



Case Study – PERFORMANCE MANAGEMENT – FROM NEGATIVE TO POSITIVE

The Firm

The Firm is a regional law firm with a clear aspiration to grow both by organic growth and acquisition. It is a full service firm which believes it can compete more strongly in chosen areas of focus.

The Business Problem

The firm recognised that if it was to achieve growth, it needed to change the way it did business and in particular it needed to fundamentally rethink how fee earners developed business and relationships.

It had already drawn a distinction between those fee earners who preferred to just undertake transactional work, and those who wished to potentially increase their earnings and share of bonus pool by achieving success, in particular in extending the relationship which the firm had with its clients.

However initial efforts to improve performance were not successful. There was a lack of clarity and ability to measure how individual fee earners performed, so the initial approach was to measure the extent to which fee earners had documented “networking plans” and how frequently these plans were updated.

This predominantly resulted in fairly grudging compliance and the effort being seen as bureaucratic. Additionally, fee earners were unclear about the value added either by the process, or by the partner responsible for it.

The Solution

The core part of the solution was to determine more appropriate key performance indicators (KPIs) or measures that would work, and could be aligned at firm-wide, practice and individual level.

It was also important that the KPIs used were important and that they aligned with the firm’s overall strategy and objectives, that they could be influenced by fee earners, and that they could be tracked by the firm without the burden and time of measurement being onerous.

Critically, it was important that the KPIs measured outcomes rather than effort, as these were the prime components of success.

We worked with the firm to define a key set of 5 core measures, which were easy to report on and to understand, which worked together to ensure that activity was appropriate and successful, and which created a sense of appetite and energy to improve performance. This is designed to ensure that rather than the partner involved having to “push” a bureaucratic system, they are seen as a valuable source of support and advice to help fee earners achieve their KPIs.

The Benefits

The firm now has a much clearer, more appropriate system of measurement that the Managing Partner feels much more confident in. This aligns much more with their overall direction and has created much higher levels of engagement by fee earners.

The impact of key performance indicators does take time to fully measure, but initial reporting suggests that results are already beginning to accrue in the first months.