weak Policies and Procedures
- Strong Financial Discipline
- Comprehensive Financial Reporting
- Relevant Key Performance Indicators
- Mature Planning & Budgeting
- Strong Policies and Procedures

### Economic Challenges:

- Profit Margin DECREASE
- Cash Flow SHORTAGES
- Revenue DECREASE
- Cost INCREASES
- Growth STALL
- Project & Growth FINANCING

### Economic Benefits:

- Healthy Profit MARGINS
- Cash SURPLUS
- INCREASING Revenue
- STRONG Partner Pay
- ATTRACTIVE To Laterals
- FAVORABLE Interest Rates
- Cost ADVANTAGES
- More Growth OPPORTUNITIES
- Strategic capital AVAILABLE
- Low or No DEBT
- Client GROWTH
- High Credit RATING