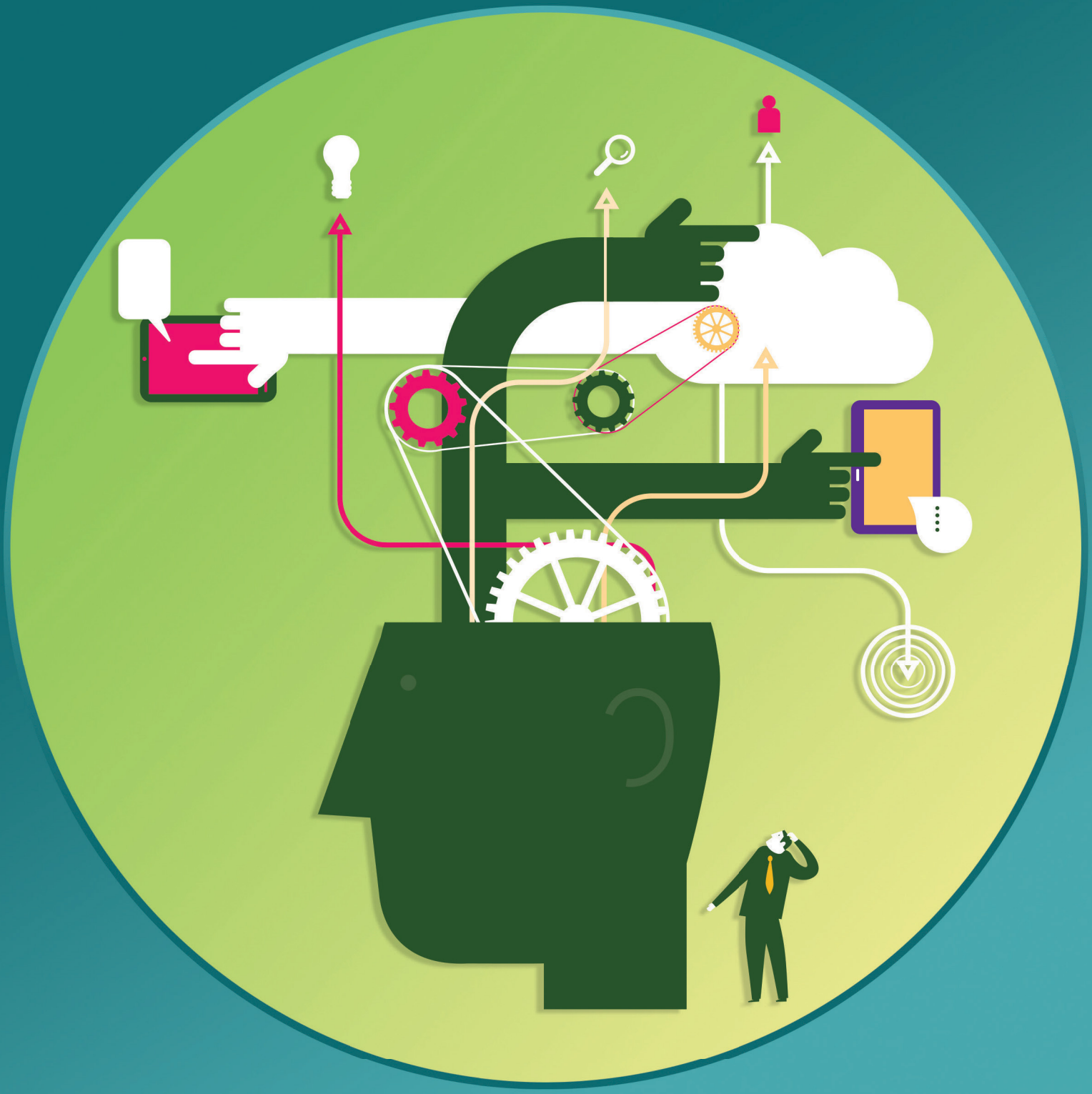


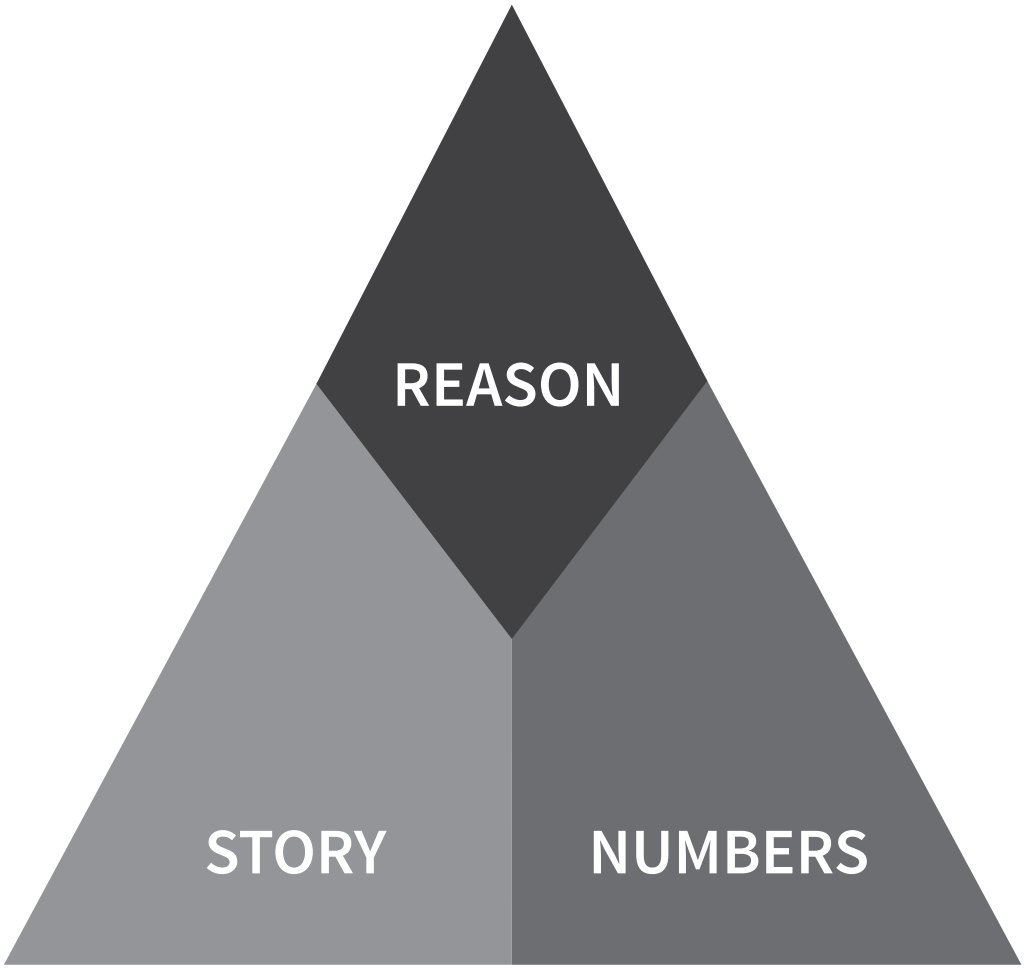
HOW TO MANAGE A SMALL LAW FIRM

HAPPY LAWYERS MAKE MORE MONEY

BUSINESS PLAN BUILDING WORKSHOP

7 PARTS OF YOUR BUSINESS

NOTES


REASON
STORY
NUMBERS

NOTES

SECTION 1: GOALS

A. YOUR Definition of a “Successful” Business – Financial.

In order for me to consider my business to be successful, it must provide $_____ per year/ $ _____ per month income for me. This is based on the following personal budget based on how much it costs to live the way I am living currently and how much it costs to live the way I want to be living.

	NOW	GOAL
HOME		
Mortgage/ Rent		
Utilities		
Telephone/ Cell		
Domestic Services		
Maintenance		
Groceries		
Clothing		
Other		
Subtotal:		
ENTERTAINMENT		
Restaurants		
Theater/Sporting Events/ Etc		
Hobbies		
Social Clubs		
Dues/ Subscriptions		
Other		
Subtotal:		
LEISURE		
Vacations		
Travel		

	NOW	GOAL
LEISURE cont.		
2nd Home		
Toys (ex: boat, motorcycle, etc)		
Other		
Subtotal:		
INSURANCE		
Health		
Life		
Disability		
Auto		
Home		
Boat		
Other		
Subtotal:		
DEBT SERVICE		
Credit Cards		
Student Loans		
Alimony		
Child Support		
Other		
Subtotal:		
SAVINGS/ RETIREMENT		
Savings Account 1		
Savings Account 2		
Savings Account 3		
Retirement		
Other		
Subtotal:		

	NOW	GOAL
TRANSPORTATION		
Car		
Car		
Other		
Subtotal:		
EDUCATION		
Adult personal development**		
Child 1; 529 plan/ current tuition		
Child 2; 529 plan/ current tuition		
Child 3; 529 plan/ current tuition		
Other		
Subtotal:		
CHARITY		
Charity 1		
Charity 2		
Other		
Other		
Subtotal:		
Subtotal Home:		
Subtotal Entertainment:		
Subtotal Leisure:		
Subtotal Insurance:		
Subtotal Debt Services:		
Subtotal Savings:		
Subtotal Transportation:		
Subtotal Education:		
Subtotal Charity:		
Total:		

** Note: Professional education will be a business expense.

Therefore, based on the above the firm needs to provide to me $_____ per year/ $ _____ per month Total Owner Benefit.

Note: Total Owner Benefit is all of the financial resources you receive from the business. This includes your salary and benefits, your distributions, all other Perqs (things you would have to pay for if you had a normal job), and taxes paid by the business on your behalf.

Broken down a different way this might look like the following in my law firm:

Example:

$100,000 Owner Salary

$ 50,000 Owner Distribution

$ 25,000 Other Perqs.

$ 0 Taxes Paid

$200,000 Total Owner Benefit

Total Owner Benefit:

_____ Owner Salary

_____ Owner Distributions

_____ Other Perqs

_____ Taxes Paid

_____ **Total Owner Benefit**

B. YOUR Definition of a “Successful” Business – Personal (Time).

1. How Many Weeks Will I Work?

Out of 52 weeks in a year I choose to plan to take time for the following.

Example:

52 weeks

– 2 weeks for holidays.

– 2 weeks for vacation.

– 1 weeks for life happens.

47 weeks.

My Year:

52 weeks

- _____ weeks for holidays.

- _____ weeks for vacation.

- _____ weeks for life happens.

_____ weeks.

In order for me to consider my business to be successful, it must be able to sustain itself as a going concern with me away on “emergency access only” for _____ consecutive weeks/yr, so that I can :

_____

_____

2. How Will I Spend Each Work Week?

In order for me to consider my business to be successful, I want to be able to run my business giving it ____ hours a week and ____ weeks per year so I can balance the things I “have to do” and the things I “want to do”.

This means I must balance my week with the **activities I choose** so I can move my firm forward while maintaining balance in my own life.

168 Hours in Every Week – How Do You Spend It?

1. Things You MUST Do Yourself Every Day And Cannot Delegate:

	#HRS/ WK
Sleep	
Eat	
Personal Hygiene	
Commute	
Other	
Subtotal	

2. Things You WANT To Do:

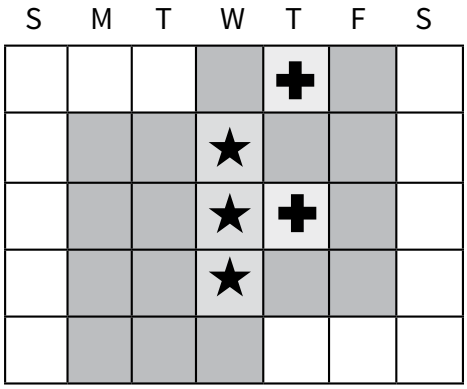
	#HRS/ WK
Exercise/ Hobby	
Kids Playtime/ Homework	
Personal Time w/Spouse or S.O.	
Spiritual Time	
Social Time w/Friends + Family Other	
Subtotal	

3. Things You Do For The Mule To Keep It Healthy + Productive:

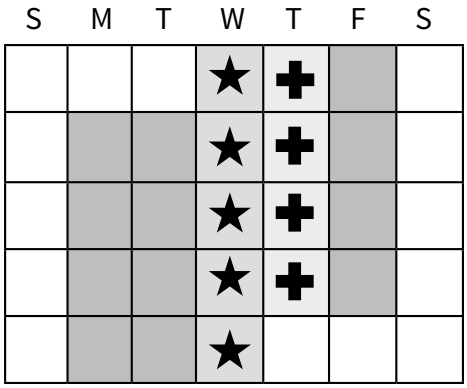
	#HRS/ WK
Exercise/ Hobby	
Kids Playtime/ Homework	
Personal Time w/Spouse or S.O.	
Spiritual Time	
Social Time w/Friends + Family Other	
Marketing	
Networking	
Sales Calls	
P.R.	
Management	
Training + Supervision Staff	
Policies & Procedures	
Financials	
Budget/ A/R's/ Evergreens	
Trust Account Management	
Legal Services	
Calls w/ or for Clients	
Research	
Court/ Prep for Court	
Draft/ Review K's + other Agmts	
CLE	
Other	
Subtotal	

Example Calendars

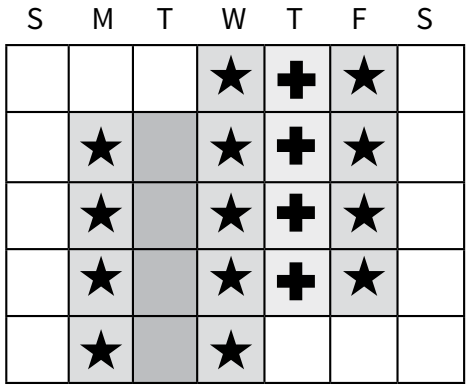
DROWNING



TREADING WATER



TREADING WATER



Suggestions for Balance

SINGLE OWNER DOING ALL THE WORK:

50 hours to the Firm

25 hrs Client Legal WorK

15 hrs Marketing and Sales

8 hrs Admin/Training/PSPs

2 hrs Financial Controls.

---

50 hrs

OWNER WITH TEAM DOING LEGAL WORK:

50 hours to the Firm

15 hrs Client Legal Work

25 hrs Marketing and Sales

8 hrs Admin/Training/PSPs

2 hrs Financial Controls.

---

50 hrs

C. YOUR Definition of a “Successful” Business – Professional

To be a “successful” business that I can be proud of, my business should help/ solve/ create/ deliver/ make the world a better place for (describe your target customer/ client) by (describe how your business will accomplish this objective.

D. Volume of Business

• Required Total Owner Benefit (TOB) (from Section A)

_____

• TOB/ TOB % = Gross Revenue Required.

_____/ _____ = _____

• Gross Revenue Required/ Avg Case Value = # Sales Required.

_____/ _____ = _____

** Note: Average Case Value is the total revenue last year divided by the number of cases you opened last year.

Example:

• Required Total Owner Benefit (TOB)

$100,000

• TOB/ TOB % = Gross Revenue Required.

$100,000 TOB/ 33% TOB% = $300,000 Gross

• Gross Revenue Required/ Avg Case Value = # Sales Required.

$300,000 Gross/ $3000 Avg Case Value = 100 Sales Reqd

★Proceed to the end of the book to the Goals section and write your goals for the year.

GOALS

My goals are that my firm will provide me with :$_____/yr or $_____ month Total Owner Benefit

I will work _____ weeks per year in my business.

I will work _____ hours per week in my business.

The firm will maintain the following profit first accounts, with Target Allocation Percentages (TAPs) of

Profits _____%

Marketing _____%

Owners Comp. _____%

Tax ____%

Operations ____%

In order to be successful my firm will accomplish

SECTION 2: SALES

A: Sales Numbers Needed

• Sales Required / Conversion Rate = # Prospects Required.

_____/ _____ = _____

**Note: Prospects = sitting in the sales chair talking to the sales person.

Example:

Sales Required / conversion rate = # Prospects required.

100Sales Required / .33 conversion rate = 300 Prospects

B: How We Make Sales

1. How many different ways does your business make sales to or for its customers/clients?

_____

_____

_____

2. Identify and describe each of them like you would to a new member of your team. “Our business makes sales to/for our customers/clients in the following ways:

_____

_____

_____

3. How do your customers/ clients “profit” by doing business with your company?

_____

_____

_____

4. An “A” client in my business has the following characteristics:

_____

_____

_____

5. Describe a typical sales transaction in your firm:

_____

_____

_____

6. How long should a sales conversation take for your firm?

_____

_____

_____

C: How We Will Make Sales Better

1. Conversion Rate: Historically our conversion rate (converting a potential client into a paying client) has averaged _____%.

2. In order to reach our Gross Income Sales our conversion must be _____%.

3. We will increase our conversion rate from _____% to _____% by _____ date by doing the following:

- _____
- _____
- _____
- _____
- _____
- _____

4. We estimate a 10% increase in conversion rate would produce $_____ more revenues and/or the following additional benefits:

_____

_____

_____

D: How Can We Build a Sales Team

1. What are the minimum skills you or another person would need in order to reliably convert a potential customer/client delivered through marketing channels into a paying customer of your business?

2. What training do you or another sales person for your business get before you set them loose with your potential new customers/ clients?

3. What tools/ resources do you or the salesperson need?

4. How will you verify that your sales team is closing sales in a professional manner and giving the client a great experience?

5. How will you hold your sales team accountable to obtain the results outlined in your business plan?

E: Prospects Required

- # Prospects (annually)/ 12 = Prospects Required each Month.

_____ / 12 = _____

1. How many sales conversations can your sales person have per week? _____
   Per month? _____

2. How many sales persons will you need to service the Prospects Required?

_____

_____

_____

_____

★ Proceed to the end of the book to the Sales Section and write , in plain English, what the Sales division is responsible for accomplishing in your law firm, and how the Sales division of your law firm business is going to produce those results.

NOTES

SECTION 3: MARKETING

A: Marketing Numbers

1. To meet the goals of this business plan, marketing must deliver _____ # of prospects to Sales per month.

2. The Marketing Funnel draws prospects from initial contact thru to showing up at a bona fide appointment with Sales.

    a. Historically, ____ % of prospects who schedule an appointment show up.

    b. # Prospects Required/ % show up = Appointments required.

    _____/ ____ = _____ Appointments required.

B. Marketing to Your A+ Clients

Who is the Right Prospect.

The job of marketing is to deliver the right kind of prospects, in the right kind of mindset, at the right time, to the right place and in the right quantity.

Until you know what is the right kind of prospect, the right kind of mindset, the right time, the right place, and the right quantity . . . until you know the answers to these questions . . . you are not ready to market your firm.

First exercise – Right Prospect: You must figure out who is the right prospect. If everyone is the right prospect then noone is really right for you. If you work for anyone then you are not unique or special for anyone. If you work with everyone then you can not be the perfect choice for anyone. And if you are not the perfect choice for anyone, then you have made a decision to be just a commodity. Figure out right prospect so you can target them.

1. Who is your right prospect or market?

_____

_____

_____

_____

2. Personas: who is your ideal A+ Client:

3. Where do we find “A” clients versus “F” clients?

C. 5 Commandments of Marketing

I. Thou shalt always have a call to action.

II. Thou shalt always have a hypothesis for a return on your marketing investment. (how many clients will it produce)

III. Thou shalt be completely committed to measuring the results of your marketing.

IV. Thou shalt be committed to comparing the results to your hypotheses.

V. Thou shalt be committed to taking action based on what you learned (changing your hypothesis, killing a marketing campaign, adding more money or effort to a campaign, etc.)

NOTES

NOTES

D. Methods of Marketing

What marketing do you want to engage in over the next 12 to 24 months?

- ☐ Television
- ☐ Live Event (>100 People)
- ☐ Newsletter Article
- ☐ Radio – Guest Speech Magazine Article
- ☐ Radio – Hosts Seminar Letter to the Editor
- ☐ Radio - Ad
- ☐ Workshop
- ☐ Press Release
- ☐ Direct Mail Campaign
- ☐ Training
- ☐ Survey
- ☐ Newsletter - Mailed
- ☐ Blogs
- ☐ Published a Book
- ☐ Newsletter - Email
- ☐ Website
- ☐ Published an Audio
- ☐ Former Client Phone Campaign Podcasts PPC
- ☐ Online Directories
- ☐ Social Media
- ☐ Facebook Ads
- ☐ Smile & Dial
- ☐ Webinars
- ☐ Lunches
- ☐ Team 100
- ☐ Networking
- ☐ Other

E. Marketing Plan Numbers

Example:

	ANNUAL	MONTHLY	WEEKLY
Total Owner Benefit	$300,000	$25,000	$5,769
Gross Rev. (Net/Margin {20%})	$1,500,000	$125,000	$28,846
Average Case Value	$5,000	$5,000	$5,000
Equal # of New Cases Needed	300	25	6
Historical Conversion Rate 25%	25%	25%	25%
Sales Calls Needed = NCN/HCR	1200	100	23
Funnel Conversion Rate	2%	2%	2%
Impressions Needed = SCN/FCR	60,000	5,000	1,154

My Overall Plan:

	ANNUAL	MONTHLY	WEEKLY
Net Revenues			
Gross Rev. (Net/Margin {20%})			
Average Case Value			
Equal # of New Cases Needed			
Historical Conversion Rate 25%			
Sales Calls Needed = NCN/HCR			
Funnel Conversion Rate			
Impressions Needed = SCN/FCR			

F: Marketing Cost of Acquisition

Example:

	PPC Campaign	Facebook	Radio	Billboard
CPM			$15.00	$5.00
CPC	$2.50	$1.00		
Impressions	39,683	5,511	69,444	347,222
%	2%	4%	0.5%	0.1%
"Click"	794	220	347	347
%	20%	40%	100%	100%
Actions	159	88	347	347
%	20%	30%	30%	30%
Screening	32	26	104	104
%	70%	70%	30%	30%
Set Appointment	22	19	31	31
%	90%	90%	80%	80%
Show Up	20	17	25	25
%	50%	60%	40%	40%
Buy	10	10	10	10
CPA	$198	$22	$104	$174

My Plan:

	PPC Campaign	Facebook	Radio	Billboard
CPM				
CPC				
Impressions				
%				
"Click"				
%				
Actions				
%				
Screening				
%				
Set Appointment				
%				
Show Up				
%				
Buy				
CPA				

G: Cost of Acquisition

1. Our current cost of acquisition, per customer, is _____.
2. Our goal is to get our cost per customer to _____ by _____.
3. Our plan to achieve our target client/ customer is to _____

H: Based on Your Marketing Plan, how many items on your Menu of Services will you need to Reach your goals?

I: Based on your marketing plan, and average case value, how many cases must you deliver to reach your goals?

Gross revenues/average case value = number cases delivered

★ Proceed to the end of the book to the Marketing Section and write , in plain English, what the Marketing division is responsible for accomplishing in your law firm, and how the Marketing division of your law firm business is going to produce those results.

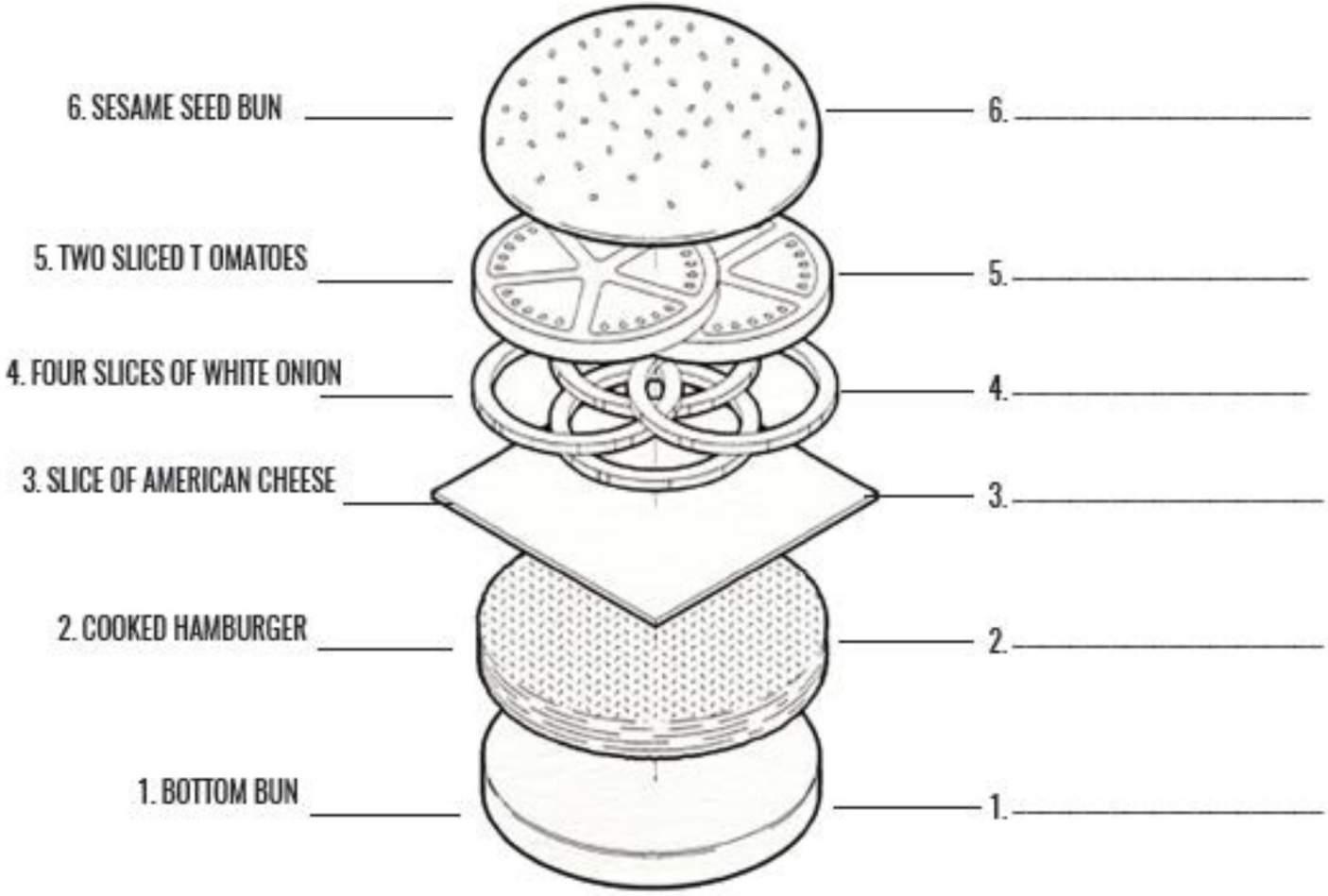
NOTES

SECTION 4: PRODUCTION

A. Deliverables

	DELIVERABLE	PRICE	CO(G/S)S	PROFIT (LOSS)
EX.	DUI - Low Net Worth No Breathalizer	$3,000	$1,500	$1,500
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Where are your assembly instructions for your law firm?



B. Inventory Your SKU's

1. List Your SKUs

Example:	My Firm:
• Hamburger	• _____
• Cheeseburger	• _____
• French Fries	• _____
• Milk Shake	• _____
• Supersize	• _____

2. Ingredients SKU 1

Example:	My Firm:
• Hamburger	• _____
• ¼ Beef	• _____
• Sesame Seed Bun	• _____
• Ketchup	• _____
• Mustard	• _____
• Lettuce	• _____
• Tomato	• _____

3. Ingredients SKU 2

Example:	My Firm:
• Hamburger	• _____
• ¼ Beef	• _____
• Sesame Seed Bun	• _____
• Ketchup	• _____
• Mustard	• _____
• Lettuce	• _____
• Tomato	• _____

4. Ingredients SKU 3

Example:	My Firm:
• Hamburger	• _____
• ¼ Beef	• _____
• Sesame Seed Bun	• _____
• Ketchup	• _____
• Mustard	• _____
• Lettuce	• _____
• Tomato	• _____

5. Ingredients SKU 4

Example:	My Firm:
• Hamburger	• _____
• ¼ Beef	• _____
• Sesame Seed Bun	• _____
• Ketchup	• _____
• Mustard	• _____
• Lettuce	• _____
• Tomato	• _____

6. Ingredients SKU 5

Example:	My Firm:
• Hamburger	• _____
• ¼ Beef	• _____
• Sesame Seed Bun	• _____
• Ketchup	• _____
• Mustard	• _____
• Lettuce	• _____
• Tomato	• _____

7. Ingredients SKU 6

Example:

- Hamburger
- ¼ Beef
- Sesame Seed Bun
- Ketchup
- Mustard
- Lettuce
- Tomato

My Firm:

- _____
- _____
- _____
- _____
- _____
- _____
- _____

NOTES

C. What is Our Breakdown for each Service?

Example:

	Position Titles of Staff Who Work on this SKU								
Step or task & hrs spent by each position	Reception	Legal Asst	Paralegal	Jr. Assoc	Sr. Assoc.	Bookkeeper	Sales	Owner	Sum
Initial Intake	0.2		1.0		0.8	0.1			
Open File		0.3			0.3				
Review with client the needed documents			2.0	0.5					
Follow up to get documents	0.3	2.0	1.0						
File review			1.0	2.0					
Client Consultations	0.3		3.0	4.0					
Pleadings			1.0	1.0	0.2				
Motions			3.0	5.0					
Preliminary Hearing			18.0	4.5	1.0				
Motions Hearings			10.0	3.0	0.8				
Final Hearing			40.0	20.0	8.0				
Close File	0.2	1.0				0.3			
TOTAL BILLABLE HRS	1.0	3.3	80.0	40.0	10.0	0.6	0.8	0.1	
COST PER BILLABLE HOUR	$15	$20	$40	$50	$75	$40	$50	$100	
TOTAL COST	$15	$60	$3,200	$2,000	$750	$24	$37.50	$10	$6,102.50

	Position Titles of Staff Who Work on this SKU								
Step or task & hrs spent by each position	Reception	Legal Asst	Paralegal	Jr. Assoc	Sr. Assoc.	Bookkeeper	Sales	Owner	Sum
TOTAL BILLABLE HRS									
COST PER BILLABLE HOUR									
TOTAL COST									

	Position Titles of Staff Who Work on this SKU								
Step or task & hrs spent by each position	Reception	Legal Asst	Paralegal	Jr. Assoc	Sr. Assoc.	Bookkeeper	Sales	Owner	Sum
TOTAL BILLABLE HRS									
COST PER BILLABLE HOUR									
TOTAL COST									

	Position Titles of Staff Who Work on this SKU								
Step or task & hrs spent by each position	Reception	Legal Asst	Paralegal	Jr. Assoc	Sr. Assoc.	Bookkeeper	Sales	Owner	Sum
TOTAL BILLABLE HRS									
COST PER BILLABLE HOUR									
TOTAL COST									

	Position Titles of Staff Who Work on this SKU								
Step or task & hrs spent by each position	Reception	Legal Asst	Paralegal	Jr. Assoc	Sr. Assoc.	Bookkeeper	Sales	Owner	Sum
TOTAL BILLABLE HRS									
COST PER BILLABLE HOUR									
TOTAL COST									

D. Calculations for My Firm

1. Firm:

a. Based on my SKUs my law firm can currently produce ____ number of cases. My average case value is _____. Therefore, my revenue should be _____.

b. In order to reach my goals, my law firm needs to produce _____ revenue.

c. Therefore, the firm needs to grow and produce additional revenue of _____.

2. Capacity:

a. Calculate how many SKUs one team ("Pod") can make. _____

b. Based on how many SKUs we need based on sales projections, how many people do we need to fill those projections (per month/ per year).
Sales _____/ People _____

c. Calculate the staff you need to hire and when.

★ Proceed to the end of the book to the Sales Section and write , in plain English, what the Sales division is responsible for accomplishing in your law firm, and how the Sales division of your law firm business is going to produce those results.

NOTES

SECTION 5: PEOPLE

A. Owner time

Review page 13: How I spend my time

1. How am I investing my time into my business now?
    - Client Work:
    - Marketing & Sales:
    - Admin / Trainings:
2. How will I need to invest my time in order to execute the plan outlined in the previous sections of this workbook?
    - Client Work:
    - Marketing & Sales:
    - Admin / Trainings:
3. What is my plan to find the time to make that change? (Who do I need to hire, what changes do I need to make to my calendar, priorities, etc.?)

B. Identify Tasks That Need to Come Off Your Plate

Hierarchy of tasks: In order to move up the ladder to the highest and best uses of your time you need to identify lower level tasks that need to come off your plate.

HIGH VALUE LEGAL:

- Marketing/Client Development
- Client Relationships
- Strategic Planning
- Strategic Management

LEGAL:

- High Level Legal Skills
- Middle Level Legal Skills
- Low Level Legal Skills
- Routine Management

TECHNICAL:

- Client Service (Inform And Respond)
- Technical Legal Skills (Drafting, Discovery)
- Technical Legal Systems Documentation

ADMINISTRATIVE:

- Systems Documentation
- Office Management
- Mail And Email
- Attorney Desk And Office Organization
- Telephone Answering
- Supplies
- Clerical
- Bookkeeping

C. Staff Matrix

STEP 1: IDENTIFY who in your law firm is doing each of the jobs below. Hint: each of these jobs had better get at least one name under it. None of these jobs should have everyone's name under it! (Note: If most of these jobs have your name under it and you've been running your own law firm for more than about 18 months, it is probably time you discovered 2nd gear.)

STEP 2: SCORING: Mark points as follows:

1 point: For every position that has at least one other name besides yours.

2 points: For every position that has someone else's name is under it and not yours.

STEP 3: MULTIPLIER: Now multiply your score as follows:

X 1: If you have no written job description.

X 2: If you have documented written job description that an "A" player could use to reasonably dete mine that they've done their job well.

X 3: If you could lay your hands on a written job description within 10 minutes of entering your office.

X 4: If, as you sit here, within 10 minutes (assuming internet access) you could get access to those wri ten job descriptions.

JOBS IN FIRM	NAMES OF PEOPLE DOING JOB	POINTS	MULTIPLIER	TOTAL
Receptionist				
Secretary/Assistant				
Bookkeeeper				
Office Manager				
Paralegal				
Associate (Grinder)				
Associate (Minder)				
Rainmaker (Finder)				
Legal Administrator				
Marketing Director				
Sales Director				
Client Relations				
COO				
CFO				
CEO				
Owner/Founder/You				

D. People Who do these Jobs

Have currently:

- ☐ Receptionist: _____
- ☐ Secretary: _____
- ☐ Paralegal: _____
- ☐ Bookkeeper: _____
- ☐ Associate (Grinder): _____
- ☐ Associate (Minder): _____
- ☐ Rainmaker: _____
- ☐ Legal Administrator: _____
- ☐ Marketing Director: _____
- ☐ Sales Director: _____
- ☐ CEO: _____
- ☐ COO: _____
- ☐ CFO: _____

Need in the next 12 months (ideas for leads)

- ☐ Receptionist: _____
- ☐ Secretary: _____
- ☐ Paralegal: _____
- ☐ Bookkeeper: _____
- ☐ Associate (Grinder): _____
- ☐ Associate (Minder): _____
- ☐ Rainmaker: _____
- ☐ Legal Administrator: _____
- ☐ Marketing Director: _____
- ☐ Sales Director: _____
- ☐ CEO: _____
- ☐ COO: _____
- ☐ CFO: _____

E. Right People in the Right Roles

1. The following positions are currently being filled by overqualified personnel:

- _____
- _____
- _____
- _____

2. The following positions are currently being filled by underqualified personnel:

- _____
- _____
- _____
- _____

3. We estimate each gap to be costing the business ____ per month because/ in the following ways:

- _____
- _____
- _____
- _____

4. We plan to close the gap(s) that we know to exist by:

- _____
- _____
- _____
- _____

F. Right Number of the Right People

Based on my SKU's, I will need the following number of the following roles in my business at the end of 12 months:

- ☐ Receptionist: _____
- ☐ Secretary: _____
- ☐ Paralegal: _____
- ☐ Bookkeeper: _____
- ☐ Associate (Grinder): _____
- ☐ Associate (Minder): _____
- ☐ Rainmaker: _____
- ☐ Legal Administrator: _____
- ☐ Marketing Director: _____
- ☐ Sales Director: _____
- ☐ CEO: _____
- ☐ COO: _____
- ☐ CFO: _____

G. Training

We have plans to provide the following ongoing training for our team:

- _____
- _____
- _____
- _____

★ Proceed to the end of the book to the People Section and write , in plain English, what the People division is responsible for accomplishing in your law firm, and how the People division of your law firm business is going to produce those results.

NOTES

SECTION 6: PHYSICAL PLANT

A. Physical Space

1. Based on our current growth plan, we estimate we will have _____ people working for our business in 24 months.

2. We currently have space for _____ people.

3. Our plan to address this is to _____

_____

_____

_____

4. We:

   a. estimate we will require _____ sq. ft. 24 months from now. We estimate suitable space will cost _____/ ft. and will require _____ months to locate and prepare for use, and/or

   b. plan to use virtual team who will meet our needs thru a digital presence as follows: _____ _____.

5. We want our office to be consistent with our mission to attract our target clients and A Player staff. On a scale of 1-5 (with 1 illustrating the feel is inconsistent with our niche and 5 illustrating the item is consistent), we believe the firm is as follows:

OUTSIDE:

a. Signage:	1	2	3	4	5
b. Outside of Office building:	1	2	3	4	5
c. Parking:	1	2	3	4	5
d. Entrance to Your Office:	1	2	3	4	5

INSIDE:

a. Reception Area:	1	2	3	4	5
b. Wall Hangings and Photos:	1	2	3	4	5
c. Office Furniture in General:	1	2	3	4	5
d. Specialty Furniture:	1	2	3	4	5
e. Conference Room & Chairs	1	2	3	4	5
f. Attorney Office:	1	2	3	4	5

B. Equipment and Tools

1. Based on Current growth plans, we estimate that the business will require _____ new or replacement tools/equipment.

2. Computers & Equipment:

- _____ $ _____
- _____ $ _____
- _____ $ _____
- _____ $ _____

3. Furniture:

- _____ $ _____
- _____ $ _____
- _____ $ _____
- _____ $ _____

4. Software/ Subscriptions/ Licenses/ etc:

- _____ $ _____
- _____ $ _____
- _____ $ _____
- _____ $ _____

5. The business requires the following licenses/ permits/ inspections and all are/ are not current:

- _____
- _____
- _____
- _____

G. Security and Compliance

1. The Business has the following professional relationships:

☐ Banker: _____

☐ Law: _____

☐ Insurance: _____

☐ Accounting (management): _____

☐ Accounting (financial): _____

☐ Consult/ Advisor: _____

☐ Real Estate: _____

☐ IT: _____

☐ HR: _____

☐ Recruiting: _____

☐ Other: _____

☐ Other: _____

☐ Other: _____

2. The Business needs the following professional relationships:

☐ Banker: _____

☐ Law: _____

☐ Insurance: _____

☐ Accounting (management): _____

☐ Accounting (financial): _____

☐ Consult/ Advisor: _____

☐ Real Estate: _____

☐ IT: _____

☐ HR: _____

☐ Recruiting: _____

☐ Other: _____

☐ Other: _____

☐ Other: _____

3. The Business has the following insurance:

☐ Malpractice Insurance: _____

☐ Business Insurance: _____

☐ Key Man Insurance: _____

☐ Cyber Insurance: _____

4. The Business needs the following insurance:

☐ Malpractice Insurance: _____

☐ Business Insurance: _____

☐ Key Man Insurance: _____

☐ Cyber Insurance: _____

5. Cyber Security.

a. Are you backing up? If so, describe each back up technique. If not, outline a precise plan to get a backup system in place in the next 2 weeks.

_____

_____

_____

_____

_____

_____

_____

b. When is the last time you tested your backup information?

_____

_____

_____

_____

_____

_____

_____

_____

F. Policies & Procedures

1. Mission Critical: The following are considered to be "mission critical tasks of the business. If these fail, the business fails:

- _____
- _____
- _____
- _____

2. Key Internal Administrative Policies:

☐ Attorney-Client Confidentiality

☐ Client Interaction (professional but not friends) especially outside of the office in sensitive practice areas.

☐ Legal Services For Staff, Friends & Family

☐ Following Documented Procedures & Agreed Methods For Questioning/Improving Documented Procedures

☐ Business hours (& dress code)

☐ Time sheets

☐ Attorney-access (by appointment or emergency)

☐ Personal business while at work

☐ Client cost advancements

☐ Hours & Holidays

☐ Centralized files of the firm

☐ Job descriptions (receptionist, secretary, paralegal, associate, rainmaker, manager & owner)

3. Key External Administrative Policies:

☐ Definition of the word "Emergency"

☐ Access to attorney (by appointment so that…)

☐ Billing what you do/do not bill for (travel, paper clips, etc.)

☐ Costs vs. Fees

☐ New developments in case (both directions)

☐ Treatment of opposing parties (your values, so as to not make a bad situation worse, etc.)

☐ Definition of the word "Honesty"

❒ File retention (are you going to be their reference librarian?)

❒ Referrals (discuss it so you train them)

❒ Privacy & confidentiality

❒ Boundaries & duration of attorney-client privilege (to protect you & them and as a marketing lesson)

❒ Definition of A-F clients.

4. Key Administrative Procedures

❒ Answering Telephones & Taking Message

❒ Routine Correspondence.

❒ Scheduling Appointments.

❒ Calendar & Docket Control.

❒ Scheduling Hearings.

❒ Opening a New File, Case or Matter – New Client.

❒ Opening a New File, Case or Matter – Current Client.

❒ Monthly File Review.

❒ File Protocols.

❒ Closing files, cases, matters.

❒ Calculating & documenting statute of limitation or other self-imposed deadline.

❒ Conflict checking & documentation.

❒ New client engagement.

❒ Declining a new case or engagement.

❒ Pre-engagement glide path.

❒ Post engagement 15, 30, 60, 90, 180 days.

❒ Accounting for time, tasks & value.

❒ Preparing bills.

❒ Accepting payment.

❒ Monthly bookkeeping.

❒ Monthly newsletter

❒ Computer back-up

❒ Computer file organization scheme.

❒ Operating instructions for all technology.

❒ Reviewing Policies and Procedures.

❒ Tickler system.

★ Proceed to the end of the book to the Physical Plant Section and write , in plain English, what the Physical Plant is responsible for accomplishing in your law firm, and how the Physical Plant division of your law firm business is going to produce those results.

NOTES

SECTION 7: FINANCIALS/METRICS

A. Key Financial Terms

To manage a successful law firm, you must have control of your finances so you can operate with confidence. Key financial terms include:

a. Chart of Accounts: Categories of anticipated revenue and expenses.

b. Budget: Best educated guess for each item in Chart of Accounts for next 12 mo.

c. Budget Variance Report: Comparison of best guess with reality.

d. Burn Rate: The hourly figure of unproductivity in office.

e. WIP: (Work in Progress) incl. all unbilled work broke down by age and type.

f. Aged Accounts Receivables: 30d, 60d, 90+d.

g. Cost of Inventory: Burn Rate x WIP.

h. R.U.L.E.S: Rates, Utilization, Leverage, Expenses, Speed of Collection.

The following reports should be reviewed monthly to assist the owner of a successful law firm in assessing the "heartbeat" of the firm and identifying where adjustments need to made for the coming months.

Do you review these reports?

- ☐ Budget Variance Report Jan 1 – Dec 31 (By month).
- ☐ Accounts Receivable Report.
- ☐ Rolling 12 Month Revenue And Expense Report.
- ☐ WIP Report.
- ☐ Weekly Cash Flow Forecast (6-8 weeks ahead).
- ☐ Balance Sheet.

B. Key Metrics

1. We currently monitor the following key metrics:

- ☐ # Active Clients/ Projects
- ☐ # New Clients/ Projects (30/90 days)
- ☐ # Closed Clients/ Projects (30/90 days)
- ☐ Weekly Variance
- ☐ YTD Variance
- ☐ HRS Variance (weekly)
- ☐ HRS Variance (YTD)
- ☐ % A-F Clients

2. What are the key metrics we will monitor to ensure the business is honoring its obligations to clients, shareholders and management alike?

_____

_____

_____

_____

ADVANCED QUESTIONS

1. What Key Performance Indicators (KPIs) will we track?

    - Marketing Metrics : E.G. Leads, Consultations & Sales per month.
    - Performance Metrics : E.G. SKU deliverables per employee per month.
    - Financial Metrics : E.G. 6 Key Financial Reports*

2. How will we track them?

3. What is the process for reviewing them?

C. Future Goals

By carefully tracking my financials and my metrics, and after executing on the business plan, in 24 months my goals are as follows:

- My Total Owner Benefit will be _____.
- My Profit Margin will be _____.
- My Monthly Collectability Rate on Revenue will be _____.
- My _____ will be _____.
- My _____ will be _____.
- My _____ will be _____.
- My _____ will be _____.
- My _____ will be _____.
- My _____ will be _____.

★ Proceed to the end of the book to the Financial and Metrics Section and write out in Plain English, how the Metrics and Financials will help your law firm business achieve the results you are planning.

NOTES

SECTION 8: YOU

A. Physical Health

- ☐ Sleep 7-8 hours each day, so that my body is well rested and I am living a balanced life.
- ☐ Walk/ Run/ Bike minutes times a week,
- ☐ Work out times a week. This is important to keep a positive mental state as well as staying physically fit.
- ☐ Lose _____ lbs by. This will involve both daily exercise and changing of eating habits.
- ☐ Eat healthy and drink more water.

B. Mindset

- ☐ Read one 'real' book a month.
- ☐ ATTEND EVERY LQM.
- ☐ Listen/Watch at least ____ podcast/audio/video to improve my mindset.
- ☐ Attend at least ____ mindset workshops to improve my awareness.

C. Hobbies/Recharge my Battery

- ☐ Spend hrs per week on_____, my favorite hobby.
- ☐ Spend hrs per week studying _____ (language/ musical instrument/ art/ creative endeavor)
- ☐ Volunteer ___ hrs/ wk in one charity/ organization I truly care about.
- ☐ Focus on family without distraction evenings per week
- ☐ Spend one night a week on "date night".
- ☐ Plan a week vacation.

D. Financial Literacy

In order to achieve personal wealth, I understand that I must commit to increasing my financial literacy each quarter.

- ☐ Read one financial book a month.
- ☐ Meet with people who are more successful than I am each month.
- ☐ Meet with my Personal Financial Team (CPA, Financial Investor, etc) every 6 months to keep up with my growth by planning for taxes and ways to create additional passive income.
- ☐ Listen/Watch at least ____ podcast/audio/video to improve my financial literacy.
- ☐ Attend at least one financial workshop in the next 6 month to improve my awareness.
- ☐ _____
- ☐ _____

I am going to accomplish the above by sharing my goals with the following people who will help hold me accountable:

- ☐ Managing Partner: _____
- ☐ Spouse/Significant Other: _____
- ☐ Best Friend: _____
- ☐ Counselor: _____
- ☐ My Cat/Dog: _____

★ Proceed to the end of the book to the Financial and Metrics Section and write out in Plain English, how the Metrics and Financials will help your law firm business achieve the results you are planning.

NOTES

Business Plan Summary for HTM C-Suite Team

MISSION OF THE FIRM

Member Name:_____
Date: _____
MP/CEO: _____
COO: _____
CFO: _____

In order to be successful 18 months from now the firm must be:

Producing $_____ Total Owner Benefit for the owner(s).

The owner(s) will take $_____ salary, $_____ in other benefits and

the firm will produce $_____ in net profits.

The firm's policies & procedures must be systematic enough for the owner(s) to work an average of:

_____ hours per week, ____ weeks per year.

This means the owners can be away from the office with "Emergency Access Only" for _____ weeks per year.

The definition of an "Emergency" is:...

_____

_____

_____

_____

In order for the firm to be successful it must enable the owner(s) to make the following positive-impact on the world... and the business will do that by helping x number of people solve the following types of problems in their life and/or business:

_____

_____

_____

_____

_____

_____

_____

_____

5 YEAR GROSS REVENUE GOAL $ _____

3 YEAR GOAL GROSS REVENUE GOAL $ _____

1 YEAR GOAL GROSS REVENUE GOAL $ _____

NEXT 4 QUARTERS GROSS REVENUE GOAL

Q1 $ _____

Q2 $ _____

Q3 $ _____

Q4 $ _____

TOB % NOW _____

TOB% GOAL NEXT 12 MONTHS_____

TOB (TAKE HOME) NEXT 12 MONTHS _____

AVERAGE CASE VALUE NOW _____

AVERAGE CASE VALUE GOAL (next 12 months)_____

SALES

For the next 12 months, the SALES Plan of my law firm will operate to deliver me the following results in the following manner:

SALES GOALS:

12 MONTHS $_____ CONVERSION RATE GOAL : _____%

24 MONTHS $_____ CONVERSION RATE GOAL : _____%

The firm will charge or earn an average of this amount for each type of case or Matter that it sells and delivers:

X: $_____ Y: $_____ Z: $_____

X cases/matters should have an average cogs of $ and produce gross margin of $_____

Y cases/matters should have an average cogs of $ and produce gross margin of $_____

Z cases/matters should have an average cogs of $ and produce gross margin of $_____

The average gross margin should be about ___% and the firm should operate on a net profit margin (after paying owner salary) of _____%.

In order for the firm to achieve these goals it must sell and deliver a blended average of _____ number of cases per year, per month, per week.

The sales plan is:

MARKETING

For the next 12 months, the MARKETING Plan of my law firm will operate to deliver me the following results in the following manner:

We expect sales to convert _____% which means marketing must produce _____ number of leads per year/month/week.

HYPOTHESIS PER MARKETING CHANNEL

	NEXT 12 MONTHS	NEXT 24 MONTHS
GAS CALLS		
REFERRALS		
NETWORKING		
WORKSHOPS		
SPEAKING/SPONSORING		
SEO/WEBSITE		
PPC		
OTHER		

PRODUCTION

	Price SKU Sold	Cost to Produce it	Profit Margin
SKU #1			
SKU #2			
SKU #3			
SKU #4			
SKU #5			
SKU #6			
SKU #7			

PEOPLE

For the next 12 months, the PEOPLE Plan of my law firm will operate to deliver me the following results in the following manner:

In order to produce _____ number of cases per month the firm requires the following staff (based on SKUs).

The plan to get each of the jobs done is:

Now

Must add

By when

How much lead time for recruiting & training.

What's going to happen/what's not going to happen if we do/don't add these positions...

HIRING PLAN

	Position(s)	Salary	Has the Marketing plan been adjusted for this?	Date by which recruiting process must begin.
Q1 (next quarter)				
Q2				
Q3				
Q4				
Q5				

PHYSICAL PLANT

For the next 12 months, the PHYSICAL PLANT Plan of my law firm will operate to deliver me the following results in the following manner:

The firm will need x office space, computers, software, licenses, insurance, etc.:

The firm will need the following psp's...

The firm currently has/will need the following physical plant...

CHANGES IN OFFICE SPACE:

(Checking point) Has marketing /budget been adjusted for extra expenses?

FINANCIALS/METRICS

For the next 12 months, the FINANCIALS/METRICS Plan of my law firm will operate to deliver me the following results in the following manner:

	Created? Y/N	Must Create	By when?/ who is responsible?	Deadline to review with CEO/CFO.
Budget				
Weekly Cash Flow Forecast				
Balance Sheet				
Budget Variance Report				
Billing Grid / Burn Rate				
Work In Progress (WIP)				
AR Report				

What kpis will we use to track/measure progress...

OWNERS

"Personal Growth Always Precedes Professional Growth"

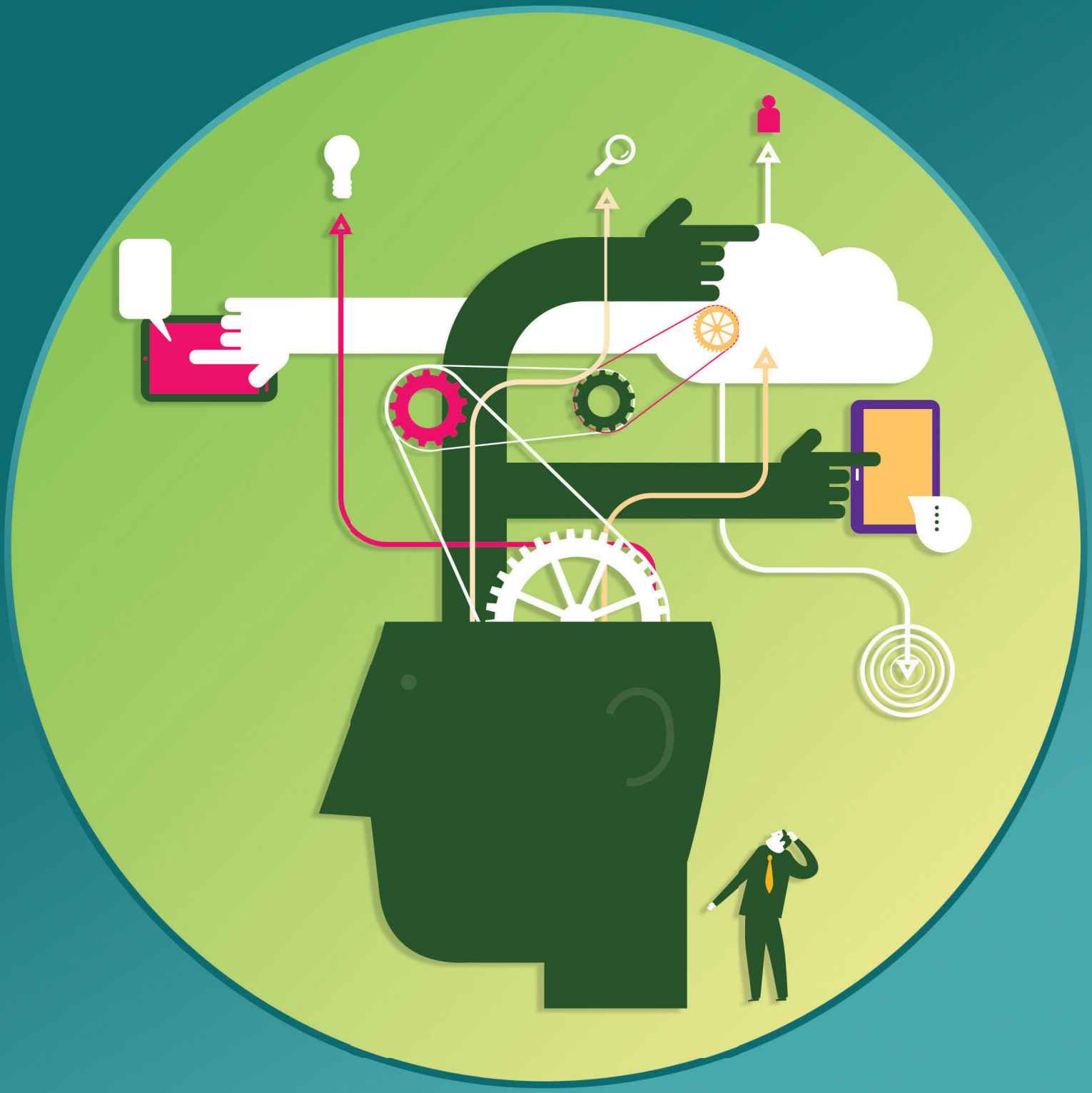
How will you improve your mindset, decision making process, discipline, habits and patterns over the next 12 /24 months? What needs to change?

The owners investors are...and they are (out of 100%) bought in to this plan...

Name, number, email.

This plan will be presented to them by...

This plan will be presented to the MP by when...



HOW TO MANAGE A SMALL LAW FIRM

HAPPY LAWYERS MAKE MORE MONEY

BUSINESS PLAN BUILDING WORKSHOP