

Making law firm strategy work

How to decide whether your strategy is on track, and what to build if it isn't

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Strategy sits above the five operating domains

Decide first; the five domains then shape how the firm actually runs

STRATEGY (APEX)

Develop or review the firm strategy. Design the target operating model that fits it. Partnership-vote-ready.

AI & TECHNOLOGY

Readiness, adoption, buying, cutting waste. Where strategy intersects the technology spend.

OPERATIONS

Benchmark, diagnose, redesign. Where strategy intersects how the firm runs.

PAY & TALENT

The right remuneration model, the right team shape, the AI consequences. Where strategy intersects partnership structure.

PRICING & M&A

How you charge, how you combine. Where strategy intersects revenue and growth decisions.

Strategy that does not reshape the budget, the headcount or the operating model has not been chosen: it has been described.

Most strategy failure happens downstream of the document

The strategy is intellectually fine; the firm then under-resources it and runs on reflex

No diagnosis

The strategy names actions and aspirations but never the actual critical obstacle. Every subsequent choice is a plausible guess.

No trade-off

Nothing is explicitly chosen against. The strategy quietly accommodates every client, matter and sector that walks in.

No cascade

Where-to-play is clear; how-to-win reduces to “excellent lawyers”. Capabilities and systems don’t connect to the choice.

No machinery

No governance rhythm, no resource re-cut, no measurement that reflects the choice. The strategy sits on a shelf.

Two client conversations, one methodology

Both routes land on the same problem: converting choices into results

Strategy Review

“We have a strategy. Is it any good, and is it working?”

- Score the existing strategy against the four tests
- Audit the realised strategy (budget + headcount + promotions + laterals)
- Verdict: gap analysis + the three or four changes required
- Opens on honest diagnosis; closes with specific actions

Strategy Development

“We don’t really have one. Help us build one.”

- Partner interviews to surface the pattern the firm has been running on
- Realised-strategy audit as data, not editorial
- Choice architecture: Rumelt kernel + Martin cascade
- Proximate objectives started while the full cascade is built

Four tests, applied before any work goes into fixing

A yes/no on each is enough for the opening read

Kernel Test

Can you extract a diagnosis, a guiding policy and coherent actions from the strategy as written? If any of the three is missing, it is not a strategy. (Rumelt.)

Cascade Coherence

Where-to-play → how-to-win → capabilities → systems. Break the chain at any link; most firms fail at how-to-win. (Martin.)

Trade-off

What has the strategy explicitly chosen against? Which clients, matters, sectors, service lines is it NOT pursuing? A strategy without a 'no' is not a strategy. (Porter.)

Competitor Swap

Replace the firm name with a competitor's. If the strategy still reads as sensible, it is an industry sermon, not a strategy.

The test that catches what management rhetoric misses

The realised-strategy audit is often the most useful artefact in the engagement

The 30-second partner test

Ask three randomly-selected partners: what is the firm's strategy? If they give substantially the same answer, the strategy exists operationally. If they give different answers, it exists on paper only. The number of partners who can state the trade-offs is the sharper test; most firms find they can name the where-to-play and nothing else.

The realised-strategy test

The last 24 months of headcount, capex, partner promotions and lateral hires is the strategy the firm actually has. Compare it with the strategy the firm says it has. The gap is the honest diagnostic. (Bower & Gilbert.) Often reveals that recruitment, not planning, has become the real strategy process.

Five points where generic strategy work bends in a partnership

Each is enough to turn a competent strategy into an under-delivered one

Compensation

A strategic constraint, not an HR policy. You cannot choose a strategy your rem model punishes.

Zero retained earnings

Every strategic investment competes with this year's partner profit per equity partner.

Partner autonomy

Firm strategy runs on a coalition of the willing. Dissent opts out; strategy accommodates.

The three-year MP cycle

One strategy per MP term. Roughly 18 months of effective mandate inside a 36-month cycle.

The billable hour

The default strategy by absence. Utilisation-driven management squeezes out any strategy that needs capacity re-allocation.

Five archetypes, plus the undesigned blend most firms live in

Picking an archetype deliberately removes the quiet friction a firm has been living with

Counsel House

Deep partner-led advisory, low leverage, bespoke matters, high realisation. The classic high-end offer.

Process Factory

Panel-driven volume with managed leverage, standardised workflows. Needs scale and systems to defend margin.

Product House

Packaged repeat work. A quasi-business inside a firm. Different compensation defaults, different KPIs.

Platform Firm

Technology-fronted at scale. Client-facing software and self-service alongside the lawyers.

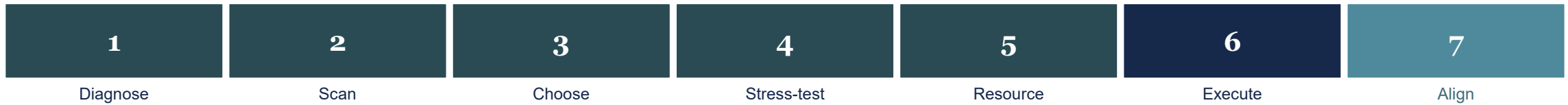
Integrated Advisory

Multi-practice around a client type or sector. Cross-practice teams, client-facing P&L, not practice-group one.

Most mid-market firms are an undesigned blend of two or three. The friction they describe is the archetypes contradicting each other on compensation, technology budget and leverage.

Both routes use the same seven stages

Review opens on diagnosis; Development opens on surfacing the pattern. Resource allocation is a stage, not a footnote.



A strategy that does not reshape the budget has not been chosen; it has been described. Bower and Gilbert's point sits at the centre of the method.

Score your strategy on five dimensions, in 20 minutes

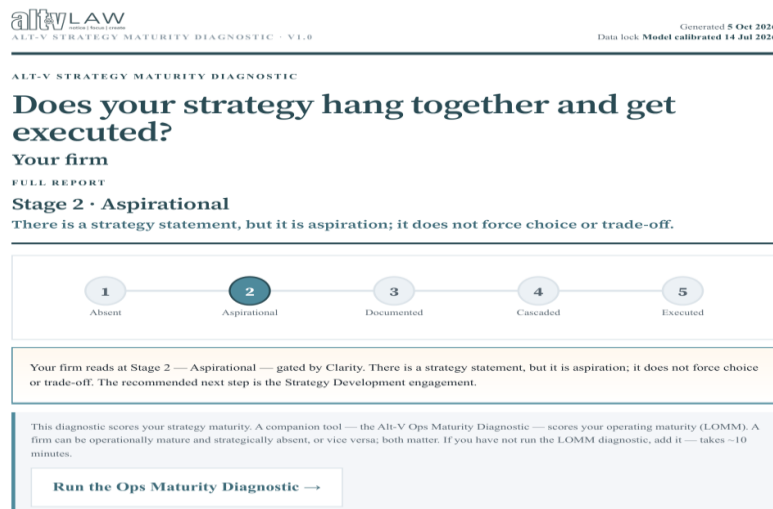
The verdict is the weakest dimension, not the average

Clarity	Coherence	Alignment	Execution capacity	Measurement
Can the strategy be stated concisely and consistently by three randomly-selected partners?	Do the choices hang together under the Kernel Test and the Cascade?	Does the partnership actually support the strategy, or has it quietly opted out?	Is there governance, rhythm and accountability machinery to execute the strategy?	Does the measurement system reflect the strategy, or does it track activity?

Weakness in Measurement or Execution capacity is where a Documented strategy becomes a shelved one. That is why the verdict is the weakest dimension.

Haldane Pryce LLP: sample read

A UK top-50 regional (400 FE, £85m, MP two years in); invented firm, invented figures



- Overall Stage 2 (Aspirational). Clarity 2, Coherence 3, Alignment 3, Execution capacity 2, Measurement 2.
- Weakest dimension: Measurement. The 2024 KPIs track activity, not the strategy's choices.
- Realised-strategy gap: the 2025 lateral programme (14 partners) has done more to shape the firm than the strategy document has.

Three engagement shapes, each with a different trigger

A half-day read, a full review, or a full development

Half-day read

Run the Strategy Diagnostic and the realised-strategy audit together. Trigger: nine to twelve months before an MP election, or before booking a strategy day. Output: a one-page verdict and the three questions the strategy must answer.

Full Strategy Review

Score the strategy against the four tests; run the realised-strategy audit; test the operating-model shape with the TOM Map; produce a verdict pack for the partnership. Trigger: live strategy under question. Output: review pack, gap analysis, change shortlist.

Full Strategy Development

Seven stages, three to six months. Diagnosis, scan, choice architecture, stress-test, resource re-cut, execution machinery, partner alignment. Trigger: no strategy, or a strategy that has gone stale. Output: new or refreshed strategy, SMO stood up, partnership aligned.

How confident are you that the last 24 months have made meaningful steps towards your strategy, and the next 12 months will continue that trajectory? And how do you know?