

Law Matters Newsletter

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I hope that you enjoy your break over the holiday, and that you come back refreshed to face the New Year. As we say where I come from, Nadolig Llawen.



ABC of Business Planning

ABC: Always Be Clear

For some law firms, their business plan runs to the calendar year. For others, it follows the fiscal year. Either way, remember: Always Be Clear.

Clarity means that, however small your firm, the plan needs to be written down. This necessitates clarifying exactly you intend to do, rather than keeping vague intentions in your head. Putting it into words ensures that you are clear. Having a document also gives you something to refer back to, and against which to track progress.

ABC: Aim, Brand, Clients

Any business plan needs to consider the resources required, and financial projections (budget, P&L and cash flow). Additionally, banks will expect to see a plan containing particular information. And the bigger and more complicated the firm, the more time and effort will go into the business plan. Yet the kernel of the plan (and its essence) starts with ABC.

A: Aim

What is your firm for? Why are you (as an individual) in business? You may “work for wages”, so that you have something to live on. You may want to make a difference in the world, or build a dominant business, or survive until retirement.

Any High Street firm which runs on an overdraft should be asking some serious questions in the light of the Legal Services Act, if they have not done so already. If work goes to the Co-op and you have to pay off the overdraft as well as the premium for run-off insurance, life could be very interesting indeed.

How you run your firm depends on what you are trying to achieve, so clarify that first.

B: Brand

What kind of firm are you? (And again, what are you like as an individual?) Specialist or generalist? Large or small? Cheap or expensive? Systematised? Can clients expect individual attention? Are you approachable?

David Maister usefully divides professional service firms into the Expertise Practice, the Experience Practice and the Efficiency Practice. This runs from the niche tax practice at one end to the systems based conveyancing shed at the other. Knowing where you are on this spectrum

affects everything from the structure of the firm to how you find your clients and how much you charge. Trying to be all three generally serves only to confuse both the firm and its clients.

The ultimate question: Who are you in the market place?

C: Clients

It is important to know who you serve. And hopefully they are who you want to serve.

- Who are you clients? Do you define them by area, by income, profession? What is your niche – what is it that you do for them?
- Where do you find them? How can you contact them?
- What pain do you cure? What advantage do you provide?
- What do your clients need?

Importantly, who else is serving your market? Should you compete, or collaborate? What if they serve one need, and you serve another?

D to Z

ABC certainly gives you the kernel of your business plan, but there is, of course more. Getting this right does not in itself achieve anything.

For example, not only will you need to prepare financial projections (budget, P&L, cash flow, balance sheet). More than that, you need to understand them, and monitor them. And make sure that you understand the breakeven point of your business: at what stage in the year do you stop covering expenses and start making profit. Remember that “Black Friday” in the USA is the day when retail businesses move into the black.

It is the owner’s/manager’s job to align people, resources and money to achieve the ends set. As the Army’s doctrine states

“An army is likely to be only as good as its higher commanders whose job it is to ensure that the doctrine, organisation and equipment are appropriate and in harmony.”

Group Coaching



We will be launching a coaching group on Business Planning in February, as an additional means of supporting clients. This should help you prepare for the new financial year. Part of the benefit of group coaching is being able to share experience with others in a similar situation. Please email us at enquiries@iwanthomasassociates.co.uk for further details, and for a chance to shape the group.

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