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The Flywheel: The Secret to Self-Perpetuating Growth for Your Law Firm

By Christopher Earley

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Jim Collins' famous business book *Good to Great: Why Some Companies Make the Leap and Others Don't* (HarperBusiness, 2001) is a must read for any law firm owner and for whoever aspires to be one. In it, Collins reveals his findings as to why some corporations prosper and grow while others fizzle and die. His book is very instructive for law firms. One of the concepts he discusses is the flywheel concept, which states that small wins compound greatly over time and create serious momentum for a company. Here are some ways this concept can be applied to growing and scaling a law firm.

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Marketing

If marketing is done right, then those efforts will compound. Regardless of the type of marketing you are doing, if you intentionally and systematically market your firm, you will get more and more business. The key to moving the flywheel with your marketing is to spend more money on marketing campaigns that are working and less money on those that are not working. Never throw money at a campaign that has proven to be a loser. This is where it really pays to know your marketing numbers. Knowing key numbers such as the percentage of your marketing dollars relative to your firm's total gross income, the percentage of cases that will be closed with no fee, and the cost to acquire a lead, as well as the cost to acquire a signed case, are just some of the

marketing numbers that when mastered move the flywheel more and more. The better your grasp of your marketing data, the more your practice will grow. Marketing is arguably the most important business aspect of running a practice, so make sure the flywheel keeps bringing in the right cases you are looking to attract. Intentional and data-driven marketing will result in ever-increasing momentum and growth for your practice.

People

Another way to compound growth and move the flywheel is to hire the right people and put them in the right seats. This is much easier said than done. We've all made hiring mistakes, and that will never stop. Sometimes we hit, and sometimes we strike out with those we hire. But over time, if you can manage to hire some really good people (and avoid the bad ones), that will help to move the flywheel more and more. It is amazing what the right people working together can accomplish. This is where serious growth happens. That is why hiring the right people is so very important. Make sure, though, to have a thorough system for attracting the right people. This requires writing really good job ads that bring in the right candidates and repel the wrong ones. Hiring the wrong people should be avoided at all costs because hiring mistakes can really set a law practice back. Make sure you have a thorough interviewing and screening process. Really kick the tires and do your due diligence on any applicants you are interested in hiring. Never, ever just go with your gut when hiring someone. Don't settle or become desperate to fill a position, no matter how badly you need that position filled. The better you hire, the more your firm will grow. I suggest running your job ad in multiple places. Also, if you are in growth mode, always have ads running. It is best to look for that next hire before you actually need the person if you are quickly growing. Being proactive with hiring is extremely important.

Systems and Processes

It is really hard to grow without everything in your office being systematized. Each and every function your office performs should be written down. Systemization will create better speed and efficiency in how everything in the office gets done. If your marketing is bringing in the cases, and you have hired the right people, it is imperative there be systems that control how the work gets done. The better your systems, the more smoothly your practice runs. That means less stress and greater profit for you. Many law firm owners think the practice of law is different from other businesses. That is simply not true. A law firm is no different than any other service provider. This is why I liken a law firm to a factory line. The raw product comes in (a legal problem) and gets put

on the conveyor belt for processing (your legal team working together) into a refined product (a resolved legal issue). Getting this concept right is key so that when the marketing brings in the work, the right people are already on the bus, ready to run the systems and processes that have been implemented. When these three things work together, the flywheel keeps gaining more and more momentum. That results in a practice being propelled forward. Be sure you are moving your flywheel in small ways each and every day so you can enjoy the compounding gains that will result.

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