



# SMALL PRACTICE SUPPORT PROJECT

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GROWTH STRATEGY WORKBOOK





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## 1. INTRODUCTION

Recommendations 1 and 2 of the *Crowe Market Study of Sole Practitioners and Smaller Legal Practices in Ireland* related to diversifying business development practices and the creation of growth strategies.

### RECOMMENDATION 1:

#### Diversifying business development practices

Smaller practices need to diversify their business development activities and move beyond a reliance on their existing client base and referrals.

Smaller practices rely heavily on referrals and their existing client base for winning new business. The benefits in having a loyal client base that provides repeat business include cost-effective business development, existing levels of confidence in the practice, strengthening the client relationship and increasing the likelihood of the client recommending the practice to others.

However, relying on this mechanism alone to win new business does not sufficiently future-proof the practice. Common amongst SMEs, referrals are considered to be a key generator of business. Referrals are unpredictable and are not a scalable source of business if the pool from which referrals come is not growing. Networking and referrals are interconnected and, if a practice is to rely on referrals as a key source of business development, the practice will need to proactively grow its network to widen the pool from which it generates leads, particularly in the context of increasing competition.

### RECOMMENDATION 2:

#### Creation of growth strategies

Practices should develop growth strategies to ensure that actions are planned and implemented now so that they will positively influence their future sustainability.

It is recommended that smaller practices should develop a Growth Strategy which reflects the long-term vision, purpose and growth ambition for the practice. The absence of a Growth Strategy leads to a situation where there is less focus on the future than there should be and growth happens in an unplanned way, if at all. Without a Growth Strategy in place, smaller practices could be either losing business or increasing their chances of doing so.

Developing a Growth Strategy provides a focus on the future of the business in terms of the type of business and clients it wants to target, the rationale for doing so and what it needs to do to achieve its ambition. Even if smaller practices are happy with their current performance, a Growth Strategy will highlight ways to develop the current offering, protect the practice from losing business to competitors and strengthen existing performance.



The structure of this document is to start from a point of gathering and collating all data relevant to informing decisions on the direction the practice should take in relation to growth and sustainability. Stages in developing the growth plan and questions to be considered, include:

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**1) UNDERSTANDING PRACTICE PERFORMANCE:**

How is your practice performing currently?

**2) CLIENT PROFILING:**

What is the profile of existing clients?

**3) MARKET ANALYSIS:**

What are the important factors in the marketplace in which the practice operates?

**4) COMPETITOR ANALYSIS:**

How do competitors behave and what can your practice learn from them, emulate and avoid?

**5) SWOT:**

What are the Strengths and Weaknesses internal to the practice and the Opportunities and Threats external to the practice that are key to identifying and pursuing growth opportunities?

**6) GROWTH OBJECTIVES:**

Having analysed internal and external data and research, what ambition does the practice have for growth in the next three years (or longer if preferred)?

**7) ACTION PLANNING:**

What plan of action does the practice need to put into place in order to achieve its growth objectives?

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## CONTEXT FOR THE GROWTH STRATEGY WORKBOOK

The workbook has been developed to assist the Law Society in supporting small practices to implement the outlined market study recommendations. Section 3 will first provide an understanding of a Growth Strategy and outline its benefits, dependencies and success factors. It will also guide the user through the approach and management of same. The remaining sections comprise the Growth Strategy workbook itself.

### The following is relevant in terms of the task of developing the Growth Strategy:

- Each section takes an element of the Growth Strategy and guides the practice through the completion of each of those elements, providing prompts and examples that should be included, customised or deleted as appropriate to the particular circumstances and ambitions of each individual practice.
- The Growth Strategy is a workbook and has been designed so practices can input and save their information into each table as they work through each section. Alternatively, practices can save a version omitting the prompts and examples and including only the tables for initial completion and subsequent updating.
- Working through each section will lead each practice to the development of their own Growth Strategy. Approaches will differ depending on personal work style, pattern of time available, time management etc. However, all practices will need to set aside time and be committed to completing the document, if they want to approach practice growth in a planned, organised and customised way.
- We acknowledge each practice will approach the Growth Strategy at different stages in terms of data gathering, areas of the practice already reviewed and existing growth objectives and plans. For example, some may have easy access to the baseline data required as they may have previously gathered, or may already have a system in place to capture insights e.g. client profiling information. Others may approach data gathering for the first time. If this is the case, the practice will need to take time to capture the information required and set up the processes to do so.

Therefore, while accepting that some data may be harder to uncover and may require more time and

effort, attempts should still be made to compile the data and research outlined. The return on the investment of time will be a more detailed understanding of current performance and a better sense of what is required to achieve growth. In addition, once the initial exercise is carried out to gather and understand indicators of business performance, to profile clients and competition and to understand the marketplace, subsequent efforts will focus on updating and should not take as long.

- Each practice should attempt all sections of the workbook, which can be added to and built on overtime. The more information that is gathered, the more informed the view will be on what growth opportunities present the best option for your specific practice and what specific actions will be the best to avail of the opportunities and build the required capacity to do so.
- It is also noted that the document refers to the 'team' filling out different sections both to spread the workload and to allow for different elements of the strategy to be progressed simultaneously. It is understood that this will not be the case for sole practitioners, or possibly for smaller practices where it will be the practice principal who is required to complete the entire document. As such, the completion of the full workbook is likely to take place over a longer period of time.
- This template/workbook is part of an overall programme of support being provided to smaller legal practices by the Law Society and other supports should also be availed of to assist in the completion of this document, including, for example, the Ready Reckoner, materials on the Small Practice Support Hub (launched in July 2019) and relevant online and onsite training resources.

# GROWTH STRATEGY OVERVIEW

## What is a Growth Strategy?

A Growth Strategy is a formalised document that describes the short to medium term growth goals for your practice and the actions needed to achieve them. It is the result of a systematic process that helps a practice understand its current business profile and identify its future ambition in terms of the level and pace of growth it wants to achieve and the rationale for doing so.

It may cover the type of clients the practice intends to target in the future, the practice areas it wants to offer, the geographic spread of business it plans to have and how it intends to remain competitive, amongst many other possible contributors to practice growth.

## Benefits of a Growth Strategy

A Growth Strategy supports the practice in achieving growth and sustainability as it focuses efforts and ensures that everyone in the practice is working towards a common goal by:

- Outlining the growth path for your practice and a strategy to achieve that growth.
- Outlining the actions that will contribute to growth and the resources that will be required for optimal results.
- Guiding your practice in building competitive advantage and winning new clients.
- Driving productivity through better work practices and systems, rather than evolving in an unplanned way.
- Planning to maximise your available resources.
- Moving your practice from operationally-led thinking which is focussed on tomorrow's tasks to future and vision focussed thinking.
- Ensuring your practice is dynamic enough to identify and respond to current and emerging business trends.
- Helping you manage business risks by reducing uncertainty, ensuring you analyse potential risks and implement risk control measures.
- Where relevant, helping with staff engagement and motivation by communicating what needs to be done.

## Participants and Contributors to a Growth Strategy

Before the Growth Strategy can be drafted, you will need to spend time gathering the research and inputs required. The process may take longer, in the case of a sole practitioner as this responsibility rests with just one person. However, there may be a smaller volume of information, and data may be centralised (in a system or with the sole practitioner themselves) and understood by the one person, making the process more efficient.

Where your practice has a number of staff, you should look to those staff to contribute to the information gathering process and share the responsibility. Staff at all levels should be able to contribute, and tasks should be allocated based on skill set, areas of interest and capacity. This shared responsibility tends to generate greater buy-in, knowledge sharing and understanding of the factors that may influence growth.

Once the research has been gathered, the responsibility for analysis and developing the Growth Strategy will either rest with the practice principal(s) or may include the wider team, where relevant. This involvement depends on the skill sets and experience of the team. Ideally involve people with strong analytical skills, creative thinking and those with a solid grasp of operational detail.

## Dependencies & Success Criteria

Developing a strong Growth Strategy that will deliver results for your practice will be dependent on, but not limited to:

- the Growth Strategy having a clear vision setting out the context and specific goals for implementation and monitoring.
- structured briefing meetings with attendance from all required staff and strong participation.
- an achievable timeline being identified for both the research phase and the strategy development phase.
- commitment by all parties to input the requested time and effort to meet the timelines set out.



- a culture of gathering feedback, internally and externally, being embraced, and processes are put in place to ensure the feedback informs decisions.
- timely and quality supply of information to meet the research requests. If this is not currently the case, it will be necessary that systems be developed to do so. The Growth Strategy will only be as strong as the research and information that is gathered and analysed.
- ongoing engagement, cooperation and contribution from practice lead(s) and staff.
- practice Lead(s) allocating time to step back from the day-to-day operations and consider where the direction of the practice and priorities for the future.
- all involved remaining open-minded and adaptable to ideas, opportunities and risks presented and embrace change.

It is acknowledged that the recommendations will require investment of time, energy and resources. The Growth Strategy document in itself is not the end goal, it is the approach and plan for implementation from which the benefits will be gained once the plan is implemented.

### Growth Strategy project management process

At each stage of the project:

- Breakdown the tasks of that stage and assign deadlines and responsibility (including to staff, where possible) to each step.
- Ensure everyone knows what is expected of them and when.
- Decide what processes you wish to use at each stage, for example, desk research, document drafting, meetings, brainstorming sessions or other tools.
- Decide the frequency and methods of progress updating.
- Decide how risks or issues will be managed, if they arise.
- Determine the measures of success.



## 1 UNDERSTANDING PRACTICE PERFORMANCE

### 1.1 Understanding the performance of your practice

It is important to understand the Key Performance Indicators (KPIs) of your practice. All great businesses track and understand their KPIs, so they know exactly how they are performing and can quickly see any areas where they may need to make adjustments.

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## 1.2 How to get KPI information

You need to start by gathering information. Sources of information, methods and tools to be used to capture information could include the following:

- Customer Relationship Management or case management systems
- Database
- Accounts
- Invoicing
- Timesheets
- Staff files

Analyse all available information to provide you with percentage breakdowns within the category or understanding of key information on file e.g. invoicing amounts, billable hours, invoice total, practice areas, etc.

Review the system you currently have in place and if there are information gaps, consider whether that information can be captured in future, so that a more in-depth understanding of business performance and the marketplace can be obtained to help decision making.

### 1.2.1 Key Business Indicators

Looking at your practices last three financial years, outline your practice's key indicators.

KEY INDICATORS	€	€	€
Revenue			
Profit			
Number of Clients			
Number of Cases			
Staff			
Working Days : Fee Generating			
Working Days: Non- Fee Generating			

**Note:** Possible sources include accounts, invoices & timesheets

In the last three financial years, outline the % change in your practice's key indicators.

KEY INDICATOR YEAR ON YEAR CHANGE						
Revenue Growth	+-	%	+-	%	+-	%
Profit Growth	+-	%	+-	%	+-	%
Number of Clients	+-	%	+-	%	+-	%
Number of Cases	+-	%	+-	%	+-	%
Staff Growth	+-	%	+-	%	+-	%
Growth in Fee Generating Working Days	+-	%	+-	%	+-	%
Growth in Non-Fee Generating Working Days	+-	%	+-	%	+-	%

**Note:** Possible sources include accounts, invoices & timesheets

### 1.2.2 Current Practice areas

Looking at your practices last financial year, outline your current practice areas, from the list presented below, broken down by time, revenue and profit percentages. If you have practice areas that are not represented here, simply expand the table to include them. Delete areas in which you are not currently active or have no immediate plans to be.

CURRENT PRACTICE AREA	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Commercial Conveyancing	%	%	%
Commercial Litigation	%	%	%
Corporate	%	%	%
Criminal	%	%	%
Employment	%	%	%
Family	%	%	%
General Litigation	%	%	%
Immigration	%	%	%
Insolvency & Banking	%	%	%
Medical Negligence	%	%	%
Mergers & Acquisitions	%	%	%
PI Litigation	%	%	%
Probate	%	%	%
Regulation and Compliance	%	%	%
Residential Conveyancing	%	%	%

**Note:** Possible source is from your practice's case management system

From the table above, extract the key headline information within each category. Example as follows:



KEY STATISTICS FROM CURRENT PRACTICE AREA TABLE	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Average Practice area %	%	%	%
Highest Practice area %	%	%	%
Lowest Practice area %	%	%	%

Looking at your practice's last two financial years (prior to the year analysed above), note any significant changes in practice areas contributions from year to year.

Examples of such changes could include:

#### EXAMPLE CHANGES

X practice area provided X% revenue contribution 2018 which represented a new practice area introduced in 2017.

X practice area provided 0% revenue contribution 2018 which represented a practice area elimination from 2017.

X and Y practice areas were the 2 big growth areas for the practice, moving from X% and X% revenue contribution in 2017 to Y% and Y% revenue contribution in 2018 respectively.

Also note any significant anticipated future changes that may have a significant impact on these figures.

Examples of such changes as follows:

#### EXAMPLE ANTICIPATED CHANGES

We will no longer be providing X service as of (dd/mm/yy), due to the departure of a staff member with the specialist knowledge required.

We intend to introduce X service at the end of this year.

We see continued increasing demand from X practice area/sector due to continued market confidence.



## 2 CLIENT PROFILING

### 2.1 Understanding the value of generating a client profile

Client profiling is a way to create a portrait of your customers to help you understand who your service(s) currently appeals to and to help you make decisions. It is the process of analysing all the key information you have gathered relating to your clients and then breaking your clients into groups that share similar demographics, behaviours, lifestyles or other characteristics.

It will provide your practice with a clearer understanding of its client base that will feed a variety of decisions within your Growth Strategy, such as investment or expansion options.

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## 2.2 How to create a client profile

You need to start by gathering information. Sources of existing and potential information, methods and tools to be used to capture client profile information should include the following:

- Use your current available information such as database/CRM or case management systems. Analyse all available information categories to provide you with percentage breakdowns within the category or understanding of key client information on file e.g. invoicing amounts, location, services used etc.

**Note:** It is an idea to review the system you currently have in place, the information it captures and whether there are gaps. If so, consider if that information can be captured in future, so that a deeper client understanding can be obtained to help decision making.

- Gather client information. This can be achieved via a combination of methods such as:
  - surveys/questionnaires (phone, web-form via website or email, hardcopy client form)
  - interviews
  - new client forms
  - reviews, testimonials and other feedback from social media, website and other sources
  - informal questioning from staff or information gathered from peers and others within your network

**Note:** If you currently seek client feedback from any of these channels, then utilise these outputs first. Consider whether you need to build in any additional sources or feedback requests for future use.

Any client information gaps could be filled using web searches or other information sources. Ensure the information is gathered consistently across all clients, so that a full and rounded view can be obtained and bias is avoided. As with other areas of information gathering for the Growth Strategy, the first time this is done will be the most time consuming with subsequent requirements being to update existing information rather than create client profiles from scratch.

Following the initial client profiling exercise, it is advised that this type of information be gathered and updated on an ongoing basis and that customer profiling is carried out at scheduled intervals to determine any key changes. Frequency will primarily depend on the volume and turnover of clients within a practice but it is suggested that this is carried out least annually.

## 2.3 Information required

It is recommended that any information on your clients that is useful in your decision making be gathered. This could include information about the client themselves, why they do business with you, their expectations and experience as a client, what they value in the way that business is carried out, and what additional practice areas they might wish to avail of in the future. Examples of the type of information that your practice should gather are outlined below:

### 2.3.1 Client Segments

Breakdown your practice's current client segments, from the list presented below (add and delete as appropriate):

CURRENT CLIENT SEGMENTS	PERCENTAGE OF TIME (WHERE AVAILABLE)	PERCENTAGE OF REVENUE (WHERE AVAILABLE)	PERCENTAGE OF PROFIT (WHERE AVAILABLE)
Private individual	%	%	%

Small enterprise	%	%	%
Medium enterprise	%	%	%
Large enterprise	%	%	%
Government body	%	%	%
Start-up	%	%	%
Not for profit	%	%	%
Other	%	%	%

**Note:** Possible source is from your case management system. If this is not already in the system, it should be added.

From the table above, extract the key headline information within each category. Example as follows:

KEY STATISTICS FROM CURRENT CLIENT GROUP TABLE	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Average of all Client Segments	%	%	%
Highest of all Client Segments	%	%	%
Lowest of all Client Segments	%	%	%

This headline information will help you to measure each client group against the main benchmarks to allow you quickly assess where performance of the client grouping stands.

From this data, it is recommended that you list the key learnings, concentrating on the outliers, for example, those groups that are most and least relevant to your practice. It can also be very useful to add notes outlining any significant changes in the activity of the previous two years (where this information is available).

#### SAMPLE CLIENT SEGMENTS KEY LEARNINGS

Private clients accounted for just 6% revenue contribution 2018, significantly below the average of 19%. However, this represented a new client segment addition from 2017 and given the 6% revenue contribution in one year from a zero baseline, shows that there is strong potential in this client segment for us, despite profitability being lower at 4% and time spent being higher at 10% of practice time.

Government (0%) and not-for-profit (1%) effectively did not feature in our practices revenue contributions in 2018. Given these are similar levels to the previous two years, we would consider these client segment not to be key for the firm at present.

Start-ups and small enterprises are the two dominant client segments for the practice, accounting for 32% and 38% respectively, both significantly above the 19% average. They also represent the two big growth areas for the practice, as both have been growing as segments over the previous two years.

### 2.3.2 Client Sectors

Breakdown your practice's current business client base into the industry/sectors in which clients operate. See options in the list presented below (add and delete as appropriate):

CURRENT CLIENT SECTOR GROUP	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Agri, Forestry & Fishing	%	%	%
Construction	%	%	%
Education	%	%	%
Energy & Water Supply	%	%	%
Financial Services	%	%	%
FMCG	%	%	%
Food Services	%	%	%
Government	%	%	%
Healthcare & Pharmaceutical	%	%	%
ICT	%	%	%
Legal	%	%	%
Manufacturing	%	%	%
Media & Advertising	%	%	%
Medical	%	%	%
Not for Profit & Voluntary	%	%	%
Professional Services	%	%	%
Real Estate	%	%	%
Retail & Wholesale	%	%	%
Telecommunications	%	%	%
Tourism & Hospitality	%	%	%
Transport & Logistics	%	%	%
Other	%	%	%

**Note:** Possible source is from your practices case management system. If this is not already in the system, then it is an idea to add this.

From the table above, extract the key headline information within each category. Example as follows:

KEY STATISTICS FROM CURRENT CLIENT SECTOR TABLE	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Average %	%	%	%
Highest %	%	%	%
Lowest %	%	%	%

This headline information will help you to measure each client sector group against the main benchmarks to allow you quickly assess the performance of the client group.

From this data, it is recommended that you list the key learnings, concentrating on the outliers, for example, those sectors that are of most and least significance to your practice. It can also be very useful to add notes outlining any significant changes in the activity of the previous two years (where this information is available).

### SAMPLE CLIENT SECTORS KEY LEARNINGS

Agri accounted for 8% revenue contribution 2018, significantly below the average of 17%. However, profitability of this sector is higher at 11% and time input lower at 4%, making this an attractive sector to pursue. The Agri sector has dropped in recent years from a 12% and 11% revenue contribution in 2018 and 2017 respectively. Reasons for this drop will need to be understood.

Government (0%) and not-for-profit (1%) effectively did not feature in our practices revenue contributions in 2018. Given these are similar levels to the previous two years, we would consider these not to be key client sectors for the firm at present.

Retail (25%), tourism (30%) and construction (20%) are the dominant sectors for the practice, accounting for 75% of company revenue between them. Retail's profitability is below average at 18%, with construction in line with its revenue contribution at 20% and tourism being most profitable at 38%. Trends and percentages have been similar in the previous two years for each of the three sectors.

### 2.3.3 Overview of Core Client Markets

Outline the geographic breakdown of your practice's clients (based on home address for private clients and premises/office address for commercial clients and organisations). Use the sample list below:

CURRENT MARKETS	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Local (within village/town or local city suburb)	%	%	%
Within the wider county	%	%	%
Regional	%	%	%
National	%	%	%
International	%	%	%
If there multiple International clients, please list by country	%	%	%

Note: Possible source is from your practices case management system or CRM system containing the contact details and billing addresses of clients

From the table above, extract the key headline information within each category. Example as follows:

KEY STATISTICS FROM CURRENT MARKETS TABLE	PERCENTAGE OF TIME	PERCENTAGE OF REVENUE	PERCENTAGE OF PROFIT
Average %	%	%	%
Highest %	%	%	%
Lowest %	%	%	%



This headline information will help you to measure each client group against the main benchmarks to allow you quickly assess performance indicators.

Analyse the data for key learnings, concentrating on the outliers, for example, those markets that are of most and least relevance to your practice. It can also be very useful to add notes outlining any significant changes compared to the activity of the previous two years (where this information is available).

### SAMPLE CORE CLIENT MARKETS KEY LEARNINGS

UK provided 4% revenue contribution 2018 which represented a new market addition introduced in 2017. However, profitability remains lower than average at 2%. However, this needs to be understood in combination with the strategy of discounting fee levels on the basis of market entry and generating future business from our Irish telecoms business client through his retail contacts in the UK.

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Regional business accounted for just 12% revenue contribution in 2018 which represented a practice area reduction from 2017. However, profitability from regional business is highest at 15% (possibly due to less frequent meetings given the level of email communication).

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Local and within county were the two dominant markets for the practice, at 52% and 28% revenue contribution in 2018 respectively which can probably be attributed to networking and often knowing the clients personally. These were 62% and 20% respectively in 2017 and the result of businesses in the town moving to industrial estates and premises further out of the city. Clients are predominantly the same, albeit it has assisted us in expanding our base further out in the county.

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### 3 MARKET ANALYSIS – PESTEL

#### 3.1 Understanding the value of generating a PESTEL

PESTEL (Political, Economic, Social, Technological, Environmental and Legal) analysis is a tool used to analyse and monitor the external environment for changes and developments that may impact your practice's performance or growth opportunities.

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### **3.2 Information Sources for a PESTEL**

Information will come from secondary sources. Secondary research involves the collation of existing research and extraction of key information from that research. Secondary research is extensively available and usually low or no cost (unless market reports for niche markets is required). The challenge is in selecting the key sources most relevant to your practice type, location and client set. Some of the most relevant examples of existing research resources might include:

- Industry reports, studies, white papers and journals.
- Attendance at conferences.
- Newspapers, magazines or other publications.
- Signing up to e-zines and updates from key websites.
- Law Society communications.
- Updates, blogs and commentary from competitors or clients.
- Census data.
- Business directories.
- Economic performance data and predictions.
- Papers and statements from professional bodies representing relevant client sectors.
- Government policies, national development plans and departmental service plans.
- City and County Councils Local Economic & Community Plans.

It is recommended that your practice identifies the key information sources. A schedule could be put together showing the publications or information sources and their frequency. They should be reviewed within a short timeframe following publication to determine whether there is any information included that might have significance for your practice. The PESTEL template will guide you through some examples.

### **3.3 How to generate a PESTEL**

A PESTEL covers six key categories to be taken into account when assessing the attractiveness of a potential market or client. Within the categories, the practice should input any items that may impact (positively or negatively) client needs, market demand or your practice operations.

Examples of the type of information that your practice should gather is as follows:

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
<p>Political information/factors may include:</p> <ul style="list-style-type: none"> <li>• Local and national government policy</li> <li>• foreign trade policy or trade restrictions</li> <li>• tax policy</li> <li>• labour law, health and safety regulations</li> <li>• environmental legislation</li> <li>• information regulation</li> <li>• international directives</li> <li>• equality legislation</li> </ul>	<p>Economic information/factors may include:</p> <ul style="list-style-type: none"> <li>• economic growth and inflation rates</li> <li>• exchange rates, interest rates</li> <li>• business grants or loan schemes launched or closed</li> <li>• growth sectors</li> <li>• investment trends</li> <li>• employment trends</li> </ul>	<p>Social information/factors can include:</p> <p>population trends and demographics (age, income, education etc.), either national or in your target region</p> <p>attitude, life-style and motivation changes</p> <p>business profile within an area</p> <p>new housing, infrastructure or other developments</p> <p>socio-economic trends</p>	<p>Technological information/factors could include:</p> <ul style="list-style-type: none"> <li>• innovations in technology that may affect the operations of the industry and the market favourably or unfavourably.</li> <li>• the level of innovation, automation, technological change and the amount of technological awareness within a market</li> <li>• media trends, particularly in digital marketing and social media</li> <li>• accessibility</li> </ul>	<p>Environmental factors include ecological and environmental aspects such as:</p> <ul style="list-style-type: none"> <li>• weather</li> <li>• climate</li> <li>• environmental offsets</li> <li>• climate change (which may especially affect industries such as tourism, farming, agriculture and insurance)</li> </ul>	<p>Legal factors could include changes to specific laws such as:</p> <ul style="list-style-type: none"> <li>• discrimination laws</li> <li>• antitrust laws</li> <li>• employment laws</li> <li>• consumer protection laws</li> <li>• copyright and patent laws</li> <li>• health and safety laws</li> <li>• immigration law</li> <li>• equality law</li> </ul> <p>This may include international laws if your practice or your clients operate in other jurisdictions.</p>

## POLITICAL

- Threat of a 'no-deal Brexit' and an uncertain trading relationship with the UK tax policy (<https://www.siliconrepublic.com/careers/hr-changes-employment-law-219>).
- VAT rate for the tourism sector increases from 9% to 13.5%, with effect from 1 January 2019. (<https://www.rte.ie/news/budget-2019/2018/1009/1001985-tourism-vat/>)
- From 1 January 2019, employers must engage in real-time reporting of PAYE, which means employee pay and deductions need to be calculated and reported as they are paid. PAYE modernisation may represent a particular challenge for rural employers with limited broadband (<https://www.siliconrepublic.com/careers/hr-changes-employment-law-219>).
- In March 2019, there was a variation of the Clare County Development Plan 2017-2023 to give effect to the Government Policy Statement on the Development of Data Centres in Ireland by identifying in a plan led manner the preferred location of a Data Centre in County Clare. The variation to the development plan rezoned a 55ha site near Ennis town to allow for a Data Centre campus. (<http://www.clareco.co.ie/services/planning/clare-county-development-plan-2017-2023/>)



A sample completed PESTEL could include such things as the following (in this case we have used County Clare as a sample practice location so national and local issues are relevant):

## ECONOMIC

- The economy is still growing, although the rate is slowing and growth is lower than predicted. The Irish economy expanded 6.7% in 2018, slower than 7.2% in 2017. Growth dropped off in Q4 of 2018 and is expected to drop to a growth rate of 3.9% for 2019. [https://ec.europa.eu/ireland/news/spring-2019-economic-forecast-ireland-s-economic-growth-to-moderate-on-the-back-of-a-less-benign-external-environment\\_en](https://ec.europa.eu/ireland/news/spring-2019-economic-forecast-ireland-s-economic-growth-to-moderate-on-the-back-of-a-less-benign-external-environment_en)
- MII Consumer monitor - Consumer spending increased by 3% in 2018 to €104 billion, well ahead of the last peak of €101 billion in 2007. However, growth slowed to 2.6% in the fourth quarter reflecting a weakening of consumer sentiment towards the end of the year. The outlook for this year is for consumption to moderate further, growing by 2.1% for this year and 2% for 2020. These forecasts assume that consumer confidence will remain subdued while there is a continuing risk of a disruptive UK departure from the European Union. [https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM\\_Q1\\_2019.pdf](https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM_Q1_2019.pdf)
- MII Consumer monitor - Wages have been increasing by approximately 2.5% per annum in recent years and are expected to rise further in 2019. As spare capacity in the labour market diminishes, wage growth is projected to pick up slightly, with wages forecast to increase by 3.6% this year and 3.7% next year. [https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM\\_Q1\\_2019.pdf](https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM_Q1_2019.pdf)
- MII Consumer monitor - One area where borrowing is growing modestly is for the purchase of residential property. There were 30,629 mortgages issued for purchasing homes in 2018 (up 9% on 2017), with a value of €7 billion which was up by a slightly higher 13% reflecting price increases. In sum, 55,000 homes were sold last year, and forecasts suggest about 58,000 for this year. The number of mortgage approvals is up 9% for the first quarter of 2019 year on year suggesting positive momentum, while the value is up by the same amount suggesting prices are relatively static. 18,000 new housing units were completed in 2018, 24,000 are expected in 2019 and 28,000 in 2020. [https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM\\_Q1\\_2019.pdf](https://cdn.ymaws.com/mii.ie/resource/resmgr/reports/pdf/CMM_Q1_2019.pdf)
- EU projects and funding: In partnership with four other EU local authority areas, Clare County Council has received European Union (EU) funding totalling €388,000 to increase participation in maritime activities and to encourage young people across Clare to consider maritime related careers. <https://myisa.sailing.ie/ISANews/tabid/115/articleType/ArticleView/articleId/73743/Atlantic-Youth-Project-Gets-388k-To-Boost-Maritime-Opportunities-for-Clares-Young-People.aspx>

## SOCIAL

- The Western Development Commission's (WDC) County profile of Clare, following the 2016 census, showed the county being predominantly rural, with almost two thirds of the 118,817 population (60.7%) living outside of towns with a population of 1,500 or more. The largest town is Ennis with a population of 25,276 people. 968 total new dwelling completions in the Mid-West in 2018 (244 in county Clare). 821 planning permissions sought in Clare in 2018, 263 relating to new dwellings, 219 to extensions, 92 to alterations/conversions or 247 to other types of application. <https://www.wdc.ie/county-profiles/clare/>
- As part of Project Ireland 2040, the Government has committed to providing an additional €1 billion for the Rural Regeneration and Development Fund (RRDF) over the period 2019 to 2027. The RRDF will provide investment to support rural renewal for suitable projects in towns and villages with a

population of below 10,000. (<https://geohive.maps.arcgis.com/apps/MapSeries/index.html?appid=752cbec9c0f64c6894fb63f7ebe7c4db>) 3 successful applicants to the Urban Regeneration and Development Fund in county Clare; Parnell Street and the Lanes and Bow Ways, The Venue Shannon (Strategic Masterplan Cat B ) and Barrack Square and Old Barrack Street and O'Connell Square and High Street (<https://assets.gov.ie/8343/103a14d264e6493a8e88f663f5215d34.pdf>)

- High Quality International Connectivity • New wide hangar at Shannon Airport • Expansion programme at Shannon-Foynes Port Company (<https://assets.gov.ie/8343/103a14d264e6493a8e88f663f5215d34.pdf>)

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## TECHNOLOGICAL

- Capterra have updated their latest Legal Case management software reviews, comparisons and feature lists (<https://www.capterra.com/legal-case-management-software/>) and Finance Online have delivered a review of best legal case management software programs for small and medium firms (<https://financesonline.com/top-20-legal-case-management-software-programs-small-medium-law-firms/>).
- Enterprise Ireland, in partnership with the Institutes of Technology, established a nationwide network of 15 Technology Gateways which deliver technology solutions for Irish industry close to their market needs and are open to all sizes of companies. The Mid-West Gateway is Shannon ABC LIT. (<https://assets.gov.ie/8343/103a14d264e6493a8e88f663f5215d34.pdf>)

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## ENVIRONMENTAL

- Grants are available for large energy users and SMEs to improve the energy efficiency of their buildings, equipment and processes. 8 grants available totalling €68,211.30 (<https://assets.gov.ie/8343/103a14d264e6493a8e88f663f5215d34.pdf>)
- The European Energy Performance of Buildings Directive Recast 2010 (EPBD) requires all new buildings to be nearly Zero Energy Buildings (nZEB) by 31st December 2020 and all buildings acquired by public bodies by 31st December 2018. This means that any buildings completed after these dates should achieve the standard irrespective of when they were started. (<https://www.igbc.ie/nzeb/>)

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## LEGAL

- The Employment (Miscellaneous Provisions) Bill 2017 scheduled to commence on 4 March 2019 requires employers to provide employees with five core terms in writing within five days of starting work along with a number of other requirements. Employers will need to review their employment practices in detail to assess the impact of the Bill on their businesses. (<https://www.siliconrepublic.com/careers/hr-changes-employment-law-219>)
- A number of changes to parental leave are due to take place in 2019 and 2020. These include:
- A new paid Parental Leave Scheme that allows parents to take two weeks paid leave each during their child's first year (expected from November 2019)
- A phased extension to the number of week's parents can take as parental leave. Parental leave for parents of eligible children will increase from 18 weeks to 22 weeks from September 2019 and from 22 to 26 weeks from September 2020.
- An increase, from 8 to 12 years of age, in the age of children for whom parental leave applies.

Once your PESTEL has been completed, use the contents to support your understanding of the marketplace, how it is changing and what opportunities might exist as a result. For example:

- The Capterra example in the technological section might lead your practice to review your functionality listings and usage and potentially conclude that you are not maximising the use of your case management software, in particular the new app that is available. Equally, it may lead you to review other software options on the market.
- The figures on the new houses built in Ennis could help determine if the market for conveyancing is likely to rise, fall or remain stable. It could also indicate an opportunity to align with the main developers to be the recommended legal partner or to advertise on/near development sites.
- Given the prominence of services as employers (68%), more detailed research should be carried out into the most prominent service industries with a view to defining key companies to target with employment law services and GDPR advice (specifically HR related).





## 4 COMPETITOR ANALYSIS

### 4.1 Understanding the value of generating a competitor profile

Competitor profiling, analysis and mapping is a simple exercise of listing competitors and then gathering the key competitor information that will provide insights for the practice in relation to remaining competitive. Findings can be drawn from the insights to direct your strategy in terms of growth. Templates can be created internally to meet your needs and a sample table format is included in this document.

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## 4.2 How to generate a competitor profile

Sources of existing and potential information and methods and tools to be used to capture competitor profile information should include the following:

- Desk research, which might cover:
  - websites of competitors.
  - social media accounts of competitors, in particular LinkedIn.
  - job listings for the competitors.
  - local news sites.
  - media coverage from competitors.
  - Google searches for competitor names.
  - websites that gather business reviews and feedback.
- Informal feedback, formal primary research via questionnaires or interviews with:
  - clients: those that have views on why they would/wouldn't go to a competitor and that may have switched to your practice to or from a competitor practice.
  - individuals or businesses within the community that could be potential clients.
  - peers and other business owners in the community.
  - employees, both your own and past employees of competitors.

In order to have robust information to create your Growth Strategy, thorough competitor information is required. This may involve using information already compiled, formally recording information already known but not documented, or carrying out an initial review. Whatever the starting point, information should be systematically updated as time goes on. More dynamic areas will require more frequent updates e.g. marketing/communications initiatives and staffing, whilst other will be bi-annual or annual e.g. practice areas.

Ad hoc, reactive reviews would also be suggested when there is a significant change to the competitive environment such as a new practice launch, merger, acquisition, expansion or practices ceasing to operate. A review to understand details and background to same and any key learnings or challenges for your practice would be of value.

## 4.3 Types of information required

It is recommended that you identify what practices are your direct competitors. It is best to narrow the focus to the 3-6 key competitors initially. Aspects of the competitor practice that you should review, include details of their:

- Location
- Service offering
- Pricing
- Staffing
- Organisational structure
- Brand/marketing and communications
- Client set – size and profile
- History and recent developments – expansions, mergers etc.
- Partnerships, affiliations or memberships
- Technologies or processes used
- Customer experience
- Other key differentiators or information

It is important to note where practices have a particular strength or weakness in any of these areas and what the impact of that might be. It is understood that you may not be able to get all the above information but where possible do try and create as full a competitor profile as possible.

It can also be worth identifying 2 or 3 practices that you admire (in whole or part). These can also be from other geographies or specialist offerings. It is worthwhile to identify and understand the key strengths that give them their edge and that you can potentially utilise or benchmark your practice against in the future.

#### 4.4 Establish your competitive advantage

Before completing the competitor profile, it is first recommended that you establish what you perceive to be your own practice's competitive advantage. This will help you to gain an understanding of your advantages and the areas where other competitor practices may hold an advantage. It will also assist you when populating your competitor profile. Below is an example of the table you can use to complete your practices competitor advantage profile.

SERVICE CHARACTERISTIC	HIGH	MEDIUM	LOW	NOT PRESENT
Personal Service				
Trusted Advisor				
Responsiveness				
Long standing relationship				
Competitive fees				
Level of commitment				
Convenience of location				
Specialist expertise				
Established practice				
Continuity of staff				
Opening Days/Hours				
Accessibility/Location				
Timely delivery on cases				
Other				



#### 4.5 Competitor profile example

Examples of the type of information that your practice should gather and formatting of the information, is outlined in the table below:

FACTOR	OUR PRACTICE	SAMPLE COMPETITOR ONE	SAMPLE COMPETITOR TWO	SAMPLE COMPETITOR THREE	SAMPLE COMPETITOR FOUR
Name	Black & Co Solicitors	ABC Smith & Associates	Legal Solutions	White & Greene Solicitors	John Murphy Solicitors
Location	Town centre	Main street	Town centre	Business park on town outskirts	Suburb
Practice areas	General practice	General practice (family and probate and conveyancing mainly)	General practice	General practice (known for ligation)	General Practice
Fees	If known, enter actual or estimated fee range here	If known, enter actual or estimated fee range here	If known, enter actual or estimated fee range here	If known, enter actual or estimated fee range here	If known, enter actual or estimated fee range here
Staffing	3	5	8	4	1
Organisational Structure	1 partner, 1 PA, 1 support	1 partner, 1 solicitor, 1 trainee solicitor, 2 support staff	1 partner, 3 solicitors, 4 support staff	2 partners, 2 PAs	1 solicitor no support staff

FACTOR	OUR PRACTICE	SAMPLE COMPETITOR ONE	SAMPLE COMPETITOR TWO	SAMPLE COMPETITOR THREE	SAMPLE COMPETITOR FOUR
Brand/Marketing & Communications	Brand hasn't been updated since practice opened. Dated looking now. Website is static and outdated. No signage on building except plaque on door – not very prominent. No social media. Involved in golf club networking.	Brand is functional. Clean, simple website. No great sense of values but feels reliable and straight-forward. No social media. Don't appear to have any eZines. Do have a brochure available in their reception. Have branded pens, notepads, mugs etc. Linked in profile –occasional updates, mainly sharing news articles no other social media. Radio ads locally. Sponsor local rugby team and school events.	Modern brand and colour scheme. catchy name and tagline based on company promise rather than person behind the practice. Feels accessible, expert, understands the client. Strong website, lots of imagery and plain English which makes it friendly and accessible. Highlights services and values well, so customer knows what they get. Connected to LinkedIn and Instagram with good content updates at least weekly. Really strong Google profile and ranking. Client eZines monthly. Blog on website. Good external branding on building – blinds, signage etc	Brand inconsistent across signage, mobile, stationary etc. Very traditional colour scheme and font. Don't get a sense of personality from brand other than traditional. No evidence of social media, communications, sponsorships.	Nothing apparent except for name plaque on building (very traditional style) and directory inclusions.

FACTOR	OUR PRACTICE	SAMPLE COMPETITOR ONE	SAMPLE COMPETITOR TWO	SAMPLE COMPETITOR THREE	SAMPLE COMPETITOR FOUR
Client set for, example, size and profile	Personal clients – all types of service. Circa 30 clients a year (information from past employee)	Personal clients – all types of service. Circa 60 clients a year	Personal clients – all types of service. No idea of numbers	Mainly business clients but cover their personal/family needs also. No idea of volume.	Personal clients – all types of service. No idea of numbers
History and recent developments	20 years old	2 <sup>nd</sup> generation family business, established 40 years ago.	Launched 6 years ago	Launched 12 years ago. Sole practitioners originally that merged 4 years ago	15 years old
Partnerships, affiliations/ memberships	Local golf club	Local rugby team, local school, Irish Farmers Association	Unknown?	Active in local Chamber, local business women's network	None apparent
Technologies or processes used	XYZ case management software, voice recognition/ dictation software, timesheets	No case management software.	ABC case management software, file scanning and client file access, remote working and online booking systems for meetings	Unknown?	No case management software
Customer experiences	Some clients wanting better communications and clarity of process and timelines but generally good client relationships.	Have some feedback of long drawn out processes and delay in getting meetings or responses. Other clients are known to have been long standing clients and feedback is limited.	Known for being innovative and using technology well. Clear communication of client management plan and times. Ongoing communications and access. Efficient.	Limited feedback have heard that business clients feel they are in expert hands and trust them with some personal family business also.	Limited feedback but have heard that clients value the access to the practice principal and tend to use this solicitor for all their legal work and are reluctant to move.



FACTOR	OUR PRACTICE	SAMPLE COMPETITOR ONE	SAMPLE COMPETITOR TWO	SAMPLE COMPETITOR THREE	SAMPLE COMPETITOR FOUR
Awards Achieved	None to date	Irish Law Awards for Family Law firm of the year 2010 & 2015	SFA Awards – Outstanding small business of the year 2014	Local Chamber of Commerce awards for most innovate professional services business 2017. Irish Law Awards for Lawyer of the year 2015.	None aware of
Key differentiators or information	Competition high. Need to recruit good staff. Need to invest in IT.	High client retention but low client growth. Business investment low. Pricing attractive.	Good at business development and winning new business (especially through online enquiries and booking tools) but staff turnover is high and client retention can be low as a result. Business, brand and marketing investment high.	Good at business development and winning new business. Efficient internal systems. Staff like working there.	Younger client profile, mainly conveyancing for first time buyers and then for wills and other items thereafter. Chosen primarily for convenience as it's both local for its client base and the practice opens on a Saturday.





## 5 SWOT ANALYSIS

### 5.1 What is a SWOT analysis and why is it of value?

The SWOT analysis outlines the Strengths, Weaknesses, Opportunities and Threats of the practice. Strengths and Weaknesses represent the internal factors affecting your practice from within, while Opportunities and Threats constitute external factors that impact from outside of the practice. A SWOT analysis is used to help you determine how you can grow your practice by taking advantage of opportunities using your strengths, and how you can protect against threats by improving on weaknesses or further developing your strengths.

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## 5.3 How to generate a SWOT analysis

A SWOT analysis is typically presented in four quadrants, as outlined on the next page, which facilitates seeing connections across the quadrants.

You can draw the information for your SWOT analysis from the client profiling, PESTEL, competitive advantage assessment and competitor profiling that you have completed. The descriptions of the matrix headings below will help you when reviewing your information sources and considering what information is important to input.

- **Internal Factors:** areas internal to your practice within your control such as financial resources, staff, facilities, equipment, processes and systems. Internal factors need to be broken out into strengths and weaknesses.
  - **Strengths:** are the things your practice does well. Think broadly and identify strengths in all areas of the business, such as service, marketing, finance etc. Also include tangible as well as intangible strengths. For example, tangible strengths might include an ownership of impressive office and intangible might include established loyal client base or reputation as experts in employment law.
  - **Weaknesses.** are things your business doesn't do well that are within your control. For example, limited resources, inferior technology, inexperienced staff or poor location.

It is important to remember that what constitutes a strength or weakness will depend on the growth objective you are assessing. An element of your practice could be a strength in one instance and a weakness in another context depending on how it affects your objectives. In this case you are looking for what characteristics give your practice an advantage or disadvantage over others in achieving growth.

- **External Factors:** are typically things that your practice can't control such as market trends, customer demographics, suppliers, the economic climate, political and environmental issues. Anticipating these factors early can help your team plan ahead and stay flexible when they occur.
  - **Opportunities:** are situations you can exploit. They can be long-term or short-term. For example, a change in legislation might give you an opportunity to specialise and serve your clients that are affected by this legislation.
  - **Threats:** are issues that could challenge your business. For example, competition, increasing government regulations or new technologies.

## 5.4 Sample SWOT analysis

Below is a sample SWOT. You can update the SWOT below for your own practice by adding/deleting the examples relevant to your practice.

STRENGTHS (INTERNAL FACTORS)	WEAKNESSES (INTERNAL FACTORS)
<ul style="list-style-type: none"> <li>• Reputation for personal service</li> <li>• Local knowledge</li> <li>• Client responsiveness</li> <li>• Full practice areas</li> <li>• Ability to cross sell to existing clients</li> <li>• Location of business</li> <li>• Highly skilled workforce</li> <li>• Strong network, good referrals</li> <li>• Strong balance sheet, ability to invest if needed</li> <li>• Strong brand, known locally</li> <li>• Low bad debts</li> <li>• Broad client profile</li> <li>• Improved and streamlined financial management</li> <li>• Increase in business development and marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient specialist expertise</li> <li>• Capacity constraints</li> <li>• Lack of business development skills</li> <li>• Fee levels v. time input</li> <li>• Insufficient technology skills</li> <li>• Expectation for principal to be client facing at all times</li> <li>• Insufficient formal client feedback</li> <li>• Time management and time pressures</li> <li>• Outdated website</li> <li>• Insufficient business planning</li> <li>• Recruitment and staff retention issues</li> <li>• Succession planning</li> <li>• Stress management</li> <li>• Managing client expectations</li> </ul>
OPPORTUNITIES (EXTERNAL FACTORS)	THREATS (EXTERNAL FACTORS)
<ul style="list-style-type: none"> <li>• Greater investment and application of IT systems</li> <li>• Improving economy</li> <li>• New business park and 4 x residential housing developments in the area in next 18 months – opportunity to increase client base</li> <li>• Regulatory and compliance obligations of client</li> <li>• Structural changes, for example, professional alliances</li> <li>• Main competitor is near retirement</li> <li>• New markets and practice areas</li> <li>• Expansion of new and existing networks</li> <li>• Positive promotion of the value of sole practitioners and smaller practices</li> <li>• Avail of more CPD programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of investment for growth and development</li> <li>• Uncertainty around Brexit – clients are delaying actions or client projects are on hold</li> <li>• Lack of talent available locally</li> <li>• Available work is not sufficiently profitable</li> <li>• Changing client needs and consumption trends</li> <li>• Solicitor regulatory and compliance obligations increasing resulting in time and cost to manage</li> <li>• Rising overhead costs</li> <li>• Competition in traditional areas of practice, larger firms and non-legal providers</li> <li>• Competitor merger a possibility</li> </ul>





## 6 GROWTH OBJECTIVE SETTING

### 6.1 Introduction

When considering and setting the practice's objectives for the future, it is necessary that you have a true sense of your practice's starting point, for example, the current position of your practice and the breakdown of clients, practice areas and revenue. The previous section of the workbook should have aided you in outlining the core elements of your practice and at this point you should be in a position to look to how you would like to grow and sustain your business.

In this chapter, internal and external growth options are to be explored by each practice and subsequently decided upon.

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## 6.2 Summary Description of your Current Practice

Using the analysis from Section 4.2, please briefly describe your current practice, for example:

ABC Partners is a two-person partnership, employing 5 staff in total that provides general practice. We are located in Mallow, North Cork and predominantly serve SME business clients in the agri and retail sectors in Mallow and the neighbouring towns. We generated €x revenue in 2018 from 25 clients and this reflected a consistent 10% growth per year over the previous 3 years. Profit however has been less positive, showing only €x in 2018, this has continued the downward trend of recent years as costs have risen.

### 6.2.1 Vision Statement

Your practice's vision statement should explain what your practice strives to achieve and your ambition for the future.

At ABC Partners, we strive to represent all of our clients to a standard we would expect for ourselves and to ensure that our business model evolves to meet market demands and includes being a great place to work and learn.

### 6.2.2 Market Context

The market context defines how client needs are likely to evolve (or remain the same) and provides direction in terms of how the practice can best meet market demands in areas where growth is evident or where increased demand has been experienced.

The table below summarises potential examples of how a practice might respond.

MARKETPLACE	POTENTIAL PRACTICE RESPONSE
<ul style="list-style-type: none"><li>Growth in film production in Ireland</li></ul>	<ul style="list-style-type: none"><li>Look into level of increased demand for media and entertainment advice (employment, structure of deals etc.)</li></ul>
<ul style="list-style-type: none"><li>Creative industries expansion</li></ul>	<ul style="list-style-type: none"><li>Target more patents work</li></ul>
<ul style="list-style-type: none"><li>Increased regulation in relation to data protection, charities regulation and health and safety</li></ul>	<ul style="list-style-type: none"><li>Emphasise credentials in legal advice on governance and compliance with legislation and regulation</li></ul>
<ul style="list-style-type: none"><li>Rising employment levels</li></ul>	<ul style="list-style-type: none"><li>Consider increase in employment law</li></ul>
<ul style="list-style-type: none"><li>Importance of agrifood, tourism and technology companies to economy</li></ul>	<ul style="list-style-type: none"><li>Target agrifood, tourism and technology companies</li></ul>
<ul style="list-style-type: none"><li>Fewer first time buyers and high level of competition at low prices in conveyancing</li></ul>	<ul style="list-style-type: none"><li>Review whether conveyancing leads to other business, and, if not, reduce dependence on conveyancing</li></ul>
<ul style="list-style-type: none"><li>Move to out of town retail and business parks</li></ul>	<ul style="list-style-type: none"><li>Consider office move, satellite office (hot desk) or shared space</li></ul>
<ul style="list-style-type: none"><li>Significant increase in sourcing services online</li></ul>	<ul style="list-style-type: none"><li>Increase online presence and use of online platforms to promote practice and practice areas</li></ul>

## 6.3 Future Growth Options

Taking account of your practice's current performance, the market context and your practice's growth objectives and vision statement, a range of potential growth and structure options for your practice need to be considered as part of your Growth Strategy.

Growth will be contingent on the availability of partners and staff (existing or new), capacity and resources to:

1. Develop and deliver the growth areas.
2. Market the practice areas defined as having growth potential to attract the required level of new business.
3. Manage business development activities and monitor progress and targets.

Growth can be achieved through a targeted plan to develop markets and practice areas and types of growth strategies can be categorised under (per the Ansoff Matrix):

- **Market Penetration:** Sell more of current practice areas to current markets/clients;
- **Market Development:** Target new markets with existing practice areas (the focus is on developing into new markets (geographies, countries, sectors, client segments etc.);
- **Product Development:** Develop new practice areas to sell to existing clients (focus on extending range of practice areas available to current markets/clients);
- **Diversification:** Grow market share through new practice areas in new markets (focus on both developing new practice areas and attracting new clients/markets).

The requirements in terms staffing and skills required will vary depending on whether new areas are being developed or new sectors are being pursued (where it may be necessary to hire someone with credentials in the sector if the practice does not have existing experience in the area). Similarly, the tactics used will differ depending on which of the strategies above is being pursued. This will be part of the marketing plan to accompany the Growth Strategy. The template being provided will include examples of some tactics under each of the above.

Where new practice areas are being considered, you should attempt to quantify whether there is a gap in the market, levels of competition and your capacity to respond in a way that will attract new business. Where specialisation is being considered, the following (taken from the market study) should inform the decision:

PROS OF SPECIALISATION	CONS OF SPECIALISATION
<ul style="list-style-type: none"> <li>• Differentiation</li> <li>• Reputation</li> <li>• Potentially less competition</li> <li>• May be able to charge premium pricing</li> <li>• Positioning as expert</li> <li>• Referral business from generalists</li> <li>• Deeper knowledge of specialist area</li> <li>• Potential to streamline processes</li> <li>• Networks likely to be aligned with specialism and more likely to refer</li> </ul>	<ul style="list-style-type: none"> <li>• Need to define clear target market</li> <li>• Niche client base</li> <li>• Inability to cross-sell</li> <li>• May limit expansion capacity</li> <li>• Possible risk of inconsistent demand</li> <li>• Diminution in fees when specialist area is quiet</li> <li>• Less transferable skillset</li> <li>• Less knowledge of broader areas of law</li> <li>• Reliance on one (or few) practice areas</li> <li>• Risk of specialism becoming obsolete</li> </ul>



PROS OF GENERAL PRACTICE	CONS OF GENERAL PRACTICE
<ul style="list-style-type: none"> <li>• Appeal to a broader client base</li> <li>• Ability to cross-sell to existing client base</li> <li>• Ability to expand or promote a number of practice areas</li> <li>• Positioning as understanding interconnectedness of areas of law</li> <li>• Ability to provide solutions from a variety of perspectives</li> <li>• Depth of client relationship if working with client in a number of areas</li> <li>• Variety may reduce ability to streamline</li> </ul>	<ul style="list-style-type: none"> <li>• General target market that must be reached in a variety of ways</li> <li>• Need for a broad network for potential referrals</li> <li>• Need to communicate message of value of generalist</li> <li>• More competition (than specialism)</li> <li>• Impact of broad competition base on fee</li> <li>• Implications of project management with multiple cases (often at a lower fee level)</li> <li>• Need to refuse work where a specific specialism is required</li> </ul>

Three growth options are outlined below for consideration, and their respective merits and limitations, are set out in the following paragraphs. This is followed by the potential organisation structure options.

### 6.3.1 Option 1: Status Quo/No Growth option

In any strategic/organisational review, the first option to consider is whether a practice can remain “as is”. For most practices, this would be a situation where:

- Service delivery would be based on the current practice areas.
- Client numbers, and therefore fee income, would remain at current levels, or may decrease if the practice areas are generally non-recurring work.
- Focus would remain within the current clients/markets.
- Staff would be likely to continue to work at current capacity.
- Finances would be likely to remain relatively static.
- Infrastructure requirements, IT etc., would also remain relatively unchanged.

#### Risks associated with this option include:

It is possible that the status quo could threaten the sustainability of a practice for the following reasons:

- Dependency on current market demand continuing but with a potential inability to respond to threats outlined in the SWOT.
- There is no capacity for the practice to take advantage of market opportunities as they arise (assuming capacity is not available internally).
- The practice cannot respond to changes in the marketplace.
- Demand for current practice areas may be under threat due to reduced demand, reduced relevance or an increase in competition.

#### Option One

Is No Growth viable for the practice?

### 6.3.2 Option 2: Moderate Growth

The pace of growth is something that needs to be managed by the principals in the practice. It is a function of ambition, capacity, investment required and resources available and also, in some cases, urgency in terms of new business required to both sustain and grow the business. This section presents a moderate growth scenario but clearly a slow growth or accelerated growth scenario might be more appropriate to an individual practice. The moderate pace of growth included in this section is a middle ground.



A moderate growth scenario is at a higher level than a slow growth option and the growth would be more immediate as it would involve an immediate injection of investment into active business development activities and related resources.

Accelerated growth for the practice would require the immediate availability of funding and adoption of a strategic approach to the growth. In this scenario, the practice would be in the position to significantly increase their current service offering, hire new members of staff and implement several business development opportunities.

Regardless of whether growth is being progressed at a slow, moderate or accelerated pace, investment of time and in all likelihood funds will be required to implement the required actions (to be completed in Section 10 of this workbook).

#### **Advantages of the Moderate Growth option:**

- Less investment required in the immediate term than an accelerated growth option.
- The practice will take a relatively proactive approach to growth of the business, potentially with the appointment of new staff (or contracted resources) to enhance business development, marketing and practice area capabilities.
- The practice will reduce dependence on the continuation of current market demand which may be facing potential threats and will use business development as a tactic to manage and react to those threats.
- The practice will be better able to adapt where necessary and thereby continue to align with client/market expectations.
- Moderate level of change required to the current model, and, as such, would cause less disruption than an accelerated pace of growth.
- More dynamic approach than a slow growth option which would take significantly longer to achieve results.

#### **Disadvantages of the Moderate Growth option:**

- Slower return on investment than accelerated growth option.
- Dependent on the immediate availability of time for and short-term availability of investment in business development.
- The practice will be unlikely to be in a position to respond to multiple market opportunities and will need to prioritise the most immediate and suitable business development opportunities (compared to a more accelerated growth scenario).
- Additional resource requirements will arise, including financial, staff costs, practice area development, marketing costs etc.
- There may be implications for IT and other support systems as volume of business and potentially staff numbers grow.
- Infrastructure such as office space be under pressure (which should prompt consideration of flexible work practices, additional, potentially shared, space etc.).

#### **Risks of the Moderate Growth Option:**

- Assumes that the practice has the capacity to manage moderate growth (or can invest to make it possible).
- Assumes no downturn will occur that will adversely impact business levels.
- Assumes survival of the practice to the point where investment funds are available.
- A minimal increase in staff numbers will have a proportional effect on capacity.
- There will be a need to ensure that the opportunities availed of maintain alignment with the practice's

core values, brand and mission and are not just those that are seen to be the most immediate.

- As the practice expands, there will be a need to ensure that the practice maintains alignment with client expectations/experience.
- Level of investment required for uncertain return (in terms of timing and quantity).
- Assumes that the practice has the capacity to manage growth.

Assuming growth is part of the plan for the practice, complete the tables below to outline targeted growth areas, clients and markets and to set targets for growth. If not applicable to growth plans, note this and review in future.

PRACTICE AREAS TARGETED FOR GROWTH	TARGETED PERCENTAGE OF REVENUE
	%
	%
	%
	%

POTENTIAL NEW CLIENTS TARGETED FOR GROWTH	TARGETED PERCENTAGE OF REVENUE
	%
	%
	%
	%

POTENTIAL NEW MARKETS TARGETED FOR GROWTH	TARGETED PERCENTAGE OF REVENUE
	%
	%
	%
	%

POTENTIAL NEW SECTORS	TARGETED PERCENTAGE OF REVENUE
	%
	%
	%
	%

### Option Two

Is Moderate Growth viable for the practice? Or is Slow or Accelerate Growth more appropriate?

### Strategic Alliance

One capacity building mechanism that should be considered at this stage, is a strategic alliance(s) with one or a number of organisations as an option for growth. Also known as inorganic growth, this option can be considered along a spectrum; at one end, there could be a strategic alliance between two organisations to jointly deliver a specific practice area or to jointly provide a package of professional services, including legal services.

In an ideal scenario, the practice would seek to identify a suitable partner where:

- Both brands would align with each other.
- Both organisations would bring added value to the merger.
- The ethos of both organisations would be sympathetic to each other.
- There would be an overlap of target markets and/or ability to jointly enhance the customer base (including potential geographical growth).
- Both parties bring credibility and reputation in overlapping sectors/target markets and also access to deeper or wider networks.
- The skills base within the combined entity incorporates additional skills and/or strengthens existing skills which results in both capacity and capability building.

Has your practice identified any other practice(s) that could be approached to form a strategic alliance?

Has your practice identified any other professional service firm that could be approached to form a strategic alliance?

### 6.3.3 Option 3: Rapid Growth: Merger & Acquisitions

The final growth mechanism to be considered is mergers and acquisitions. At the other end of the spectrum to a strategic alliance is a merger between organisations or an acquisition of one.

Similar to a strategic alliance, the practice would seek to identify a suitable partner where:

- Both brands would align with each other.
- Both organisations would bring added value to the merger.
- The ethos of both organisations would be sympathetic to each other.
- There would be an overlap of target markets and/or ability to jointly enhance the customer base (including potential geographical growth).
- Both parties bring credibility and reputation in overlapping sectors/target markets and also access to deeper or wider networks.
- The skills base within the combined entity incorporates additional skills and/or strengthens existing skills which results in both capacity and capability building.

#### Advantages of the Merger/Acquisition option:

- Use of a merger or acquisition as a tactic to:
  - Take advantage of market opportunities as they arise.
  - Reduce dependence on the continuation of current market demand which is facing potential threats.
- Potential to increase capacity of the practice without the requirement for significant additional funding by pooling resources of both organisations.
- Potential to align with an already established brand in the marketplace and expand market reach.

**Disadvantages of the Merger or acquisition option:**

- The implementation would require considerable planning and execution.
- Additional resource requirements which would include financial, legal, organisational etc. which would vary depending on the option chosen.
- There could be implications for:
  - Staffing e.g. an overlap of roles across the two organisations could require a reduction in staff numbers.
  - IT and other support systems to ensure systems compatibility.
  - Current buildings and other assets.

**Risks of the Merger/Acquisition option:**

- “Vendor” needs to be well prepared
- A merger or acquisition may not align with core values, brand and the mission of the practice.
- There will be a need to ensure that the practice maintains alignment with client expectations/ experience.
- Potential for lengthy processes and resource investment that ultimately result in a decision not to merge.

**Option Three**

Is Rapid Growth viable for the practice? Have you identified any practice(s) you could merge with or acquire?



A woman with long, wavy blonde hair and dark-rimmed glasses is smiling warmly at the camera. She is wearing a dark blue turtleneck sweater. In the background, a whiteboard is visible with some faint, illegible writing. To her right, a laptop screen shows the words "SIGN IN".

## 7 ACTION PLAN

The action plan should cover the growth areas being targeted and the capacity building, processes and investment required to achieve the growth goals the practice has set for itself. The action plan should start with an overall growth objectives and should include targets that can be monitored over time. Sample objectives are included below that should be adapted for each practice as appropriate.

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The table below demonstrates the starting point in 2020 and the ambition for the practice in relation to growth by 20

**GROWTH PLAN TO 20  
XYZ PRACTICE  
SEPTEMBER 2019**

<b>Current</b>	<b>Target by 20</b>
Revenue:	Revenue:
Profit:	Profit:
Number of clients:	Number of clients:
Number of practicing solicitors:	Number of practicing solicitors:
Number of staff:	Number of staff:

### 7.1 Overall Growth Objectives

- Expansion of X practice area
- Reduction in Y practice area
- Upskill existing staff in relation to XX, YY and ZZ
- Recruit additional person/people with X skills to attract more business in X sector in X practice area
- Strategic alliance to increase capacity in X area
- Review terms of business and restructure communication of fees e.g. basic level of advice, additional advice, retainer fee
- Identify firms with whom we could merge
- Identify firms we could acquire
- Review office space requirement and investigate options in relation flexible work practices in a growth scenario

A good Growth Strategy will incorporate innovation while developing the strategy. You should also use the time to consider how innovation might assist in the development of the business in implementing new ideas, process and service improvements while finding operational efficiencies by doing things differently.

In addition to the sections outlined above, the practice’s marketing plan should be considered in the development of the Growth Strategy. This should be in line with the *Marketing and Communication Strategy* template found online on the Small Practice Support Hub.

### 7.2 Action Planning

An Action Plan table is provided overleaf. An Action Plan should be created for each of your Growth Objectives (which you will have outlined in 7.1.1.). Careful consideration and dedicated time will be necessary to complete this activity. For each growth objective, you will need to work through an individual action plan and consider each of the growth mechanisms and plan for whether each mechanism is necessary to achieve the individual growth objective.

In order to complete this table, your practice will be required to:

- State the specific growth objective to which the tables applies, in Row 1.
- Consider each of the ‘growth mechanisms’ that may be required to achieve the objective, listed in Column 1: the processes; technology; infrastructure, and, people/staffing implications, such as upskilling, recruitment or outsourcing.
- Include any structural changes that will assist in achieving the objective, for example, strategic partnerships.



- Develop marketing actions to support the plan for the specific growth objective covered by the Action Plan in question.

For some growth objectives, the action plan will include a mix of activities, such as upskilling current staff, introducing new technologies to streamline existing systems and processes or increasing marketing activities and efforts. Similarly, you may choose to focus on a reduced number of growth mechanisms, as not all of them will be relevant or required in achieving the growth objective.

Each of the actions will require you to include the financial investment required where relevant, the person responsible for the action, a corresponding deadline and a monitoring system e.g. report at monthly management meetings. Make the action plan as detailed possible as this will provide better direction and will be easier to monitor. If the plan is too general, the required actions will be vague and progress harder to review. Set specific targets, as outlined in the tables in 6.3.2, which will be clearer to monitor and adjust, if necessary.

### 7.3 Action Plan by Growth Objective

SPECIFY GROWTH OBJECTIVE:						
GROWTH MECHANISM	ACTIONS	INVESTMENT	RESPONSIBILITY	DEADLINE	MONITORING SYSTEM	PROGRESS REVIEW COMMENTARY
<b>Processes:</b>						
<b>Technology:</b>						
<b>Infrastructure</b>						
<b>People</b> Upskilling Recruitment Outsourcing						
<b>Structure</b> Strategic alliance Merger Acquisition						
<b>Key marketing actions</b> (elaborated in marketing plan)						

### Action Plan by Growth Objective

SPECIFY GROWTH OBJECTIVE:						
GROWTH MECHANISM	ACTIONS	INVESTMENT	RESPONSIBILITY	DEADLINE	MONITORING SYSTEM	PROGRESS REVIEW COMMENTARY
<b>Processes:</b>						
<b>Technology:</b>						
<b>Infrastructure</b>						
<b>People</b> Upskilling Recruitment Outsourcing						
<b>Structure</b> Strategic alliance Merger Acquisition						
<b>Key marketing actions</b> (elaborated in marketing plan)						



# NOTES



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