



**Best Practice in Strategy:
A Planning Model for Law Firms**

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The Naval War College in Newport, Rhode Island, at one time conducted a graduate level course for senior officers entitled "National Security Decision Making." Interestingly, the subtitle of the course was "If you don't know where you're going, it's tough to plan to get there." Although that course was obviously intended for a very different audience, the concepts of "mission discipline" and "mission orientation" can easily, and beneficially, be applied to law firms. How many times in the recent past have we observed a law firm's acquisition of an office in a distant city or an apparently unrelated group of lawyers, scratched our heads and said to ourselves, "Hmmm, I wonder what they think they're doing?" While it's not important for us to know, it is vital for them to know. I believe that any law firm can understand both where it's going, and how to get there, by following a very simple planning model symbolized by the acronym "MOST" -- Mission, Objectives, Strategies, Tactics.

Vision and Mission

At Saul Ewing, we had to determine, in the parlance of the Naval War College, where we were going. In other words, what is our vision of ourselves in the future? While many firms were obviously setting a course to become national, or even international in scope, we do not believe that the highly centralized corporate management structure necessitated by a national or international operation is consistent with our Firm personality and core values. We believe that a regional footprint, while allowing for the national practices that we already have and for those that we will grow, will allow us to retain the participatory, consensual management structure, and the one-to-one leverage model that has been our tradition. We believe that the consensual management structure retains the professional camaraderie and "personal glue" that are so important in today's increasingly competitive legal world, and that a one-to-one leverage model allows us honestly to assert to incoming associates that each of them has an equal opportunity to become a partner in our Firm. We also believe that our core values of respect for each other and respect for the profession are more easily nurtured in a firm where we can all interact in person on a regular basis.

While we recognize that the regional footprint and leverage model that we have adopted as our vision have financial as well as cultural implications, we also believe that our partners and associates can achieve personal financial satisfaction and that we can operate successfully in the world of the AMLAW 200, and its publicly reported financial performance data, if we become one of the predominate regional law firms. That, then, is the mission that we have to plan for—to become the predominant regional law firm.

Objectives

When we ask ourselves which objectives we have to achieve to become the predominant regional law firm, we discover that there are really only three objectives that matter:

- (1) We have to acquire more great people.
- (2) We have to acquire more great clients.
- (3) We have to tell the world about our great people and great clients.

There is really nothing else. All the efforts of our law firm management and all the efforts of our individual attorneys and staff members should (and will) be calculated to achieve those three objectives and should (and will) be evaluated by their efficacy in achieving those three objectives. If we achieve all three objectives within the framework of regionalism, we have established a dominant regional law firm; if we fail at any one of the three, we will be something less.

Strategies

Our planning model dictates that we next determine and develop strategies to achieve our three objectives. In analyzing the personnel objective it is obvious that a law firm is comprised of only three types of people: partners, partners-in-training (associates), and staff. Therefore, our strategies for getting more great people are to (1) hire and retain more great partners, (2) hire and retain more great partners-in-training (associates), and (3) hire and retain more great staff members.

Our client-oriented objective can also be broken into three separate strategies. First, we have to perform sufficient client analysis to determine what, for us, constitutes a "great client." Those are clients with high personal and business ethical values, clients with sophisticated legal work that requires the attention of excellent attorneys, and clients who appreciate the value that excellent attorneys add to their business ventures and individual affairs. Second, we have to find ways that we can be more helpful to our existing great clients thereby increasing the scope of our representation. And third, we have to find new great clients for whom we can perform excellent work and add value. Our "great clients" can be local, regional or national since our current technology base (and the willingness of our "great people" to travel anywhere at any time) allows us to provide service anywhere in the country from our regional base.

Similarly, our "tell the world" objective can be broken down into three separate strategies. We have to market; we have to sell; and we have to better understand and expand our efforts in public relations. Our great people and our great clients are, of course, integral to all three, rendering all of our strategies both interrelated and interdependent.

Once we have developed our nine strategies by which we intend to achieve our three overall objectives, we have, by that same process, also established a frame of reference for our Executive Committee, which functions as our Board of Directors. The members of the Committee, being first and foremost practicing attorneys who have agreed to assist in charting the overall direction of the Firm, work and deliberate at the strategic level and resist the temptation to involve themselves at a tactical level or in the day-to-day operation of the Firm. We have also created a reasonably good framework in

which the Firm's CEO and COO can determine which decisions and issues need to be elevated to the Firm's Executive Committee for evaluation and decision.

Tactics

While the Executive Committee (or Board of Directors) concerns itself with matters of strategic level and above, it is the job of the CEO, COO, and Firm administration to devise and implement the tactics that are calculated to achieve each of those strategies. We can achieve our personnel strategies for each of our three different groups by applying essentially the same tactics. We can add people, we can improve our existing people, or we can subtract people. While those tactics might differ for each of the three groups, let's examine, for example, how we might acquire and retain more great partners-in-training (associates). We've been able to add great associates through a summer program, which was rated by its participants (in an American Law Journal survey) as the third best summer program in the nation last year. We have also added associates by hiring graduating law students through cooperative efforts with law school career development offices that identify high potential graduates who may have been overlooked through quirks in the "normal" law school hiring process. In addition, we have been able to work with some highly professional legal placement firms to hire great associates laterally. These three tactics have yielded a sufficient number of great young partners-in-training to assure that our Firm will remain fresh and vital.

In addition, and perhaps most importantly, we have focused on improving those associates who are currently with our Firm. We have found that with associates, as with partners and staff, we can improve their performance by communicating, educating, and motivating. We've implemented a career development training program, which has, we believe, successfully begun to communicate to associates the expectations of the Firm, our clients, and our profession for the milestones they must achieve at various stages of their careers. In addition, specific training programs have been undertaken to assist our associates in achieving each of the specific milestones and to allow them to advance in the Firm as those goals are achieved. Finally, we have attempted to motivate our lawyers by providing a professional, respectful, and friendly work environment every day, by demonstrating our concern with their individual career development and by evolving a compensation system which pays not only a highly competitive base, but allows for material bonuses for excellent performance and a generous profit-sharing program when the Firm does well financially.

In the rare circumstance when an individual does not respond well to communication, education, and motivation, there may eventually be the need to "subtract." This may occur through normal attrition, but could also be accomplished through career counseling or outplacement.

As an example of tactical planning and implementation within the client strategies, we can review the tactical programs we've implemented for obtaining more work from our existing clients. It begins, of course, with providing excellent service, characterized by unexcelled responsiveness, to those clients on all matters at all times. The second tactic is to understand the client's business or concerns well beyond the normal level of legal representation and involvement. This may include, for instance, such things as regularly reading industry publications in the client's industry, reading all available printed materials on the client itself, and talking regularly with the client or its representatives about business rather than legal matters. Finally, we need to parlay the excellent service and knowledge

of the client's industry into an opportunity to actually ask the client if there is some additional way we might be helpful.

Finally, we need to design and implement appropriate tactics in marketing, sales, and public relations. By way of example, appropriate tactics for marketing might involve Firm wide marketing, departmental or practice group marketing, and individual marketing. Firm marketing could consist of developing a Firm wide message in keeping with the identity and strengths of the Firm, sharing that message internally to assure that all members of the Firm are aware of the message and able to support it through performance, and publishing the message externally so that clients and prospective clients become aware, in a general way, of the Firm's identity and message. Departmental or practice group marketing would involve the same three steps on a more targeted basis to a prospective client or industry. Individual marketing, however, involves a detailed understanding of each individual's strengths and personality and how that individual can best parlay those assets into recognition in the professional marketplace.

MOST

As I have discussed the "MOST" planning model with various individuals and groups both inside and outside of our Firm, I have received feedback that it's both too specific and too general, too simple and too complex, and too structured yet too unstructured. Nevertheless, I believe that it is a fair and reasonable way to determine whether various undertakings are calculated to achieve a higher level goal desired by a law firm. It helps the Executive Committee to focus on relevant and important functions, Firm management to perform in ways calculated to achieve success, and the Firm's owners (the partners) to understand and evaluate the Firm's programs and activities within a framework established to achieve the Firm's Vision and Mission.