



## HOW TO MANAGE A SMALL LAW FIRM



# TO BE OR NOT TO BE THE CEO



STAGE 7 | **SCALING  
UP**  
\$10M+

STAGE 6 | **TO BE OR NOT TO BE A  
FULLTIME CEO**  
\$5M-\$10M

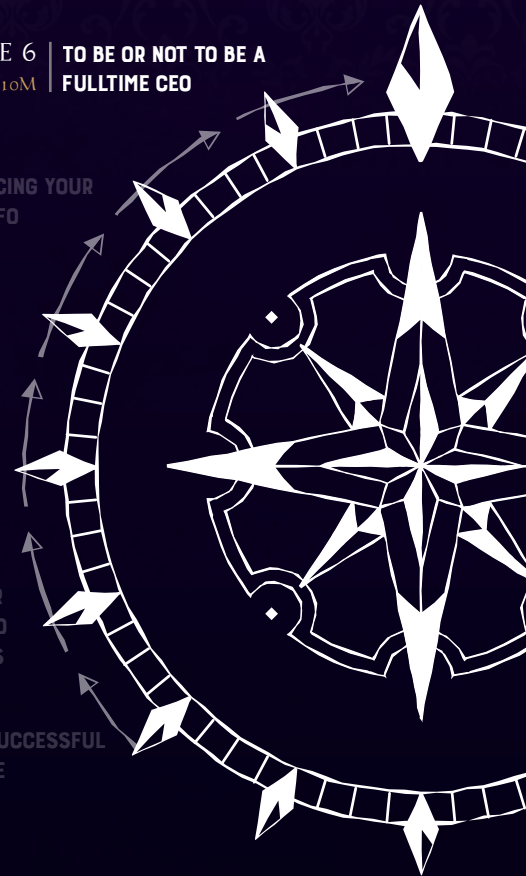
STAGE 5 | **IN-SOURCING YOUR  
FIRM'S CFO**  
\$3M-\$5M

STAGE 4 | **IN-SOURCING YOUR  
FIRM'S COO**  
\$1.5M-\$3M

STAGE 3 | **BREAKING THE  
7-FIGURE BARRIER**  
\$500,000-\$1.5M

STAGE 2 | **UPGRADING YOUR  
LAW PRACTICE TO  
A LAW BUSINESS**  
\$250,000-\$500,000

STAGE 1 | **CREATING A SUCCESSFUL  
LAW PRACTICE**  
\$0-\$250,000



STAGE 6  
TO BE OR NOT TO BE A  
**FULLTIME CEO**  
\$5-\$10M

# TO BE OR NOT TO BE THE CEO

## 6<sup>TH</sup> STAGE OF GROWTH

### WHERE YOU ARE TODAY AND THE CHALLENGES YOU FACE

In the SIXTH stage of growth of every law firm the question becomes TO BE OR NOT TO BE THE CEO OF YOUR BUSINESS. What does this mean? This means the owner of a \$5M firm needs to make the decision on where the firm is going and what involvement the firm owner wants to have with the firm. In general, owners at this level fall into 4 categories.

- ♦ **Being the Full Time CEO:** For some, being the full time CEO, the strategist, for the firm is the pinnacle of what has driven the building of a successful law firm business. Getting out of the day to day grind of the substantive legal work was a relief and then handing off the day to day operations to an Administrator relieved a good portion of low level mundane tasks. Now that the firm is running you can focus on the strategy of taking the firm to the next level.





- ♦ Returning to Being a Lawyer Technician: For others, the desire to be a lawyer is still deeply engrained as a part of who they are and what they want to do full time. That's great! It just means that now the firm needs to find a full time CEO who will actually manage and guide the firm.
  
- ♦ Moving On But Keeping the Firm Going: For yet others, the firm is now running strong and there is a desire to move on to another project, another business, another challenge, or simply retire! A key consideration for this category is truly finding the right individual and ensuring that they are trained and handling the firm well before simply handing over the keys and sailing off.
  
- ♦ Selling the Firm: Yes, You can sell a Firm! Just like any business a law firm is saleable too, but only to the extent it is a business not a practice. The question becomes when and how you want to handoff the firm. There are many, many components to selling a firm and that alone could be a 3-day workshop but the key is to start early with ensuring the right infrastructure is in place with solid policies and procedures and systems and the right C-Suite team to run it. This also includes when you want to build up a particular niche in the firm and spin it off as it's own business and put a CEO in place to run that business and then potentially sell it.

The core nexus to all of this is WHAT DO YOU WANT. As the Owner, your goals are what steer the direction of what needs to be put in place.





# **ELEMENTS FOR BUILDING A SUCCESSFUL BUSINESS AT THE 6<sup>TH</sup> STAGE OF GROWTH**

## **1. Revamp the Business Plan.**

As a firm continues to grow it is more important than ever to HAVE A CLEAR BUSINESS PLAN that creates the guidance and direction of the firm.

There are 7 working parts in every business. Marketing, Sales, Production, People, Physical Plant, Money/Metrics and YOU. A business plan fleshes out each of these 7 working parts to explain in plain English how you are going to consistently get A+ clients in the door, how are you going to convert them timely and efficiently into paying clients, what are the processes to streamline getting the work done to increase profit margins and create raving fans, how are you going to hire, train and make a profit with staff to get the work done, identifying growth and expansion of the physical office and what tools do they need, and metrics and milestones to measure that the plan is working.

A successful business must meet the Owner's financial, professional and personal needs while allowing sufficient funds to continue to build and invest in the future of the firm. A good business plan must also identify how the firm is going to continue to operate and maintain the high standards that have gotten it to that level so it doesn't fall apart if the owner is no longer at the helm. This all requires the owner to get clear on the vision of their own involvement and whether they want to BE the CEO, or handoff the reigns.





## **2. Creating and Measuring KPIs for Continued Success.**

At the 6 th stage of growth another key element is creating and measuring Key Performance Indicators for continued success. The firm likely has some KPIs already in place for staff, production, marketing and sales, but at this level there needs to be even more Lead Metrics (as opposed to Lag metrics that tell you what happened in the past) to ensure the continued ongoing success of the firm. These need to be objective measurements so it is easy to tell when the firm needs to pivot on the plan.

Understanding the profit margins for each service, the profit margins for each employee and the marketing performance numbers are all key indicators that lend to what can be expected in the future. But at this higher level one must look out even further and be looking to create not just happy clients, but “Raving Fans”, not just workers, but an “An Amazing A Team.”

## **3. A Timeline For Transition.**

As you know, your calendar is one of the greatest profit generating tools in your tool chest. Your precious time is your most finite commodity and you have to be protective of you time. This also means it is imperative to be very deliberate in how much you take on and when you take on a new project you need to delegate more off your plate.

At this stage of growth a key element is building out a transition plan. That plan may be to get you into the full time CEO Role. Or it may be to bring in a new CEO so you can





transition back to just being the lawyer or alternatively prepare to handoff the reigns. In most cases this transition will take 12-24 months so building out the timeline and finding the right plan is central to getting started.

## **ACTION PLAN**

### **1. DECIDE Where You are Going Next.**

A firm cannot move forward if it doesn't know where it is going.

The first action step is to DECIDE.

TO BE or NOT TO BE a CEO.

Once you decide the options become more clear.

### **2. Know What You Are Looking For and Heavily Vet Candidates that are Possibilities as Your CEO.**

A mistake of many entrepreneurial owners it to make a fast decision and hire the first CEO that comes along without taking the time to vet the candidate. Knowing what you are looking for is instrumental to attracting the right kinds of candidates. Learn from others who have done it well. Take the time to assess the firm's strengths and weaknesses to pair a solid candidate with the needs of the position.

Then spend extensive time vetting the candidate. Remember, this person is instrumental to the continued success of the firm you've built.





### **3 Create a Dashboard View for Your Law Firm.**

What does this mean? A dashboard will allow you to see and know how you're tracking towards your goals whether you're involved in the day-to-day operations of the firm or not. A dashboard that clearly tells you and the key people on your team what the numbers are historically, and then uses that to predict future trends is what will give you freedom. Having a dashboard that aligns with your goals is the only way for you to successfully know what's going on in your firm when you're not there, pivot a plan before it's too late, and be able to make decisions based on facts rather than emotions.

### **4 Engage in an Extensive and Planned Onboarding of the CEO.**

Just because you find the perfect person does not mean instant success. The Onboarding Plan of an A+ CEO takes strategy. It is easy to taint or ruin a great candidate in those first 6 months and it is imperative you invest the time, money and energy to do it right if you want the person to last.

At this stage, the "Hire and Hope Strategy" (you know, the hire and hope they know what they are doing philosophy) REALLY DOESN'T WORK! So, invest the time to get help bringing in the right person.





# WHO IS GOING TO HELP YOU: YOUR CEO, YOUR COO & YOUR CFO

At this point you likely have an **external CEO** to help the firm navigate and be sounding board for the “big picture” items of the firm. The external CEO of a small law firm helps guide the firm in building the business plan, the budget and holding the owner accountable to do the things which will help it grow. A CEO is a blend of a mentor, a coach, an accountability partner and an ass-kicker. Your CEO helps you with the big pictures views and keeps you moving forward. Your CEO is also there to help you find, train and handoff the reigns to an internal CEO if that is your choice.

**At this stage you likely have an internal COO** who is there to guide in running the day to day operations of the firm. The COO works with the owner to learn the vision of what the owner wants to build and then helps build it. The COO continues to build out the policies, procedures and systems to keep the firm running in a smooth fashion.

**At this stage you likely have an internal CFO** who is there to help you analyze the objective number and strategize the next steps toward moving forward with your plan can help you.





If you are ready to get help and start taking control of your firm and grow it the way you want, **CLICK HERE** to schedule a discover call with someone on the **How To MANAGE A Small Law Firm Team.**

You'll be able to choose a time that works for your schedule and then when you speak to one of our team Members, you'll be able to ask all your questions and most importantly discover how you could be growing a much healthier, much more profitable firm in the next 18 months that meets your definition of success at this stage of your life. You can and should have a firm that serves you professionally, personally, and of course financially.

Taking action sounds easy, but when you start doing it is where it gets tough. Don't reinvent the wheel. There are hundreds of successful small law firm owners who have taken the first step by scheduling an appointment and you owe it to future successful self to at least learn what options are out there to help you move forward!

**SCHEDULE YOUR DISCOVERY CALL RIGHT NOW**



Dedicated to Your Success,

**TEAM HOW TO MANAGE A SMALL LAW FIRM**







# HOW TO MANAGE

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A SMALL LAW FIRM

**HAPPY LAWYERS MAKE MORE MONEY!™**