



ATTORNEY SEARCH

By Jamie Bailey

### Partner Business Plans: Key Elements

Every day, I receive calls from partners who are seeking to transition to new law firms. One of the first questions I ask is whether the partner has the ability to bring with him or her clients or whether there is a strong likelihood he or she will be able to develop business at a new firm via current contacts.

With burdensome market forces affecting firms' hiring practices, including increased pressure to expand, globalize practices, and leverage practices effectively; the need to increase resources to more efficiently service clients; and pressure to increase revenues and profits per partner, firms find themselves competing more and more with other law firms to hire top-notch talent. As a result, complex planning is taking place in most major firms at the practice-group and individual-partner levels. Thus, partners need to strategically position themselves, and a well-written business plan can make a partner more attractive to a prospective law firm. The challenge for partners is to create business plans that not only meet but exceed firms' expectations.

Some of the most significant factors firms consider when making decisions regarding whether to hire partners include:

- A partner's fit culturally
- The viability of a partner's practice for the long-term
- A partner's record of excellent client service to long-term clients and producing business
- A partner's history of consistently increasing collections
- A partner's practice fit in connection with the firm's strategic plan for expansion
- Whether a partner's practice area is one that is targeted for growth
- Whether the partner brings portable business and/or specific expertise needed in a particular practice area
- The opportunities the partner would bring for business development and significant cross-selling were the partner to join the firm
- Whether the partner's historical information is reflective of consistent productivity
- Whether the partner's client base fits within the firm's client structure
- Any potential conflicts that would preclude the firm from hiring the partner
- A partner's current compensation and compensation expectation
- A partner's potential contribution to the firm's bottom line/profitability
- A partner's fit within the firm's current attorney roster
- A partner's reason for leaving his or her current firm (voluntary/mutual arrangement) and whether the partner would be a problem

Partner Business Plans: Key Elements

A well-written business plan can serve as a bridge between a partner and a firm. Its impact on a partner's ability to transition to a new firm can be very significant. Business plans can be very difficult for attorneys to write, since the focus is on creative marketing and not on making a legal argument. A well-written business plan should, at the very least, be:

- **Creative:** Serve as a marketing piece on the partner and enable the firm to assess the partner's business potential. It should also provide an outlet to the partner to step out of the resume format and chart his or her previous performance and future prospects for business in a creative format.
- **Illustrative:** Illustrate to a firm that the partner is thinking about his or her practice as a business and set forth his or her plan for the future.
- **Persuasive:** Persuade the firm to hire the partner.
- **Historical:** Chart an historical record of the partner's history of creating business opportunities and his or her ability to develop and foster client relationships over an extended period of time.
- **Demonstrative:** Demonstrate a partner's business-development skills, initiative, and ability to contribute not only to his or her own success but also to the success of his or her colleagues through cross-selling efforts. It should also demonstrate ways a partner can contribute to a firm's financial bottom line, enhance its practice-group development, and ultimately bring added value to the team.
- **Prophetic:** Prophecy what the partner believes he or she will be able to accomplish in his or her practice and for the firm in the short and long term.
- **Preparatory:** Prepare the partner for the interviewing process.

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Many partners with whom I speak indicate they have plans but have not yet put them to paper. It is absolutely essential that a partner commit to paper his or her thoughts regarding business-development plans, as this effort usually brings about a level of accountability for the partner. If, for instance, a partner puts together an action plan at the beginning of the year and outlines steps to take over the following 12 months, the partner will be more likely to execute the plan than he or she would otherwise be if a commitment had not been made in writing. It also allows a partner to break down his or her plan into smaller, more manageable action plans to execute throughout the year (i.e., monthly or quarterly) so that the overall plan is less overwhelming.

What, then, are the key elements of a partner business plan, and what should partners include in their business plans? Below is an outline that includes what I believe are the critical elements of a partner business plan:

#### **Introduction**

- Provide a narrative including professional history, practice overview, and a description of areas of expertise. This section may highlight briefly particular areas of expertise that the firm does not currently have.
- Describe the partner's role historically as a business developer.
- Briefly touch upon why the partner believes he or she would be a good fit for a particular firm.

### **Market Research/Analysis**

- Give analysis of local need for services in partner's practice area.
- Describe local competition/other law firms with similar practices.
- Give overview of need in local market for partners with his or her expertise.
- Describe why partner believes firm provides the best platform in the marketplace for his or her particular practice area.

### **Current Client Base**

- Describe current portable clients (use generic or specific).
- Describe key industries serviced.
- Discuss other partners' clients partner is servicing.

### **Additional Contacts to Develop**

- Discuss contacts not yet tapped.
- Given market analysis, project possible targets in local, regional, national, or international markets.
- Discuss possible expansion of business from current client base.

### **Cross-Selling Opportunities**

- Describe cross-selling opportunities with current clients.
- Describe cross-selling opportunities with known key clients of prospective firm.
- Discuss other practice areas at current firm to which partner is delegating work.
- Discuss services your clients are requesting that you cannot currently service at your firm and could otherwise capture at the new firm.

### **Other Business-Development Sources**

- Describe additional business contacts you are pursuing or plan to pursue.
- Speeches, publications
- Community organizations
- Bar associations
- Internal marketing initiatives
- Client seminars/newsletters

### **Long-Term Strategy Goals and Targets**

- Set targets for expansion of practice in terms of collections, attorneys, and clients/industries.
- Consider possibility of local to regional to national growth patterns.
- Consider growth in other key competencies which may be affected by partner's long-term success.
- Discuss long-term strategies in connection with firm's overall strategic plan and practice-group development plans.

### **Historical Collections, Billing Rates, and Billable Hours**

- If partner with lower billing rate structure, chart anticipated rate increases by portable client or anticipated timeline for rate increases to current clients. Discuss any alternative billing arrangements you currently have in place with clients.
- Include three-year client collections history by client (as originating attorney and as billing attorney on other attorneys' matters). Include projection for current fiscal year.

- Include three-year billing rate history.
- Include three-year historical compensation history (including bonus information).
- Include three-year billable hour history.
- Note pending projects contributing to future collections.
- Include a summary of anticipated collection projections for the next three to five years.

#### **Resources**

- Business-development budget
- Time commitments from partners in other practice areas for cross-selling purposes
- Key staff needed (secretary, paralegals, etc.)
- Foreign-language skill requirements
- Travel expenses
- Marketing materials, presentations, etc.

#### **Creative Conclusion**

- Recap key points in plan, added value partner brings, and reasons he or she would be a good fit.
- Emphasize flexibility of plan and eagerness and willingness to discuss and modify in accordance with firm's plans and objectives.

A business plan is necessary and can greatly affect a partner's candidacy. Firms need partners with business, particular expertise in key practice areas (or the capability to launch new practice areas), and the ability to grow and expand their practices. Therefore, a partner who has a well-defined business plan for the growth and continued expansion of his or her client base and practice will have a higher probability of succeeding in this very competitive and demanding legal market.