

Improve Partner Performance: How to Align Your Star Lawyers with a Profit-centric Culture

Your star lawyers fuel your firm's competitive advantage, so it is critical that they spend their time on the most impactful matters. In creating a profitability-centric culture, you build systems to pinpoint those matters and optimize additional strategies for increasing firm profitability, including accurately planning, pricing, and monitoring legal matters—all while raising attorney work-life satisfaction rates as you do.

Creating an engaging, high-performance firm culture based on profitability is a multi-phase journey. Here are four steps to help you align your firm's leadership toward developing a profit-centric culture that empowers your rising and shining legal stars to more profitable actions.



1.

APPRECIATE PROFITABILITY MARKERS BEYOND PARTNER CONTRIBUTION NUMBERS.

At the core of a profit-focused culture lays a genuine appreciation of the value of mobilizing data to improve the firm's overall performance. It requires broadening your vision beyond traditional profitability markers such as contribution rates and expanding the number and types of metrics your firm analyzes to understand more about all the elements that affect firm performance. Modern BI and financial analytics tools enable you to derive more impactful insights from a more expansive range of metrics, including data points on timekeeping practices, the effects of pricing strategies, case, matter, and lawyer performance levels, and more.

2. GET THE RIGHT DATA TO THE RIGHT PEOPLE.

Nurture your rising stars by increasing transparency into firm strategy and encouraging profitable behaviors. [Research](#) has shown the importance of strong leadership and strategy in driving lawyer satisfaction. Belief in the leadership and direction of the firm are two of the strongest drivers of engagement – with the former being the number one driver of work-life satisfaction for those under 40.

Educate lawyers with data as you discuss firm strategy. Share your data-driven insights and discuss factors that enable individuals to see how their actions influence profitability. Create goals for client teams and practice groups, using data storytelling and data visualization techniques to increase comprehension and engagement. In-depth analytics on the work they're performing helps your star lawyers determine what types of matters and activities best align with their development goals and better support their long-term careers.

You can maintain complete control over who sees what data at all times.

With modern BI & financial analytics software, you can customize the types of data and the level of detail that you share with employees in different roles. Flexible reporting features allow you to tailor reports for various levels. You can also assign security clearances to individuals or groups to dictate their level of access to data.



Initially, sharing matter profitability data first can feel less personally threatening to lawyers than making direct comparisons among individuals or practice groups. However, once lawyers come to appreciate the observations made by analyzing matter data, they will feel more comfortable moving forward with additional analyses by practice group, billing lawyer, clients, etc.

3. DEVELOP A DATA-DRIVEN APPROACH TO DRIVING PROFITABLE ACTIONS.

Data tells your firm's story over an iterative journey. Using data, you can expand the firm's vision beyond just seeing what happened in the past and move into a much more beneficial state of understanding how to drive profitable actions. After three or four years of consistent data collection, your firm will be able to analyze historical information to take a data-driven approach to making strategic decisions that increase profitability.

Historical analytics doesn't just answer "How profitable are we?" It also answers questions like, "Why are we profitable in certain areas? What actions resulted in increased profitability?"

Over time, you can determine the optimal lines of business and client segments to pursue. A partner who can identify their 20 most profitable matters now knows the most advantageous types of legal work to focus on. Data tracking allows firms to measure and rank client, case, and lawyer performance, make optimal pricing decisions and maximize the value of resources. Use historical analyses to find the direct results of profitability initiatives and allow your rising stars to help you continue driving to optimal results.

4. TIE COMPENSATION TO PROFITABILITY.



The first step in building a profitability-focused culture is ensuring your partners understand the need for data analytics and trust that the profitability calculations are accurate and fair. Next, you increase visibility and engage lawyers in strategic discussions that involve data-driven observations and insights. Then when you decide it's suitable for your firm, you can incorporate profitability metrics into compensation decisions. Most firms move into this gradually, starting with profitability as a small component of compensation, and then increasing that component in following years. Through the preceding processes, you've increased the partners' acceptance of number-based reasons for adjustments to compensation (along with traditional subjective factors).

Using a tool like our [Partner Performance & Compensation Portal](#), you can automatically pull relevant data from your BI systems to include profitability as a relevant compensation discussion point. Data will illuminate your conversations with a significantly enhanced understanding of how to drive more profitability. To learn more about how you can transform your firm's culture to be more profit-centric, [schedule a demo with us now](#).

