



Law Office Management & Administration Report June 2007

Is Your Law Firm in a Serious Rut?

SECTION: LAW FIRM MANAGEMENT Vol. 2007 No. 6

LENGTH: 671 words

Success often breeds complacency. And the irony is that too much self-satisfaction makes it difficult for leaders to challenge themselves and members of their law firm to achieve greater business successes. In other words, the entrepreneurial edge that enables leaders to carve a prosperous business can dull over time.

It's not too difficult to spot firms where leaders have lost the "fire in their bellies." Typically, what you'll see is that:

Profits become static;

Firm leaders don't challenge themselves or willingly try new things;

On paper, the firm is neither failing nor succeeding; and

There are no obvious concerns about losing clients, but new work seems hard to find.

Additional signs to watch out for:

1. Leaders are more obsessed with immediate profit than with long-term growth. There's a general sense that hours not spent on something that offers an immediate return is time wasted. The issue: Negating the importance of hands-on management that takes time to show a return, like associate development and personal marketing.
2. Leaders are out of touch with broad industry trends and concerned primarily with what's going on in their own firms. The issue: Not paying attention to what the competition is doing or to what's going on in the legal marketplace.
3. Members of the firm behave like drones concerned primarily with avoiding risk, keeping their noses clean, and doing what works. The issue: Firms that don't encourage or reward innovation can't achieve long-range success. In high-performing firms, every member is responsible for identifying opportunities that might accrue to the benefit of the organization as a whole.
4. Members of the firm are expected to "know their place." The issue: Rules and procedures that exist "just because" stifle creativity and smother all urges to generate ideas and try new things.

Possible solutions. Being successful in business is all about forming good habits, says **Ty Freyvogel**, founder of EntrepreneursLab.com, a new site with a plethora of business advice, and author of *It's Not Your Smarts, It's Your Schmooze*. "If you don't keep up with certain tasks--tasks that you probably think of as nonessential--you might get lucky and avoid a major catastrophe. But then again, you might not."

Here are excerpts from Freyvogel's checklist of business management habits to keep a tight rein on your business and avoid complacency:

Habit 1: Review all of your systems from top to bottom. Carefully examine what is working and what isn't. Decide where the problems are, and figure out what can be fixed.

Habit 2: Review all vendor contracts. Take a look at how much business you are doing with each vendor. Are you getting the best rates based on how much you are working together?

Habit 3: Determine who are your best clients. Examine each one through a profitability lens. You may be surprised to find out that your best clients aren't who you think they are. Be sure to tell them you appreciate their business, and ask if there is anything you can improve on or do differently to help them grow their business.

Habit 4: Review your marketing campaign. You should always make time to take a look at which marketing efforts are driving business and which are not.

Habit 5: Overhaul your Web site. You need to make changes to your Web site regularly to keep it "fresh." Make sure your information is updated, and post any articles that have recently mentioned your firm. Also, take a look at your business cards: Does the layout (colors and design) match that of your Web site and other stationery?

Habit 6: Consider technology upgrades. "A new computer, phone system, or other technology upgrade can make a huge difference in the daily lives of your employees," says Freyvogel. "Just be sure that everyone gets the appropriate training on the new technology."

Complete these tasks at least once a year if you want them to benefit your business in a consistent, positive way. Remember, when small but critical details fall by the wayside, it's often to the detriment of the bottom line.