

# PracticePlanner

A tool designed to quickly, transparently and effectively deliver long-range planning scenarios for legal firms



**PracticePlanner** enables 'Best Practice' in Performance Management through:

- **Driver-Based Revenue Planning**—by setting utilisation and fee-earner assumptions
- **Partner and Client Profitability**—including a range of methods for cost allocations
- **Cost Budgeting**—setting cost targets for 'Business as Usual' operations
- **Strategic Initiatives**—adding new practice areas and offices
- **Alternative Fee Arrangements**—analysing the profitability of 'what-if' scenarios
- **Transparent Reporting**—helping all partners see the assumptions and implications of the business plan

The legal services sector in Australia stands on the brink of sweeping change. New entrants from overseas bring new engagement approaches, and the old norms are being questioned. Clients are demanding greater flexibility on fee models, and will take their business elsewhere if their needs are not met.

There is also stiff competition in the market for resources—dynamic young lawyers are increasingly recognising that they have a choice. Competing effectively in both the external and internal market requires nimble footwork to deal with an ever-shifting balance, and a thorough appreciation of the profitability implications of each business decision.



Cornerstone has many years experience in designing planning, budgeting and reporting solutions across many different industry sectors, but, being a professional services firm ourselves, we have a special affinity with the challenges faced by law firms.

The partners of Cornerstone have combined this unique expertise with market-leading technology from IBM to produce PracticePlanner, a tool designed to quickly, transparently and effectively deliver long-range planning scenarios for your firm.

## Leveraging your Practice Management System

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**PracticePlanner** integrates with your firm's existing Practice Management, Payroll and Accounting systems to give you a consistent view of the firm's financial data, including:

- **Billing History** by partner, client, and engagement type
  - **Payroll** by individual and fee-earner level
  - **Expenses** by account type and location
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PracticePlanner automates manual planning processes, helping you spend more time on decision-making

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PracticePlanner is not a replacement for your firm's Practice Management System—in fact it is designed to help you get the most out of your existing investment. Most Practice Management Systems deliver excellent **short-range** forecasts, by enabling you to analyse billings, timesheets and WIP by engagement. This may give you a view of next week, or even next month—but not next year.

A different approach is required for **long-range planning**, as it is not practical to predict the exact engagement on which each fee-earner will be spending their six-minute intervals more than a couple of months into the future. A more strategic approach is required, using measures of utilisation by fee-earner level to help you rise above the day-to-day noise and see where the practice is heading. Traditionally this type of business planning has been a manual process, using spreadsheets and a large degree of guesswork. However, by taking the process 'off-line' in this way, firms lose the ability to track actual performance against the strategy.

PracticePlanner helps to close the loop by using historical data from your existing systems to inform the plan, and providing an integrated reporting framework to monitor actual performance against both the short-range forecast and long-range plan.

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