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Setting Business Development Goals for Your Practice

By Douglas Brown

Douglas Brown, J.D., is a business coach for attorneys, executives, and entrepreneurs with Pelorus Advisors (www.pelorusadvisors.com) and an academic program manager for Post University's online MBA program (www.post.edu/mba).

There is no better time than now to give yourself a “goal checkup” to make sure you're on-track for the coming year, with a specific focus on your goals for practice growth.

Every firm and individual attorney should have a specific business development plan. Knowing where you are trying to go, why you're headed there and how you can make it happen will help you achieve higher levels of personal satisfaction in your practice.

Many organizations procrastinate on this task or worse, let it run its own path trusting that referrals and profitable new business will come. This approach does not put you in control. A new business development plan is imperative if you are serious about growing your practice.

Are Your Goals SMART?

Make your goals SMART: Specific, Measurable, Achievable, Realistic, and Time-bound. Although the concept is not abstract, getting the call to action is often daunting. This article will review the basics of SMART goal-setting and apply this approach to your practice's new business development goals for the coming year.

A **specific** goal is precisely formulated and well defined. It allows someone without knowledge of your practice to understand what you intend to do. The goal must be in writing and shared with your partners, staff, and associates. The most focused businesses share goals from top to bottom in the organization, enabling all parts of the business to work in concert.

Each new business goal should focus on growing a specific area of the practice. To start make sure you understand your client base and your practice with a focus on profitability. Ask yourself questions such as:

What did it really cost me to service each client last year? Consider both direct billable time and the indirect overhead time allocated to the client.

What did I collect in billings from these clients (and how much did I write off and how quickly was I paid)?

What is the profile of the “ideal” client based on the answers to these questions?

How did I secure these clients?

What percentage of my revenue and profit comes from each type of client?

What clients are “at risk” in the coming year, and why?

This knowledge allows you to establish concrete goals. For instance, if you receive 45 percent of your contribution margin defending employers from HR claims and your best clients are transportation companies, then a specific goal might be to build relationships with five new transportation companies which would generate five new matters each in the coming year generating \$40,000 in billing each. Getting this specific is the single most important element of setting goals for sales.

A **measurable** goal is one that you can track over time to evaluate your progress. The hypothetical goal in the last paragraph is measurable. If you can't measure it then it isn't really real.

The goal must be **achievable** and a stretch at the same time. If the goal is too easy or too much of a stretch, it won't provide the proper incentives for you or your team. Having a trusted advisor involved in the process can help you strike the right balance.

The final two elements are **realistic** and **time-bound**. A realistic goal is something that you will actually do. You have to want to do it and believe that you can. A time-bound goal has specific dates attached to it. This is important because once you set your goals you'll work backwards to break it down to quarterly and monthly actions. **CL**