Making law firm strategy do work

What I've built for law firms deciding whether their strategy is any good, or whether it is time to build a new one

General briefing · Alt-V Law

Derek Duffy, APAC Director, Alt-V

In short. Most of the trouble with law firm strategy sits downstream of the writing. The strategy is intellectually fine; the firm then under-resources it, measures the wrong things, and runs recruitment and promotion decisions on reflex, which quietly re-plans the firm around whatever is easiest. I've built a working kit for both sides of that: a Strategy Review that reads an existing strategy against four tests, and a Strategy Development process for firms where "the strategy" has effectively become the budget plus the lateral programme. A sample pack is included: a Target Operating Model Map for an invented regional firm, and the Strategy Diagnostic run against the same scenario. Both are what the tools produce; the firm and the figures are invented.

The two conversations I keep hearing

I notice two conversations starting most strategy work. The first is "we have a strategy, we think it's reasonable, we're not sure it's working." The second is "the strategy we had has gone stale, or there was never really one, and we're being quietly run by the budget and whoever got hired last." Both land on the same problem: converting choices into results, which is also where strategy tends to fail.

The methodology holds both routes on the same seven stages (Diagnose, Scan, Choose, Stress-test, Resource, Execute, Align), with the Review opening on honest diagnosis and the Development opening on surfacing the pattern a leadership team has been running on without naming it. Resource allocation is a stage in its own right; Bower and Gilbert's point that the real strategy is what the budget already pays for sits at the centre of the method.

What makes a strategy real: four tests, two field diagnostics

Any strategy that comes into the method is scored against four tests, before any effort goes into fixing it. Each test takes a yes or no, and four answers are enough for a first view.

- **The Kernel Test (Rumelt).** Can you extract a diagnosis, a guiding policy and a set of coherent actions from the document as written? Law firm strategies often carry the actions; many carry a sketchy guiding policy; very few carry an honest diagnosis of the critical obstacle. Where diagnosis is missing, every subsequent choice is a plausible guess.
- **The Cascade Coherence Test (Martin).** Where to play → how to win → capabilities → systems. The chain fails most often at how-to-win, where "hire excellent lawyers" or "deliver trusted advice" lands. Those are statements of intent, and they give the firm no competitive advantage.
- **The Trade-off Test (Porter).** What has the strategy explicitly chosen *against*? A strategy with no "no" becomes an aspirations document that will quietly accommodate everything.
- **The Competitor Swap Test.** Replace the firm name on the cover with a direct competitor's. If the strategy still reads as sensible, it is an industry sermon.

Two field diagnostics travel alongside, because they catch what the tests miss. The 30-second partner test asks three randomly-selected partners to state the strategy; agreement in substance is the sign that the strategy is in use inside the firm. The realised-strategy test, which I find especially useful, reads the

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last 24 months of headcount, capex, promotions and lateral hires and treats *that* as the strategy. The gap to the stated strategy is the honest diagnostic.

Where law firm strategy differs from the generic version

A full annex covers this because generic corporate strategy work applied to a partnership fails at the joints where partnership structure bends the physics. Five of those joints decide whether the strategy holds.

Remuneration architecture is a strategic constraint. Firms cannot choose a strategy their remuneration model punishes, which is why cross-selling on pure eat-what-you-kill is a category error and why AI as a horizontal capability tends to fail in strict EWYK firms (the horizontal has no P&L owner). Zero retained earnings means every strategic investment competes with this year's partnership profit per equity partner, which caps multi-year investment appetite more sharply than most strategies admit. Partner autonomy means firm strategy runs on a coalition of the willing, which calibrates how firm-wide an initiative can realistically be. The three-year Managing Partner election cycle produces one strategy per MP term, with roughly 18 months of effective mandate inside the 36. And the billable hour is the de facto strategy by absence: utilisation-driven management makes "grow revenue via more hours" the automatic default and squeezes out any strategy that needs capacity re-allocation.

Any of these is enough to turn a competent strategy into an under-delivered one. All five, running at once, is why law firm strategy work has the reputation it has.

The operating-model side

Strategy and operating-model choice are separate conversations. A strategy sets where the firm plays and how it intends to win; the operating model is the shape of the organisation that can actually deliver it. The default option-space is five archetypes: a Counsel House (deep partner-led advisory, low leverage), a Process Factory (volume with managed leverage), a Product House (packaged repeat work), a Platform Firm (technology-fronted at scale), and an Integrated Advisory (multi-practice around a client type). Mid-market firms often sit in an undesigned blend of two or three, which is why their operating decisions keep contradicting one another.

Picking an archetype deliberately, and running the operating model that fits it, is the step that most reliably removes the quiet friction a firm has been living with. It is also the step that reveals which parts of the strategy the firm has not actually chosen.

The sample pack: what the tools produce

The pack carries two artefacts from one invented scenario. The scenario is **Haldane Pryce LLP**: a UK top-50 regional firm, 400 fee earners, eight offices, £85m fees, independent, with an MP two years into a three-year term. The firm has a strategy from 2024 that reads as a vision statement with KPIs attached; the board has started asking quietly whether it still describes what the firm is actually doing. A 2025 lateral programme (14 partner hires) has become the thing people point at when they describe where the firm is heading.

The **Target Operating Model Map** reads the current blend (Counsel House in corporate, Process Factory in insurance, Integrated Advisory emerging in healthcare), names the target archetype the strategy implies (Integrated Advisory led, with a Product House housed inside it), and lists the three bridging moves the firm would need to make the target real. It is the artefact a strategy conversation should produce before a vote, and the one firms most often skip.

The **Strategy Diagnostic** scores the strategy on five dimensions: Clarity, Coherence, Alignment, Execution capacity and Measurement. Each dimension lands at one of five stages, Absent through Executed. The verdict is the weakest dimension, not the average, because weakness in Measurement or Execution capacity is where a Documented strategy becomes a shelved one. The sample lands Haldane

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Pryce at Stage 2 (Aspirational) on Clarity and Measurement, Stage 3 (Documented) on Coherence and Alignment, and Stage 2 on Execution capacity, giving an overall verdict of Aspirational with Measurement as the first dimension to work. The 30-day priorities it generates are specific to those dimensions.

The tools are management-consulting diagnostics that focus a strategy process. A full review runs the Strategy Diagnostic alongside the realised-strategy audit and the Kernel Test scorecard; a development engagement runs the full seven stages.

Where this tends to be useful

Three use patterns come up most often in the conversations I have with firms.

1. **A review before the next MP election.** Running the diagnostic and the realised-strategy audit nine to twelve months before a Managing Partner election cycle shifts the conversation from "who is next" to "what should the next MP's mandate actually be"; the outputs feed into the mandate and the manifesto. The timing matters: once candidates are declared, the diagnostic turns into a referendum on them.
2. **A diagnosis before a strategy day.** Firms that run strategy days without a diagnosis tend to produce the strategy they already had, with better slides. Running the diagnostic a month before the day replaces the opening workshop with a session on the three or four honest problems the firm has.
3. **A sense check for firms that have grown through laterals.** A firm that has added 20% to its partnership in two years is a firm whose strategy has effectively been re-written by recruitment. The realised-strategy audit against the stated strategy is usually enough to show whether the drift is deliberate.

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?

Derek Duffy

APAC Director, Alt-V

The sample Target Operating Model Map and Strategy Diagnostic report that accompany this note use an invented firm, people and figures throughout. The diagnostic is a management-consulting tool and does not substitute for a facilitated strategy process.

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