

# Survival Strategies

2020

**5 defensive strategies that advance your law firm in a landscape fraught with mergers, takeovers, and lateral lift-outs**



# Presented By

Information & sources drawn from 2.19.20 Ackert webinar: "Survival Strategies in a Competitive Marketplace"



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David Ackert, M.A., is the President of Ackert Inc. and its subsidiaries, and business development mentor to thousands of high-achieving professionals in the legal, corporate, finance, and accounting sectors. Over the past two decades, David has developed and implemented revenue acceleration programs for hundreds of firms around the globe, many hailing from the top of the Am Law list.

Widely recognized as a pioneer in business development innovation, David is the founder of several technology platforms. His online programs have won "Your Honor Awards" in both the U.S. and Canada, and were selected as one of NLJ's 2020 Emerging Technologies.

David regularly keynotes at partner retreats and industry trade conferences. He serves as a guest lecturer at USC's Marshall School of Business, Carnegie Mellon University, and at the UCLA School of Law.



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Marcie Borgal Shunk is President & Founder of The Tilt Institute, specializing in helping clients make better, more informed decisions based on insights, intelligence and intuition. She is a recognized leader in competitive intelligence, client relationship dynamics and the business of law.

She is a regular contributor to such recognized publications as The American Lawyer and The Legal Intelligencer.

Marcie is a graduate of Harvard University. Prior to founding The Tilt Institute in 2016, Marcie was a Principal at The BTI Consulting Group, spearheading research on the legal market. She has spent over two decades helping law firm clients with client development and strategy formulation both at BTI and as a Senior Consultant with LawVision Group.

# The Problem

In today's volatile marketplace...

ABOVE THE LAW

## Law Firm Merger Trend Continues In 2020

More law firm merger madness.

By KATHRYN RUBINO

Bloomberg Law

Big Law Business

### Law Firm Mergers Off to Strong Start in 2019

Elizabeth Olson - Special Correspondent  
April 2, 2019

LAW.COM  
THE  
AMERICAN LAWYER

### Busy Season for Law Firm Mergers Sets Stage for 2020

Going into the new year, law firms are still interested in scaling up through mergers and combinations. But a potential recession could make things more challenging for already-distressed firms.

By David Thomas | December 22, 2019 at 06:00 PM

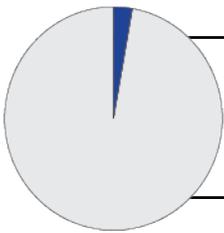
...many law firms are losing their autonomy.

# By the Numbers

According to Altman Weil MergerLine, 2019 was a record-breaking year with **115** combinations, a number of which were high-profile, high-volume mergers.

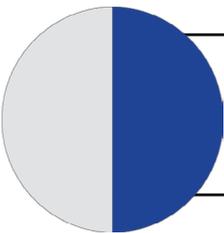
**The first 2 months of 2020** already has seen a new crop of mergers of a different ilk – larger scale and, at least at first glance, from stronger platforms.

In last year alone, more than **3100** BigLaw partners found new homes; up from 2018. An ALM/Decipher joint report estimates **\$17.1B** changed hands.



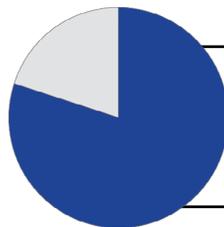
**Law firms' demand growth hovers between 3 and 5%**

Yet not all law firms are cut out for mergers.



**Lateral hires have a success rate of approximately 50%.**

According to an ALM Legal Intelligence/Decipher report.



**80-90% of organic revenue comes from a handful of key clients.**

10-20% of revenue comes from inorganic growth, the majority of which is lateral acquisition.

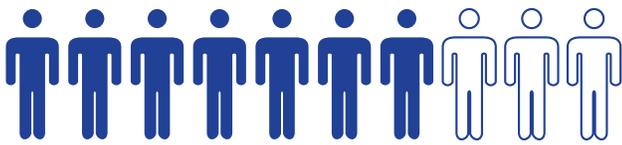
How do you protect and grow  
on your own terms?

# **THERE ARE 5 ESSENTIAL SURVIVAL STRATEGIES**

- 1. ENHANCE PROFITABILITY**
- 2. FORTIFY AND GROW EXISTING CLIENT BASE**
- 3. CULTIVATE THE RIGHT CULTURE**
- 4. PRACTICE STRATEGIC DISCIPLINE**
- 5. DEVELOP CHANGE-ORIENTED LEADERS**

# Enhance Profitability

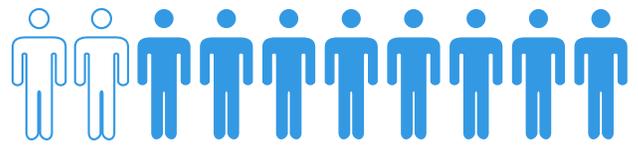
Traditionally law firms have looked at profits-per-partner, and profits-per-lawyer. But in a diversifying industry, it's critical to measure clients & industries by profitability as well.



## Profile your key target clients

Have a conversation with your individual lawyers about what their ideal client looks like, from the size of the company to the personality of the contact.

Billings by Top 5 Clients



## Redesign service delivery

Take a proactive approach to optimizing client development. Set up meetings between compatible partners so they can start comparing client lists.

### Did you know?

Most law firm marketing departments manage more than 18 separate dashboards. Consolidate your data into a central hub with Practice Viewer.

Use dashboards to visualize data and to make informed, strategic decisions.

# Fortify and Grow Your Existing Client Base

Your existing clients are your greatest asset.

## Establish Key Account Programs

Use technology manage your key accounts, and monitor the NPS (Net Promoter Score) for each of your top clients.

## Proactive Cross-Selling

Set up client teams so you can open lines of communication between lawyers and identify the client needs each are privy to.

## Lateral Integration

Integrate your laterals with a dedicated business development manager.

[Check out our Market Leaders Podcast episode with Amy Fowler of Mintz, where she explains how the firm achieved a lateral integration success rate of over 75%.](#)

## Alliances

Ally with non-competing firms to enhance your geographic footprint and service offerings.

## Industry focus

Only 30% of law firms have an industry focus, according to BTI. Understand your client's strategic goals in the context of the industry they serve so you can better tailor your services to them.

**Did you know?**  
Cross-selling breaks down when partners do not trust the work products of their colleagues.

# Cultivate the Right Culture

Culture isn't magic. It's about tuning into a series of small moments that send powerful signals: You are safe. We share risk here. We are headed this direction.  
- Daniel Coyle, author of *Culture Code*

**One of the most powerful drivers of business is a consistent culture of business development across your firm.**

**Build and sustain a company credo that reflects the values of your firm. This helps define why a lateral would want to come on board, or why your rainmakers might want to stay.**

**Remember, cultural evolution is a long process. Follow these three steps to create a culture that retains talent.**

## **1. Build safety**

- Establish belonging cues – behaviors that create safe connection in groups
- Even examining something as simple as the architecture of your office can help inform how people interact

## **2. Share vulnerability**

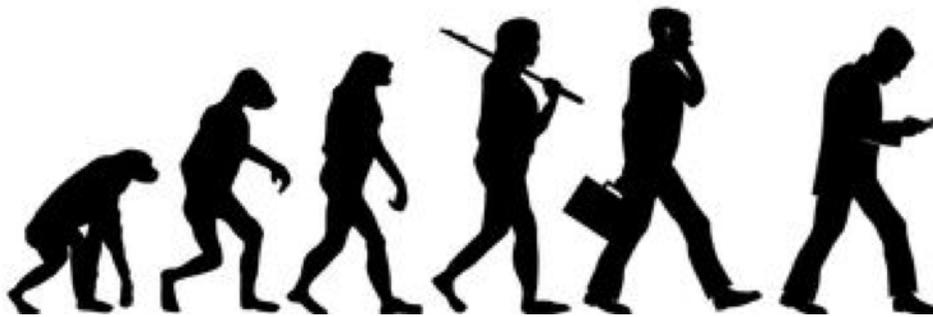
- Signal vulnerability. Perfectionism rates really high in law firms, and that often disincentivizes employees from admitting failure
- Overcommunicate expectations

## **3. Establish purpose**

- Know where your firm is and where it is headed
- Communicate this vision top-to-bottom, not just at the partner level

# Measure Your Impact

On a scale of 1 to 5, with 5 being most advanced, how advanced is your firm in its evolution to having a Business Development culture?



## **Early**

Educational presentations that introduce Business Development concepts and encourage mindset.

## **Middle**

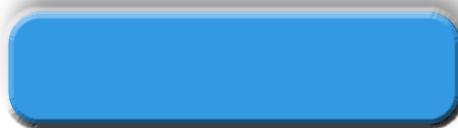
Business Development training and coaching programs at mid-associate through mid-partner levels.

## **Advanced**

Pipeline management, Business Development health scoring and performance targets, go-to market initiatives.

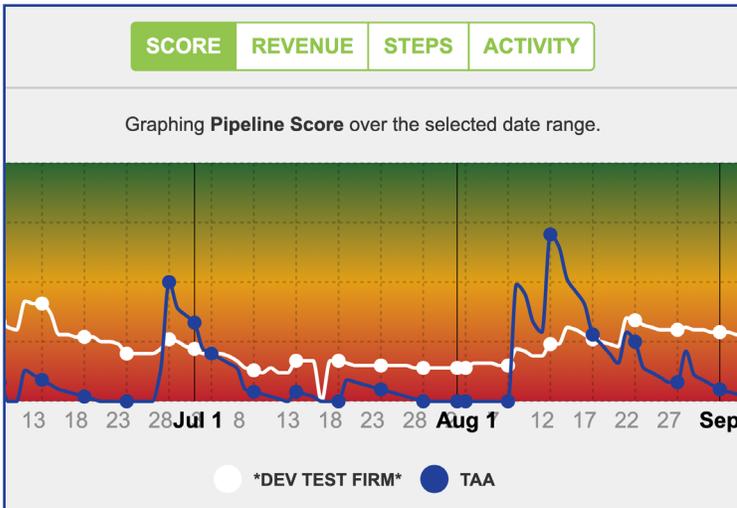
### **Did you know?**

With the right initiative, you can advance your firm's Business Development culture to the next evolutionary stage in less than one year.

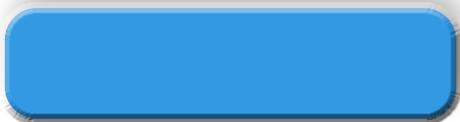


# Strategic Discipline

Breaking into a new market or service requires patience and a significant investment in resources, especially when it's not immediately profitable. But law firms frequently fail give new initiatives the time they need to be successful.



Performance tracking is a gamechanger when it comes to measuring progress towards your firm's goals. Request a demo of our Practice Pipeline software to see how technology can enhance strategic discipline at your firm.



Strategic discipline is especially important when it comes to high-risk inorganic growth.

Setting clear and measurable expectations can help show when an initiative is succeeding, or when it may need to pivot, without losing sight of the goal.

Don't treat ROI like a binary. If there are no clear lagging indicators available, establish your KPIs around leading indicators.

# Develop Change-Oriented Leaders

Leadership styles can vary. What matters most is that your leaders are capable of effecting positive change at your firm.

To start:



**Distinguish management from leadership**



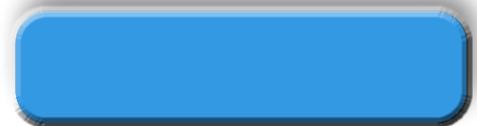
**Establish clear expectations at the partner level**



**Provide leadership training**

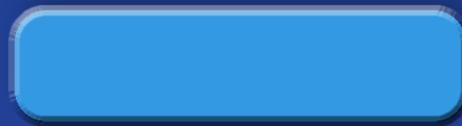
**36% of firms do not offer  
any form of leadership training,  
according to a study from LawVision.**

**Learn more about our  
leadership development  
programs.**



Can't wait to start cultivating  
a stronger culture of business  
development at your firm?

Learn more about our award-  
winning business development  
e-learning & coaching.



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