



TYLER WILSON

## EXPECTED GOALS

A VIEWPOINT ON SETTING PARTNER OBJECTIVES

“Even epidemiologists admit that there is a difference between a projection and a forecast. Both model future scenarios. Both rely on assumptions. The difference, as law firms preparing for their annual business planning process know, lies in the realism of the parameters – between what is possible in theory and what is likely in practice.

In this **Viewpoint**, we look at the challenge for Practice Heads of setting partner objectives for the next financial year – and some of the questions that may arise from the reduction in business development activity during the pandemic.”



In days as uncertain as these, it is hard for any business to plan with confidence. For law firms, whose forward order books rarely extend beyond 30 days in normal times, it can be nigh on impossible. In the nicest possible way, we hope 'events' experienced by our clients in the not-too-distant future will allow us to put our resources at their disposal. In football terms, predicting how this might happen is like trying to calculate a team's expected goals before the season starts.

### 🔗 DOING THE MATHS

For this reason, income budgets tend to derive from the rudimentary maths of multiplying headcount by target hours by hourly rates, with or without adjustment for special circumstances. From that figure, a marketing and business development budget is derived – typically, 1.5 to 2% of fee income. Each partner's share of that can be invested in activities with some promise of return. The yield may well not be immediate, but that should not exempt it from the four tenets of accountability: action, agent, timeframe and result. Who is doing what, by when, and how will we know it has worked?

The last of these is often the most problematic: what type and scale of future instructions are wanted? It is less relevant that, in hindsight, you would know a successful outcome when you saw it than that, with intelligent foresight, it seems a reasonable means with reasonable odds of achieving a reasonable result. This, at least, provides a framework for excluding extravagant punts on rank outsiders.

### 🔗 MORE OF THE SAME

Experience has taught most firms that the best work to chase is the kind you already do for the clients for whom you already do it. An obvious attraction of this is that every piece of work is already a marketing opportunity – to super-please the client, extend your skills base, increase your efficiency and develop your reputation, all with a view to winning better quality work and being able to charge more for it.

This, however, does not alter the central conundrum of business planning, namely, how to spend this year's BD budget (both time and money) in a way that maximises the likelihood of achieving future years' income targets. Each partner has 600 to 800 hours of annual investment time that they must decide how to spend, based on what interests and motivates them, and what difference they hope to make to their practices. The Practice Head's role is to be a coach – not to choreograph individual movements but to uphold the mutuality of the team ethic, ensuring that there are others in the wings to assist where needed and that every partner is accountable, say every quarter, for how many shots on target they generate.

### 🔗 DRAWING CONCLUSIONS

As on-field activities continue to be restricted by the pandemic, one of the opportunities it presents is to review the impact of not having done planned business development activities over the last three quarters. Whether future losses will outweigh immediate savings is a debate that may alter the thrust of many a budgeting process. At the very least, the enforced pause allows a question to be asked of partners who like to make annual trips to the same conference or city, or the same sporting or cultural event. If it hasn't borne significant fruit after many years of attending, perhaps it is time for them to try something new.

This is not to suggest that budgeting is only about preventing waste. There are partners who, for all their technical excellence, fine judgement and even powers of persuasion, knew well before they left school that a career in sales was not for them. Left to their own devices, they might prefer to swap their investment time for yet more chargeable hours.

The business planning process, however, offers scope for teaming hesitant partners up with each other to design joint activities, and to identify opportunities that match their strengths and incite them to enthusiasm. Not every client loves sport, or opera, or industry award ceremonies, after all. The benefit of a review process is that it provides an opportunity to try something new, give it a fair chance to succeed and then draw measured conclusions about its value.

### 🔗 RETENTION STRATEGY

Finally, when it comes to measuring effectiveness, it is dangerous to assume that all activities can be assessed in terms of outputs or outcomes. In all evaluative processes, there is a hidden third measure of equal importance – out-takes. Some business development is defensive: to keep the business you already have, by reassuring clients of their importance to you. Clients who think that your gaze is in the bush and not the hand are apt to migrate south in a flutter.

In six months' time, your firm's next round of performance appraisals is likely to consume significant amounts of energy and goodwill for the sake of relatively modest adjustments to partner pay. Business planning, done properly, can be the yang to that yin – looking forwards rather than backwards, focusing on growth not decline, and encouraging autonomy rather than curbing it. Once the goalposts are in place, every partner can take the pitch knowing what goals are expected of them. And the coach can take their place in the dug-out knowing that they have done their job.

*If any Practice Heads might welcome some support as they set about the task of setting partner objectives, we would love to offer our help.*



TYLER WILSON

## A BESPOKE COACHING AND ADVISORY SERVICE FOR LAW FIRM LEADERS IN THE UK AND INTERNATIONALLY

### CONTACTS



DICK TYLER  
+44 (0)7831 445712

[DICK@TYLER-WILSON.CO.UK](mailto:dick@tyler-wilson.co.uk)



JAMES WILSON  
+44 (0)7831 495241

[JAMES@TYLER-WILSON.CO.UK](mailto:james@tyler-wilson.co.uk)

+44 (0)20 7282 0101

[WWW.TYLER-WILSON.CO.UK](http://WWW.TYLER-WILSON.CO.UK)

© Tyler Wilson Limited 2020

*If you are interested in this Viewpoint, please contact [dick@tyler-wilson.co.uk](mailto:dick@tyler-wilson.co.uk) or [james@tyler-wilson.co.uk](mailto:james@tyler-wilson.co.uk).*