



# BUSINESS CONSULTING SERVICES FOR LAW FIRMS

## Partner Compensation



*A good partner compensation system motivates strategic behavior.*

As they grow and evolve, most law firms eventually reach a point where partners and associates no longer think their compensation is fair. High performers may feel under-rewarded, for example, or younger attorneys may be unhappy with a system based solely on billable hours. Fixing this discord is critical to the future success of any firm.

Often, the partner compensation issue is also a strategic issue. If your firm's business plan involves moving into new geographic regions, for example, but your compensation system only rewards billable hours, your partners won't be compensated for time spent on expansion efforts, which will undermine your strategy.

A good partner compensation system aligns with and motivates strategic behavior, whether you use a fully open system, a "black box" or some other structure. There are many different ways to split the compensation pie, and the optimal method for your firm depends on your culture, as well as your overall strategy.

### **We Provide Solutions**

We've worked with hundreds of law firms. Our deeply experienced consultants understand your organization and your industry and can provide the most effective solutions to your compensation challenges. We know that partner compensation involves more than numbers and percentages. It's a highly emotional topic that is tied to a firm's core beliefs and culture.

Our specialists will perform a facts-based diagnostic assessment of your situation. We examine the various aspects of your profitability and we talk to your partners to gain a true understanding of your culture, operations and strategy. After we've analyzed the facts and figures behind the issues you're experiencing, we provide solutions. These can range from a few key changes to a complete system overhaul.

### **Annual Compensation and Bill Rates Benchmarking Survey**

Our annual law firm benchmarking survey can help you understand market norms and pinpoint areas for improvement. It analyzes compensation and billing trends at more than 200 California law firms, by firm size, location and practice area, and provides highly detailed data on compensation, billable hours, benefits and profitability.

### **About Us**

Armanino provides strategic consulting, tax and accounting services to law firms. We are the only firm on the West Coast with a practice dedicated exclusively to the legal industry.

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