

# LAW FIRM GROWTH

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# PERSONAL BUDGET

**Instructions:** Figure out how much it cost to live the way you are currently living, then figure out how you want to be living, then figure out how much it cost to live the way you want to be living.



## HOME

- Utilities
- Telephone/Cell
- Domestic Services
- Maintenance
- Groceries
- Other



## TRANSPORTATION

- Car 1 Payment/Lease
- Car 2 payment/Lease
- Car 3 Payment/Lease
- Car 4 Payment/Lease
- Car Maintenance
- Other (ex: train, tolls, etc.)



## ENTERTAINMENT

- Restaurants
- Theater/Sporting events/etc.
- Hobbies
- Social Clubs
- Dues/Subscriptions
- Toys (ex: boat, motorcycle, etc.)



## EDUCATION

- Adult personal development
- Child 1 529 plan/current tuition
- Child 2 529 plan/current tuition
- Child 3 529 plan/current tuition
- Child 4 529 plan/current tuition
- Other



## INSURANCE

- Health
- Life
- Disability
- Auto
- Home
- Boat
- Other



## DEBT SERVICE

- Credit Card 1
- Credit Card 2
- Credit Card 3
- Student Loans
- Personal lines of credit
- Alimony
- Child support
- Other



## SAVINGS / RETIREMENT

- Account 1
- Account 2
- Account 3
- Other



## PHILANTHROPIC

- Philanthropy 1
- Philanthropy 2
- Philanthropy 3
- Philanthropy 4
- Other

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



# 1. GOALS

**A** Your definition of a **“SUCCESSFUL”** business –

In order for me to consider my business to be successful, it must provide me with:

\$ \_\_\_\_\_ annual / \$ \_\_\_\_\_ mo income.

To be deemed by me to be “successful” the business must be able to sustain itself as a going concern with me away on “emergency access only” for:

\_\_\_\_\_ consecutive wks/year, so that I can \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

On average, I want to be able to run my business giving it:

\_\_\_\_\_ hours/week (x) \_\_\_\_\_ weeks/year.

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 will a accomplish this objective) .

**B** In return for the value my business produces for it’s customers/clients/passengers/patients/ the world, it is my goal that my family and I should enjoy the following material comforts:

\_\_\_\_\_

\_\_\_\_\_





# 1. GOALS

**C Instruction:** Please keep apples with apples and oranges with oranges. To do this, convert all annual cost to a monthly expense. For example, if your family annual vacation will cost \$12,000, simply divide that annual cost by 12 to get \$1,000/mo.

	Current Expenses	18-24 Months From Now Expenses
Household		
Transportation		
Education		
Insurance		
Total \$		

**D** To live the way I want to be living, 18-24 months from now, my business must produce...

\$ \_\_\_\_\_ **net profit for me and my family.**

This represents a difference of \_\_\_\_\_% (oranges – apples / apples) from where my business is today. Note: Please complete this exercise for each owner who does not share household.

**E Volume of Business**

- Net/Avg profit margin = Gross
- Gross/Avg sale amount = Approx. # sales required
- Approx. # sales required/Typical sales conv. rate = # Prospects required/year
- # Prospects required /12 = “at bats” required each month.

**EXAMPLE:**

*\$100,000 Net / 50% average profit margin (.50) = \$200,000 Gross;  
 \$200,000 Gross / \$2,000 Avg sale amount = 100 Sales required;  
 100 Sales required / .33 conversion rate (1 out of 3) = 303 Prospects required  
 303 Prospects (annually) / 12 = marketing must deliver 25.5 prospects per month.*



## 2. MARKETING

**A** Marketing must produce \_\_\_\_\_ **“at bats” / month.**

**B** Not all customers/clients should be treated the same. We will maintain an objective grading scale that everyone on our team can use to determine if a given individual prospect is someone our business should or should not be doing business with. Marketing will be calibrated to attract only A and B accounts. Marketing will be calibrated to screen out/prevent prospects for whom our business is not likely to be a good fit for/wasting our time and resources on them.

An “A” Client **IS:**

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An “A” Client **IS NOT:**

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An “F” Client **IS:**

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An “F” Client **IS NOT:**

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The presence of absence of these two qualities/characteristics will cause our firm to demote someone from an **“A” to a “B”**:

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The presence of absence of these two qualities/characteristics will cause our firm to demote someone from an **“B” to a “C”**:

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The presence of absence of these two qualities/characteristics will cause our firm to demote someone from an **“C” to a “D” (or an “F”)**:

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## 2. MARKETING

**C** Methods of Marketing. It's more profitable to pick a few methods of marketing and execute them consistently and well than to scramble around trying to do too many different things and wind up doing them all badly, or stop-start.

**Stage 1** (net income under \$100K). We will focus on these 2-3 methods of marketing:

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**Stage 2** (net income between \$100-200K). We will focus on these 3-4 methods of marketing:

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**Stage 3** (net income between \$200-500K). We will focus on these 5-6 methods of marketing:

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**Stage 4** (net income above \$500K). We will focus on these 6-10 methods of marketing:

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**D** We estimate that a 100% increase in potential new business would produce the following problems:

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## 3. SALES

**A** Answer the following:

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

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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/etc. in the following ways:

- ---
- ---
- ---

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

Customers/clients profit by doing business with our company/firm by:

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4. Explain in plain English the objective criteria a sales person working for your business can confidently rely upon when deciding to make a or decline a sale.

A sales person working for our business can rely upon the following .... when deciding to make or decline a sale:

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## 3. SALES

- A** 5. What are the minimum skills a person would need in order to reliably convert a prospective customer/client/etc. delivered through marketing channels into a paying customer/client/etc. of your business?

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6. Describe a typical sales transaction. Be sure to address:
- a) What tools/resources does the salesperson need?
  - b) How long should it take?
  - c) How is the sales person on department held accountable for closing sales with A + B vs. D + F customers/clients/etc.?

A typical sales transaction should go like this:

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7. What training does a sales person for your business get before you set them loose with your potential new customers/clients?

Before setting a sales person loose with our potential new customers/clients we provide the following and ongoing training to ensure ...

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(does or does not happen).





## 3. SALES

**B** Historically, our conversion rate has averaged \_\_\_\_\_.

In order to reach our gross income sales our conversion can/must be \_\_\_\_\_.

Our plan to maintain/improve conversion rate (pick one) is to ...

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We estimate a 10% increase in conversion rate would produce \$ \_\_\_\_\_ more net profit and/or the following additional benefits.

We estimate a 100% increase in conversion rate would produce the following problems:

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**C** Our current cost per customer is \_\_\_\_\_.

Our goal is to get our cost per customer to \_\_\_\_\_ by \_\_\_\_\_ (date).

Our plan to achieve our target client/customer is to ...

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## 4. FACTORY

**A SKU's**

Our business produces and/or delivers the following products/services to its customers/clients:

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Complete the following exercise for your top margin deliverable:

**Step 1 -> Step 2 -> Step 3 -> Step 4 -> Step 5 -> Step -6 -> ... -> Step 10**

What happens to kick off step 1?

a. Position (who on your team by job description):

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b. Time to complete this step:

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c. Tools used:

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d. Raw materials or other resources needed:

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## 4. FACTORY

**B** Currently our factory can output \_\_\_\_\_ (# of) deliverable per day/week/month/quarter/year.

In order to double output our factory would require:

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Our plan is to equip our factory to grow production by \_\_\_\_\_ % by \_\_\_\_\_ (date) by taking the following steps:

Step 1: \_\_\_\_\_

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Step 2: \_\_\_\_\_

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Step 3: \_\_\_\_\_

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Step 4: \_\_\_\_\_

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Step 5: \_\_\_\_\_

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Etc.





## 5. PEOPLE

In a well-run business, all work gets done by the least expensive means possible.

Deploying a highly skilled and high-cost worker to do the work that could be reasonably done by a lower cost worker if given proper training, supervision, and support is wasteful and dangerous to all stakeholders including investor, owner, management, staff, and ultimately even consumer themselves.

Management of a well-run business thinks, plans, and communicates in term of position, not the person who happens to be holding down a given job.

Positions are defined by the minimum skills/qualifications needed to do the job, not by the skills/qualifications of the person who happens to be in the job right now.

To operate at peak efficiency our business requires the following positions:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

This is how each position is meant to make the business more profitable:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_





# 5. PEOPLE

## GAP COUNT

Position	Level of Skill	Name(s) in Position Now	Level Skill	Gap

The following positions are currently being filled by overqualified personnel:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

We estimate each gap to be costing the business \_\_\_\_\_ per month because/in the following ways:

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

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## 6. PHYSICAL PLANT

**A** Based on our current marketing growth plan, we estimate we will have \_\_\_\_\_ people working for our business in 24 months.

We currently have space for \_\_\_\_\_ people.

Our plan to address this is to ...

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**B** We 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.

**C** Based on current growth plans, we estimate that the business will require \_\_\_\_\_ new or replacement tools/equipment.

Major items include:

- \_\_\_\_\_ \$
- \_\_\_\_\_ \$
- \_\_\_\_\_ \$

**D** We do/do not have all job description(s) documented for every position and our plan is to do the following about it ...

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## 6. PHYSICAL PLANT

**E Policies & Procedures.** The following are considered to be “mission critical” tasks of the business. If these fail, the business fails:

1.

2.

3.

The following key **external policies** exist:

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The following key **internal policies** exist:

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The following key **operational procedures** exist:

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## 6. PHYSICAL PLANT

**F** The business requires the following licenses/permits/inspections and all are/are not current:

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**G** We believe we can predict the following about our business and industry:

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**H** The Business has/needs the following professional relationships:

**BANKING**

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**LAW**

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**ACCOUNTING (MANAGEMENT)**

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**ACCOUNTING (FINANCIAL)**

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**CONSULT/ADVISOR**

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**INSURANCE**

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**RECRUITING**

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**IT**

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**HR**

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**REAL ESTATE**

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**OTHER**

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**I** We have plans to provide the following ongoing training:

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