

# 3 Significant Reasons to Be Proactive in Changing Your Firm's Compensation System

The latest law firm industry trends have made it clear that current compensation plans within firms have to change.

For centuries law firms have compensated their associates and partners based on how much business they bringing in and the amount of hours they work. Changes in buyer behavior, generational attitudes towards woke/life balance, and technological advancements have caused a tectonic shift away from traditional compensation plans.

Before resisting change and charging ahead we wanted to give you 3 reasons why creating a new compensation system in your firm will be a catalyst for long-term firm growth.



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# 1

## The Gap Between Overachievers & Underachievers Closes

In firm's that use traditional metrics to compensate lawyers a chasm between rainmakers and underachievers is created. 80% of your firm's revenue could be generated by 20% of your staff in a situation like this.

But what happens when the overachieving partner makes a lateral move to another firm and takes the majority of their business with them?

- The firm suffers from a loss of revenue
- Law professionals perceive your firm as a stoping point not a place to build their career
- The bulk of your business is developed by top money makers

If you need assistance creating a structured compensation system [schedule a call](#) with us today.

# 2

## Promote Teamwork Within Your Firm

The every man for himself, eat what you kill approach doesn't work as well as it used to. Younger lawyers weary of it. Clients don't prefer lawyers acting as a lone wolf, or firms divide from within because everyone is paid based on the amount of business they bring in individually.

Having a tiered compensation plan, or another compensation system that necessitates teamwork is a wise investment for every firm going forward. It creates:

- Opportunity for mentorship
- Clients feel more trust a team more than an individual
- Everyone has to do their part to bring money into the firm (no slackers!)

Schedule a call with us today if you want to begin mapping out a tiered compensation approach for your firm.

# 3

## Risk Firm Decline if You Don't

Change is tough. Especially when things have, "always been done this way," AND when the change is seismic for the entire organization.

But when it comes to your firm's compensation systems, not rethinking the way you pay yourself and your staff puts the entire firm at risk.

The firms that make a change in their compensation systems will

- Attract fresh new lawyers looking for stability
- Attract the new generation of workers who prioritize the equality of pay
- Attract high dollar clients who provide stability and equality in pay to their associates and partners

If you want your firm to be on the cutting edge of compensation planning schedule a call with us today.

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*Do Law Firm Management Right!*

To create a healthy future for your firm with a new compensation system, or at least discuss the possibility for change **Schedule a call with us.** We've helped dozens of firms navigate the complexities of compensation plans and would love to help you too!

