



Ward Bower

## Strategic Planning— The Second Time Around

By Ward Bower

**L**aw firms discovered strategic planning in the 1980s. By the mid-90s, most mid-sized and larger firms had generated their first strategic plan. Those plans were implemented with varying degrees of success.

Some firms have not revisited the planning process since. For them, dramatic changes in the world, the profession, their clients, and the economy render many of their strategies and the assumptions on which they are based, obsolete.

Others try to revisit plans and processes but face a variety of difficulties:

- inability to motivate leaders to participate
- resistance to the investment of time, energy and money in another substantial planning process
- inability to come up with a plan different from the firm's first plan (which may be okay, depending upon the market)

A law firm's approach to second and subsequent iteration planning depends upon a number of factors:

- the process used the first time
- perceived success in implementing the first plan
- availability of resources and energy for second iteration planning
- the propensity and attitude toward use of outside consulting assistance in second iteration planning, much dependent upon the experience the first time

Altman Weil consultants have worked with law firms through multiple planning cycles — in one case, eight of them over a 20-year period. That experience can be helpful to law firms whose planning has stalled and they seem unable to jumpstart it, yet realize they are at the mercy of the market without a coherent strategic direction.

Typically, Altman Weil's role in first iteration planning is that of catalyst, resource, facilitator and synthesizer. Broad-based partner, associate

and client input is sought, sometimes at great expense. We perform market research on the economy and competitive landscape. We manage planning meetings, suggest strategies, challenge assumptions, draft planning documents. We help present plans for adoption by partners, and prioritize action plans after adoption of the strategic plan. All of this is necessary to give the resulting plan credibility. All of this also requires consultant time and energy in terms of communication, amelioration of insecurities, accommodation of minority perspectives, and allocation of resources. It also requires a great deal of lawyer time. The investment in that process can become an impediment to updating or renewing the strategic process, even where the results have been spectacular. Law firms can be very short-sighted, even with survival of the business at stake.

Altman Weil has struggled to find ways to overcome impediments to second and subsequent iteration planning. We have experimented with different approaches and planning models. We have invested in continuing education programs on planning and strategy offered by various graduate schools of business administration. We have found ways to assist our law firm clients by building on what was learned in the first cycle, resulting in a streamlined, more efficient approach. We call that approach SSIP—Second and Subsequent Iteration Planning.

A side-by-side comparison of a typical first strategic plan with the SSIP approach might be helpful and can be found on the following page.

Altman Weil's experience in the application of SSIP has shown that it can yield a plan that realistically focuses on strengths and opportunities, exploits competitive advantage and does so efficiently. However, Planning Committee composition is critical, since there is less opportunity for universal input than is typically the case in first-time planning processes. That is

First Strategic Plan	SSIP
<p>1. Consultant gathers, digests, summarizes internal market and client information, market research and other data. Interviews, questionnaires, focus groups or combinations of these are used.</p>	<p>1. Consultant produces agenda for Planning Committee members to gather and evaluate internal and competitive information; consultant supplements with market research.</p>
<p>2. Consultant provides feedback to Planning Committee, which then produces SWOT analysis (strengths, weaknesses, opportunities, threats).</p>	<p>2. Consultant collaborates with Planning Committee in evaluation of marketplace, identification of competitive strengths, areas for potential growth.</p>
<p>3. Strategy typically focuses on overcoming weaknesses, avoiding threats.</p>	<p>3. Strategy typically focuses on building strengths, exploiting opportunities.</p>
<p>4. Series of meetings results in evolving plan with tactical focus.</p>	<p>4. Document prepared after series of meetings. Focus is at strategic level.</p>
<p>5. Requires team of consultants at various levels of experience.</p>	<p>5. Requires one senior consulting principal, some researchers.</p>
<p>6. Requires consulting fee investment of \$500 to \$1,500 per lawyer, on average.</p>	<p>6. Requires consulting fee investment of \$200 to \$1,200 per lawyer, on average.</p>
<p>7. Economic opportunity costs (partner, associate time) estimated at \$5,000 to \$10,000 per lawyer.</p>	<p>7. Economic opportunity costs estimated at \$2,000 to \$5,000 per lawyer.</p>

where much of the savings is generated, which, in a 300-lawyer firm, could amount to a difference as great as \$90,000 in consulting fees and over \$1 million in opportunity costs. In a firm of 30 lawyers, that differential could be \$30,000 in fees and up to \$90,000 in opportunity costs. Actual savings will depend upon the project plan, the ability of Planning Committee members to work efficiently, and the willingness of partners not on the Committee to embrace the results of the process.

Whatever the approach to planning, the resulting plan is always subject to revision as internal and external changes occur. Ideally, the institutional plan will provide the basis for subsequent development of office and practice area plans, while engaging everyone in strategic thinking. After all, that is what counts—the process.

This concept was articulated succinctly by the late Dr. Albert Shapero of the Ohio State University Graduate School of Business at an Institute of Management Consultants meeting in Chicago in 1977, where the theme of his keynote speech was “Companies that plan *never* follow their plans, but they *always* make more money than companies that don’t plan.” That is a reason to plan and to plan again that appeals to partners in many law firms. ♦

**Ward Bower** is a principal of Altman Weil, Inc. working out of the firm’s offices in Newtown Square, Pennsylvania. He can be reached at 610-886-2000 or [wbower@altmanweil.com](mailto:wbower@altmanweil.com).

