



EBOOK

Running the Practice Like a **Business**

The Operating System Behind
High-Performing Firms



Running the Practice Like a **Business**

The Operating System Behind High-Performing Firms

As firms navigate increasing client pressure, tighter margins, and greater operational complexity, many are discovering that strategy alone is no longer enough. Strategy execution matters more than ever, and practice management is at the heart of execution. Leading firms translate ambition into action—aligning people, pricing, resources, and priorities at the practice level to drive measurable results.

Rather than relying on structural overhauls or blunt cost-cutting measures, this resource focuses on how firms can unlock performance using capabilities they already have. By elevating the role of practice management, clarifying leadership responsibilities, and aligning practice strategy with firm objectives, law firms can improve profitability, scalability, and client outcomes with relatively low-cost, high-impact changes. In an environment where efficiency and growth must coexist, strengthening practice management is one of the most practical ways to protect margins while positioning the firm for long-term success.

Table of Contents

Is Your Practice Management Function Driving Firm Performance?

Pages 3 - 5

Practice Operations: Do You Need an Admin or a Practice Manager?

Pages 6 - 7

How to Align Practice Strategy to Firm Strategy

Pages 8 - 10

What Is the Role of a Practice Leader?

Page 11



Is Your Practice Management Function Driving Firm Performance?

Most firms are managing their practices in some way or another. Some have a loose collection of practice managers/admins, some rely on their Practice leaders, and some have formal practice management functions. But very few are truly using their practice management resources as performance engines for their firms. For many, the discipline has quietly plateaued—focused on coordination, reporting, and gentle partner support. But the firms that are winning market share, scaling strategy, and protecting margin are doing one thing differently:

They treat practice management as the operating system of the practice, not a support function.

If you're a Managing Partner or Practice Group Leader, the question is no longer "Do we have practice managers?"

It's:

Are we empowering them to drive outcomes—or just asking them to keep the trains running?

The Strategy–Execution Gap Lives in the Middle

Firms don't fail because of bad strategy. They fail because execution gets stuck between vision and reality. That middle layer—where client work is priced, people are deployed, resources are allocated, and performance is measured—is exactly where practice management lives.

When the function is underpowered, you see it in all the usual places:



Practice plans that never make it off the page



Partner ambitions disconnected from firm priorities



Pricing decisions made in silos



Talent stretched thin or underutilized



Tools procured but not adopted



Client and profitability data scattered across systems

A strong practice management function integrates the business and practice of law, translating firm strategy into daily operations at the practice level. If that layer isn't elevated, your strategy simply won't scale.



From “Helpful” to High-Impact

Many firms unintentionally limit the role by casting practice managers as “admin+, project support, or partner aides.” But the firms getting leverage from the role do three things differently:

1. Give Them a Commercial Mandate

Practice managers should be empowered to drive profitability, not just process. That includes:

- Pricing models and margin improvement
- Matter performance tracking
- Smarter staffing and resource planning
- Fee earner leverage and utilization

2. Put Them at the Strategy Table

When practice managers are treated as implementers rather than co-architects, even great strategies lose momentum. In top-performing firms, they:

- Shape practice-level plans with partners
- Align talent, operations, and growth priorities
- Connect practice goals to firm financial targets
- Own follow-through and measurement

3. Leverage Their Knowledge of the Firm

Your practice managers should be the connective tissue across finance, HR, marketing, tech, knowledge, and client teams—not another node in the maze.

They don't replace partners. [They make partners scalable.](#)

The ROI Is Hiding in Plain Sight






Empowering the function pays off—quickly. Firms that invest in strategic practice management see measurable gains:

- Over 50% of firms surveyed have changed pricing models in the past three years to meet client expectations and protect margins—yet most lack the operational leadership to make those models stick.¹
- Operational improvements can reduce overhead by up to 20%, particularly when supported by data-driven cost control and staffing optimization.²
- 67% of firms now use legal analytics to win business, but only when someone owns the process of turning insights into pursuit strategies.³

[Practice management is where these initiatives either accelerate or stall.](#)

What MPs and PGLs Need to Do Now

If your firm already has the function, you don't need to rebuild. You need to reallocate ambition:

-  Redefine the role around commercial impact, not coordination
-  Give practice managers access to financial, client, and performance data
-  Involve them early in strategic planning and pricing discussions
-  Task them with implementation—not documentation
-  Make them accountable for outcomes tied to growth, margin, and execution

The change isn't structural—it's behavioral and cultural. And it starts at the leadership level.

The Takeaway

Practice management is your firm's operating system. If it's underpowered, your strategy won't scale.

Your firm already pays for the function. The real question is whether it's powering anything beyond meetings and management reports.

If you want practices that grow, price smartly, deploy people effectively, and deliver consistently—don't add headcount. Elevate the function you already have.

SOURCES

1. PricewaterhouseCoopers. (2013). 2013 Global Pricing Survey: The Power of Pricing [PDF]. PwC. https://www.pwc.com/ee/et/publications/pub/pricing_309656_v2.pdf
2. Forbes Business Development Council. (2025, February 11). 20 Strategies for Managing Operational Costs and Driving Growth. Forbes. <https://www.forbes.com/councils/forbesbusinessdevelopmentcouncil/2025/02/11/20-strategies-for-managing-operational-costs-and-driving-growth/>
3. Long, F. (2024). The Numbers Don't Lie – Legal Analytics Are Winning. Legal Management: The Magazine of the Association of Legal Administrators. <https://www.alanet.org/legal-management/2024/july-august/departments/the-numbers-dont-lie-legal-analytics-are-winning>



Practice Operations: Do You Need an Admin or a Practice Manager?

Building the right team to support your practice is critical to optimize results.

As firms grow and evolve, partners often face a pivotal question: *what kind of business support do we need to unlock the next stage of efficiency and growth?*

It's not just about adding headcount - it's about defining the right capabilities to help practices run like high-performing businesses.

From Task Execution to Business Enablement

Many firms begin by hiring administrative support—professionals who ensure operations run smoothly and partners remain focused on client work. This is essential, but it's also only part of the equation. As the business becomes more complex, firms need to think beyond task execution and invest in roles that can *translate strategy into operational performance*.

The Capabilities That Drive Practice Performance

To scale effectively, leaders should ask: *What do we need from our business operators to improve profitability, resource utilization, and client impact?* The most effective business operators demonstrate a mix of analytical, commercial, and operational acumen across several key dimensions:



Operational Discipline:

Build repeatable systems for scheduling, budgeting, and tracking key performance indicators.



Financial Insight:

Understand revenue dynamics, manage budgets, and connect utilization and pricing to profitability.



Resource Planning:

Align staffing and capacity with client demand and partner workload to maximize productivity.



Business Development Enablement:

Support targeting, pipeline tracking, and proposal development to ensure growth is proactive, not reactive.



Strategic Alignment:

Translate firm-wide goals into actionable plans within each practice or sector group.

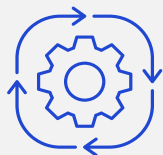
These capabilities help turn practice groups into performance engines—measuring, managing, and improving what truly drives success.

A Strategic Staffing Decision

Ultimately, the question is not “Do we need an admin or a practice manager?”
—it’s “What kind of operator do we need to create leverage and growth?”

If your primary goal is **efficiency**
and **relief for partners**:

Prioritize administrative
skills that ensure
seamless execution of
day-to-day operations.



If your ambition is **growth, profitability,**
and **scale**:

Invest in professionals
who bring business
intelligence, process
discipline, and strategic
foresight.

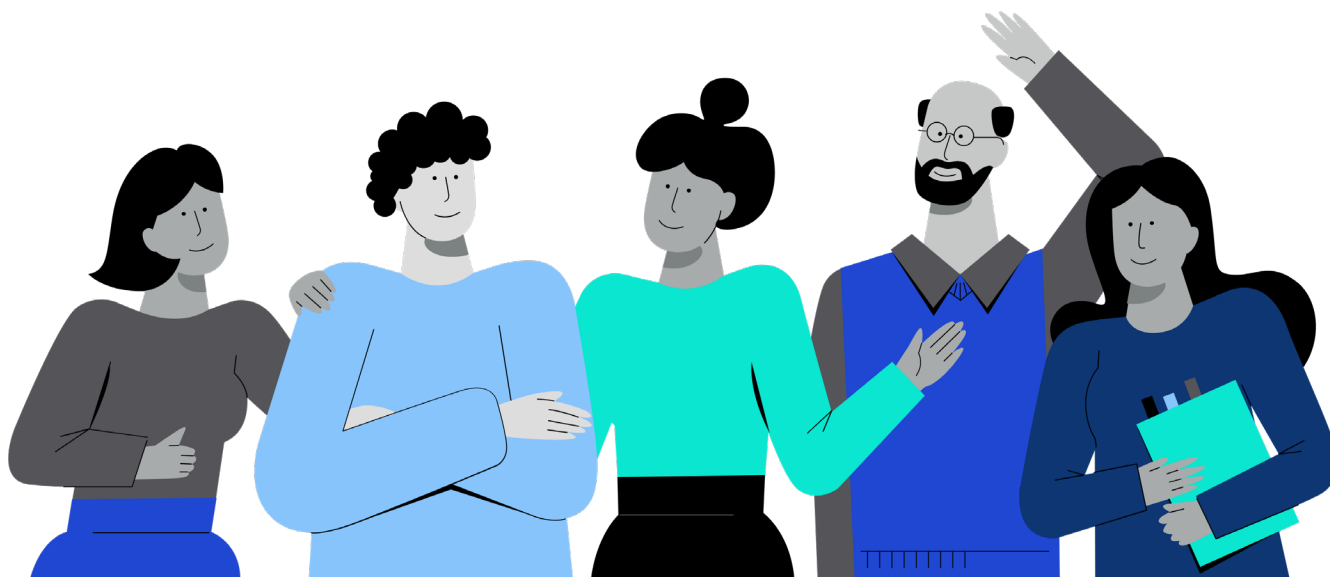


The Leadership Imperative

The right operating talent extends partners’ reach and sharpens their focus. By designing roles around the *capabilities your firm needs most*—not just traditional titles—you create the infrastructure for sustainable growth.

In short:

- Start with where you are going.
- Then define what capabilities you need from your support system to get there.
- The right combination of operator capabilities will help the practice compete, grow, and evolve.





How to Align Practice Strategy to Firm Strategy

One of the greatest risks to law firm performance is misalignment between firm strategy and practice group priorities. Each practice has its own markets, clients, and culture. Left unchecked, those differences can fragment the firm, creating silos that erode collaboration and client value.

The Value of Aligned Firm and Practice Strategies

The two key steps in the strategy process must be aligned and coordinated.

First, the strategy creation process needs to include data, input, and engagement with practices to help practice leaders see their fingerprints on the strategy.

Second, the strategy must come to life through the practices. The practice and Partners need to see how contributing to strategic direction helps them individually, their clients, their practice, and ultimately the firm.

Strategy Creation

OPPORTUNITIES CREATED FROM ALIGNMENT	RISKS CREATED FROM MISALIGNMENT
Involving practices builds buy-in	Lack of guidance from firm leaders produces sub-optimal practice strategies with a high degree of variation
A collaborative strategy creation process provides leaders with important Practice-specific context to create better strategies	Results in too many priorities (sum of all unique Practice priorities) – and some may compete or contradict
Helps define the inputs and elements of strategy that are important to the firm, serving as the basis for strategic goals	Limits the points of accountability and puts pressure exclusively on practices
Creates consistency in “how we think about strategy here”	Without clear and consistent messaging for clients, practices will create their own versions and confuse clients

Execution and Management

OPPORTUNITIES CREATED FROM ALIGNMENT

Helps individuals prioritize their time and maximize their impact

Creates aligned goals, metrics, and drives a culture of shared accountability

With similar and/or connected goals, practices are more incentivized to work together

Allows individuals to focus on what they are good at and want to do, because they know their role in the firm/practice's plans

Drives role clarity of who does what and how those roles contribute to the firm/practice strategy

Gives practice leaders something to create their strategy from

RISKS CREATED FROM MISALIGNMENT

Creates duplicate work and requests for resources

- Different technology platforms for similar use cases across multiple practices
- Requests for hiring resources that could be shared
- Recreation of templates, procedures, programs, etc.

Confusing or misinformed workforce and staffing strategies – you can't get who you need and you don't understand why

Underutilized and siloed talent

Inconsistent training and technical skill development and standards, leading to inconsistent client experiences

Difficult to evaluate and compare performance due to variety of goals and expectations

Unanswered client questions, incorrect answers, and missed client opportunities



The First 5 Steps in Building Alignment

1. Involve Practice Leadership in Firm Strategy Creation

Firm leaders should hear directly from Practices what matters to them and share drafts and updates with Practices before finalizing strategies

2. Translate Firm Goals into Practice Plans

Firm-level strategy must be cascaded into practice-level objectives with measurable outcomes.

3. Create Shared Accountability

Practices should be evaluated not only on local performance but also on their contribution to firm-wide goals.

4. Enable with Data and Discipline

Practice managers provide the tools, reporting, and operational rigor to keep practices on track.

5. Secure Partner Buy-In

Alignment is cultural as well as structural. Partners must see how firm strategy supports their own success.

Why This Matters Now

Clients increasingly expect firms to act as unified businesses, not collections of practices. Alignment ensures that the firm presents a cohesive strategy to the market and delivers integrated solutions to clients.

TAKEAWAY

Strategy fails when it stays on paper. True alignment requires translation, accountability, and leadership at the firm and practice levels.

What Is the Role of a Practice Leader?

Strong practice leadership is the bridge between firm strategy and client delivery.

The role of practice leader is one of the most critical in any law firm—but also one of the least clearly defined. Too often, partners are asked to step into leadership roles without clarity on expectations or support, resulting in uneven outcomes. Yet when properly understood and enabled, practice leaders are the linchpins of firm performance.

The Responsibilities of a Practice Leader



Strategic Execution: Translate firm strategy into goals and priorities for the practice.



Talent Development: Mentor associates, support partner development, and manage succession planning.



Client Growth: Deepen existing relationships and drive pursuit of new opportunities.



Operational Oversight: Partner with practice managers to monitor profitability, staffing, and resourcing.



Culture and Collaboration: Build trust, cohesion, and innovation within the practice.

The CEO of the Practice Group

The most effective practice leaders operate like CEOs of their business units. They balance client demands, firm strategy, partner expectations, and financial health. This requires authority, clarity, and support—elements often missing in firms where the role is left vague.

A Call to Firm Leadership

Appointing practice leaders is not enough. Firms must:

- Define the role and success clearly
- Provide dedicated support (often via practice managers) and capacity to perform the role with quality
- Hold leaders accountable for outcomes

TAKEAWAY

Practice leaders are not symbolic roles. They are the connective tissue between firm strategy and client delivery—and investing in their success is investing in the firm's future

LotisBlue 