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STRATEGY · THE APEX OF THE LEGAL OPERATING SYSTEM

Making law firm strategy work

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

Derek Duffy
APAC Director, Alt-V Law · October 2026

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Strategy sits above the five operating domains

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

STRATEGY (APEX)	AI & TECHNOLOGY	OPERATIONS	PAY & TALENT	PRICING & M&A
Develop or review the firm strategy. Design the target operating model that fits it. Partnership-vote-ready.	Readiness, adoption, buying, cutting waste. Where strategy intersects the technology spend.	Benchmark, diagnose, redesign. Where strategy intersects how the firm runs.	The right rem model, the right team shape, the AI consequences. Where strategy intersects partnership structure.	How you charge, how you combine. Where strategy intersects revenue and growth decisions.

Strategy that does not reshape the budget, the headcount or the operating model leaves the firm where it was.

Most strategy failure happens downstream of the document

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

No diagnosis

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

No trade-off

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

No cascade

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

No machinery

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

Two client conversations, one methodology

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

Strategy Review

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

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

Strategy Development

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

- Partner interviews to surface the pattern the firm has been running on
- Realised-strategy audit as evidence
- Choice architecture: Rumelt kernel + Martin cascade
- Proximate objectives started while the full cascade is built

Four tests, applied before any work goes into fixing

A yes or no on each is enough for a first view

Kernel Test

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

Cascade Coherence

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

Trade-off

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

Competitor Swap

Replace the firm name with a competitor’s. If the strategy still reads as sensible, it is an industry sermon.

The test that catches what management rhetoric misses

The realised-strategy audit shows what the firm has actually chosen

The 30-second partner test

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

The realised-strategy test

The last 24 months of headcount, capex, partner promotions and lateral hires is the strategy the firm actually has. Compare it with the strategy the firm says it has. The gap is the honest diagnostic. (Bower & Gilbert.) Often reveals that recruitment has become the real strategy process.

Five points where generic strategy work bends in a partnership

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

Partner pay	Zero retained earnings	Partner autonomy	The three-year MP cycle	The billable hour
A strategic constraint. You cannot choose a strategy your rem model punishes.	Every strategic investment competes with this year's partner profit per equity partner.	Firm strategy runs on a coalition of the willing. Dissent opts out; strategy accommodates.	One strategy per MP term. Roughly 18 months of effective mandate inside a 36-month cycle.	The default strategy by absence. Utilisation-driven management squeezes out any strategy that needs capacity re-allocation.

Five archetypes, plus the undesigned blend many firms live in

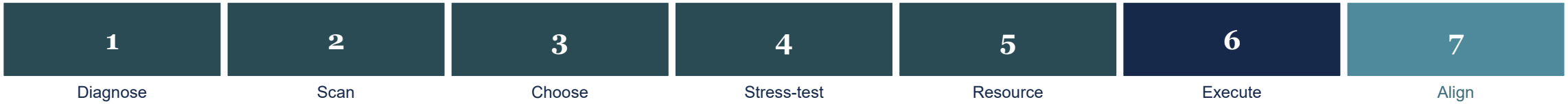
Picking an archetype deliberately removes the quiet friction a firm has been living with

Counsel House	Process Factory	Product House	Platform Firm	Integrated Advisory
Deep partner-led advisory, low leverage, bespoke matters, high realisation. The classic high-end offer.	Panel-driven volume with managed leverage, standardised workflows. Needs scale and systems to defend margin.	Packaged repeat work. A quasi-business inside a firm. Different pay defaults, different KPIs.	Technology-fronted at scale. Client-facing software and self-service alongside the lawyers.	Multi-practice around a client type or sector. Cross-practice teams, client-facing P&L, not practice-group one.

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

Both routes use the same seven stages

Review opens on diagnosis; Development opens on surfacing the pattern. Resource allocation is a stage in its own right.



> **A strategy that does not reshape the budget leaves the firm where it was. Bower and Gilbert's point sits at the centre of the method.**

Score your strategy on five dimensions, in about 10 minutes

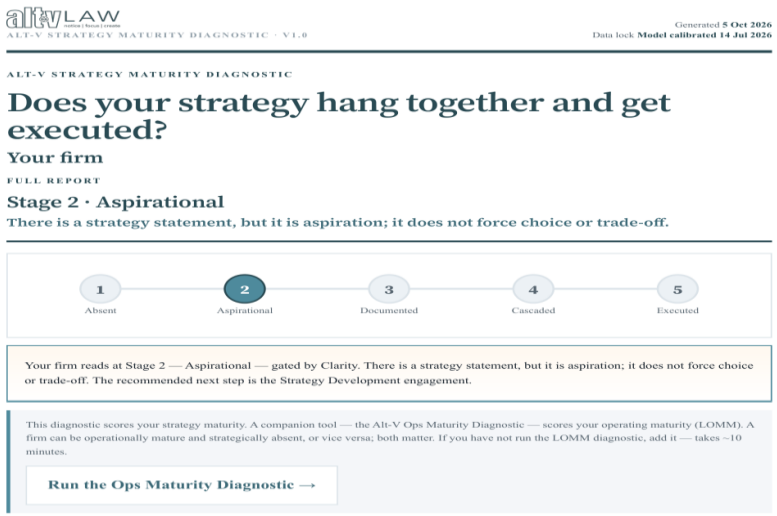
The verdict is the weakest dimension, not the average

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

Weakness in Measurement or Execution capacity is where a Documented strategy becomes a shelved one, so the weakest dimension sets the verdict.

Haldane Pryce LLP: sample output

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



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ALT-V STRATEGY MATURITY DIAGNOSTIC · V1.0

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ALT-V STRATEGY MATURITY DIAGNOSTIC

Does your strategy hang together and get executed?

Your firm

FULL REPORT

Stage 2 · Aspirational

There is a strategy statement, but it is aspiration; it does not force choice or trade-off.

1 Absent · 2 Aspirational · 3 Documented · 4 Cascaded · 5 Executed

Your firm reads at Stage 2 — Aspirational — gated by Clarity. There is a strategy statement, but it is aspiration; it does not force choice or trade-off. The recommended next step is the Strategy Development engagement.

This diagnostic scores your strategy maturity. A companion tool — the Alt-V Ops Maturity Diagnostic — scores your operating maturity (LOMM). A firm can be operationally mature and strategically absent, or vice versa; both matter. If you have not run the LOMM diagnostic, add it — takes ~10 minutes.

Run the Ops Maturity Diagnostic →

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

Three engagement shapes, each with a different trigger

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

Half-day review

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

Full Strategy Review

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

Full Strategy Development

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

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