



Growing your firm through metrics

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Scrofano Law PC

- Started 2011 after clerkship
 - Hated Math
 - CJA lawyer for several years
 - DC is tough market
 - All private cases 2015
 - Explosive growth ~430% 2016 to 2019
- DC, MD, VA, 6 total employees
- Still surviving during lockdown



Important Things to Keep in Mind

Numbers tell you the reality of your business.

We pay attention to what we measure.

Numbers are never perfectly captured.

Important thing is that you consistently measure them.

Start small: Pick three or four things to measure, build from there.

Don't expect perfect answers but you'll know much more than those flying blind.

All you need to know how to do is + , - , x , /

What to track?



Key Components of your Business



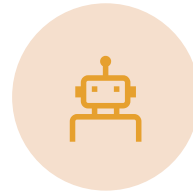
MARKETING



SALES



PRODUCTION



FACTORY



PEOPLE

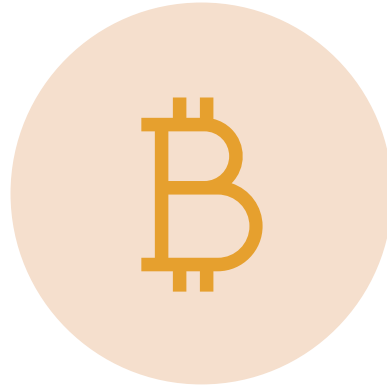


FINANCIAL
CONTROLS

Marketing – Key Metrics



COST PER LEAD



AVG COST OF
ACQUISITION



MARKETING ROI

Cost Per Lead



How much money you are spending per lead that comes in.



Easy to calculate: Total amount of money spent on marketing / total leads



Cost per lead goes up = bad / Cost per lead goes down = good

Average cost of Acquisition



How much money you are spending to acquire a new client/matter.



Total cost of marketing / Total number of matters signed

Marketing ROI

How far are your marketing dollars going?

How much of a return are you getting?

Tells you what spending to cut versus what spending is working

$(\text{Total New Sales} - \text{Total Marketing Spent}) / \text{Total Marketing Spent}$

Want at least 3X marketing ROI

Sales – Key Metrics

1. Conversion rates
2. Total case value – Add up all sales for the month
3. Average Case Value – Total Sales divided by Total Cases

Conversions



Captured Leads



Show ups



Consults Held



Retainers sent



Conversions

Conversion Rates



Leads to Clients – Total new clients divided by total leads



Attorney Sales Conversions – Total new clients divided by total consults held

Financial Controls



Budget



Profit and Loss (Income Statement)



Balance Sheet



Statement of Cash Flow

How?

Do not compile data yourself.

Software

- Clio Grow
- Clio Manage
- Call rail
- Quickbooks
- Google sheets

Contractors

Admin staff

- Teach them to use reports
- Teach them to keep track of data, review it, periodically double check it

Goals / Targets

Annual Gross
Revenue

Profit

Monthly/Weekly
revenue goals

New
Client/Matters

Conversion
Rates

Average Case
Value



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THANK YOU
