

IMPROVING PROFITABILITY – A DIAGNOSTIC TOOL

To help teams improve profit levels, you are asked to rate the following actions in two ways:

1. First rank the items according to which action will be the easiest to implement (using a 5 point scale where 5 = very easy and 1 = very difficult)
2. Then rank the items according to which will have the most impact on profitability (using a 5 point scale where 5 = substantial impact and 1 = negligible impact)

Action		Ease of Implementing	Scale of Impact
A	Earn higher fees (through enhanced client service, specialised services, innovation, etc)		
B	Use marketing to attract better work		
C	Improve matter management performance		
D	Delegate more work to junior lawyers		
E	Sales training for partners		
F	Deal with underperformers		
G	Develop more efficient processes		
H	Reduce turnover of staff		
I	Drop unprofitable services/clients		
K	Invest in developing new higher value services		
L	Increase utilisation (chargeable hours per person)		
M	Reduce overhead costs		

We recommend you share your findings and discuss them in a partners' meeting to build a consensus. Commit to the initiative that has the biggest support, which ideally has a high impact and which is considered to be relatively easy to implement. Once completed, choose another high scoring action which has good partner support.