

A CLIO RESOURCE

# Law Firm Business Plan Template



# Introduction

Starting a law firm is an exciting step in your career. It's also one you want to get right. That's why it's essential to take a step back and create a plan so you know where your firm is going and how it's getting there.

That's where a business plan comes in.

## How to use this template

The Law Firm Business Plan Template is divided into eight sections. Within each contains a description to help you understand the purpose of the section and prompts to get you started.

Looking for additional guidance? Read Clio's [Guide to Starting a Law Firm](#) for more details about creating a business plan and starting a law firm.

Once you've filled out each of the prompts, you've completed the first draft of your Business Plan. Next, have key stakeholders such as partners review the plan and ensure it covers all your bases. Once complete, add quarterly and yearly business plan reviews to your calendar—as this is a living document that is to be adjusted as your business evolves.

## About Clio

Clio, the leader in cloud-based legal technology, empowers lawyers to be both client-centered and firm-focused through a suite of cloud-based solutions, including legal practice management, client intake, and legal CRM software. These solutions have helped more than 150,000 legal professionals in 100+ countries manage and grow their firms.

[Try Clio for free, or book a demo today.](#)



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## SECTION ONE

# Executive Summary

The purpose of an executive summary is to provide a distilled version of your business plan's details. It is a high-level overview that covers key points and encourages the reader to continue on.

**Note:** It's strongly recommended that you complete your executive summary after you have completed all of the following sections. The detail you add in the rest of the report will form the basis of this summary.

Your business plan's executive summary must include each of the following sections.

### 1.1 MISSION STATEMENT

Your mission statement describes your firm's purpose: what you want the firm to achieve, who your firm serves, and why your firm serves them the way it does. It should be one or two sentences at most. Consider answering these questions to get you started:

- What does your firm do?
- Why do you do it?
- How do you do it?

### 1.2 CORE VALUES

Summarize the values and mission statement written in section 2.2.

### 1.3 MAJOR GOALS

Core values may not be aspirational, but your goals are. By looking at where you want to take your firm in a year, or two, or five, you can set realistic goals that help you get there. Keep the goals brief in this section; you'll flesh them out further in the document's main body. To get you started, think about the following:

- What are your firm's short-term and long-term goals?
- What markers will you use to track your progress?
- What are your firm's overarching goals and objectives?
- How do your goals relate to your mission?



## SECTION TWO

# Firm Description

This Firm Description section will describe how your firm will operate and why clients should choose your business.

The following sections will introduce your firm, why you're different, why clients should choose your firm, and what clients can expect from your team.

### 2.1 SERVICE(S)

Include a short overview of your firm's services and its ideal clientele. Keep it brief—you'll explore these areas further in Section 3.1 and Section 5—but be sure to answer the following:

- What type of law do you practice?
- What types of clients do you serve?

### 2.2 FIRM VALUES

Your firm's core values provide guidance for yourself, employees, and future clients. Therefore, you should have between 3 and 6 concise statements that define the firm's values.

Note that core values are not aspirational; they're not how you hope to run your firm one day. Instead, they are the guiding values of your firm from day one. Core values often include:

- What values are most important to the firm?
- How do you intend to work with your clients?
- How do you want your clients and the market to see your firm?

### 2.3 LEGAL STRUCTURE

Now it's time to dive into how your firm is structured. This gives employees and clients an understanding of how the firm operates. Think about:

- What sort of business entity are you?
- Are you in a sole proprietorship or a limited liability partnership?



## 2.4 LOCATION

Detailing the firm's location provides additional context for employees and clients. Remember to include:

- Where is the office geographically located?
- What areas does the firm serve?

## 2.5 UNIQUE SELLING PROPOSITION

Your unique selling proposition, or USP, describes how your firm is better than the competition. It should be brief, practical, and realistic. It must encompass something that truly matters to your potential clients. Think about:

- What sets your firm apart from other firms?
- What are your strengths? Why are your strengths relevant to your clients?
- What do your customers want, and how does what your firm does help them?

## SECTION THREE

# Market Analysis

Choosing the right market for your firm—where there is demand for your services and a large customer base—will give you a leg up against the competition. Conversely, launching a firm in the wrong market can make it feel like you're grasping at straws trying to convince a group of lukewarm consumers that your services are needed.

This is why a market analysis is an integral part of your business plan. It must include a description of your client base, the industry it plans to enter, and an overview of the competitive landscape. These conclusions will better equip you to complete Section 6.



### 3.1 IDEAL CLIENTS

This section is your opportunity to describe the law firm's ideal clients and why they are the best match for your firm. Creating a profile of your ideal client helps guide your marketing strategies and business goals. Reflect on:

- Demographics (like location, age, occupation)
- The needs, challenges, and motivations of your ideal client
- How your firm helps your ideal client achieve their goals and overcome their challenges
- Technology, social media, and communication preferences (are your ideal clients on social media? How do they prefer to communicate?)

### 3.2 INDUSTRY DESCRIPTION

Researching relevant trends and trajectories gets you ready for what's to come—so you can build your business accordingly. Think about:

- What is the current and projected size of the market your firm is in?
- What are the trends in your legal niche?

### 3.3 COMPETITIVE ANALYSIS

Understanding the market's competitive landscape plays a key role in how you plan to differentiate your firm. If you're struggling to identify direct competitors, reflect on indirect competitors. These are products or services that are substitutes for yours. For example, rather than seeing a lawyer, a client could have their matter taken care of by an online legal service.



Questions to ask yourself when analyzing the competitive landscape:

- Who are your direct and indirect competitors, and how are they serving your target market?
- What areas of business do your competitors succeed in? Where do they fail?
- What opportunities do your competitor's weaknesses present?
- What does your firm do differently than your competitors?

### 3.4 PROJECTIONS

Now that you understand the firm's ideal client, the market, and the competitive landscape, you're ready to document projections. To create these projection detail:

- How much can your ideal clients spend on legal services?
- How much can you charge clients?
- How do your clients prefer to pay?

**NOTE:** The *2021 Legal Trends Report* found that 81% of consumers look for a law firm with payment plans—making legal services more accessible to clients. This statistic is something to take into consideration when documenting your projections.





## SECTION FOUR

# Organization and Management Overview

Include an overview of your existing team and any predicted hires in the near future. To get you started:

- Highlight your professional experience, educational background, and additional details that make you stand out.
- Do the same for other team members and include a short description of what makes them right for their specific role.
- If your firm has many employees, include visual aids such as an organizational chart.

## SECTION FIVE

# Services

In Section 2.1, you recorded a brief summary of your firm's services. However, Section 5 provides more details on the types of services you offer and who you offer them to. For example, you might provide legal tech services to start-up companies.

When writing this section, consider:

- What problems do clients need your help with?
- How can your services uniquely help clients solve their problems?
- How do your clients benefit from your services?
- What would clients risk if they chose another firm over yours?



## SECTION SIX

# Marketing Strategy

Your ideal client profile will inform you of the firm's marketing strategy—how your ideal client communicates, absorbs information, and where they look for legal information. Marketing is a critical part of your law firm and business plan, so take your time finalizing your strategy. Consider the following for your firm's marketing strategy:

- Where will you find your ideal client? Refer back to Section 3.1.
- What specific marketing goals and outcomes do you hope to accomplish? Goals must include tactical objectives (more clients or higher billing rates) and overall objectives (like increased brand recognition).
- What unique selling proposition will be leveraged in your marketing efforts? Restate what sets you apart and why you're the best firm to serve clients.
- What are your competitors doing? First, restate who your competition is and their current marketing efforts. Then analyze these strategies and identify areas of improvement for your firm.
- What marketing tactics will you action? List the specific steps your firm will take to reach your ideal client and achieve your marketing goals.

If you're not sure where to start, you can learn more about [getting new clients for law firms](#).



## SECTION SEVEN

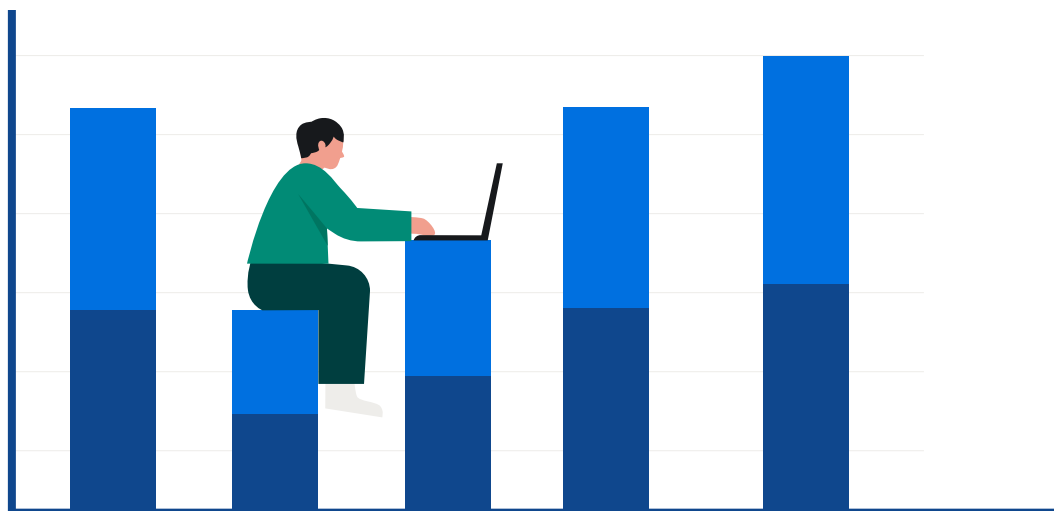
# Financial Plan

Your law firm cannot run successfully without a financial plan. Partners, employees, and other stakeholders want to work for a firm that is expected to be profitable.

Include as much financial information as possible—especially if you're seeking funding such as a bank loan. When getting started, this section should include the numbers for your first year. This includes:

- Revenue goal. How much you'd like to make each month.
- Financial projections. How many cases you'll take on, what you'll be charging each client and total revenue.
- Budget. A breakdown of your expenses each month.
- Cash flow statement. This statement considers when revenue is collected and when expenses are paid. Your cash flow statement should be reviewed every month to record any discrepancies (such as spending less than what you budgeted for) and adjustments made to your business as required.

A financial plan should be updated each year to track the progression of your business. Here's a [complete guide for law firm financial management](#) for lawyers.



## SECTION EIGHT

# Start-up Budget

Every business needs a budget to track up-front costs, day-to-day expenses, and revenue goals. Here are a few expenses to include in your budget:

- Hardware (laptops, printers, office furniture, etc.)
- Office space (will you rent out an office or work from home?)
- Malpractice insurance
- Staff salaries
- Utilities (phone, internet, etc.)
- Practice management software and other technology services

