The Challenge

- Why Do We Manage?
- Why Is It Difficult to Manage Lawyers?
- What Is It with Lawyers? (JFurlong, quoting Larry Richard)
- The Law Firm Covenant!
Lawyers

Per Dr. Larry Richard ("The Lawyer Personality Revealed"), Lawyers Rank Very High on:
• Skepticism
• Urgency
• Autonomy

Lawyers Rank Very Low on:
• Sociability
• Resilience

Which Means Lawyers Are:
• Intense
• Critical
• Easily frustrated short term thinkers

• Don't like dealing with other people
• Don't like taking direction from other people

Assumptions:
1 Margin of 30%
2 Base Productivity +3% Realization +2% Both

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<th>Base</th>
<th>Productivity +3%</th>
<th>Realization +2%</th>
<th>Both</th>
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<td>Hours</td>
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Profit increase | 10% | 7% | 17%
Conventional: Lagging Indicators and Outcomes

Firm Level (enterprise measures):
- Income statement
- Balance sheet
- Realization
- Utilization
- Rates
- Profitability? (sort of)

Lawyer Level (compensation):
- "Finders/Minders/Grinders"
- Weighting

Conventional: Lagging Indicators and Outcomes

Measurements of Profitability

\[
\text{Fees Collected} + \text{Net Fees} - \text{(Direct Expenses)} = \text{Gross Profit}
\]
Unconventional: Leading Indicators and Inputs

What are The Individual and Collective Behaviors We Want to Encourage?

KPIs – Goals – Intermediate Outcome – Outcome

Alignment: Strategy, KPIs, Goals and Results
Typical Strategy Map

- Vision: We are the “go to firm” for quality clients in complex matters, disputes and transactions.
- Goals: Business Development Goal Example: “Extends client relationship beyond current engagements”
- KPIs: KPI Example: “Engage in structured business development meetings”
- Measures: Practice Group holds partner accountable for measurable results on the KPIs

Small Group Exercise: Desired Behaviors and KPIs
**Suggested Leading Indicators and Inputs**

- New offering development
- Professional development – technical and commercial mentoring
- Referral source cultivation & outreach
- Intellectual capital - knowledge curation and management
- Client intelligence & literacy (Porter analysis & business forces)
- Client dialogue persistency
- Relationship brokerage
- Modeling by leadership and measuring leadership – consistency and managerial rigor/credibility
- Recruitment & corporate development

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**CEI**

- Responsiveness
- Satisfaction (client interviews)
- Billing pricing
- Accessibility
- Connectivity
- Consistency
- Familiarity
- No surprises
- Benefits
- Client delivery management - LPM
Bio of Your Edge International Principal

Mike White is a Principal in Edge International working in the area of law firm growth, strategy, succession, and leadership development. Mike was a practicing attorney for seven years prior to founding and operating two enterprise software companies. In 2003 he created his consulting company and then joined Edge International. He holds an AB in History from Duke University and a JD from Emory University School of Law. Mike resides in Atlanta, Georgia.