

Basic Strategic Planning Components and Terms

Implementing an effective strategic planning process is essential to ensure that your practice or firm is as efficient and profitable as possible. While strategic planning is common in large companies, busy lawyers often don't take the time they should to plan how and where they want to go with their practices. Here are some of the basic components and terms of a strategic plan that you can use to provide direction to your firm or practice.

Planning Component	How it helps you
<p>Strategic Plan</p> <p>A program or way to manage your firm and to get more profits. It includes a look at where you are and where you hope to go. And then, it provides the activities you need to get there.</p>	<ul style="list-style-type: none"> • Increases your income – if you have a good, sensible program for increasing your revenue and profits, you have a much better chance that those profits will come to you than you would if you had no such plan. • Saves you time, work, and stress – a solid, well-thought through plan allows you to avoid wasted action, mistakes, and lost money. A plan also anticipates problems and turns them into advantages before they hit you; so, it cuts stress. Good planners get more out of life. • Gives you a track to run on - a train, race car, or runner moves better, more efficiently, more effectively, when on a track. Everyone knows where they are, where they are going, and the direction they should take. Your route is well laid out. You can then concentrate on your own progress, speed, excelling over competitors and winning, rather than getting past every aggravating obstacle in the road. • Sets priorities – with limited resources and modest budgets, it is critical that the highest priorities get the most effort. No business can afford to do everything. Some things must be postponed while other activities are essential. Even among the preferred projects, everything can't get done all at once. A plan details for you what to do first and what's coming next. You are more likely to succeed if you can focus all your skills on each step. By taking things one at a time, not in a horrendous load, your stress factor is lowered.
<p>Financial Plan</p> <p>Business goals must be tied to financial goals. To do so, you must first analyze where you are and plan for where you want to be and what financial resources are required.</p>	<p>A pro forma is developed that provides you with a financial model for your projected growth. Taking into account your balance sheet, P&L and income statements, a financial model is developed to show your growth potential over the next 12 months. The financial projections are essential to guide your business plan and to provide the control required for successful growth (fewer missteps and unpleasant money surprises).</p>

Veronica Bell Gilbert is a Principal in Leganomics, a Dallas consulting firm that provides operational and administrative expertise to law firms, 214-857-6065, veronica.bell.gilbert@leganomics.com; www.leganomics.com