



AUDIENCE POLLING

Firm Management and Performance

presented to

2010 TAGLaw
Fall International Conference

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October 26, 2010
Toronto, Ontario, Canada

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BIOGRAPHICAL PROFILE

John Remsen, Jr. President

John Remsen, Jr. is widely recognized as one of the country's leading authorities on law firm management and marketing. After serving as in-house marketing director at two major law firms, John formed TheRemsenGroup, a consulting firm that works exclusively with law firms to help them develop long-term marketing strategies and implement proven, cost-effective business development programs. Since 1997, he has worked with over 175 law firms and thousands of lawyers. Most of his clients are mid-size commercial law firms, ranging in size from 15 to 200 lawyers.

John has served on the national Board of Directors of the Legal Marketing Association (LMA) and was President of its Southeastern chapter for three years. In addition, he was Executive Editor of *Strategies*, LMA's monthly newsletter. He served on The Florida Bar's Standing Committee on Advertising for six years and was the only non-lawyer appointed to serve on its 2004 Advertising Task Force.

John is a frequent speaker and author on law firm marketing topics. He has spoken at national and regional conferences of the Legal Marketing Association, the Association of Legal Administrators, and numerous state and local Bar associations. His articles have appeared in such well-respected publications as *ABA Journal*, *Asian Lawyer*, *Florida Bar News*, *For the Defense*, *Law Practice Management*, *Law Practice Today*, *Lawyers Weekly*, *Legal Management*, *Marketing for Lawyers*, *Marketing the Law Firm*, *Managing Partner*, *New York Law Journal*, *Rainmaker's Review* and *Wisconsin Lawyer*.

In 2007, John was appointed to serve as a core member of the ABA's Law Practice Management Section. In 2008, he was appointed to serve on the ABA's Education Board. He has contributed many articles to various ABA publications and has been a featured speaker at numerous ABA meetings and conferences.

Since 2001, TheRemsenGroup has presented The Managing Partner Forum, an unsurpassed networking and learning opportunity for law firm managing partners. Over 675 law firm leaders from 475 law firms have participated. Designed exclusively for law firm managing partners to help them more effectively lead their firms in today's increasingly competitive marketplace, the Forum series has expanded from its original geographic base in Florida to encompass programs in such major legal marketplaces as Atlanta, Boston, Chicago, Dallas, Houston and St. Louis.

A native of West Palm Beach, Florida, John holds an MBA degree from The University of Virginia (1985) and a Bachelor's degree in Business Administration from the University of Florida (1980). Prior to attending graduate school, John served as Executive Director of The Florida Council of 100, an organization consisting of Florida's top CEOs and business leaders.

September 2010

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TAGLaw Annual Conference
Audience Polling: Firm Management and Performance
October 26, 2010 - 11:15am -12:15pm

Session Title and Description

Audience Polling: Firm Management and Performance

John Remsen, Jr. - President, TheRemsenGroup

Featuring state-of-the-art audience participation technology, John Remsen will pose a series of questions regarding law firm management, governance, financial performance and best practices to session participants. Participants have the opportunity to respond anonymously to these questions using a special keypad. Results will be displayed instantaneously and a summary report will be distributed within days after the conference. This is great benchmarking information to compare your firms with other TAGLaw firms and to share with members of your firms.

Audience Polling Questions

When using APT keypads, please keep in mind:

- 1) Your answers are anonymous.
- 2) For each question, we will read the question and its answers as they appear on the screen. A timer will also appear in the corner of the screen.
- 3) You can respond to the question as soon as it comes up by pressing the corresponding button on the keypad.
- 4) You can change your answer at any time before the timer runs out, but be certain to indicate your final selection before the clock counts down to 0.

Here's a warm-up question to get us started....

What is your favorite color?

- 1 - Red
- 2 - Blue
- 3 - Yellow
- 4 - Green
- 5 - Purple
- 6 - Orange
- 7 - Other

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ABOUT YOU AND YOUR LAW FIRM

What is the total number of lawyers at your firm?

- 1- Less than 15
- 2 - 15-40 lawyers
- 3 - 41-75 lawyers
- 4 - More than 75 lawyers

How many office locations does your firm have?

- 1
- 2
- 3
- 4
- 5 or more

On which continent is your firm's primary office located?

- 1 - Africa
- 2 - Asia
- 3 - Europe
- 4 - North America
- 5 - South America
- 6 - Not sure

Which term most closely describes your role at the firm?

- 1 - Managing Partner
- 2 - Marketing Partner
- 3 - Executive/Management committee member
- 4 - Senior partner
- 5 - Chief Operating Officer/Director of Administration
- 6 - Other

How many TAGLaw Conferences have you attended?

- 1 - First time
- 2 - 2-3
- 3 - 4-5
- 4 - 6-10
- 5 - >10

ABOUT YOUR FIRM'S GOVERNANCE AND MANAGEMENT

Which term most closely describes your firm's system of governance?

- 1 - Very democratic
- 2 - Somewhat democratic
- 3 - Oligopoly
- 4 - Benevolent dictatorship
- 5 - Tyranny

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Does your firm have an Executive or Management Committee?

- 1 - Yes
- 2 - No
- 3 - In process of forming one

Does your firm have formal job descriptions for its managing partner, department heads and practice group leaders?

- 1 - Yes
- 2 - No
- 3 - Work in process

Does your firm have a multi-tiered partnership structure?

- 1 - Yes
- 2 - No
- 3 - Work in process

Which term most closely describes your firm's compensation system?

- 1 - Strictly formula driven - we look only at the numbers and each partner's contribution to the bottom line
- 2 - Mostly formula driven - we look at the numbers, but factor non-billable contributions
- 3 - Mostly subjective - we look at numbers but give significant weight to subjective and non-billable contributions

Does your firm have a written strategic plan?

- 1 - Yes
- 2 - No
- 3 - Work in process

Does your firm have a marketing director?

- 1 - Yes
- 2 - No
- 3 - Outside consultant

ABOUT YOUR FIRM'S FINANCIAL PERFORMANCE

How has your firm performed financially over the last two years?

- 1 - We've done quite well. PPP is up more than 10%.
- 2 - We've held our own. PPP is up, but not by much.
- 3 - Reasonably good. PPP held even or took a slight hit.
- 4 - Not good at all. PPP is down significantly.

As we near year-end, how would you describe your expectations for 2011?

- 1 - 2011 will be a very good year for us. Solid improvement over 2010.
- 2 - Cautiously optimistic. Slight improvement, but still nervous about the global economy.
- 3 - Hard to say. Should be fairly flat.
- 4 - We anticipate a bad year in 2011. PPP will be down sharply.

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What have been your firm's most effective strategies to improve financial performance over the past two or three years? (three passes)

- 1 - Improved billing and collections practices (including alternative fee arrangements)
- 2 - Marketing and business development
- 3 - Strategic planning and implementation
- 4 - Dealing with underperforming equity partners
- 5 - Reducing associates and paralegals
- 6 - Reducing staff headcount
- 7 - Improved operating efficiencies
- 8 - Soliciting and responding to client feedback
- 9 - Across the board cuts in operating expenses

Does your firm offer alternative fee arrangements to its clients?

- 1 - Yes
- 2 - No
- 3 - Work in process

If yes, what types of fee arrangements has your firm offered?

- 1 - Flat fees - a flat amount per month for services rendered
- 2 - Fixed fees - for a specific matter or portion of a matter
- 3 - Contingency fees
- 4 - Volume discounts
- 5 - Discounted hourly rates, with a "kicker" based on results

If yes, what percentage of your firm's total revenue can be attributed to alternative fee arrangements?

- 1 - Less than 10%
- 2 - 10-25%
- 3 - 26-50%
- 4 - More than 50%

ABOUT YOUR FIRM'S PLANS FOR THE FUTURE

What are your firm's growth plans over the next three years?

- 1 - Aggressive growth plans (>25% in number of lawyers)
- 2 - Moderate growth plans (<25% in number of lawyers)
- 3 - Remain about the same size as today
- 4 - Fewer lawyers than we have today

If yes, how does your firm plan to achieve that growth? (three passes)

- 1 - Strategic lateral hires - partners with books of business
- 2 - Lateral hires at associate level
- 3 - Mergers and acquisitions
- 4 - Intrinsic growth and recruiting from law schools

Does your firm plan to add additional office locations over the next three years?

- 1 - One additional office location
- 2 - Two or more additional office locations
- 3 - Same number of office locations

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TAGLaw Annual Conference

Audience Polling: Firm Management and Performance

Page Five

ABOUT TAGLAW

Please rate (1-5 scale with 5 the highest) the value of the following TAGLaw programs to you and your firms

Annual Conference

TAGLaw Academy

Global Referral Network (outbound)

Inbound Referrals to Your Firm

Enhance Credibility of Your Firm

Learning Best Practices from Other Firms

Do the senior leaders of your firm fully understand TAGLaw and its array of benefits?

1 - All of them do

2 - Most of them do

3 - Only a few do

How about the rest of the partners and senior staff?

1 - All of them do

2 - Most of them do

3 - Only a few do

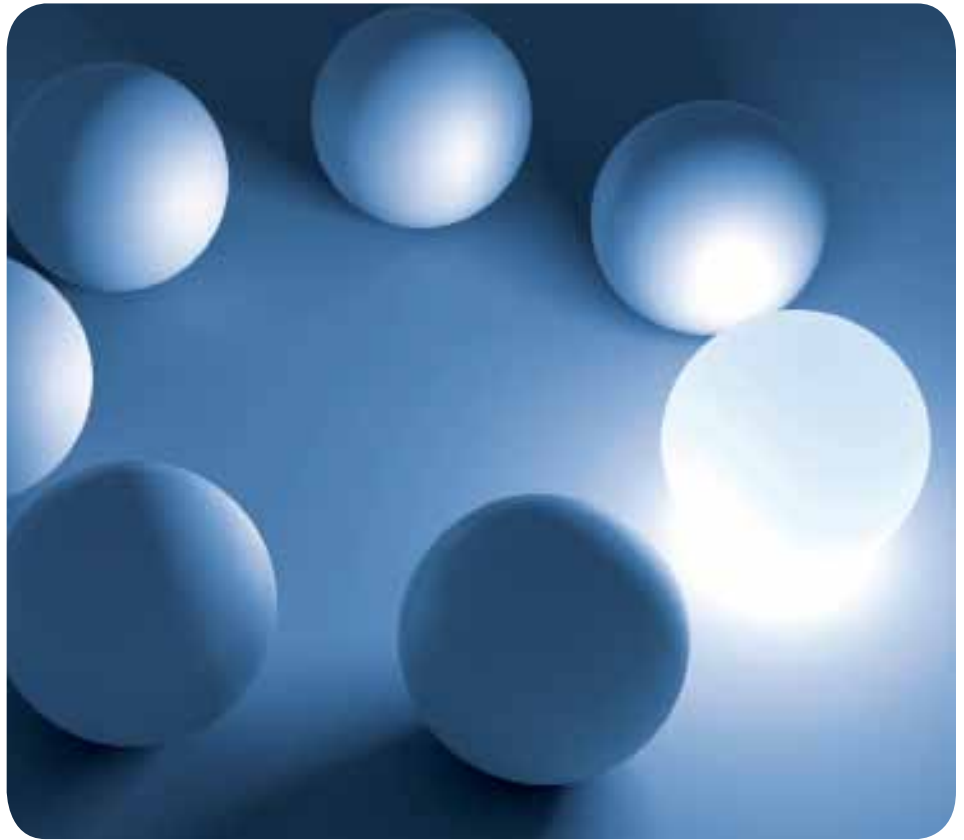
Drafted: July 6, 2010

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Managing Partner Forum® White Paper



A Summary of Discussion Points and Findings

by Charles F. Huxsaw and John Remsen, Jr.



The MPF 2010 Annual Conference | April 29, 2010 | Atlanta, Georgia

EXECUTIVE SUMMARY

- Managing Partner Forum® (MPF) 2010 Annual Conference, presented by TheRemsenGroup, was attended by more than 70 managing partners (MPs) from across the country. The Conference was held on April 29, 2010, in Atlanta, Georgia.
- Managing partners and leaders representing prominent national and boutique law firms attended the Conference, which has grown to become one of the country's premiere conferences focused on building more profitable, cohesive and sustainable law firms.
- This year's theme was "The Need to Lead" because the Conference was dedicated to providing practical skills and insights on how to be an effective decision maker.
- Firms did not perform as poorly financially in 2009 as expected, and are cautiously optimistic about their performances in 2010 and 2011.
- Although more and more law firms are developing and implementing firm-wide strategic plans, the majority of participating firms still do not have one.
- The overwhelming majority of firms with a strategic plan report improved performance and profitability as a result of the plan.
- Managing partners continue to be bogged down with handling day-to-day administrative matters as opposed to focusing on implementation of long-term positive strategic change for the firm.

TheRemsenGroup's Recommendations

- *Develop and Implement a Firm-wide Strategic Plan*
- *Create Job Descriptions for the Managing Partner and Other Key Firm Leaders*
- *Empower a Competent and Trusted Firm Administrator*
- *Consistently Maintain Investments in your Firm's Future*

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INTRODUCTION

Since 2001, John Remsen, Jr., President of TheRemsenGroup, has presented The Managing Partner Forum® (MPF), one of the premiere law firm leadership conferences in the United States. The 2010 edition of Managing Partner Forum® was a noteworthy achievement as more than 70 managing partners and law firm leaders from across the country assembled in Atlanta in late April, not to hear others lecture or proselytize about what is often all too obvious to many managing partners, but to exchange pertinent and timely information with one another, exploring the challenges of their jobs and revealing the solutions they have found with their peers.

To this observer, a seasoned veteran of many years of attending legal conferences and seminars, and an invitee to Managing Partner Forum® as a press representative of IOMA's Law Office Management and Administrative Report, the most remarkable thing about the event was the candor of its participants and their willingness to reveal to each other the often hard-learned experiences of law firm management. There was a genuine collegiality in the room and throughout the day-long event.

In addition to Remsen, the speakers and panelists consisted of the following hand-selected group of veteran law firm management consultants and industry experts:

Gerald A. Bush, Ph.D., *Co-founder, Consigliere Group*

Paul Clifford, Esq., *Principal, Law Practice Consultants LLC*

Darryl Cross, *Vice President - Client Profitability, LexisNexis*

Robert W. Denney, *President, Robert Denney Associates*

Christina R. Fritsch, JD, *President, ClientsFirst Consulting*

Susan Hackett, Esq., *Sr. Vice President & General Counsel, Association of Corporate Counsel*

Bruce Hawthorne, Esq., *Co-founder, Consigliere Group*

Peter Johnson, Esq., *Principal, Law Practice Consultants LLC*

Rob Marbury, *Chief Creative Officer, Marbury Creative Group LLC*

Jeff Reade, *President, Cole Valley Software*

John Smock, *Partner, Smock-Sterling Strategic Management Consultants*

SETTING THE AGENDA – THE FUTURE IS HERE NOW

In his welcoming remarks to attendees at the MPF 2010 Annual Conference, Remsen introduced the theme of the gathering. What he described as “a stormy horizon” had given rise to an enhanced obligation for MPs. That obligation was characterized in the thematic title – “The Need to Lead.” The role of the Managing Partner, said Remsen, is now more important than ever.

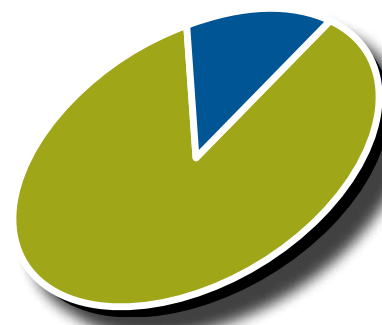
Three keynote speakers followed Remsen’s introduction and underscored the new challenges faced by law firms and their leaders.

First up was Darryl Cross, Vice President of Client Profitability for LexisNexis. Cross based his remarks on findings presented in the LexisNexis State of the Legal Industry Report, which examines “trends and expectations” among firm leaders, in-house counsel and law school students. The survey was conducted in late 2009. He reported that the survey indicated a widening gulf between law firms and their corporate clients. Indicators

of the new rift between firms and clients were survey results such as: “71% of law firms are not responding to corporate counsel”, “56% of corporate counsel believe that ‘law firms are making money on our backs,’” and “nearly 75% of clients don’t agree that firms are doing a good job.” Even in the area of alternative fees, while law firms struggle to devise alternative fee arrangements, corporate clients said they preferred the billable hour system with a discount. Cross advised attendees to: “Look through the window, not into a mirror. Clients are telling firms exactly what they want.”

Cross was followed by Susan Hackett, Senior Vice President and General Counsel of the Association of Corporate Counsel, speaking remotely via Skype to the assembled MPs. Hackett is the principal spokesperson for the ACC’s Value Challenge initiative to achieve client satisfaction and alignment with ACC members’ outside firms. In short, encouraging firms to get away from building up hours

“Look through the window, not into a mirror. Clients are telling firms exactly what they want.”



71% of law firms are not responding to corporate counsel.

SETTING THE AGENDA – *Continued*

and, rather, focus on value pricing for services delivered is the overriding objective of the Challenge. The Challenge is about cost control for clients but also seeks ways for law firms to retain profitability. The opportunity for mid-sized firms, said Hackett, is to gain “an equal footing to showcase what they are offering.” Forum participants were generally unaware of the Value Challenge and its importance as an indicator of which firms are providing value to clients.

Following Hackett as the final keynoter was Bruce Hawthorne, co-founder of the Atlanta-based Consigliere Group. Hawthorne is a former senior partner at King & Spalding and served as Executive Vice President & General Counsel at Electronic Data Systems, and Executive Vice President at Sprint Corporation. Hawthorne addressed the cultural changes that a firm should implement if it is intent on “Playing to Win in a Changing Market.” Hawthorne noted that law firm cultures tend to be formed around

partner preferences rather than what the marketplace seeks. He stressed that firms should “view the world from the eyes of the client,” “facilitate the client’s desire for ‘strategic sourcing’ to manage costs,” and “harness the power of strategy and teamwork.” He summed up his remarks with a description of the elements that reveal “what success looks like” and alternatively the barriers to success that a managing partner can address through thought leadership.

PRINCIPAL FINDINGS

Next, Cross and Hawthorne were joined on the stage by John Smock of Smock-Sterling Strategic Management Consultants and Paul Clifford of Law Practice Consultants, LLC to review and comment upon the collective instant responses of the audience to a series of specific questions posed by Conference organizer John Remsen that explored the

issues presented by the key-noters. Conference participants responded the questions using state-of-the-art audience participation technology provided by Moss-Cairns of Minneapolis, Minnesota.

TheRemsenGroup has utilized this instant audience polling methodology for many years as part of the MPF and other

events as a means to provide trustworthy, current benchmarking and hard statistical data to MPs and other attendees which they are able to take back and share with their firms as a basis for strategic planning processes and other managerial decisions. All responses are anonymous. A complete set of charts reflecting survey findings are attached as *Exhibit A*.

2009 Financial Performance and 2010 Predictions

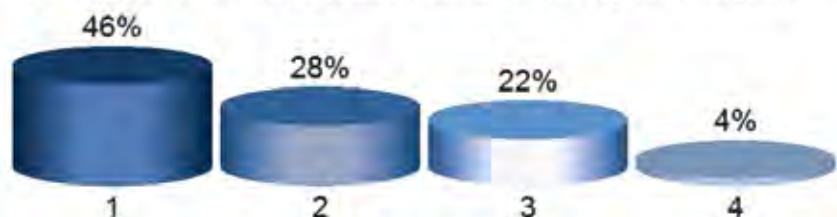
The first set of questions asked the audience how their firms performed in 2009 and in the first few months of the current year. Consistent with other surveys on this subject, 2009 proved to be a solid financial year for firms represented at Managing Partner Forum®. When asked about 2009 financial performance, 74% of attendees responded to the instant survey by choosing either the “quite well” or “good” results as survey options. Thinking that this figure might be too high, Remsen asked John Smock for his assessment. Smock reported that his firm

had conducted a survey in early April and had found the same result — 72% of firms reported that 2009 had been a good year. Smock attributed the overall good results to a new philosophy among mid-sized

firms which he characterized as “high quality-competitive cost.” Paul Clifford added that his firm had observed mid-sized firms taking slices of client business away from “we-do-it-all” mega firms.

How did your law firm perform financially in 2009?

1. Actually quite well. We comfortably beat our budget.
2. Good results. We met expectations, but partner income was flat.
3. Acceptable. We came close to budget. Partners took a slight hit.
4. Not good at all. Revenue was down and so was partner income.



2009 Financial Performance and 2010 Prediction (cont.)

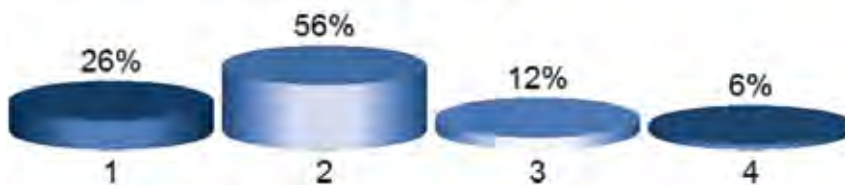
Based on the strong 2009 results, participants were next asked to forecast 2010 results. In all, 84% of firms represented

felt that 2010 would show improvement over 2009 results. Clifford noted that larger AmLaw 200 firms were not so optimistic.

A parting comment from Darryl Cross taught an important lesson. He recounted a dispute within a law firm where the public relations staff wanted to release a press notice announcing the firm's stellar 2009 financial results. Cross advised that the last thing that corporate clients want to hear is how well outside law firms are doing at their expense during an economic downturn.

How has your firm performed so far during the first quarter of 2010?

1. Much better than expected. We're off to a great start.
2. About what we expected. A relatively good start.
3. OK, but not where we want to be.
4. Not good. A discouraging start for the year.



Strategies Implemented to Improve Performance

Managing partners in attendance identified three key strategies for improved future performance, ranked as follows:

1. FIRM WIDE STRATEGIC PLANS

Firm-wide strategic plans topped the list as the key to future performance. This result surprised the panel of experts chosen to comment on the audience responses. The panel felt that this was a “feel good”

response that would have little immediate impact on firm performance in 2010, as solid results from a strategic effort often take two to three years to materialize.

2. KEY LATERAL HIRES

Pursuing key lateral hires, mergers or acquisitions, and other business expansion options ranked as the second most popular choice among attendees.

3. PRACTICE GROUP MANAGEMENT

Improving practice group management was the third most-selected strategy to improve performance in 2010.

The views of the participants and the expert panel fell into concert with the participants' selection of dealing with underperforming equity partners as their fourth-preferred strategy for 2010 implementation.

Strategies Implemented to Improve Performance (cont.)

The panelists who expressed an option on this array of strategies to improve performance each opted for addressing the matter of under-performing partners as their first-to-be-undertaken strategy. Cross acknowledged that this should be viewed as a short-term strategy while other options were more likely mid- or long-term strategies. Smock acknowledged that his firm's survey had different results. In the Smock-Sterling survey, the first choice strategy of respondents was addressing practice group management.



Utility of Strategic Plans

While Conference participants contended that firm-wide strategic plans were important to their firms' future performance, actual implementation and use of a strategic plan was not a universal occurrence. First, attendees were asked if their firm had a strategic plan. A respectable 48% responded that their firms had gone through the planning process and had a plan in place. Thirty percent said they had no such plan, and 22%

claimed that a strategic plan for their firm was in the process of being created. But when probing a little deeper with his questions, Remsen discovered that strategic plans were not living up to be the useful tool that previous MPF surveys had revealed.

Remsen stated that the economic downtown has caused many firms to deviate from their plans and that closely following the plan has been more challenging

then in the past. Only 14% of firms represented followed their strategic plan closely in their day-to-day business development and management activities.

"The economic downturn has caused many firms to deviate from their plans."

Utility of Strategic Plans (cont.)

Forty-three percent said they followed their plan “most of the time.” But fully 36% of those firms with a strategic plan followed the plan only “occasionally,” and another 7% claimed they wouldn’t know where to locate a copy of their firm’s plan.

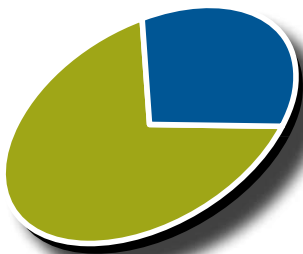
Of those firms without a plan, 67% of the managing partners offered that strategic plans were important, but that the firm had not had time enough to create one. The consultant-panelists took this excuse to task agreeing that a well-crafted strategic plan would require only about three months to draft. Another

the notion that strategic plans were a way to improve performance, stating that they were doing just fine without one or that they were better off not raising some controversial issues that the planning process would likely bring out. John Remsen noted that while some firms avoid strategic planning for fear that it will raise divisive issues, those firms that choose to engage outside consulting assistance to assist with the planning process often save time and avoid such conflicts due to the added buffer of the consultant who is often able to act as a liaison and a more impartial outside voice.

Where the rubber meets the road, however, is if strategic plans in those firms that have them had made a positive

impact on performance. In 2010, seventy-five percent of managing partners reported a “strong” or “very strong” correlation between overall firm performance and following a strategic plan. Twenty-five percent saw no such correlation.

“In 2010, 75% of managing partners reported a “strong” or “very strong” correlation between overall firm performance and following a strategic plan.”



67% of managing partners feel there is not enough time to create a strategic plan.

20% of the negative responders agreed that strategic plans were important but offered that they did not have agreement on the need for a plan from their partners. And 14% disagreed with



Utility of Strategic Plans (cont.)

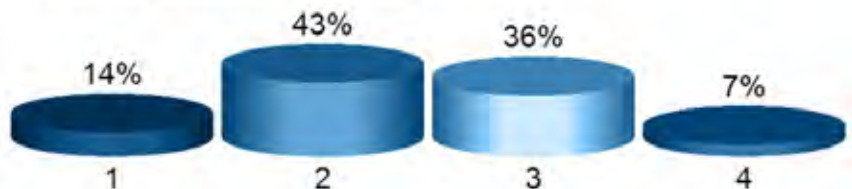
To this point, panelist Bruce Hawthorne concluded, “If you engage in strategic planning, you will move the needle.” Remsen added that according to 2006 MPF polling results, 88% of respondents reported a “strong” or “very strong” correlation between positive firm performance and following a strategic plan. He noted that the minor drop-off in the percentage was most likely due to the recent economic downturn. “It’s challenging to keep partners focused on the long-term investments in the future, when today’s profits are down,” he said.



75% of respondents reported a “strong” or “very strong” correlation between positive firm performance, and following a strategic plan.

If you have a strategic plan, how are you doing with implementation?

1. We follow it religiously
2. We follow it most of the time
3. We look at it on occasion
4. I'm not sure where to find a copy of it



Role of Managing Partner

Managing partners feel compelled to spend significant time in their roles and do so with little formal guidance. Even in small to mid-sized firms like those represented at Managing Partner Forum®:

- 57% of MPs spend between two full days and the entire week on law firm management matters, and

- 38% spend between 10% and 25% of their time on management functions.

Furthermore, they make this time investment without benefit of a formal job description:

- 75% of respondents said they operated without a job description, and

- 72% of their practice group leaders were similarly freelancing their management responsibilities.

So what do managing partners do and what do they wish they were doing in their management roles? Attendees were asked to indicate from among six choices what they considered to be their most important contributions as MPs. The top-ranked responsibility was to initiate changes

Role of Managing Partner (cont.)

The top-ranked responsibility was to initiate changes necessary to ensure the long-term success of the firm. Following as a fairly distant second was managing the day-to-day administrative affairs of the firm, followed closely by building and maintaining consensus among partners. Ranking well back in fourth position out of six choices was maximizing partner income.

TheRemsenGroup has noted a trend in this skewed duty roster for MPs through its annual collection of responses to these same questions. In fact, 2006 MPF polling results indicated that:

- 43% of MPs spent the majority of their time gaining and holding consensus among partners on key issues, and
- 31% spent the majority of time managing day-to-day administrative matters.

These consistent results clearly show that MPs remain caught up in day-to-day administrative matters which should be delegated to a competent COO or Firm Administrator. John Smock

summed up the situation well by noting that “those who don’t know what to do, do what they know,” finding agreement with the lack of a job description or other formal training for MPs.

“Get the day-to-day stuff off your desk so you can focus on what you say is most important to your firm.”

If the prior question to attendees indicated what they wished they could do, the next question revealed what tasks the MPs

actually do perform for their firms. Respondents were offered the same six choices as for the previous “wish-list” question. Leaping to the top of the “reality” list was managing the day-to-day administrative affairs of the firm. It ranked well ahead of the second place finisher building and maintaining consensus among partners. Dropping to a weak third rank was initiate changes to ensure the long-term success of the firm. Continuing in the forth-ranked position was maximizing partner income. Darryl Cross observed that what the disparity between the “wish list” and “reality list” revealed is that most managing partners, perhaps of necessity, are focused on internal “fire fighting” matters and not on building client relationships or other long-term benefits

What percentage of your time do you spend in your role as managing partner?

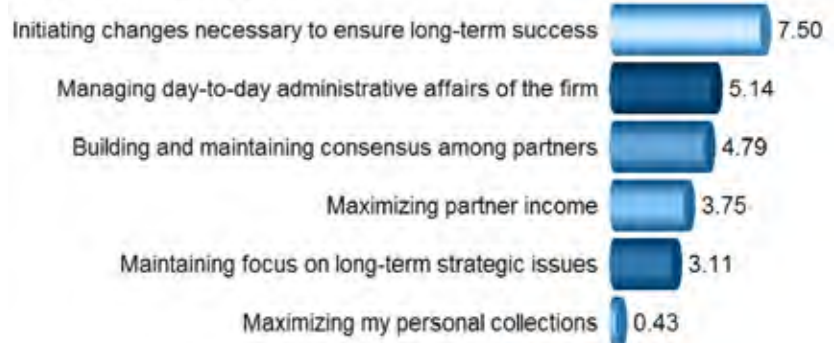
1. Less than 10%
2. 10-25%
3. 26-50%
4. More than 50%
5. Full-time role



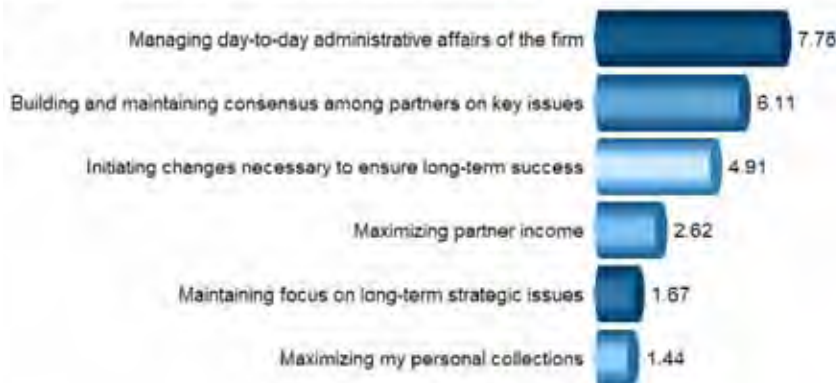
Role of Managing Partner (cont.)

to the firm. Remsen added the following admonition to the attendees: “Get the day-to-day stuff off your desk so you can focus on what you say is most important to your firm.”

What do you feel are your most important contributions in your role as managing partner?



By contrast, where do you spend most of your time?



Succession Planning

Participants were representative of many age groups both in terms of chronological age and tenure as a managing partner. How attendees were thinking about their futures was next probed in two ques-

tions concerning succession. Fifty-four percent of managing partners were contemplating a return to practice. The expert panelists, however, cautioned that this is often a difficult transition. An additional 9%

thought that a lesser practice role, something like “of counsel” status, would be appropriate. In all, 63% anticipated returning to a greater or lesser extent to the practice of law. Twenty percent contemplated retirement,

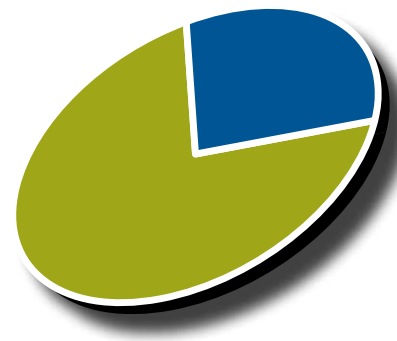
and 17% indicated that they had no idea what they would do next. None of the attendees anticipated going in-house.

But when asked if their preferences had been formalized by an agreed-upon exit strategy with their partners, 86% indicated that no exit strategy was in place. Something less formal

“Every firm leader should groom a successor.”

than a written exit strategy was understood at 10% of the respondents’ firms. Only 4% of respondents’ firms knew when and how their managing partner would step down. Paul Clifford advised that “every firm leader should groom a successor.” John Smock broadened the inquiry saying that managing partner succession should be

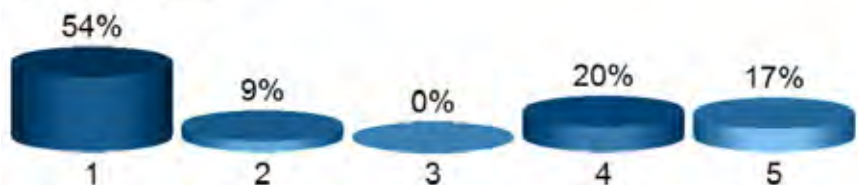
part of a larger effort to develop leaders within the firm. The lack of leadership development programs Smock characterized as “a huge unplayed card for law firms.” Darryl Cross brought the discussion home with the comment that with respect to managing partner succession, he would prefer to see “a bull pen” of several qualified successors from which partners might better make the most appropriate selection for the circumstances.



86% of managing partners have NO exit strategy.

What do you plan to do when you step down?

1. Go back to practicing law on a full-time basis
2. Take on a reduced work load, perhaps an “Of Counsel” role
3. Go in-house
4. Retire from practice of law
5. I have no idea



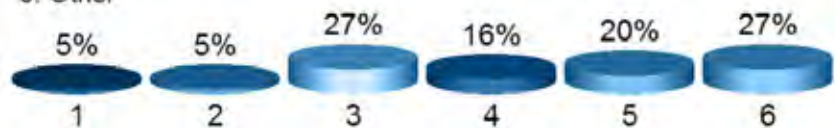
COMPENSATION FOR THE MANAGING PARTNER

Compensation formulae for managing partners were assessed by John Remsen as “all over the map.” Survey participants confirmed his observation. Twenty-seven percent said they received a fixed sum plus a bonus based on firm performance. Another 27% responded “other,” rejecting the five most common schemes the survey allowed as answers. Most surprising was the fact that 20% of respondents said they received no direct reward associated with their managing partner duties. Sixteen percent replied that their principal benefit was a reduction in their billable hour obligations, and compensation based on a fixed amount determined by time and a flexible amount based solely on firm performance each garnered a 5% response.

“Compensation should be based on what you want to encourage.”

How are you compensated for your contributions as managing partner?

1. Fixed amount based on time required
2. Compensation based on firm performance
3. Combination of fixed amount, plus bonus based on firm performance
4. Reduction in billable hour requirements
5. No direct reward associated with the position
6. Other



In short, managing partner compensation schemes did not replace the income that the MP earned as a full-time practitioner. The panelists, as a result, stated a preference for a compensation system that provides a realistic fixed amount and an up-side based on firm performance. However, it is not that simple according to Darryl Cross who closed the discussion of compensation with the observation that “compensation should be based on what you want to encourage.” He agreed that a mixed compensation system for MPs was best, but cautioned that the discretionary bonus aspect of the system should

focus on those firm-wide objectives that the firm has agreed are its short- and long-term goals and not just on the firm’s overall profitability at year end.



20% of managing partners said they received no direct reward associated with their duties.



CONFIDENTIAL MANAGING PARTNER IDEA EXCHANGES (MPIES)

Since their introduction in 2003, MPIEs have been consistently rated as the most valuable portion of the MPF by those who participate. They offer a highly interactive format during which managing partners share ideas and practical solutions to the challenges of leading a successful law firm.

Each MPIE consists of 15-18 managing partners grouped by firm size. The sessions are facilitated by a professionally trained discussion leader with participation by some of the country's leading law firm

management consultants. Discussions are not recorded and remain confidential.

Topics are determined in advance based on input from the Forum Faculty and Forum Advisory Board. The three discussion topics addressed by each MPIE in 2010 were:

- ***Your Role as Managing Partner ... and Getting Paid for It,***
- ***Building a Collaborative Firm First Culture, and***
- ***Tackling the Tough Issues.***

The Managing Partner Idea Exchanges provide an opportunity for peers to learn from each other best management practices, acquire critical benchmarking information, and establish collaborative relations with other law firm leaders from firms similar to their own.

THE REMSEN GROUP'S RECOMMENDATIONS

Since 2001, more than 675 firm leaders from 475 law firms have participated in fifteen Managing Partner Forums. After concluding this 16th iteration of Managing Partner Forum®, Remsen has developed the following proven recommendations which have led his numerous clients to continued growth and success in the ever more competitive legal arena. Remsen notes as the key backbone to any successful law firm strategic plan the concept of law firm as a business entity, requiring institutional goals and planning to foster a successful business enterprise. Remsen's specific recommendations to firm leaders to accomplish this goal are as follows:

“Law firms with plans do emerge as leaders in the marketplace for legal services.”

GET A FIRM-WIDE STRATEGIC PLAN

Given the highly competitive nature of the legal services industry in terms of client service, business development and marketing, and technology, Remsen cannot over-emphasize the need for firms to create and follow a strategic plan. Generally, law firms do not like to lead, but firms with plans do emerge as leaders, and those that fail to plan, do plan to fail in the long run. In creating the process for developing and implementing the plan, Remsen often cites the book *Leading Change*, by John P. Kotter. The book outlines an actionable 8-step process to initiate and sustain organizational change...even in a law firm environment. Following are some paraphrased highlights from the steps which Remsen suggests to law firm leaders:

Establish a sense of urgency at your firm about the need for a plan. The profession has changed dramatically in the last twenty years and it's time for law firms to incorporate better business practices into firm operations. Present facts and statistics to make your argument.

Create a guiding coalition for the plan with a critical mass of 70%-80% of the equity partnership included. You need not get everybody on board for the train to leave the station. Don't let one or two partners hold you back.

Develop a vision and strategy for change. In most cases, it is helpful to partner with a consultant during this process in order to limit the impact of divisive issues which may come up during the creation of the plan. It is best to create a 5-year strategy, listing 3 or 4 one-year priorities which are achievable in the short-term.

Communicate the vision for change often—through firm retreats, on the intranet, in the newsletter, with a branding campaign. Also, be sure to share the vision with all levels of employees from Associates to support staff in order to gain further buy-in for the implementation. Fight the fear that sharing will endanger your firm secrets, and lead by example of the guiding coalition.

THE REMSEN GROUP'S RECOMMENDATIONS – *Continued*

Empower employees for broad-based action. Team members - both lawyers and staff - highly affect the client experience. Remsen often cites the example of AT&T versus AmEx, where at AT&T you are told that your call is important, but you must please hold, but at AmEx you are greeted by a live person. Each interaction leaves the client with a positive, neutral or negative impression. You must empower your entire team to create positive change.

Generate short-term wins. Start with low-hanging fruit and use some of your one-year goals to institute projects where immediate positive results will be seen. These should be highly visible symbolic wins which can be showcased either internally, externally or both, as appropriate.

Consolidate gains and produce more change. Schedule regular meetings to review the plan throughout the year and use a one-page summary of the plan as a starting point for discussion of the vision. Make appropriate changes to points no longer relevant to the vision. Build upon projects which have successfully furthered the vision and “moved the needle.”

Anchor new approaches into firm culture. Show clear connections between the new behaviors and organizational successes. Develop processes to ensure leadership development and succession. Remember that standing still equates to losing ground. There must be an ingrained process of continuous improvement.

IMPLEMENT THE STRATEGIC PLAN

Furthermore, Remsen offers the following keys to successful implementation.

Keep the plan simple. Determine three or four one-year priority items and dedicate sufficient resources and time for accomplishing them.

Establish specific and measurable objectives. Do not draft the plan noting mere generic goals such as “enhance client service.” Drill down to concrete, measurable vehicles to accomplish the goal such as holding one client appreciation event per quarter, or creating a schedule and actually making regular client visits each month.

Assign accountability. Designate specific individuals to take on responsibility to accomplish these important initiatives. Appoint partners who will be accountable for the accomplishment of each goal and empower them to act with a genuine commitment from firm leadership.

“Remember that standing still equates to losing ground. There must be an ingrained process of continuous improvement.”

THE REMSEN GROUP'S RECOMMENDATIONS—*Continued*

Monitor progress. Monitor and report progress in a regular basis. A plan should live and breathe. It should guide firm decisions. Don't let it collect dust.

Reward desired results.

Importantly, reward those who step up and achieve the desired results as articulated in the plan.

CREATE JOB DESCRIPTIONS FOR THE MANAGING PARTNER AND OTHER FIRM LEADERS

We strongly encourage Managing Partners to develop a written agreement with their fellow partners clearly outlining a job description for the roles of the MP role and other firm leaders to include:

- *Responsibilities of the MP position,*
- *Amount of time in the role,*
- *Pay structure, and*
- *Exit strategy.*

A key responsibility for the MP should be to groom future firm leaders.

EMPOWER A COMPETENT AND TRUSTED FIRM ADMINISTRATOR

This role should ideally be held by a non-lawyer who can serve as Chief Operating Officer, Executive Director or Director of Administration and bring business discipline to the firm. The MP needs to be able to trust, and not micro-manage this person. The individual in this role needs to be considered an integral part of the leadership team by all of the equity partners, and a key part of the strategy for keeping the strategic plan on track. As multiple RemsenGroup clients whom we have assisted to find top notch COOs will attest, finding the right person for this role pays back the firm in spades as far as monetary and productivity returns are concerned.

CONSISTENTLY MAINTAIN THE INVESTMENT IN YOUR FIRM'S FUTURE

Once you create the plan, use it. Put the resources behind it in order to implement necessary investments in:

- *Associate development and training,*
- *Marketing and business development initiatives, and*
- *Technology upgrades.*

Although law firms are not known for being on the cutting edge in these areas, you need to keep up—or get left behind, especially now. Do not let a shaky economy be an excuse for reckless budget slashing which will leave you with no quality Associates once things start looking up. Think long-term for firm longevity.

“Although law firms are not known for being on the cutting edge in these areas, you need to keep up – or get left behind.”



Charles F. Huxsaw



John Remsen, Jr.

ABOUT THE AUTHORS

CHARLES F. HUXSAW

Charlie Huxsaw is Editor of Legal Publications for the Institute of Management and Administration (IOMA), a publisher of management advisory newsletters for law firms and other professional service organizations. Its newsletters include *Law Office Management & Administration Report*, *Compensation and Benefits for Law Firms*, and *Partner's Report*. He may be reached at chuxsaw@ioma.com.

JOHN REMSEN, JR.

John Remsen, Jr. is widely recognized as one of the country's leading authorities on law firm marketing and business development. After serving as in-house marketing director at two major law firms, John formed TheRemsenGroup, a marketing consulting firm that works exclusively with law firms to help them develop long-term marketing strategies and implement proven, cost-effective business development

programs. Since 2001, TheRemsenGroup has organized and presented Managing Partner Forum®, an unsurpassed networking and learning opportunity for law firm managing partners. He may be contacted at jremsen@theremsendgroup.com.

ABOUT THE REMSEN GROUP

After more than a decade of work as in-house marketing director with two major law firms, John Remsen, Jr. founded TheRemsenGroup, an Atlanta-based consulting firm, in 1997 to bring effective and cost-efficient marketing and business development programs to commercial law firms of all types and sizes. Based in Atlanta, we work mostly with mid-size, commercial firms, tailoring our programs and recommendations to their unique requirements.

Although we assist clients with a full range of marketing and business concerns, we focus our consulting services in three primary areas:

FIRM-WIDE STRATEGIC AND MARKETING PLANS

We have worked with many firms of all sizes to help them develop and implement their first firm-wide marketing plans. And we have worked with many others to help them refine and enhance their current marketing efforts.

FIRM RETREATS

Firm Retreats are one of the things we do best. You can hire us to present a variety of topics on marketing and business development (most are CLE-approved) or you can hire us to arrange the entire affair. Either way, we can help you stage the best retreat your firm has ever had.

COO AND MARKETING DIRECTOR SEARCHES

Over the last three years, we have successfully recruited marketing staff for numerous law firms. In some cases, they want to hire their first marketing director. In other situations, they want to upgrade the position. If your firm has 30 lawyers or more, it's time to consider hiring an in-house marketing professional.

Contact us today for more information about how The RemsenGroup can help your law firm implement powerful and dignified marketing programs that work.



Founded in 1997, TheRemsenGroup is one of the country's leading consulting firms in law firm marketing and business development.

404.885.9100

www.TheRemsenGroup.com

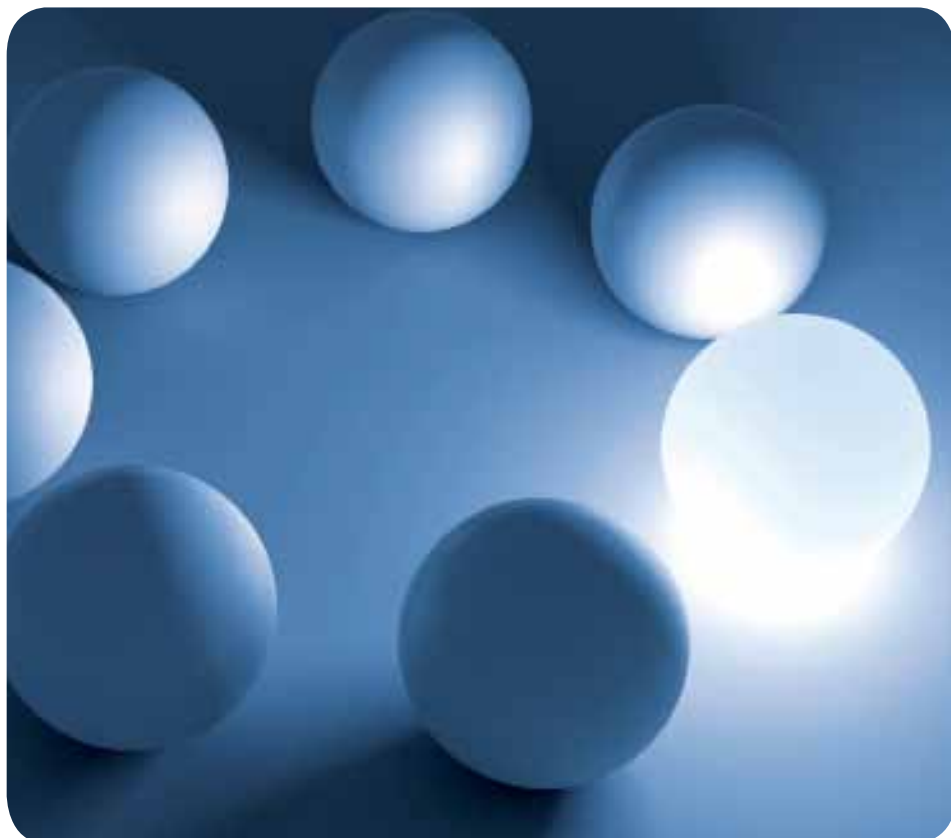


This white paper was designed by Marbury Creative Group, a presenter and sponsor of Managing Partner Forum®. Marbury Creative Group is a marketing firm with a decade of experience serving the legal industry.

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APPENDIX—*Exhibit A*



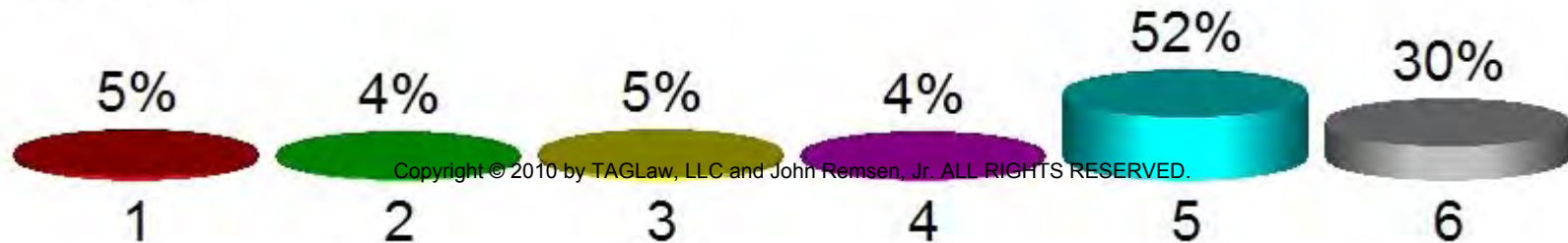
Audience Participation Technology Results



ANNUAL CONFERENCE

Who do you think will win the GOP nomination for President in 2012?

1. Newt Gingrich
2. Mike Huckabee
3. Sarah Palin
4. Ron Paul
5. Mitt Romney
6. Other

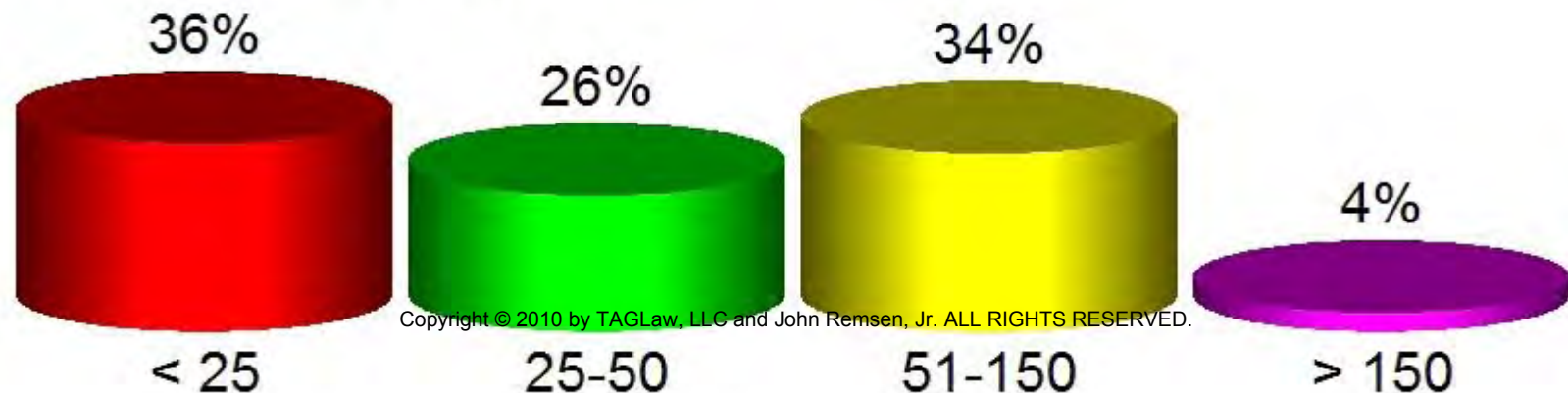


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ANNUAL CONFERENCE

What is the total number of lawyers at your firm?

1. Less than 25
2. 25-50 lawyers
3. 51-150 lawyers
4. More than 150 lawyers

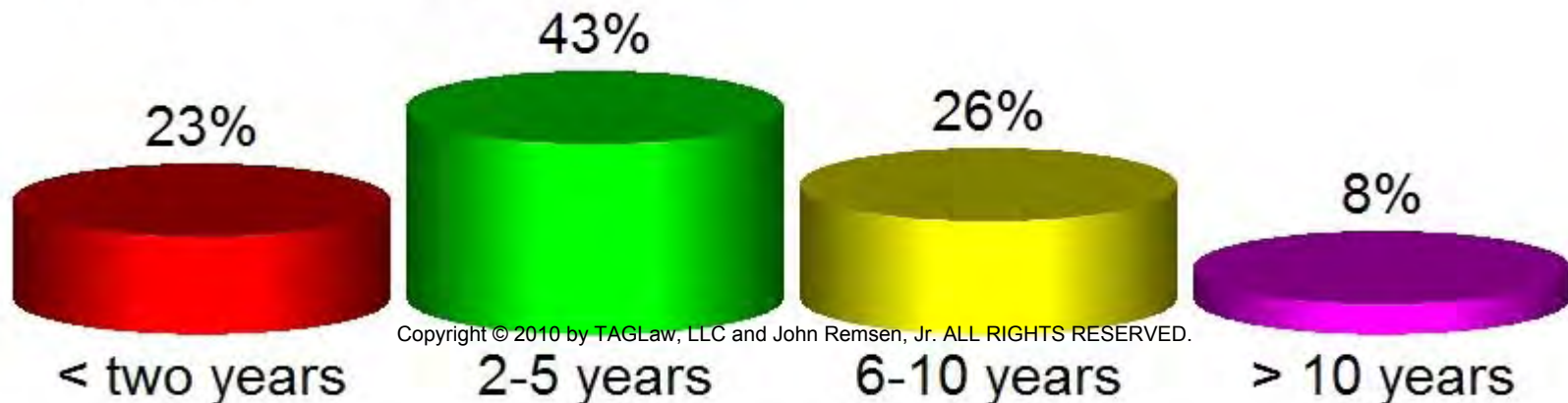


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ANNUAL CONFERENCE

How long have you been your firm's managing partner?

1. Less than two years
2. 2-5 years
3. 6-10 years
4. More than 10 years

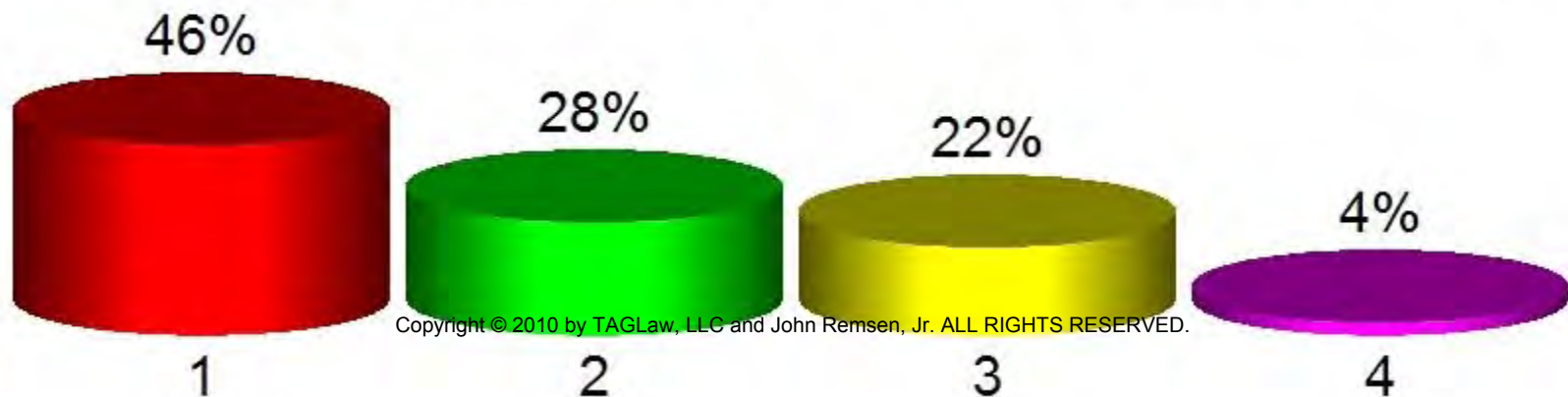


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ANNUAL CONFERENCE

How did your law firm perform financially in 2009?

1. Actually quite well. We comfortably beat our budget.
2. Good results. We met expectations, but partner income was flat.
3. Acceptable. We came close to budget. Partners took a slight hit.
4. Not good at all. Revenue was down and so was partner income.



ANNUAL CONFERENCE

Looking ahead, how would you describe your expectations for 2010?

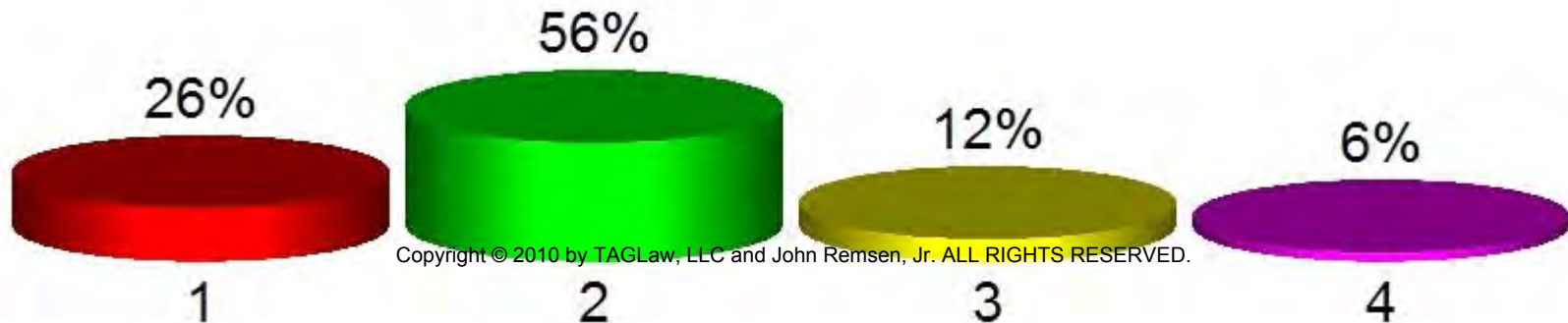
1. 2010 will be a very good year...a solid improvement from 2009.
2. Cautiously optimistic. We expect a slight improvement, but still nervous about the economy.
3. Hard to say. Fairly flat.
4. We see another bad year in 2010. Profits will remain disappointing.



ANNUAL CONFERENCE

How has your firm performed so far during the first quarter of 2010?

1. Much better than expected. We're off to a great start.
2. About what we expected. A relatively good start.
3. OK, but not where we want to be.
4. Not good. A discouraging start for the year.



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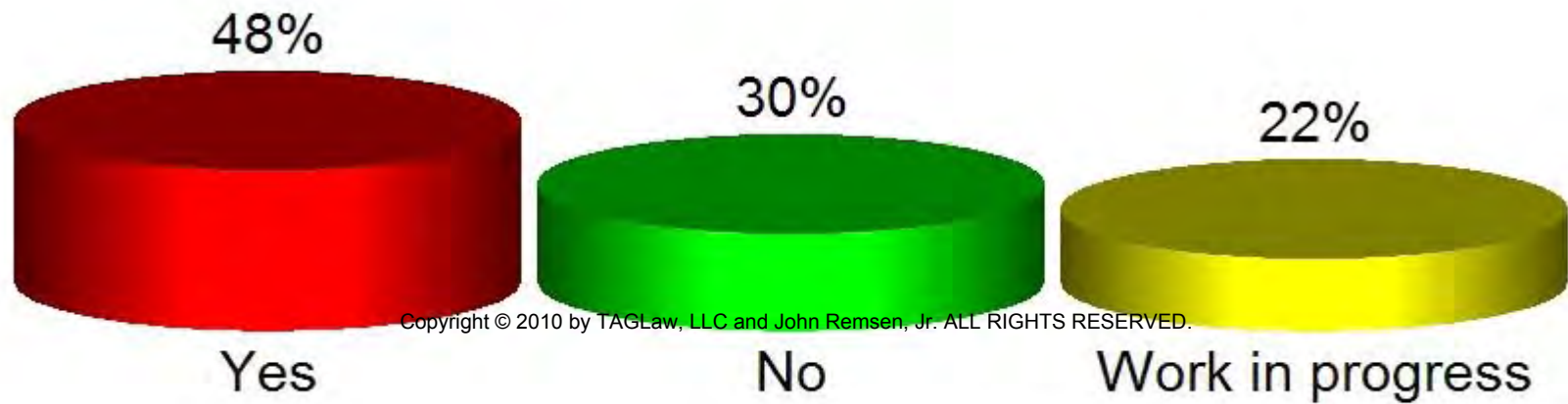
Which, if any, of the following strategies/tactics is your firm implementing to improve its financial performance in 2010?



ANNUAL CONFERENCE

Does your firm have a written firm-wide strategic plan?

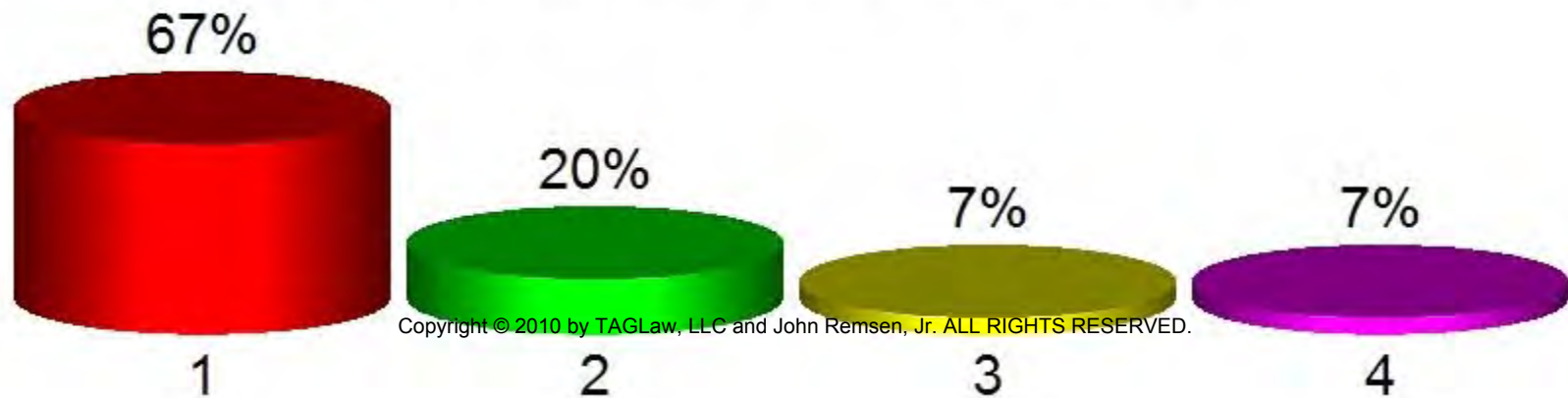
1. Yes
2. No
3. Work in progress



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If no, do you think your firm should have one?

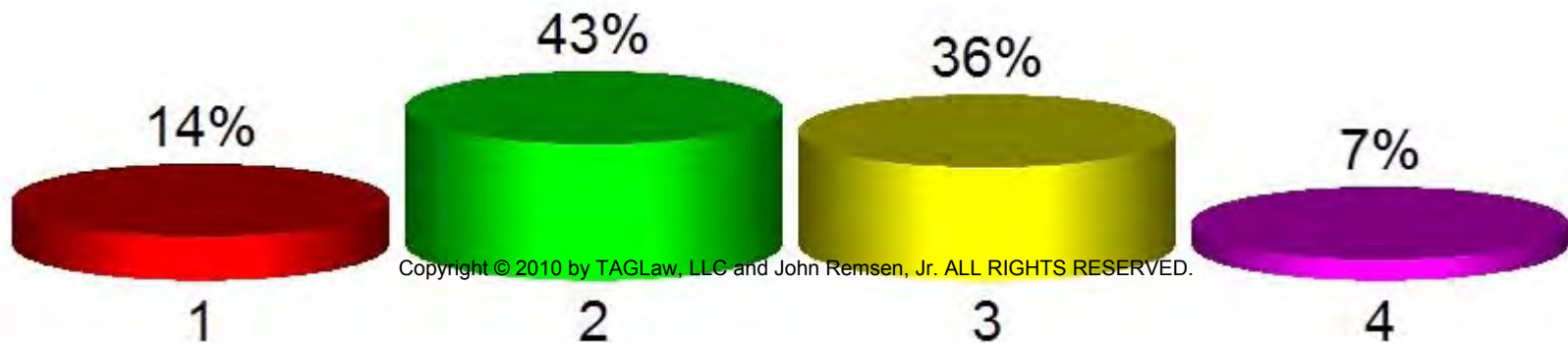
1. Yes, but we haven't found the time to make it happen
2. Yes, but my partners don't agree with me
3. No. We're doing just fine without one
4. No. It would likely raise issues we'd rather leave alone



ANNUAL CONFERENCE

If you have a strategic plan, how are you doing with implementation?

1. We follow it religiously
2. We follow it most of the time
3. We look at it on occasion
4. I'm not sure where to find a copy of it

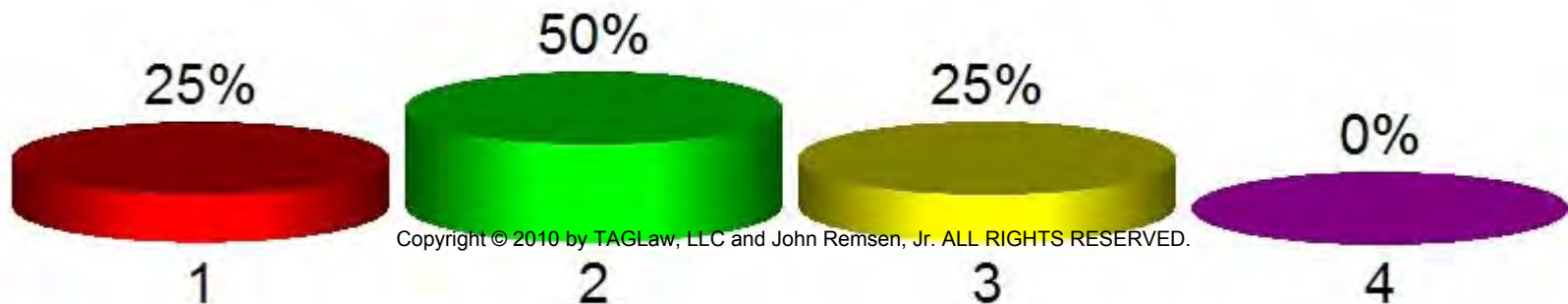


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If you have a strategic plan, can you attribute improved performance and profitability to it?

1. Strong correlation between planning and performance
2. Some correlation between planning and performance
3. No perceived correlation
4. Inverse correlation between planning and performance



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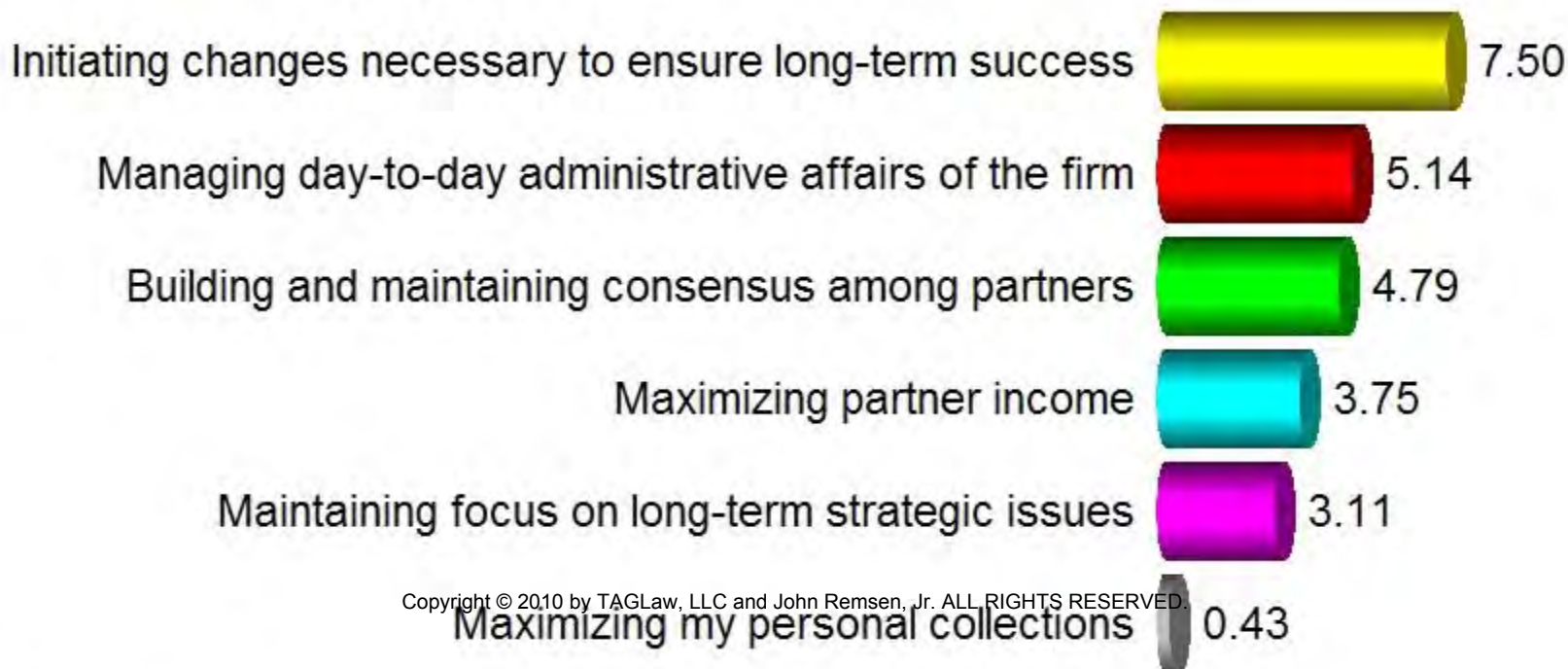
What percentage of your time do you spend in your role as managing partner?

1. Less than 10%
2. 10-25%
3. 26-50%
4. More than 50%
5. Full-time role



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What do you feel are your most important contributions in your role as managing partner?



ANNUAL CONFERENCE

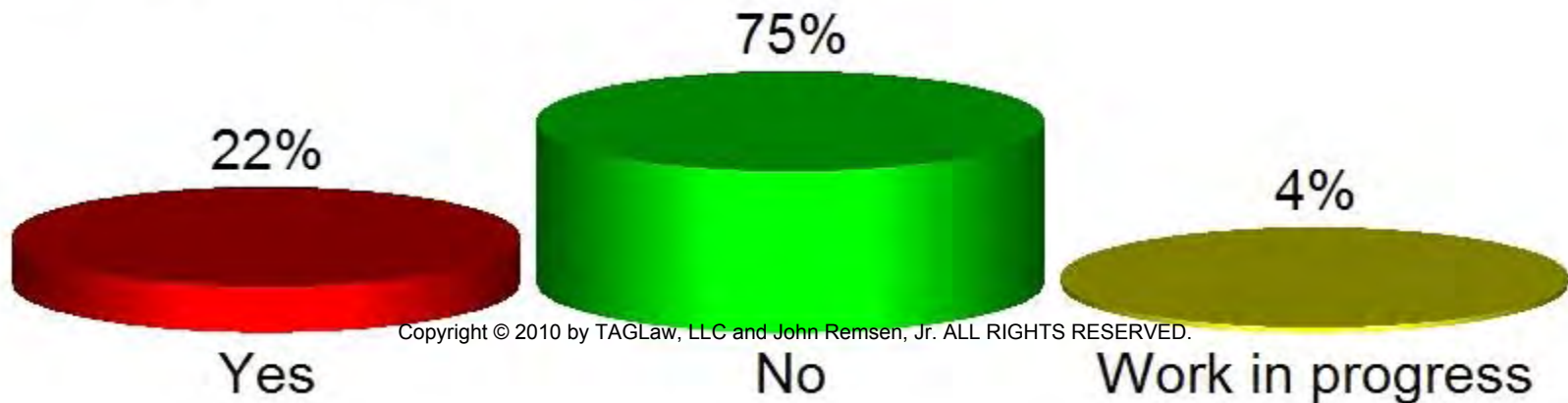
By contrast, where do you spend most of your time?



ANNUAL CONFERENCE

Does your firm have a formal job description for its managing partner?

1. Yes
2. No
3. Work in progress

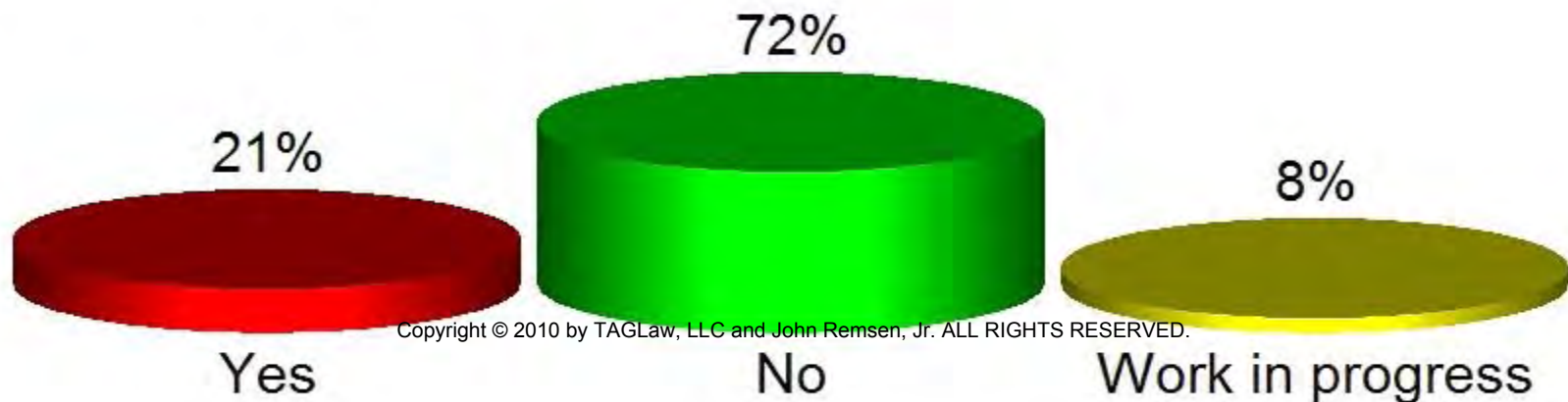


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Does your firm have job descriptions for its department heads and practice group leaders?

1. Yes
2. No
3. Work in progress

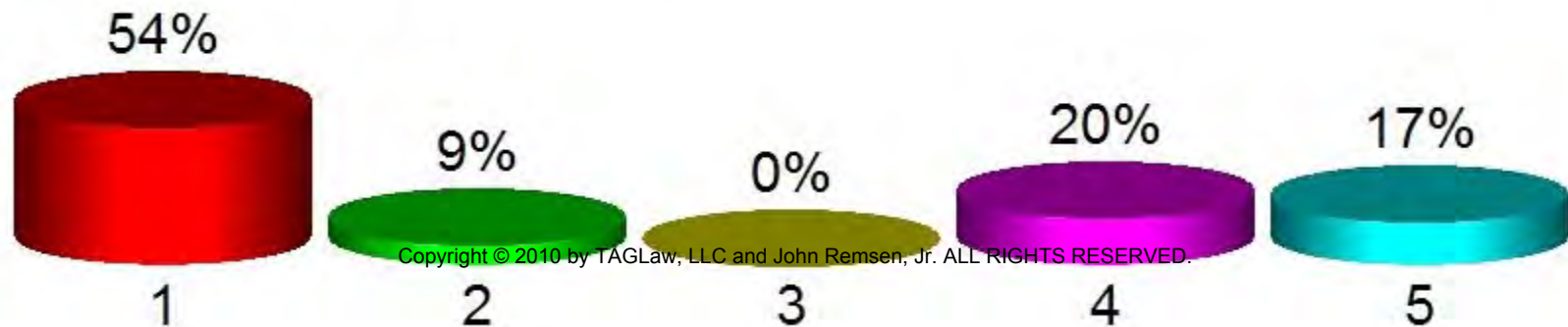


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What do you plan to do when you step down?

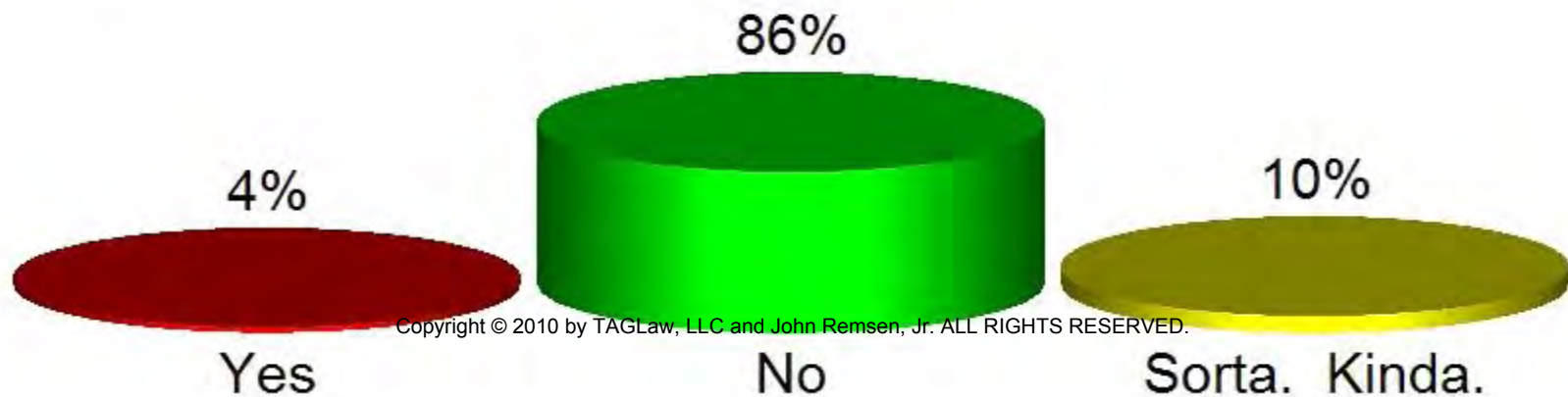
1. Go back to practicing law on a full-time basis
2. Take on a reduced work load, perhaps an "Of Counsel" role
3. Go in-house
4. Retire from practice of law
5. I have no idea



ANNUAL CONFERENCE

Have you established a clearly defined “exit strategy” with your partners?

1. Yes
2. No
3. Sorta. Kinda.

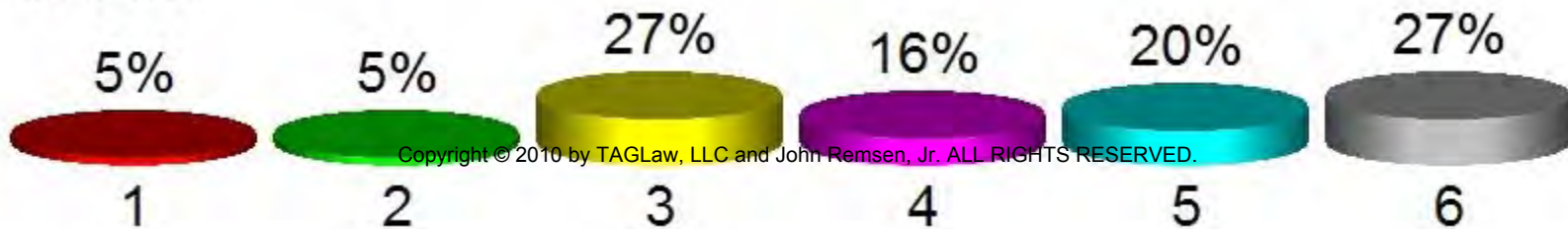


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How are you compensated for your contributions as managing partner?

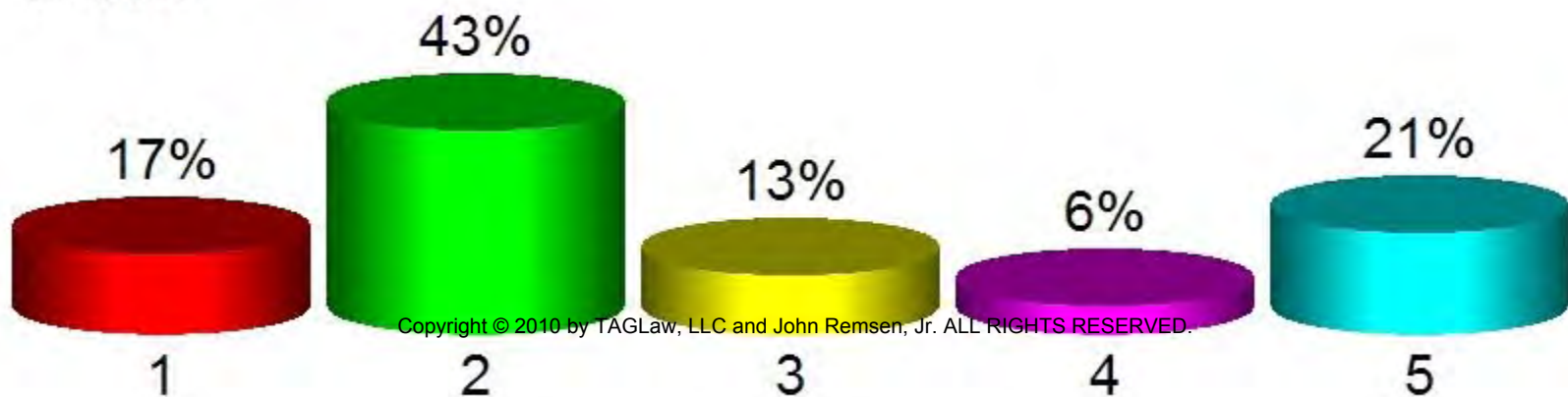
1. Fixed amount based on time required
2. Compensation based on firm performance
3. Combination of fixed amount, plus bonus based on firm performance
4. Reduction in billable hour requirements
5. No direct reward associated with the position
6. Other



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What color is primarily used in your firm identity?

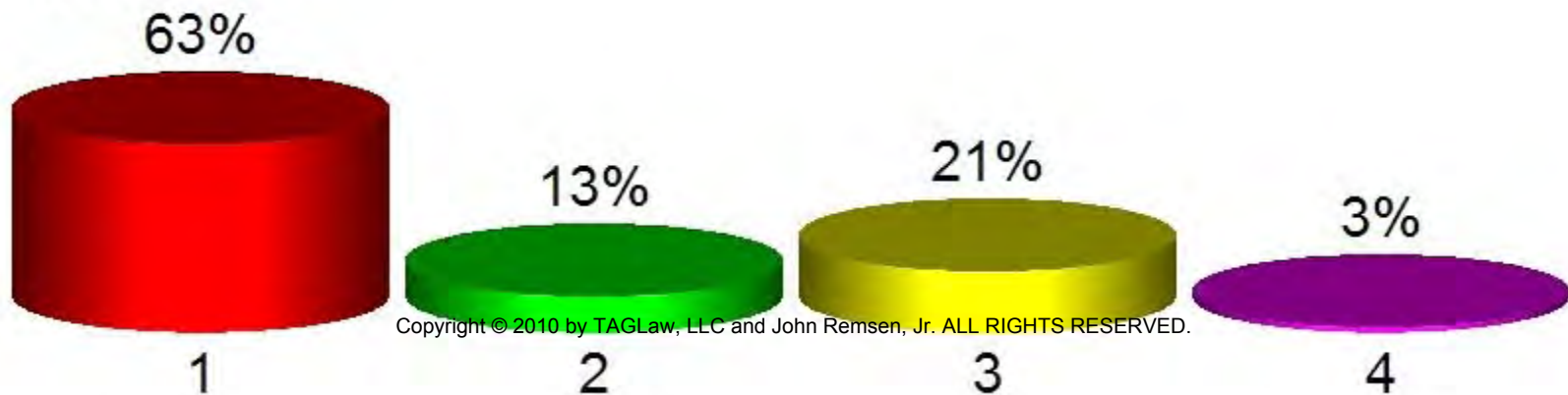
1. Red
2. Blue
3. Green
4. Orange or Yellow
5. Other



ANNUAL CONFERENCE

How does your advertising spend differ this year from 2008?

1. About the same
2. Significantly Less
3. Significantly More
4. Not Sure

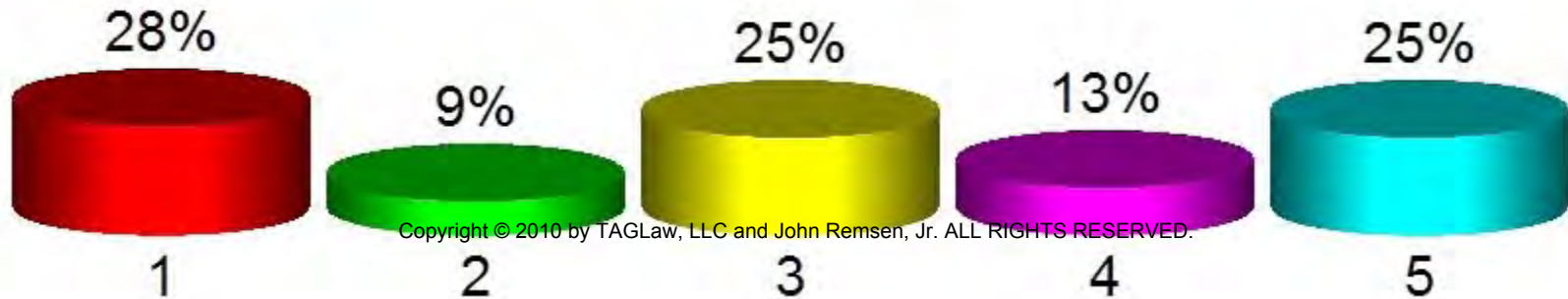


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What percentage of your ad budget are you spending online vs. print?

1. 70% Print vs. 30% Online
2. 80% Print vs. 20% Online
3. 90% Print vs. 10% Online
4. 100% Print
5. Not sure



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Is your firm website updated for Web 2.0?

1. Within the last 12 months
2. Updating it Now
3. On the Table for Discussion
4. No plans to Update it

54%



1

20%



2

17%



3

9%



4

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With an Eye toward the Future...

Isn't It Time that Your Law Firm Develops a Strategic Plan?

By John Remsen, Jr.

Today's law firm can either take charge of its future or sit on the sidelines watching the marketplace change around it.

In corporate America, virtually every successful company has a strategic plan guiding its future. Banks won't lend money without one. Shareholders and venture capitalists demand them. It gives an organization a competitive advantage.

Ask just about any managing partner or firm administrator whether his or her law firm should have a strategic plan and almost all of them would say "yes." After all, without institutional direction, the law firm is little more than a collection of sole practitioners sharing office space...or a "hotel for lawyers," as our friend Bill Flannery likes to say. Yet, according to a recent survey, fewer than 5 percent of the law firms in the United States have such a plan in place.

Why then, do so few law firms have a strategic plan? And what does it take for a law firm to develop and implement one?

What Is a Strategic Plan?

In short, strategic planning is a *process*, the result of which is a written document that sets forth where an organization wants to go and how it will get there. Many experienced law firm marketers suggest that a law firm's strategic plan should consider a five-year horizon. It should, among other things, state how big the firm will be, where it will have office locations, what its major practice areas will be, and what its client base will look like.

Once the firm's partners reach consensus on these big-picture issues, the firm can develop its three-year goals and objectives and then determine the strategies and tactics to achieve them. Strategies and tactics are more short-term in nature. They should be specific, measurable and achievable within a year.

If strategic planning is so important, why do so few law firms have a plan? The reasons vary, but the following obstacles are most common.

Denial that it's no longer business as usual

Despite everything one reads in *The National Law Journal*, *The American Lawyer* and just about every other publication on the legal industry, there is a continuing denial among many attorneys that the *business* of lawyering has fundamentally changed. Times are good right now and, generally, firms are doing quite well. However, it is the firms that long ago recognized the value of planning that are emerging as the new leaders in the global marketplace for legal services.

Focus on the short term

Strategic planning looks at the future, while most law firms have a very short-term view of the world. Compensation systems often reward today's billable hour, with little reward for non-billable time invested in the firm's future. That's very dangerous—shortsighted, to say the least.

Law firms need to measure and reward those activities—firm governance, associate mentoring and training, and business development—that are necessary to insure the firm's long-term prosperity.

Difficulty Establishing Consensus among Partners

No doubt, lawyers like their autonomy and tend to resist institutionalization. Many firms like to refer to themselves (with pride) as very democratic institutions. They operate very much like a collection of sole practitioners sharing office space. They want to be left alone. On top of that, there are often very different philosophies among the firm's owners about the future of the firm. So it's easier not to talk about it.

Certainly, getting everyone to buy-in to a specific plan is challenging. There is a tendency among lawyers and law firms to want to be "all things to all people." In this type of culture, lawyers often resist any plan to move in a particular strategic direction and toward a more institutional way of thinking.

Lack of leadership

Inevitably, the strategic planning process leads to change. And change requires leadership. Often, firm leadership is simply not willing to make the tough (and not always popular) decisions necessary to make the firm a stronger,



■ John Remsen, Jr. is the principal of The Remsen Group, a marketing consulting firm that works exclusively with law firms. He is the past president of the Southeastern chapter of the Legal Marketing Association and served on its national board of directors. He can be reached at jremsen@theremsengroup.com.



more profitable institution in the long run. Managing partners and executive committees must realize that they can't please everybody.

Failure to implement

There are many firms that have made a half-hearted attempt at strategy planning and, for one reason or another, it has failed. The reasons are many and varied. Nobody seems to have the time to get things done. The plan exists, but it collects dust on a corner shelf. Inadequate resources were allocated to achieve the goals set forth in the plan. Or there was a lack of leadership. Or the plan was too ambitious. Or there was no accountability. And so on and so on.

The common refrain is, "We tried that, but it didn't work here." Chances are, the firm went through the motions, but there was never a genuine commitment to make implementation a priority. Without implementation, the planning process can be a frustrating waste of time, effort and money.

Keys to Successful Strategic Planning

Now that we've discussed why so many firms have not gotten around to developing a real strategic plan, let's examine the keys to making it happen.

Establish a sense of urgency

A sufficient number of lawyers in the firm must believe that it is no longer business as usual and that strategic direction is necessary if the firm is to survive and prosper in the years ahead. They must instill and constantly reinforce a sense of urgency that change is necessary.

Commitment from firm leadership

Firm leadership (or at least a critical majority) must have a genuine commitment to develop and implement a strategic plan. Without strong leadership and passionate commitment, it is still "business as usual," despite the rhetoric. Under these circumstances, the firm's efforts are doomed to failure.

Involve all partners in the process

At the end of the day, the owners of the firm must buy into and support the plan.

By involving each of them in the process through a series of one-on-one meetings and/or in a group brainstorming session, each partner will feel a part of the planning process. The likelihood of success jumps dramatically.

Associates and staff must also buy into the future of the firm. Special programs that enlist their support will add to the plan's successful implementation.

Keep the plan simple and focused

If the firm is developing its first strategic plan, it should keep the plan simple and focused. Most firms try to take on too much, too fast and wind up accomplishing little. With a realistic plan and by starting slowly, the firm is able to maintain its focus on the most important projects. The firm can always add to the plan later. A law firm is wise to start slow, publicize success and grow from there.

Create a plan that lives and breathes

Once a strategic plan is adopted, it does no good to set it aside, never to be looked at until the following year, if at all. The plan should be a flexible and dynamic instrument. Its principles should be incorporated into the firm's day-to-day operations. Firm leadership should communicate the goals and objectives of the plan often and in a variety of ways throughout the firm. Make sure everybody has a copy. Review it at internal meetings. Update it often. All important decisions should be considered in the context of the plan. If the firm makes decisions contrary to what is contained in the plan, it needs a new plan.

Establish accountability

Nothing happens without accountability. For most firms, this is best accomplished at monthly meetings of small groups (5-6 individuals) of attorneys, often organized by practice group. There must be a strong group leader and meetings should have an agenda and meeting notes. Assignments must be made and progress must be monitored.

Measure and reward desired behavior

Simply stated, the firm needs to measure

and reward desired behavior. If the firm wants its partners to spend time training younger associates, the investment of non-billable time in the firm's future must be measured and rewarded. If the firm determines that business development is important, it should reward it through recognition, origination credit, and/or by measuring and rewarding effort. Otherwise, behavior changes will not occur. Without incentives (or disincentives), it's business as usual and there is little change.

Does everybody have a role to play?

There is no right or wrong answer here, but the firm must determine up front if all of its attorneys have a role to play when it comes to investing in the firm's future. If so, what is the role of each attorney? What about associates? Is it the same for everybody or do we ask different attorneys to take on different responsibilities?

Making it happen

The strategic plan is not an end, in and of itself. It is a *process* through which a law firm contemplates its future and determines how it will allocate resources to take it where it wants to go.

Without implementation, a strategic plan is worthless. Planning should never replace and distract from the *doing* part of the equation. Implementation must be given the highest priority.

Conclusion

Many sole practitioners and attorneys at smaller firms seem to think that strategic planning is for larger firms. However, any firm with an eye toward the future can benefit from the process. Planning can help a firm develop consensus on key big-picture issues, promote internal communication within the firm, inspire attorneys to get out and do things they wouldn't otherwise do, and help the firm allocate its resources more effectively.

With leadership, commitment and a good strategic plan, any firm can develop a profitable practice working with clients it enjoys and in the areas of law it finds most appealing.





BUILDING AND SUSTAINING A MARKETING AND SALES CULTURE AT YOUR LAW FIRM

(Or, How to Make Marketing Really Matter)

By John Remsen, Jr.

Getting lawyers and law firms do things differently is not an easy task and instilling a marketing mindset among lawyers is a major effort for most firms, resembling the proverbial challenge of “herding cats.”

A national consulting firm recently examined personalities of lawyers from around the country using the Caliper personality index and was able to quality what many of us have known for years. Compared to the rest of us, lawyers

- Hate change, respecting precedent because it was drilled into them at law school;
- Are highly skeptical of new ideas and concepts, demanding proof that change will work;
- Love autonomy, preferring their own judgment over that of any hierarchy or policy; and
- Have a high sense of urgency, expecting immediate results on even complex efforts.

It's not surprising, then, that most law firms (especially smaller and mid-size firms) operate much like fraternities. Governance and decision-making are often difficult and time-consuming, because everyone wants a voice in the process. However, the most profitable firms are moving closer to a corporate model of governance, with institutional goals, strong leadership and streamlined governance. They are also starting to embrace marketing, recognizing the need to get closer to existing clients and invest time and resources on focused, proactive strategies to go after new ones.

So why try to roll the marketing boulder uphill? Simply because any firm that wants to survive in today's increasingly competitive marketplace must support a marketing and sales culture. Mergers, acquisitions and consolidations, rising associate salaries and operating costs, and client cost-cutting are making lawyers run their firms more like a business, and less like a profession. Failure to market brings red ink, irrelevance and an “out of business” sign on your door. Marketing is what enables a firm to attract and retain desirable clients, and it puts the firm in a position to fire the ones it no longer wants.

That said, a marketing culture can't be implemented overnight - it must be slowly, gradually fostered through basic, focused, step-by-step efforts. Overcome typical lawyer impatience and resistance by showcasing successful pilot programs. A communications effort that presents the proof, demonstrates a successful result and validates the judgment of the participants, will appeal to lawyers' lemming instinct: “If Jim can do it, so the hell can I!”

The key, then, is to create the initial success that will make everyone in the firm believe marketing matters. I mean *really* matters. As marketing consultant to thousands of lawyers at hundreds of firms, I've seen that ten key

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elements are absolutely crucial to generate marketing momentum. Neglect even one of them and your legacy will be, "We tried *that* before, it didn't work."

1. Find a Passionate Leader. If a firm's leaders - those lawyers who have the most clout and the greatest respect - aren't committed to marketing, no one will be. Convince them that marketing is an investment in tomorrow, not just an expense for today. Cultivate a senior level marketing czar who is passionate about marketing and inspires others. Don't waste your time on naysayers or junior associates. Convince an alpha male, and the herd will follow.

2. Apply Some Structure. Attorneys are the world's worst visualizers. Vague generalizations about how marketing works won't motivate them. Your marketing effort has to involve concrete, tangible benchmarks and requirements that show the firm is serious:

- Set clear expectations for non-billable time devoted to marketing. Set a target of 200 hours a year for partners and 100 hours per year for associates. Overcoming the billable hour fixation is crucial for marketing efforts, which often take years to generate results.
- Incorporate marketing into partnership requirements. Derail the partnership track of grinders who sit at their computers all day and don't have a book of business.
- Create marketing plans at every level - attorney, industry or practice group, the entire firm. The marketing plans should be written, simple and focused, and should set short-term goals (have lunch with two media industry prospects per month) in the pursuit of long-term objectives (double billings with media clients).
- Communicate marketing successes by every tool at your command. Meetings, emails, newsletters, bulletin boards in the lounge, Intranet postings, monthly status reports, and more.
- Monitor marketing performance. Hold the laggards accountable and reward the performers. Most marketing initiatives must be repeated ten or more times over a period of two-plus years before they pay off. Rewarding only the ultimate result isn't enough incentive. Peg some compensation to *efforts* that emphasize and support the marketing plan.
- Eliminate the time and expense wasters. Scrap "random acts of golf and lunch" and "powerful partner pet projects" that don't support firm-wide marketing objectives.

3. Provide Training and Resources. Sales techniques aren't taught in law school. There are, however, plenty of sales training programs for lawyers that emphasize the basics: if you've taken a prospect to lunch seven times, *ask* if you can handle their contract work. One-on-one coaching sessions can be supplemented by attendance at the Marketing Partner Forum and the Legal Marketing Association annual meeting, participation in the LawMarketing listserv, and circulation of marketing newsletters. Help lawyers overcome their marketing insecurities by exposing them to best practices.

4. Create a Forum of Accountability. The best way to generate marketing momentum is through face-to-face discussions - but *not* with marketing at the tail end of a long agenda. Create specific marketing forums where groups of 10 to 20 attorneys can report on their initiatives, share leads and ideas, and be held publicly accountable for their marketing efforts. Meetings should be held at least monthly, scheduled well in advance for a set time and place, with mandatory attendance and a leader committed to marketing in charge. Distribute minutes and make sure the results are publicized through reports, newsletters and retreat presentations. The only way to overcome resistance to these forums is to make clear that they are about results and accountability - and then use them to reinforce both.

5. Invest Time and Money. Every firm's needs are different, but certain rules of thumb apply - for example, one in-house marketer for approximately every 40 lawyers, and a marketing budget roughly equal to 3% of gross revenues. Lawyers in their skepticism will ask, "Is this *really* necessary?" Appeal to the lemming instinct by demonstrating which other firms are doing at least as much.

6. Identify Your A, B and C Clients. Law firms often fail to identify the clients and the business they want, making little differentiation in attorney time and effort between getting the \$5,000 real estate contract and the \$5 million IPO. You should identify your A-List clients, the frequent flyers you really want to encourage, and emphasize winning more business from *these* guys. Then target them: Go visit them at their place of business, solicit their feedback on your services and act on it, invite them to events and seminars, join their trade associations, wine and dine them. Showing that you really do care about them is the essential step to getting more work from them.

7. Focus on Industries, Not Area of Law. Too many law firms practice marketing by trying to market their practice. Clients don't think that way. They focus on their business and industry concerns, and want their law firm to do the same. Competent legal technicians are a dime a dozen; law firms that talk the language of the hospitality industry are valued much more highly. Focusing on industries targeted by your marketing plan prevents wasting time and effort by trying to be all things to all people. It also promotes cross-selling among practices, as you identify which real estate, corporate, tax and other services you can tailor to clients in specific industries.

8. Get an Identity. Emphasize that you're not just another law firm. Making an impression captures share of mind, then share of market. All the effective marketer's tools apply here: a logo, a short and memorable firm name (no more than two words), sharp web site, readable collateral materials that are not mind-numbing exercises in lawyerese, email templates with links back to your web site, promotional items that clients will want to use. Remember that a nice brochure or impressive web site constitute just a small part of a *total* marketing effort.

9. Hire "People People." Lawyers are trained to be good communicators before groups, whether juries or boards of directors. They typically aren't good at establishing interpersonal, one-on-one communication. Rather than trying to turn an introverted lawyer into a rainmaker, it makes sense to hire lawyers with a focus on personality as well as on grades and law journal experience. Look for outgoing types who are flexible and embrace change, and they can become missionaries for your marketing efforts. The same applies to everyone in the organization - receptionists, administrative assistants and (yes) marketers.

10. Manage Lawyer Expectations. All the steps that we've discussed here take time, and the marketing plan they support will continue to evolve. Make sure the lawyers at your firm know and understand this from the start. Set a limited number of priorities and don't try to move too far too fast. But make absolutely certain that you deliver everything that you promise - which, in the end, is a good definition of effective marketing.

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About the Author

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