STRATEGIC PLANNING AND MANAGEMENT IN LAW FIRMS IN KENYA

BY

MICHAEL MUCHEMI NDEGWA

UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

SUMMER 2017
STRATEGIC PLANNING AND MANAGEMENT IN LAW FIRMS IN KENYA

BY

MICHAEL MUCHEMI NDEGWA

A Project Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Global Executive Masters in Business Administration (GeMBA)

UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

SUMMER 2017
STUDENT’S DECLARATION

I, the undersigned, declare that this research project is my original work and has not been submitted to any other college, institution, or university other than the United States International University Africa in Nairobi for academic credit.

Signed: ___________________________  Date: ___________________________

Michael Muchemi (Student ID: 652052)

This research project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________  Date: ___________________________

Dr. P.N. Kiriri

Signed: ___________________________  Date: ___________________________

Dean, Chandaria School of Business
COPYRIGHT

All rights reserved. No part of this thesis may be produced, distributed or transmitted in any form or by any means, including photocopying, recording or other electronic or mechanical methods, without the prior written permission of the researcher except in case of brief quotations embodied in critical reviews and other non-commercial uses permitted by copyright law.
DEDICATION

I dedicate this work to my Parents, Mr and Mrs Muruthi, who have encouraged and supported me all my life to be the person I am. I remain eternally grateful.

To my wife Irene and my children Alexia and Alvin, you inspire me every day to work hard and makes our lives and future brighter.

To my colleagues at Muchemi and Co. Advocates, I believe this study will propel us into the future we always dream about.
ACKNOWLEDGEMENTS

I acknowledge the help of my supervisor, Prof P Kiriri for his guidance and patience with me throughout the study. I also acknowledge Prof F. Wambalamba who helped me understand how to conduct research and for his insightful lectures.

My sincere thanks to my wife, Irene Muchemi, who managed my law firm throughout my study and encouraged me to complete this study. I am eternally grateful.
ABSTRACT

The study sought to investigate strategic planning practices in law firms in Kenya. The main objective of the study was to assess the role of strategic planning and management in Kenyan law firms. The specific objectives were to assess the potential benefits of strategic planning and management to law firms, to determine factors affecting strategic planning and management in law firms and to explore strategic planning and management best practices applicable to law firms.

Quantitative design was used because of the large number of variables related to these three objectives that the study intended to address. The population of the study was the 1359 legal firms active in Kenya and with a presence in Nairobi, with 300 firms selected using simple random sampling for inclusion in the study. Data was collected through an online questionnaire. The final number of respondents who participated in the study was 180, representing a 60% response rate. Microsoft Excel was used to analyze the data. The analysis included the use of central tendencies (means, modes and medians) as well as correlational analysis. The results were presented using graphs, charts and tables.

The key findings associated with the potential benefits of strategic planning in law firms were that firms with strategic plans had a greater degree of organizational direction compared with the general levels of directional clarity in the sector. Secondly, a link was found between a firm’s level of confidence in its strategic direction and its possession of a strategic plan. In addition, law firms with strategic plans were more confident in their strategic position compared with confidence levels in their firms.

The findings related to the factors affecting strategic planning and management in law firms were as follows. Financial performance was seen to be a factor driving the need for strategic planning with firms having a strategic plan being influenced less by their financial position. Secondly, need for control over the firms’ business operations as well as legal operations influenced strategic planning initiatives. Satisfaction with market position was seen among firms with strategic plans, indicating that the desire for a clear market position influenced the establishment of strategic plans.
The third objective ought to explore strategic planning best practices as applied to law firms. Law firms had it easy when it came to carrying out various types of analysis such as SWOT analysis, PESTLE analysis, risk analysis and financial analysis. This may be attributed to the analytical prowess of lawyers. Law firms had a harder time instilling sense of urgency in the process, something that may be related to the slow pace of legal processes in general. A surprising finding was that managing partners were in support of simple strategic plans, surprising because lawyers generally produce complex documents.

The study concludes that law firms stand to enjoy a benefit through the application of analytical components of the strategic planning process (SWOT, PESTLE, risk and financial analysis). They also stand to benefit from the improvement of their internal communications as well as resource management. Secondly, the study concludes that the key factors driving the initiation of strategic planning processes in law firms include financial performance, and the desire for a coherent strategic direction. Thirdly, the study concludes that the best practices most easily accepted in law firms are the development of simple plans, and the ease of carrying out various analyses.

The study recommends that all law firms embark on the process of developing strategic plans, that legal education bodies include components of strategic planning in their curricula to entrench the practice
# TABLE OF CONTENTS

STUDENT'S DECLARATION .................................................................................................................................................. iii
COPYRIGHT ........................................................................................................................................................................ iv
DEDICATION........................................................................................................................................................................ v
ACKNOWLEDGEMENTS ........................................................................................................................................................ vi
ABSTRACT............................................................................................................................................................................... vii
LIST OF TABLES .................................................................................................................................................................... xii
LIST OF FIGURES .............................................................................................................................................................. xiii

## CHAPTER ONE .................................................................................................................................................................. 1

1.0 INTRODUCTION............................................................................................................................................................. 1

1.1 Background of the Study .................................................................................................................................................. 1

1.2 Statement of Problem .................................................................................................................................................... 4

1.3 General Objective ........................................................................................................................................................... 5

1.4 Specific Objectives ........................................................................................................................................................ 5

1.5 Significance of Study ....................................................................................................................................................... 5

1.6 Scope of Study ............................................................................................................................................................... 7

1.7 Definition of Terms ........................................................................................................................................................ 7

1.8 Chapter Summary ........................................................................................................................................................ 8

## CHAPTER TWO .................................................................................................................................................................. 9

2.0 LITERATURE REVIEW ................................................................................................................................................ 9

2.1 Introduction .................................................................................................................................................................. 9

2.2 Potential Benefits of Strategic Planning and Management ............................................................................................ 9

2.3 Factors Affecting Strategic Planning and Management ............................................................................................... 13
5.3 Discussion .................................................................................................................. 74
5.4 Conclusions ............................................................................................................... 78
5.5 Recommendations .................................................................................................... 79

REFERENCES ................................................................................................................. 81

APPENDICES .................................................................................................................. 85

Appendix I: Introductory Letter ...................................................................................... 85
Appendix II: Questionnaire .............................................................................................. 87
LIST OF TABLES

Table 3.1: Sampling Frame ................................................................. 24
Table 3.2: Sample Size ................................................................. 25
Table 4.1: SWOT Elements Frequency Table ...................................... 37
Table 4.2: Correlation Analysis .......................................................... 39
Table 4.3: PEST Elements Frequency Table ...................................... 41
Table 4.4: Average Scores in Ascending Order .................................... 68
LIST OF FIGURES

Figure 4.1: Age of Respondents .........................................................................................29
Figure 4.2: Gender of Respondents ....................................................................................30
Figure 4.3: Highest Level of Education Attained...............................................................30
Figure 4.4: Position in Law Firm .........................................................................................31
Figure 4.5: Type of Firm .......................................................................................................32
Figure 4.6: Age of the Firm .................................................................................................33
Figure 4.7: Number of Employees in Law Firm .................................................................34
Figure 4.8: Law Firms with a Formal Written Strategic Plan .............................................34
Figure 4.9: Law Firms in the Process of writing a Strategic Plan .......................................35
Figure 4.10: SWOT and PEST Factors .............................................................................44
Figure 4.11: Clarity Regarding Key Priorities as a Business .............................................46
Figure 4.12: Clarity Regarding Key Priorities as a Law Firm ............................................47
Figure 4.13: Clarity Regarding Competitive Position in the Market ................................48
Figure 4.14: Effectiveness in Internal Communications ....................................................49
Figure 4.15: Firm Understanding of Employee Needs .......................................................50
Figure 4.16: Resource Efficiency (Finances) .....................................................................51
Figure 4.17: Resource Efficiency (Human Resource) .......................................................52
Figure 4.18: Resource Efficiency (Time) ............................................................................53
Figure 4.19: Firm’s Innovativeness ................................................................. 54

Figure 4.20: Confidence in Firms Survival over the Next 5 Years ........................ 55

Figure 4.21: Satisfaction with Business’ Financial Performance .......................... 56

Figure 4.22: Satisfaction with Level of Control over Business Operations ............... 57

Figure 4.23: Satisfaction with Level of Control over Legal Services ......................... 58

Figure 4.24: Respondents from firms Satisfied with Firms Market Stability .............. 59

Figure 4.25: Satisfaction with Internal Stability .................................................. 60

Figure 4.26: Satisfaction with Competitive Position .............................................. 61

Figure 4.27: Satisfaction with Service Delivery .................................................... 62

Figure 4.28: Satisfaction with Number of Specializations ...................................... 63

Figure 4.29: Satisfaction with Nature of Clients Served ........................................ 64

Figure 4.30: Strategic Management best Practices ............................................... 66

Figure 4.31: Strategic Planning and Management Gaps ......................................... 69
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Strategic planning can be defined as a planning approach geared towards the identification of the best medium to long-term outcomes the business should pursue (Steiner, 2010). The use of the word strategy in this case stresses the positioning nature of the planning effort. This creates a distinction from other types planning used in business such as project planning, sales planning, among others (Blumberg, Cooper, & Schindler, 2005). Strategic planning concerns itself with future positioning, and usually helps in the identification of best possible future for the organization. The nature of strategic planning requires long-range thinking based on key themes, without undue focus on too many details affecting the operations of the business. The durations covered by strategic plans make it impractical to include tactical details in the plan (Golinska, 2012). As such broad themes that constitute a desired direction forms the perspective for strategic planning. The strategic planning process usually considers the views and interests of all key stakeholders to a business or an organization. This is usually done to ensure that the organization creates sufficient points of contact with each stakeholder to maximize the benefits associated with the identified future.

Strategic management shares an ethos with strategic planning, but with one main distinction. This distinction is as follows. Strategic planning is the visualization and analysis component that leads to the development of a strategic plan (Wittmann & Reuter, 2008). Strategic management on the other hand is the delicate process of leading an organization through the phases and paces identified by the strategic planning process. The strategic planning process produces a strategic plan, which then is the guidebook for strategic management, a set of activities that contribute towards the attainment of the strategic objectives identified in the strategic plan. Strategic management is similar to strategic management in that it is not concerned with day to day
activities of the business, but deals with components that affect the future of the organization (Park, 2007).

Strategic planning and management is important for businesses. This comes from the fact that many businesses are usually very consumed by the demands of managing an ongoing concern. This pressure of the moment is usually quite high. In this case, a business may degenerate into a planning cycle that only covers weekly, monthly, and annual targets. This danger with prolonged focus on short-term aspects of business is that the business can easily drift from its core business in response to environmental forces (changes in consumer demand, competition, and changes in the regulatory environment, among others) (Duckert, 2011). Unplanned changes in a business’ core concern can be detrimental to its long-term interests. It makes sense to carry out strategic planning to limit the exposure of the business to environmental forces. Strategic management on the other hand makes it possible for the company to realize its strategic objectives.

Some of the advantages associated with strategic planning are as follows. First the strategic planning process brings to the surface key trends and environmental forces that would otherwise escape the attention of organizational leaders (Ulrich, 2013). This ensures that the business faces its challenges and opportunities from a proactive stance rather than simply reacting to changes in the business environment. Strategic planning also has the potential of improving the overall corporate performance of an organization (Steiner, 2010). In this case, a business that develops a strategic plan is more apt to produce better results in its areas of interest since its resources are optimized to specific goals. Thirdly, a strategic plan produces confidence in the organization and among its stakeholders (Steiner, 2010). It demonstrates that the business is actually thinking and preparing for the future, and as such, it is a great company to plan a future with.

The legal profession is one of the oldest and dynamic areas of professional practice in Kenya. The practice of law in its current form commenced with the arrival of the British Colonialists in the country. However, all indigenous communities in the country had their own systems of dispute resolution, and while they were not codified in the strict format of modern law, the traditional laws were effective as dispute resolution measures in traditional communities (Mbondenyi & Ambani, 2014). The arrival of the colonialists was a major disruptive event to the traditional communities. This change set in motion a set of events that are still in motion in the
legal environment in Kenya. Change remains a strong force in practice of law, and as such, long term survival in the industry requires good planning.

Lawyers in Kenya are required to attain a degree in law from a recognized university before going to the Kenya School of Law (KSL) for a diploma in law (LSK, 2016). Upon passing the exams at KSL, they are then admitted to the bar. Before a lawyer is allowed to practice, the lawyer must become a member of the Law Society of Kenya (LSK), and must have current membership (LSK, 2016). In this sense, the LSK acts as a regulator of the practice of law in the country. Once a lawyer is admitted to the bar, there are usually two options for practicing law. One option is to join an existing legal firm as an employee, or as a partner. The other option is to practice as an independent lawyer, usually by opening a law firm, to offer legal services to the general public. In this sense, the practice of law follows the pattern of most professions.

A law firm is an entity that is legally registered to offer legal services to the general public, and to any other bodies that require such services within the country (Mbondenyi & Ambani, 2014). The distinction of a law firm from all other types of firms is that it primarily offers legal services. Law firms cannot operate unless they fulfil the legal requirements required of them by the LSK, and the laws of Kenya. In this sense, a firm must be recognized as one by the LSK and must also be a legally registered entity as a sole proprietorship, partnership or limited company. This shows that law-firms are as much businesses as they are legal practices and are hence just as able to benefit from good business management practices as any other business (Koller, 2005).

Most law firms are managed by a managing partner, who is usually either the most experienced lawyer in the firm, or the one who has the best management skills. Seniority plays a key role in the legal profession. As such, senior lawyers (also referred to as senior counsels) are accorded higher status and respect by both their colleagues and clients. In this sense, it is in the interest of the law firm to make the senior most lawyer in the practice the managing partner. However, this rule is not a fast rule, and as such, some law firms are managed by relatively younger lawyers who have shown business aptitude, usually as a corollary to their legal experience and reputation in the legal field. Some law firms are also managed collegially, with one lawyer taking the lead role, and the others providing direction and participating in making key decisions affecting the operations and the priorities of the practice. This model is structured like a board for other
organizations, and is usually ideal for either very new law firms that are working to pool their collective resources, or those with many experienced lawyers who all have something critical to contribute towards the overall growth and development of the legal firm (Cornforth, 2001).

Some of the prevailing challenges associated with the management of law firms include the following. First, lawyers are not primarily trained as managers, and hence not all of them can make good commercial managers regardless of their accomplishments as legal minds (Cornforth, 2001). There is however the expectation that any talented lawyer should be able to run a successful law firm. Secondly, the management of a law firm requires detailed understanding of the limits associated with offering legal services (LSK, 2016). In this sense, law firms are not a usual type of business because of the strict legal requirements associated with the practice of law. Secondly, Law firms, especially small ones, are highly dependent on the most senior lawyers in their ranks. When these lawyers leave a firm, the firm is usually affected negatively. This situation presents a serious management challenge for law firms.

Law firms are also under pressure from a rapidly changing legal environment, driven by greater civic awareness. Technology, as well as concerted civic education campaigns, as well as stronger reporting of legal developments in the press have resulted in a more empowered and more knowledgeable clientele (Park, 2007). While this is not necessarily a bad thing, it nonetheless requires law firms to adapt their service delivery models to effectively meet the needs of their clients.

1.2 Statement of Problem

The unique nature of law firms as specialized service providers, coupled with the general management challenges associated with running a business presents a complex dilemma for advocates managing law firms. On the one hand, legal practices are established to offer services to the public, a service that’s necessary for civil, business and criminal proceedings. On the other hand, the firms must be operate profitably. The main difference between successful and unsuccessful law firms is not necessarily the firm’s legal capacity, but the soundness of their
business practices (ALM, 2012). In this regard, law firms cannot assume that they are exempt from the general principles of effective business management.

Strategic planning and management is widely recognized as an effective business management approach. Despite its wide acceptance in many industries, the legal sector has not been keen on adopting strategic management initiatives. Law firms seem to equate the strength of their practice as a business with their capacity to offer legal services, and not how well they operate as a business. In this regard, a gap exists regarding the appreciation of the role strategic planning can play in the business of law firms (Khan & Khalique, 2014). Studies on effective law firm management have concentrated on the challenges of organizing law firms to act as a unit, especially those with several advocates who may all espouse differing legal philosophies (Remsen, 2007). Other studies have focused on the roles managing partners play, and the role of the other partners, who often act as independent entities with the firm (CohnReznick, 2015).

There lacks studies on the benefits of strategic planning to law firms. This study intended to fill this gap.

1.3 General Objective

The general objective of the study was to assess the role of strategic planning and management in Kenyan law firms

1.4 Specific Objectives

The specific objectives of this study were as follows.

1.4.1. To assess the potential benefits of strategic planning and management to law firms

1.4.2. To determine factors affecting strategic planning and management in law firms

1.4.3. To explore strategic planning and management best practices applicable to law firms.

1.5 Significance of Study

The study would be of interest to the following
1.5.1. Established Law Firms

Established law firms benefitted from the findings of this study because it provided them with information that can be used to make strategic planning and management decisions. The study help them assess whether they should carry out strategic planning and management activities, and also indicated the benefits arising from strategic planning for law firms.

1.5.2. Organizations Dealing With Continuing Education For Lawyers

The second groups of stakeholder who benefitted from the study were organizations interested in the continuing education of lawyers. Advocates are required to participate in continuing education initiatives throughout their time in legal practice (LSK, 2016). As such, the findings from this study made it possible for such organizations to decide on how to prioritize on business related aspects of the legal profession.

1.5.3. Legal Practice Startups

The third group of stakeholders who would have had an interest in the study was legal startups. Many legal startups begin operations in Kenya every year. Some of them, as already indicated, do not have experienced lawyers who can take on the administrative duties of running a law firm. The findings of this study can play a part in their learning efforts to ensure they understand the significance of the strategic planning and management in the practice of law.

1.5.4. Academicians And Researchers

Finally, the study filled a key gap in literature by addressing the application of strategic planning and management to the legal profession. The study provided a reference point for further studies seeking to establish relationships between strategic planning and management, and the success of a legal practice.
1.6 Scope of Study

The scope of the study included law firms based in Nairobi only. This was informed by practical limits associated with finding and interviewing respondents. In any case, Nairobi had the highest number of law firms in the country and as such will had a sufficient number of law firms for the purposes of the study. The study did not include any advocates currently in the employ of other organizations that are not primarily legal firms in their operations. This means that paralegal organizations such as civil society Non-Governmental Organizations (NGOs) with an interest in law were not be included in the study. The study also did not include any firm whose membership with the LSK was not current. This was either due to deliberate deregistration by the LSK, or a failure of the law firm to maintain its members for any other reason. The study was conducted within three months. The key limitation this study anticipated was a low number of respondents with formal strategic plans for comparative purposes. The study also allowed for a broad definition of a strategic plan that acknowledged any efforts towards a common future strategy for the responding law firm. Secondly, the study’s intention to focus on Nairobi did not capture any progress towards strategic planning being carried out by firms located outside the city. This affected the generalizability of the study. This limitation did however not affect the validity of the study within context.

1.7 Definition of Terms

The following are some of the key terms used in this study

1.7.1. Strategic Planning

This is the disciplined approach used to determine a preferred future of an organization or business, usually marked by a set of broad objectives that guide the overall direction of the organization (Steiner, 2010).

1.7.2. Strategic Management
Management actions taken by an organization guided by the objectives of the strategic plan. Strategic management is ongoing and last the full duration of the strategic plan (Wittmann & Reuter, 2008).

1.7.3. Law Firm

A service firm established with sole purpose of providing legal services to the public and other persons recognized by the law (Cussons, 2011).

1.8 Chapter Summary

This chapter introduced the study and provided a background covering the contextual factors influencing this project. The chapter provided a background to the issues under study, and proceeded to discuss the main and specific objectives of the work. The chapter also contained the significance of the study as well as the specific definitions in the study as indicated. Chapter two presents a review of empirical literature relating to the variables of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents literature reviewed in relation to strategic planning in the context of small firms. The chapter considers various definitions of strategic planning and management, and reviews the strategic planning process. In addition, a consideration of literature related to factors affecting strategic planning as well as the strategic planning in law firms.

2.2 Potential Benefits of Strategic Planning and Management

2.2.1 Potential Benefits of Strategic Planning

Strategic planning benefits are listed and discussed by various scholars, and cover various areas such as operational, market positioning, and institutional management benefits. The benefits can all be enjoyed by both small businesses and large organizations.

Khan and Khalique (2014) considered strategic planning as a key path to successful business operations because of its ability to help a business to identify its key priorities. One of the key elements of strategic planning is the identification of key priority areas that a business or organization should pursue based in its internal capabilities and in response to existing and emerging business opportunities. This process ensures that a business aligns the current operations of the business to achieve the desired outlook.

Strategic planning also has an important role to play in business aspects such as the long term positioning of the business, realization of the vision of upper management, as well as providing a reasoned basis for risk management (Khan & Khalique, 2014). Positioning naturally flows from the business’s efforts to find the best disposition towards its market. On the issues of risk management, a strategic planning process often includes the identification of risks and key mitigation strategies. Therefore, an organization that goes through the strategic planning process
will identify risks and will be better placed to respond to those risks as compared to organizations that do not go through the process.

Additional benefits of strategic planning include gaining a better understanding of your business, developing stronger insights into how to approach day-to-day control of the business, and it also provides a roadmap for the firm’s future (Chen, 2016). Chen (2016) agrees with Khan and Khalique (2014) on the accruement of operations benefits resulting from the strategic planning process. Chen’s (2016) fresh insight into the benefits of strategic planning for a firm is in the development of stronger insight into the operations of the business. The reality of business management is that business owners and high-level executives spend most of their time dealing with operational matters and do not get sufficient opportunity to evaluate how everything fits together.

Remsen (2007) lists four possible benefits of strategic planning to an organization. These are consensus development on key issues, promotion of internal communication with the firm, inspiring attorneys to take on new fields of endeavor, and making it easier for firms to allocate resource effectively (Remsen, 2007). The gist of Remsen’s contribution to the benefits of strategic planning is the emphasis on communication during a strategic planning process. A strategic plan development process is ideally an interdepartmental process that demands the inclusion of people in all levels of the organization, and external stakeholders of the firm.

Remsen’s (2007) assertion that strategic planning leads to consensus development on key issues stems from the process of identifying key factors behind the success of the organization. During the strategic planning process an organization must identify its weaknesses and its strengths as part of SWOT analysis. These two elements force the organization to look at its internal forces. Similarly, the analysis of opportunities and threats makes it possible for the organization to determine what constitutes its key external forces driving or impeding its progress. As such, the strategic planning process forces the organization to build consensus regarding which elements it should include as its key internal and external forces.

Fairholm (2009) has also identified operational benefits as part of the reasons why organizations should use strategic planning processes. Strategic planning results in the reduction of the need
for control over every operational aspect since the planning processes forces all players in the organization to share information and to talk to one other (Fairholm, 2009). The effect of this is that all the people in the organization involved in the planning process see how each part fits in the overall strategy of the organization. This contributes towards better execution of the company’s priorities.

Young (2002) introduces two dimensions to the discussion on the benefits of strategic planning – size of beneficiary institutions and resource use benefits. Young (2002), states that the strategic planning process enables governments, organizations, and SMES to allocate limited resources effectively. In this statement, he alludes to the fact that strategic planning is not limited to large, well-resourced firms, but is just as effective in SMEs. The resource allocation benefit raised in this discussion stems from the process of allocating resources in line with the firms key priority areas. Small firms should allocate resources to the strategic planning process proportionately to their size.

Young’s (2002) first theme of linking organizational size to the strategic planning process does two things. First, it removes any excuse a firm might have regarding its capacity or need for a strategic plan and established the position that firm size should not be a factor in determining the necessity of strategic planning and management. On the other hand, the he also indicates that firm size will play role in the degree of complexity required to achieve a sufficient plan. In this case, larger firms require more resources to conduct a strategic plan compared to smaller firms which have a smaller circle of stakeholders.

Al-Shaikh (2001), summarized the benefits of strategic planning as, generation of information, thorough evaluation of options, including an environmental scan, development of new ideas, increasing motivation and improving dialogue and relations between staff. His unique contribution to this review includes thorough evaluation of options and environmental scanning as part of the strategic planning process. In many cases, many firms lack a structure or process that allows for a thorough examination of its options. Therefore, decisions are made incrementally and may lack central trail that holds all aspects of the operations together. A strategic planning process usually forces organizations to question all their assumptions.
The process of evaluation of options is critical in developing a strategic plan. Its key benefit is the development of actual options a business had to secure its future and its market. Firms that do not commission centralized strategic planning processes will tend to focus only on their perceived strengths, and will therefore not develop any key competencies needed to become profitable in the long term. This view is shared by Young (2002) who insist that firms need to match their current capacity to their current opportunities, even as they work towards developing a strong position for their future business commitments.

Strategic management has also been linked to enhanced coordination in organization as it forces key players in the organization to channel their efforts towards the achievements of organizational goals (Aldehayyat & Twaissi, 2011). Various authors, with some characterizing it as operational efficiency, state this point and others listing is as improvement of organizational communication. This benefit would be realized regardless of how well the organization implements the final plan. The sheer process of developing a strategic plan creates a communication and coordination problem for the organization, which if resolved well, creates new ways of interdepartmental cooperation.

The contribution of Aldehayyat and Twaissi (2011) in the identification of the benefits of strategic planning is their unique insight that the benefits are not just to be found in the result, but in the actual process. The strategic planning process forces organizations to analyse their critical processes, and to examine their relationships with their suppliers and their consumers. The process encourages an objective assessment and is therefore a valuable way of understanding the operational nature of the organization.

Strategic planning and management is also a useful way of identifying and taking advantage of current and future market opportunities (Aldehayyat & Twaissi, 2011). This is a very specific benefit and can be used as a summary of the key motive driving strategic planning processes. The strategic planning process requires an organization to evaluate its operations, as well as its opportunities. Most of the effort goes into identifying market gaps and how best to fill them.

The final benefit of strategic planning included in this review is that strategic planning helps organizations to streamline human resource deployment. This benefit is achieved through the
assignment of responsibilities and coordination of work schedules, as well as facilitating the avoidance of linear thinking (Haythem, 2015). A company is usually forced to allocate its financial resources according to its priorities and as such, the strategic plan influences staffing decisions. The process also reduces the risk of linear thinking and encourages the player to explore different thinking models to arrive at a clear plan. This benefit accrues whether the organization actually implements the plan or not. The sheer process of making a strategic plan forces the organization to assess its accrued capabilities. Usually, organizations only looks at the staff capabilities during recruitment, and occasionally during appraisals. A strategic planning process makes it possible for the organization to assess its combined capabilities.

2.3 Factors Affecting Strategic Planning and Management

2.3.1 The Strategic Planning Process

There is consensus that strategic planning and management activities constitute a process usually running into years (Dutton & Duncan, 1987; Young, 2002; Steiner, 2010). The planning component can take place within a few hours, but may also take several months to complete. Except for periodical reviews, the planning phase is generally completed within a given period. The strategic management component usually peaks between planning phases, but is always running. Strategic management processes include review of priorities, resource management, and adjusting the base plan in response to environmental forces (Al-Shaikh, 2001). In this regard, these two elements are extensions of each other, and one often leads or feeds into the other.

Remsen (2007) proposed four conditions necessary for the successful implementation of strategic plans. These conditions include the need to establish a sense of urgency, commitment of the firm’s leadership, development of a simple and focused plan, and a commitment to the implementation of the plan undergirded by accountability (Remsen, 2007).

Urgency is noted as a precursor to successful organizational change (Neluheni, Pretorius, & Ukpere, 2014). In many cases, strategic planning is effective in environments where the need and urgency for change is felt throughout the organization (Remsen, 2007). When there is consensus in an organization that change is necessary for survival, then strategic planning efforts are more
likely to succeed. These environments are usually characterized by extremes in terms of risk of collapse, growth, and innovation.

The commitment of the firm’s leadership to the strategic planning process is a key success factor in the development of a fitting and effective strategic plan for the organization (Remsen, 2007). Executive driven processes tend to have better resource allocation and higher chances of follow-through. These elements assure such processes of success.

It is also noted that Good strategic plans are not complex documents (Wittmann & Reuter, 2008). They outline in simple and clear terms what the organization intends to achieve within its planning horizon. A simple focused plan makes it easy to communicate and to draw out successive priorities for the firm. They are also more agile and can be adapted in response to the needs of the firm, and arising opportunities. Simple plans also leave out too many details that make communicating the plan difficult to stakeholders. This forces the planners to ensure the plan capture the essential elements of the plan rather than details that do not promote its acceptance and adoption.

The strategic planning process includes several components that scholars have classified differently. Berry (1998) provided a listing of the key strategic planning components which were environmental scanning, documenting the activities of competitors, analysis of an organizations strengths and weaknesses, reviewing of operational choices and amending plans (Berry, 1998). Berry’s (1998) approach seems well suited for organizations whose motivation for strategic planning is based on intense competitor or regulator activity hence the emphasis on environmental scans.

A PESTLE analysis is an ideal way of carrying out an environmental scan. It seems to have a strong responsive element and would also be ideal for new companies joining a crowded or competitive market, as well as an old one seeking ways to rejuvenate is business. Arguments against competitor analysis and intense focus on environmental scans in strategic planning include the risk of creating a reactive rather than a proactive plan, one aimed at survival rather than growth (ALM, 2012). It can also be argued that a firm is better off fitting its competitive strengths into its environment, rather than the other way round. A firm that deploys its
competitive strengths to its environment does not waste time and resources on internal processes. Rather it focuses on achieving success in areas it is already well places to succeed. However, some situations require firms to acquire new capabilities to ensure they remain competitive in their niches. This may arise if a company is seeking to expand its portfolio, or is operating in a rapidly shifting environment.

Young (2002) identified six steps in the strategic planning process and provided an almost similar listing. His process includes a SWOT analysis, creation of a vision and mission statement, identification of key priority areas, identification of strategic actions, the development of operational plans and a review process (Young, 2002). This proposal is internally focussed and would be best suited for a market leader, or a niche player. These two process represent the main components of conventional strategic plans. The implication of the literature reviewed here is that law firms can borrow from these processes (or a hibreed) to meet their strategic planning needs. It is also clear that managing partners and senior partners in law firms are best placed to propel strategic planning processes in their firms.

Several firm level factors affect strategic planning and management processes. The desire to improve organizational performance is identified as a key element affecting the adoption and implementation to strategic planning and management processes in many organizations (Sosiawani, Bin Ramli, Bin Mustafa, & Bin Yusoff, 2015). The most quoted reason for developing and deploying strategic plans is to assert a degree of certainty into a firm’s future, usually characterized by sustained positive performance in the long term. Firms that are performing poorly at times turn to strategic planning as a means of identifying current and future opportunities as a bridge to a brighter future. On the same continuum, firms with existing strong performance but with either fears about the future or a strong desire to retain market leadership also turn to strategic planning and management.

Some insights into the factors negatively affecting strategic planning and management in firms may be gleaned from Remsen’s (2007) observations into some of the best practices in strategic planning for law firms. He identifies three key factors impeding the successful management of strategic planning processes by law firms. These include a tradition of short-term thinking around billable hours, difficulty in achieving consensus among lawyers and lack of leadership
Traditionally, law firms use the number of hours spent working on a case as a measure of performance and hence commit very little time to thinking about the firm’s future. Law firms reward lawyers who have more billable hours in a season than those who may be involved in activities of greater strategic value. Achieving consensus among lawyers is also very hard because lawyers tend to resist institutionalization and take pride in their individuality. The fundamental effect of a strategic plan is creation of focus, which in many cases requires corporate action. Law firms are therefore at a disadvantage when it comes to ease of adoption and implementation of a strategic plan in their firms.

The degree of formality of the strategic planning process seems to play a role in the overall influence of the plan on the firm’s operations (Sosiawani, Bin Ramli, Bin Mustafa, & Bin Yusoff, 2015). Formal and well-entrenched plans seem to result in greater organizational commitment to the plan, as compared to firms without formal plans. This effect may be attributed to the knock on benefits of the strategic planning and management efforts identified in the previous section. These effects include greater organizational awareness (Veskaisri, Chan, & Pollard, 2007), better communication (Young, 2002), and greater alignment to the firms goals (Duckert, 2011). However, formality by itself is not the goal of the planning exercise. It is simply a demonstration of the seriousness the firm attaches to the strategic planning and management process.

Firm size is also identified as a factor affecting strategic planning practices. Typically, larger firms have more resources and commitment to strategic planning processes hence tend to have well elaborated strategic planning and management processes (Aldehayyat & Twaissi, 2011). On the hand, smaller firms tend to lack resources to commit to in-depth processes, so their strategic planning processes are either small scale or informal. For the same reasons, larger firms are also likely to be aligned to their strategic plans compared to smaller firms. It should be noted that firm size does not excuse a firm from participating in a strategic planning process. In fact, what firms need to do is to commit to a strategic planning process that is commensurate to their resources. The benefits of the process will accrue irrespective of firm size.

Internal capacity is also a key factor affecting strategic planning and management processes (Cornforth, 2001). Many firms do not have professionals with the skills required to develop and
implement a strategic planning process, and to recommend strategic management initiatives. Despite this, many firms attempt to develop their plans internally. While arguments exist for and against deploying external consultants, strategic planning professionals still provide the assurance that the process will be carried out correctly. A firm-led process is susceptible to groupthink, and may also be affected by internal politics. That said, a firm may still be able to plan successfully if an individual or a group of staff members take time to understand the process and are given support and space to drive the process.

2.4 Strategic Planning in Law Firms

Since the transfer of the concept of strategic planning from the military circles to the business world, a search has ensued aimed at finding the most accurate definition of several interrelated concepts around strategy. This study is concerned about two of these concepts- strategic planning, and strategic management. Strategic planning has been defined as the process of creating and describing a better future for an organization, in line with its capabilities, opportunities, and environmental influences (Kaufman, Browne, Watkins, & Leigh, 2003). In simpler terms, strategic planning may be defined as the process of filling the gap between where an organization is and where it wants to be (Khan & Khalique, 2014).

2.4.1 Defining Strategic Planning

The key components of strategic planning in law firms do not differ much from strategic planning and management processes used by other firms. The key parts of this process include development of a compelling vision, development of clear and well-articulated goals, identification of strategies for achieving those goals together with resource allocation, and the development of implementation plans (Sterling, 2012). This indicates that the main difference in strategic planning in law firms in and non-legal firms is not in the process, but in the substance of the plan, purely arising from the differences in operation environments. As such, law firms can learn, and should learn from other businesses which have a richer tradition of strategic planning.
Two issues emerge from a consideration of definitions of strategic planning. Remsen (2007) stresses that strategic planning is a process and distinguishes it from specific strategies a firm may employ in the pursuit of its strategic plan. In other words, strategic planning is a process separate from the specific strategies a firm may employ to achieve its goals. In effect, every firm has strategy that may or may not be deliberate, but only those that engage in the strategic planning process have a strategic plan.

The second element of interest to this study is strategic management. Strategic management refers to the navigational decisions made by management as they steer an organization towards its strategic goals (Khan & Khalique, 2014). Strategic management consists of three main processes- the formulation, implementation, and evaluation of strategy (Khan & Khalique, 2014). A further distinction that needs to be made is the difference between strategic planning and management, and strategic thinking. Strategic planning is a component of strategic management, while strategic thinking refers to the rules of thought that governs the strategic management process. In another view, strategic planning may be conceptually linked to management while strategic thinking is linked to leadership (Fairholm, 2009). In this regard, strategic thinking is less concerned with the activities of strategic planning and instead focusses on the ethos of the strategy process. In this sense, strategic thinking can only exist in the context of strategic planning and management, while without it, the strategic planning process lacks purpose and expression.

When viewed from a financial management standpoint, strategic plans have been defined as investment plans developed to overcome the threats to a firm’s revenue streams (Cussons, 2011). Every profit making firm relies on its revenues to survive, and is so doing, the firm must take actions that preserve or improve its financial position. This view can be classified as one of the motivations behind strategic planning and management processes.

2.4.2 Strategic Planning and Law Firms

The challenge of the application of strategic planning in law firms starts with gaps in the training of legal professionals (Paul & Klinger, 2013). Legal education did not always include strategic
planning, and hence lawyers who have not had the change get further training are not well placed to design or lead strategic planning processes.

Changes in the pricing models of legal services as well as increasing competition for the provision of legal services is one of the key drivers behind the growing uptake of strategic planning by law firms as the seek to improve their profitability (Williams & Tromans, 2013). The pressure to be profitable in the long term is a key incentive for legal services firms to make long range plans to increase their odds of making a profit.

Strategic planning and management in law firms has some unique attributes deriving from the peculiarities of legal services. One of the key aspects of strategic planning in law firms relates to firm size. Small law firms may lack the resources to carry out and implement formal and robust strategic planning and management processes (Aldehayyat & Twaissi, 2011). Such firms have the option of using non-resource intensive strategic planning and management processes. Larger firms with adequate resources can conduct largescale, well-funded strategic planning processes.

Another aspect of the practice of strategic planning and management in law firms is the tendency of legal professionals to lead the development of strategic plans (ALM, 2012). While a strategic plan just like a project plan, needs a champion, the choice of the champion is critical for the success of the process. The inclusion of senior firm leaders in the strategic planning process is ideal, but it may be more beneficial for a firm to use the services of someone well versed with the strategic planning process at a professional level rather than insisting on an internal lead.

ALM (2012) proposed that law firms should seek to include non-lawyers business executives in their strategic planning sessions to reduce the knowledge gap that otherwise exists when strategic planning teams are composed only of legal professionals. This proposal underscores the importance of involving a professional versed with the strategic planning process in a lawfirms effort to develop the plan.

The need for the inclusion of a financial component in the strategic planning process by law firms is also noteworthy. Cussons (2011) argued for a stronger financial component in strategic planning processes for law firms based on the finding that most law firms reduce their planning...
processes to service offerings and operational matters. The key issue here is that law firms have the tendency of excluding financial planning in their strategic plans, something that reduces the effectiveness of the final plans.

The problems associated with the inclusion of financial planning components in law firm strategic planning processes emanates from the traditional difficulties of financial management in law firms, where financial planning was left to a financial director and not the managing partner (Cussons, 2011). It is important that managing partners take up the role of financial planning as a part of their responsibilities to assure their firms of profitable performance. After all, finance is the glue that holds a firm together, and is the only component that on its own can bring a firm to its knees (Cussons, 2011).

Literature reviewed shows a wide degree of disparity between the variables of study. Griggs (2002) used a conceptual framework that used a binary structure such as whether an organization carried out strategic planning or not, whether the process was formal or not, and whether the plan was short or long range. This approach had high practical value but it diminished the generalizability of the study and risked providing simplified answers to a complex question.

Ramanujam and Venkatraman (1987) proposed the use of a five point strategic planning system characteristics in strategic planning and management research. Their five variables were the use of strategy tools and techniques, attention to internal facets, attention to external facets, functional coverage, and involvement of key personnel in the planning process (Ramanujam & Venkatraman, 1987). Other variables that have been used in strategic planning and management research include whether the process is executive driven or middle management driven, the diversity of the process (whether its vertically or horizontally diverse), and planning intensity (measured by the number of planning meetings and resources dedicated to the process) (Dutton & Duncan, 1987).

Sosiawani, Bin Ramli, Bin Mustafa, and Bin Yusoff (2015) reviewed strategic planning literature with the aim of proposing a conceptual framework for research on firm performance versus strategic planning and management. They proposed a framework that constituted formality, tools
of strategic planning, employee participation, strategic implementation, time horizon and control as study variables (Sosiawani, Bin Ramli, Bin Mustafa, & Bin Yusoff, 2015).

A study by ALM showed that only one in five law firms involved non-lawyers in their strategic planning initiatives, a situation that results in a knowledge gap that can easily be filled through the inclusion of business professionals in their strategic planning teams (ALM, 2012). A study also found that only one in five law firms in America have a strategic plan (Remsen, 2007). A study conducted in Thailand positively correlated the growth of SMEs to the use of strategic planning (Veskaisri, Chan, & Pollard, 2007).

2.5 Chapter Summary

This chapter indicates that much research exists on the strategic planning and management, but most of it focuses on global aspects of strategic planning. The information collected from existing studies will help in the identification of an ideal approach for studying strategic planning in Kenyan law firms. Chapter three presents the methodology that was used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study. The chapter looked at the choice of a research design. It also covered population and sampling methods appropriate for the study. It then presented the data collection methods, and finally examined the data analysis techniques that were used to achieve the aims of the study.

3.2 Research Design

Research design refers to the overall research philosophy the study uses (Creswell, 2009). The design chosen should be appropriate for achieving the aims of the study (Mugenda, O. & Mugenda, A., 2003). Research designs may be grouped into two main classifications. These are qualitative research design and quantitative research design. Qualitative design is best used when the goal of a study is to explore the reasons behind an established relationship between variables, or in cases where there does not exist sufficient understanding between variables (Hakim, 2012). On the other hand, quantitative design is best used when the goal of the study is to measure the extent of the effects of variables under study. This study used quantitative research design. The study intended to look at the role of several aspects around the key variables. A quantitative study was therefore a more realistic research design option since it made it possible for the researcher to cover the elements identified in the study. At the same time, this study concerned itself with the degree of influence of variables. A quantitative research design was therefore desirable.

The second aspect influencing the design of this study was that it would require the correlation of variables to identify existing relationships. This meant that the study would use a correlational study design where the chief aim will be to determine the degree of correlation between various variable sets.
3.3 Population and Sampling Design

3.3.1 Population

Population in research refers to the total viable subjects the research is thought to relate. This is the total number of subjects or respondents that carry the features or the characteristics of interest a given study (Begi, 2009). The reality of research is that there is a limit to resources and time, hence it is not always possible to get answers from an entire population. In cases where all the eligible subjects are involved in the study, no sampling procedures are considered necessary. However, in the vast majority of research projects, it is usually not practical to access and get responses from all the members of a population.

In the context of this study, the main respondents were managing partners of law firms. Therefore, the population of the study was managing partners in law firms in Kenya. The number of firms offering legal services in the country was estimated at 2,130, with 1359 of these based in Nairobi (Business List, 2017).

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

The sampling frame in a study refers to the process of identifying accessible and desired respondents within a given population (Creswell, 2009). Sampling frames are usually important in the case where there may be elements in the population that have characteristics that preclude them from the study. In this case, all the law firms in Nairobi formed part of the population, but only law firms with an active practicing license could be included in the sampling frame. In this case, there was no need seen to have a sampling frame different from the population. The sample frame is presented in Table 3.1.
Table 3.1: Sampling Frame

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Sample Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Firms</td>
<td>1359</td>
<td>1359</td>
</tr>
<tr>
<td>Total</td>
<td>1359</td>
<td>1359</td>
</tr>
</tbody>
</table>

### 3.3.2.2 Sampling Technique

The study used simple random sampling. The choice of this sampling technique was informed by the need to ensure that all law firms had an equal chance of representation in the study. Once all eligible law firms were listed, random tables were used to select the study sample. The sampling was calculated by dividing the total population by the sample size.

### 3.3.2.3 Sample Size

One of the key challenges a researcher must resolve when dealing with sampling is to determine a suitable sample size for the study at hand. Yamane (1987) developed a formula that can be used to determine the sample size of a population. The formula was used to get a sample size for this study as presented below.

\[
n = \frac{N}{1 + N \left( e \right)^2}
\]

\(n\) is the sample size, \(N\) is the population, \(e\) is the accepted sampling error.

Based on a population of 1359 law firms, and an accepted sampling error of 5%, the ideal sample size for the study was determined to be 300 respondents. Sample size calculation is presented in table 3.2.
Table 3.2: Sample Size

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Firms</td>
<td>1359</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td>1359</td>
<td>300</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

As a quantitative study, the required data was quantitative data. The primary data used in the study was collected using a questionnaire. This choice was made to take advantage of the benefits of questionnaires. Since this study was a correlational study, it was beneficial to collect standard responses to standard questions to enable a straightforward correlation of the variables. The questions were all multiple choice questions, presented in five-point liker scales. The questionnaire were availed online questionnaire. The online questionnaire was preferred due to the obvious time management benefits it presented. Online questionnaires do not require the physical delivery and collection of the questionnaire and also eliminates data entry tasks (Kothari, 2008). On the other hand, online questionnaires must have very clear instructions on them to ensure the respondent is clear about the requirements of each question. The questionnaire will have five parts. The first part of the questionnaire focused on the background data relating to the firms operations. This included information such as firm size, years in operation and firm registration status (whether a company or a sole proprietorship). The second part attempted to capture the degree of formality in the strategic planning process used by the firm. The third part compared the benefits of general benefits of strategic planning and management with the expression of these benefits in law firms. The fourth part examined strategic planning and management drivers with their presence (or absence) in law firms. The final part of the questionnaire focused on strategic planning and management best practices as applied by law firms.
3.5 Research Procedures

A pilot study involving ten law firms was conducted. The ten law firms were selected at random, using the same process that was used to identify the sample for the study. The pilot study made it possible to identify the challenges that the respondents might face while filling the questionnaire. In addition, the pilot study would help check whether the data analysis procedures would be effective in analyzing the data collected. The feedback was useful for further calibration of the tools, for clarification of any questions the respondents may have difficulties answering, and for making adjustments in the data analysis methods proposed for the study.

The researcher retained the services of three research assistants to help in data collections from the respondents. The researcher then got in touch with the respondents via email and phone call, and requested them to participate in the study. Appropriate measures were then taken to ensure each respondent has access to a questionnaire. To maximize responses, the respondents were asked to indicate when they expect to fill the questionnaire, and for those who were not able to respond in time, reminders were sent.

3.6 Data Analysis Methods

Once the data was collected using the tools described above, the data was then cleaned to remove any inconsistencies. Since all the data was quantitative, there was no need for coding. The final output was downloaded as an excel file for uploading for analysis. Descriptive statistics were used to find the relationships between the variables. Measures of central tendency were also used to analyze the data collected. These measures included means, modes, and medians. Correlational analysis was also carried out to examine the relationships between various firm characteristics and their strategic planning and management practices. Pearson’s correlation was be used in these cases. The results were presented using graphs, charts and tables.

3.7 Chapter Summary

The main points in this chapter were as follows. The research design for the study was a correlational quantitative design. The population was sampled using simple random sampling.
The study focused on the correlations between study variables. An online questionnaire was used in the study. The data was analyzed using Excel. Chapter four presents the findings and observations that were made during the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and the findings from the study. The chapter includes presentation of the data as collected and analysed and brings to the fore the key findings made from the survey. The survey included responses from 180 respondents using an online questionnaire. The sample size for the study had been set at 300. The responses therefore represent a 60% response rate, which is satisfactory for an online survey (Porvaznik, 2014). The findings are organized according to the objectives of the study. The analysis was done using Microsoft Excel Worksheets.

4.2 Demographic Findings

4.2.1 Age of Respondents

The responses were analysed to find out the age distribution of the sample that was included in the survey. The mode age group was the 41-50 years category, which represented 33 percent of the sample. This was followed by the 31-40 years category with 22% of the respondents. The next age group was the “30 and below” category that represented 20% of the respondents. Respondents aged 51 to 60 years represented 18 percent of the sample while those aged 61 and above were the smallest group in the sample, representing 7% of the sample. These results are shown in Figure 4.1.
Figure 4.1: Age of Respondents

4.2.2 Gender

The gender of the respondents was made up of 71% males and 29% females. This ratio indicates that men still dominate the legal profession especially at senior levels. These results are presented in Figure 4.2. The male to female ratio was 71:29.
Figure 4.1: Gender of Respondents

4.2.3 Highest Education Level

The highest level of education attained by 86% of the respondents was a Bachelor’s Degree. The remaining 14% of the respondents had attained a Master’s degree. None of the respondents who participated in this study had a doctorate degree. The results are shown in Figure 4.3.
4.2.4 Position in Law Firm

The respondents were asked to indicate their positions in the law firms where they were engaged. Respondents who indicated that they were managing partners constituted 29%, while Senior partners were 21% of the respondents. Other partners, whether associate or junior constituted 22% of the responses. The remainder of the responses were classified as “other”, meaning that they were from law firm employees who were not partners but were sufficiently aware of the management and operations of the firm to answer the questions relation their firms strategic planning and management practices. The results are shows in figure 4.4.

![Figure 3.4: Position in Law Firm](image)

4.2.5 Type of Firm

The respondents were asked to indicate the type of business entity the law firm was. The options that were given were “sole proprietorship”, “partnership”, and “limited liability Company”. The two most common types of firms were sole proprietorships and Partnerships each accounting for
35% of the responses. Limited Liability Companies constituted 30% of the firms represented in the study. The results are shown in Figure 4.5.

![Pie Chart](image)

**Figure 4.4: Type of Firm**

**4.2.6 Age of Firm**

When asked to indicate the age of their firms, 25% of the respondents indicated that their firms were aged “5 and below”. The frequencies for age of the rest of the firms were 21% (firms aged 11-15 years), 18% (6-10 years), 14% (16-20 years), 14% (21-25 years) and 8% (25 and above). These results are shown in Figure 4.6.
4.2.7 Number of Employees

The respondents were asked to indicate the number of employees employed by their law firms. After analysis, the responses indicated that most of the law firms included in the study had more than 21 employees. 37 law firms included in the study had between 6-10 employees. This was followed by 34 law firms, which had 11-15 employees, and then 31 law firms with 5 employees and below. Law firms with between 16 to 20 employees were the least represented in the sample with 29 mentions. These results are shown in Figure 4.7.
4.2.8 Law Firms with a Formal Written Strategic Plan

The respondents were asked to indicate whether their firms had formal written strategic plans. The respondents 93% of the firms surveyed indicated that they did not have a formal written strategic plan. This indicates that only 7% of law firms have successfully concluded the development of a strategic plan. The results are indicated in Figure 4.8.

Figure 4.6: Number of Employees in Law Firm

Figure 4.7: Law Firms with a Formal Written Strategic Plan
4.2.9 Law Firms in the Process of Writing a Strategic Plan

The respondents were asked to indicate whether their firms were in the process of writing a strategic plan. This question excluded firms that already have a strategic plan. Out of the remaining firms, 77% indicated that their firms were not in the process of writing a strategic plan. This shows that 23% of law forms are currently in the process of writing a strategic plan. These results are shows in Figure 4.9.

![Pie chart showing 23% Yes and 77% No for firms in process of writing a strategic plan]

Figure 4.8: Law Firms in the Process of writing a Strategic Plan

4.3 Benefits of Strategic Planning and Management

The first objective of the study was to determine the benefits of strategic planning that may apply to law firms. To this end, the respondents were asked a set of questions relating to the application of SWOT and PESTLE analysis in the management of the law firms. The premise for these questions was that comparing law firm management practices using elements of SWOT and PESTLE analysis would make it possible to tell whether there are gaps in the strategic planning and management process used in law firms, whether intentionally applied or incidentally applied as part of general management. The results from thee two sets of analysis are presented hereafter.
4.3.1 Assessment of Benefits Potential from SWOT Analysis

The respondents were asked a set of eight questions relating to whether they had applied or used SWOT analysis in the management of the firm. The first set of four questions related to whether the firms had an understanding of their Strengths, weaknesses, opportunities and threats. The second set of four questions sought to find out whether there had been a deliberate effort on the part of the firms to use these four SWOT elements in the last 24 months, which would be the shortest period for a strategic plan. The responses were collected in the form of a five point Likert scale. The questions were not influenced by the presence or absence of a formal strategic plan, but were interested in finding out whether law firms use strategic planning and management tools in their general management. The results are presented in Table 4.1.
Table 4.1: SWOT Elements Frequency Table

<table>
<thead>
<tr>
<th>SWOT Elements</th>
<th>*Frequencies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>My firm understands its internal strengths</td>
<td>34</td>
</tr>
<tr>
<td>My firm understands its internal weaknesses</td>
<td>34</td>
</tr>
<tr>
<td>My firm understands its external threats</td>
<td>52</td>
</tr>
<tr>
<td>My firm understands its external Opportunities</td>
<td>34</td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its internal strengths</td>
<td>25</td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its internal weaknesses</td>
<td>33</td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its external opportunities</td>
<td>25</td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its external threats</td>
<td>31</td>
</tr>
</tbody>
</table>

Key: *1-Strongly disagree, 2-Disagree, 3- Neutral, 4-Agree, 5, Strongly Agree

The frequencies presented in Table 3 were further analyzed with the goal of assessing the relationships between the two sets of data.

4.3.1.1 Internal Strengths

The current understanding of internal strengths yielded a mean score of 3.1 compared to a mean score of 3.0 for the same question as applied to a deliberate identification of internal strengths in the 24 month period preceding the study.
4.3.1.2 Internal Weaknesses

In the case of internal weaknesses, the mean score derived from the responses to the Likert scale was 3.1, compared to a mean score of 3.2 for the deliberate identification of internal weaknesses in the 24 months preceding the study.

4.3.1.3 External Opportunities

When the data collected from the questions relating to External opportunities was averaged, a score of 3.1 was obtained. A similar question focusing on the deliberate identification of external opportunities attained a mean score of 3.0.

4.3.1.4 Internal Threats

The scores arising from the firms’ understanding of external strengths averaged at 2.9, compared to a deliberate process of identifying these threats which yielded an average score of 3.1.

4.3.1.5 SWOT Factors Correlation Analysis

A correlational analysis was conducted using Pearson’s Correlation to test whether there was a correlation between the firms understanding of its SWOT factors, compared to the deliberate identification of these SWOT factors over the previous 24 month period. This was done by comparing four sets of averages calculated from the responses arising from the firms understanding of their SWOT factors compared to responses for deliberate identification of their SWOT factors. The results are presented in table 4.2
### Table 4.2: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Average</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My firm understands its internal strengths</td>
<td>34</td>
<td>36</td>
<td>32</td>
<td>34</td>
<td>44</td>
<td>3.1</td>
<td>0.6</td>
</tr>
<tr>
<td>My firm understands its internal weaknesses</td>
<td>34</td>
<td>31</td>
<td>35</td>
<td>35</td>
<td>45</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>My firm understands its external threats</td>
<td>52</td>
<td>27</td>
<td>28</td>
<td>36</td>
<td>37</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>My firm understands its external Opportunities</td>
<td>34</td>
<td>34</td>
<td>40</td>
<td>32</td>
<td>40</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its internal strengths</td>
<td>25</td>
<td>43</td>
<td>46</td>
<td>33</td>
<td>33</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its internal weaknesses</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>36</td>
<td>45</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its external opportunities</td>
<td>25</td>
<td>39</td>
<td>49</td>
<td>38</td>
<td>29</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>In the last 24 months my firm has deliberately identified its external threats</td>
<td>31</td>
<td>38</td>
<td>35</td>
<td>40</td>
<td>36</td>
<td>3.1</td>
<td></td>
</tr>
</tbody>
</table>

A Pearson correlation of 0.6 resulted from the analysis. These results indicate that there is a strong correlation between the two data sets. This means that there is a strong correlation between a firms understanding of its SWOT factors and the deliberate identification of the factors.
4.3.2 Assessment of Benefits Potential from PEST Analysis

The respondents were asked a set of eight questions relating to PEST analysis for the purpose of evaluating whether the law firms included in the study could benefit from this application of strategic management. The premise for this was that the gap between deliberate use of PEST analysis compared to its incidental use as part of firm management could be used to indicate whether law firms stood to benefit from strategic planning. The results are presented in Table 4.3.
**Table 4.3: PEST Elements Frequency Table**

<table>
<thead>
<tr>
<th>PEST Elements</th>
<th>*Frequencies</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>My firm has a good understanding of the impact of political events on its business</td>
<td>41 30 39 31 39 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>My firm has a good understanding of the impact of economic events on its business</td>
<td>41 35 29 41 34 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>My firm has a good understanding of the impact of social events on its business</td>
<td>37 40 26 37 40 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>My firm has a good understanding of the impact of technological changes on its business</td>
<td>36 29 46 34 35 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Within the last 24 months my firm has deliberately analyzed the impact of political events on its business</td>
<td>43 39 33 34 31 2.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.8</td>
</tr>
<tr>
<td>Within the last 24 months my firm has deliberately analyzed the impact of economic events on its business</td>
<td>26 40 49 39 26 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Within the last 24 months my firm has deliberately analyzed the impact of social events on its business</td>
<td>29 43 31 39 38 3.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.1</td>
</tr>
<tr>
<td>Within the last 24 months my firm has deliberately analyzed the impact of technological changes on its business</td>
<td>39 33 40 38 30 2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.9</td>
</tr>
<tr>
<td>Within the last 24 months my firm has a set of written business goals to be achieved in the next 3-5 years</td>
<td>38 36 35 39 32 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

Key

*1-Strongly disagree, 2-Disagree, 3- Neutral, 4-Agree, 5, Strongly Agree*
4.3.2.1 Political Factors

The respondents were asked to indicate on a five point Likert Scale whether their firms had a good understanding of the impacts of political events on their business. The responses were analyzed and an average score of 3.0 was obtained. The same question was asked but this time checking whether the firm had deliberately analyzed the impact of political events on their business. The second questions yielded an average score of 2.8.

4.3.2.2 Economic Factors

Similarly, the respondents were asked to indicate whether they currently had a good understanding of the economic factors affecting their business. In addition, they were asked whether their firms had deliberately identified the economic factors affecting their business any time in the last 24 months. The average scores attained from the analysis of the responses for both questions were 3.0.

4.3.2.3 Social Factors

The average scores attained from an analysis of the responses provided by the respondents to two questions with the first one asking whether they understood the impact of social factors on their business, and the other asking whether their firms had undertaken an analysis of how social factors affected their business anytime in the last 24 months were 3.0 and 3.1 respectively.

4.3.2.4 Technological Factors

The respondents indicated that they understood the impact of technological factors on their business on a five point Likert scale, which resulted in an average score of 3.0. The same questions was asked this time asking whether there had been a deliberate effort within the last 48 months to analyze the impact of technological factors on their business. This time a mean score of 2.9 was attained.
4.3.2.5 PEST Factors Correlation Analysis

Pearson Correlation was used to analyze the degree of correlation between the scores attained when analyzing current understanding of PEST factors on law firms, and a deliberate effort to apply these factors by the law forms in the last 48 years. A Pearson correlation of 0.2 was attained.

4.3.3 Combined SWOT and PESTLE Analysis

The data from SWOT and PEST analysis were then analyzed and used to draw out combined relationships between the two data sets. Taken together, the data was expected to reveal areas where there exist gaps relating to current application of strategic planning and management. This gap would be shown by comparing the mean scores of the responses from the respondents who indicate the usage of strategic planning and management components incidentally as compared to those who were deliberate. The results are shown in Figure 4.10
The findings here indicate that the identification of organizational weaknesses was the item with the highest mean scores. This item had the highest mean scores both for incidental and deliberate deployment in the management of law firms. The item with the lowest mean score in as far as deliberate application of the strategic planning and management tools is political factors. This indicates that law firms either are underestimating the effect of political factors on their business, or do not readily see its impact on their businesses. The item with the lowest score in regards to firms’ current understanding of their internal factors is the identification of threats. This indicates that while law firms are keen to identify their weaknesses, they are not as interested (or as aware) of the need to identify threat to their business. One possible explanation for this is that the entry barriers for starting a law firm are quite high; hence there is little chance of external threats affecting law firms.

**Figure 4.9: SWOT and PEST Factors**

The chart above shows the mean scores for different factors in the strategic planning and management of law firms.
Once the analysis related to SWOT and PESTLE factors was completed, the rest of the data collected for the purposes of objective two was analyzed. The analysis focused on comparing responses obtained from the entire population, with those from firms with strategic plans, and those from firms that are currently undertaking strategic planning. The factors used in this analysis are:

i. Clarity regarding key priorities as a business entity
ii. Clarity regarding key priorities as a law firm
iii. Clarity regarding competitive position in the market
iv. Effectiveness in Communication
v. Employee Needs
vi. Resource Efficiency (Finances)
vii. Resource Efficiency (Human Resource)
viii. Resource Efficiency (time)
ix. Firm’s Innovativeness
x. Confidence in Firm’s Survival beyond the next five years

The following were the findings made after this analysis.

4.3.4 Relationship between Clarity of Key Priorities as a Firm and Strategic Planning and Management Initiatives

The respondents were asked to indicate on a five point Likert Scale whether their firms had clarity regarding their key priorities as businesses. The data was cross analyzed with to identify the trends from firms with a strategic plan, as well as those currently in the process of developing a strategic plan. The results that were obtained are presented in Figure 4.11.
The overall responses to this questions saw most of the respondents (81 respondents) indicating that they either strongly disagreed or disagreed with the assertion that their firms had clarity regarding their key priorities as business. The general trend in the answers resulted in a downward slow with a gradient of -1.7. The responses from firms in the process of strategic plan also showed a similar pattern, this time the trend line yielding a gradient of –0.5. Responses for this question from Firms that had strategic plans was skewed towards greater agreement with the assertion that their firm had greater clarity, with the trend line for this subset yielding a gradient of 0.8. The analysis therefore shows that the possession of a strategic plan can be linked with greater clarity of organizational direction, while lack or one is linked to lower clarity in organizational direction.

4.3.5 Clarity Regarding Key Priorities as a Law Firm

The second questions that was presented to the respondents was similar in structure to the previous one, except this time it sought to find out of the respondents had confidence in the clarity their law firms had, this time as law firms. This question sought to separate the business
element from the service provision element. It was motivated by the understanding gleaned from literature that a law firm may actually be good at offering legal services but can be performing poorly as business. The responses were analyzed and the results were used to develop the graph in Figure 4.12.

![Graph showing frequency distribution](image)

**Figure 4.11: Clarity Regarding Key Priorities as a Law Firm**

The overall responses when tabulated revealed a normal distribution for the responses, with slightly more respondents indicating strong disagreement or disagreement with the assertion that their firms had clarity regarding their key priorities as law firms. The associated trend line had a gradient of -0.2. When the questions was analyzed with firms in the process of making a strategic plan, a positive gradient of 0.3 was obtained for the trend line, indicating that a greater number of these firms had confidence in their business direction as compared to those that were skeptical. Similarly, the data was analyzed with only firms that had a strategic plan, an analysis that yielded a positive gradient of 0.1. This also indicates that firms with a strategic plan generally had more confidence in their direction as businesses. This analysis shows that there is a link between the possession of a strategic plan, or embarking in a process of developing one and
confidence in a firm’s direction as a law firm. On the other hand, lack of a strategic plan can be linked to poorer confidence in the direction of a firm as a law firm.

4.3.6 Clarity Regarding Competitive Position in the Market

The respondents were asked to indicate their views on the assertion that their firms had clarity regarding their strategic position in the market. This question was designed to check whether law firms that had a strategic plan had an advantage regarding their clarity on their competitive position in the market. The data was analyzed and the results presented in the graph shown in Figure 4.13.

![Figure 4.12: Clarity Regarding Competitive Position in the Market](image)

The analysis of the overall data indicated that most respondents were confident that their law firms had clarity regarding their competitive positions in the market. The associated trend line had a positive gradient of 1.5. The analysis of responses from firms in the process of making a strategic plan also produced a trend line with a positive gradient of 1.5. The analysis of data from respondents from firms with a strategic plan resulted in a trend line with a gradient of -0.3.
The analysis indicated that a firm’s clarity of its competitive position is positively linked to the process of developing a strategic plan, but is not dependent on it. On the other hand, the possession of a strategic plan is not linked to greater clarity in the firm’s competitive position.

4.3.7 Effectiveness in Internal Communications

Clarity in communication is one of the expected benefits of having a strategic plan. In this regard, the respondents were asked to respond to the assertion that they were satisfied with the firms internal communication. The results were analyzed and the findings are presented in Figure 4.14.

![Figure 4.13: Effectiveness in Internal Communications.](image)

The overall finding was that more respondents were not satisfied with the level of internal communication compared to those who were. In this regard, the trend line showed a negative gradient of -0.6. When the data was analyzed for firms that had a strategic plan and those that were in the process of making one, positive gradients of 0.7 and 0.9 were obtained. These results
show a clear link between internal communication and the possession or the process of creating a strategic plan.

4.3.8 Employee Needs

Strategic plans help companies to better understand the needs of their employees. In this regard, a question was developed to check whether strategic planning and management in law firms resulted in a better understanding of employee needs. The respondents indicated their level of agreement with the assertion that their firms understood the needs of their employees. The responses were analyzed and are presented in Figure 4.15.

Figure 4.14: Firm Understanding of Employee Needs

The results indicate that in general, most respondents either strongly disagree or disagree that their firms have a good understanding of the needs of their employees. This is shown by a gradient of -1.1 on the trend line generated from all the responses. On the other hand, respondents from firms with a strategic plan indicated that their firms have a good understanding of employee needs with a majority of the respondents indicating that they agreed with the
assertion that their firms had a good understanding of the employee needs. The results from firms that are in the process of writing strategic plans resulted in a zero gradient meaning that no universal conclusion can be made about these firms understanding of the employee needs. In other words, the respondents opinions were distributed evenly.

4.3.9 Resource Efficiency

On resources efficiency, strategic plans are supposed to help firms become more efficient in the management and use of their resources. To this end, the respondents were asked to indicate their views on their firms’ resource efficiency in relation to finances, human resources and time. The analysis of the data related to financial resource efficiency was analyzed and used to develop the graph in Figure 4.16.

![Graph of Resource Efficiency](image)

**Figure 4.15: Resource Efficiency (Finances)**

The results indicate that in general, respondents strongly disagreed or disagreed with the assertion that their firms were efficient in managing financial resources. The trend line generated from their responses yielded a gradient of -0.8. Respondents from firms with a strategic plan also
indicated that their firms were not financially efficient, with the associated trend line yielding a gradient of -0.3. After a similar analysis firms that are in the process of developing strategic plans had a gradient of 0.1. These results indicate that law firms with a strategic plan, and those developing strategic plans have higher levels of financial resource efficiency.

The second element of resource efficiency was human resource. Once the relevant data was analyzed, the results obtained were used to develop the graph indicated in Figure 4.17.

![Graph showing resource efficiency](image)

**Figure 4.16: Resource Efficiency (Human Resource)**

The trend curve associated with the general responses yielded a gradient of -2.1. The trend lines for firms with a strategic plan and those in the process of developing one yielded gradients of -0.6 and 0.1 respectively. This indicates that strategic planning process are associated with higher human resource efficiency.

Similarly, data related to efficiency in time management as a resource was analyzed and the results used to develop the graph shown in Figure 4.18.
All the trend lines associated with time resource efficiency yielded a positive gradient. The most positive gradient was from firms that are currently developing a strategic plan (0.8), followed by the general results (0.4), and finally firms with a strategic plan (0.2). These results indicate that the possession of a strategic plan is not associated positively with better time management in law firms.

4.3.10 Firm’s Innovativeness

Innovation was found to be one of the benefits of the strategic planning process. To test its significance among law firms, a question was developed to help determine whether law firms with a strategic plan were more innovative compared to the general trend in the industry. The results were analyzed and are presented in Figure 4.19.
Figure 4.18: Firm’s Innovativeness

Trend lines resulting from the analysis of the data yielded gradients of 0.2 for general responses, -0.5 for firms working on a strategic plan, and -0.6 for firms with a strategic plan. These figures seem to indicate that innovation generally decreases with the effort to formalize a strategic plan.

4.3.11 Confidence in Firms Survival

The final benefit that was analyzed was the confidence that firms with strategic plans have regarding their survival over the next five years. The data was analyzed and the results presented in Figure 4.20.
The analysis of the data yielded a trend line with a gradient of -1.7 for the general results, 0.2 for firms currently developing a strategic plan, and 0.1 for firms with a strategic plan. This indicates that the possession of a strategic plan is linked to a higher level of confidence in a firm’s survival over the next five years.

### 4.4 Determination of Factors Affecting Strategic Planning and Management in Law Firms

The second objective of this study was to determine the factors affecting strategic planning and management in law firms. Several factors affecting strategic planning in organizations were identified through literature and were subsequently used to generate ten questions to help determine whether these factors also applied to law firms. These are discussed hereafter.
4.4.1 Satisfaction with Business's Financial Performance

The respondents were asked to indicate their level of agreement with the assertion that that their firms were posting satisfactory financial performance as a business unit. The results were analyzed and presented as a graph as shown in Figure 4.21

![Figure 4.20: Satisfaction with Business’ Financial Performance](image)

The results indicate that from the general results, most respondents “strongly disagreed” or “disagreed” with this assertion. The resulting trend line had a gradient of -2.2. Respondents with firms that were in the process of developing strategic plans or had strategic plan also showed a similar pattern with the respective trend lines having gradients of -2.2, and -0.6 respectively.

The findings indicate that firms currently developing strategic plans have the same levels of satisfaction with the general trends in the industry. However, firms with a strategic plan dissatisfied (but to a lesser) with their financial performance. This indicates that the financial performance as a business related positively to strategic planning and management.
4.4.2 Satisfaction with Control over Business Operations

The respondents were asked to indicate their level of agreement with the assertion that they were satisfied with the level of control they their firms had over their operations. The data was analyzed and the results presented in Figure 4.22

![Figure 4.21: Satisfaction with Level of Control over Business Operations](image)

**Figure 4.21: Satisfaction with Level of Control over Business Operations**

The results obtained indicate that most of the respondents in general and those from firms currently in the process of writing strategic plans are not satisfied with the level of control their firms have over their business operations. The associated trend line had gradients of -1.3 and -1.5 respectively. On the other hand, respondents from firms with strategic plans indicated higher levels of satisfaction with the level of control they had over their businesses. The associated trend line had a gradient of 1.1.
4.4.3 Satisfaction with Control over Legal Service

In another question, the respondent provided responses regarding their level of satisfaction with the degree of control their firms had over the legal services provided. The responses were analyzed and the results are presented in Figure 4.23

**Figure 4.22: Satisfaction with Level of Control over Legal Services**

A high degree of dissatisfaction with the level of control firms have over the legal services they provide was evident, with a gradient of -2.7. Firms in the process of developing plans had a lower dissatisfaction margin of -0.4, while firms with strategic plans were nearly split in the middle with a gradient of -0.1.

4.4.4 Satisfaction with Market Stability

The respondents indicated their level of agreement with their level of satisfaction with the firms market stability. The resulting data was analyzed and the results were presented in the graphs shown in Figure 4.24
The values indicate that in general, most law firms are not satisfied with their market stability. The trend line indicates a gradient of -0.9. Respondents from firms currently working on their strategic plans were slightly dissatisfied with their market stability and had a trend line gradient of -0.3. Firms with strategic plans were the most satisfied with their market stability and had a gradient of 0.

### 4.4.5 Satisfaction with Internal Stability

The respondents were asked to indicate their agreement to the assertion that their firms enjoyed internal stability. The results were analyzed and are presented in Figure 4.25.
The general trend among all the firms represented in the survey as well as the firms currently developing their strategic plans was one of satisfaction with the level of internal control enjoyed by the firm. The trend lines generated had a gradient of 0.5. Firms with strategic plans had the lowest levels of satisfaction with their internal stability but was still positive with a gradient of 0.1.

4.4.6 Satisfaction with Competitive Position

A question was posed to the respondents to seek their agreement levels with the assertion that their firms enjoyed a competitive position in the market. The results were analyzed and are presented in Figure 4.26.
There was a high degree of satisfaction with the competitive position of the firms seen from all the respondents in survey with the general trend line gradient being 0.7. Firms working on their strategic plans had a trend line with a gradient of 0.5, while those with strategic plans showed the most confident, posting a gradient of 0.8.

### 4.4.7 Satisfaction with Service Delivery

The researcher asked the respondents to indicate their level of agreement with the assertion that they were satisfied with their firms level of service delivery. The responses were analyzed and are presented in Figure 4.27.
The general trend from all the data was that the respondents were not satisfied with the service delivery levels posted. The trend line for all the responses had a gradient of -1.9. Firms working on a strategic plan posted a trend line of -0.1 indicating moderate dissatisfaction, while firms with an active strategic plan posted a trend line of -0.5, indicating dissatisfaction with the service delivery of their firms.

### 4.4.8 Satisfaction with Number of Specializations

The respondents were asked to indicate their level of agreement to the assertion that they were satisfied with the number of legal specializations of their firm. These results were analyzed and are presented in Figure 4.28.
Figure 4.27: Satisfaction with Number of Specializations

All the trend lines generated for this question indicated dissatisfaction, with the general results giving a trend line with a gradient of -2.7, firms working on a strategic plan posting a trend line of -1.3, and firms with strategic plans, -0.3)

4.4.9 Satisfaction with Nature of Clients

The respondents were asked to indicate their level of agreement with the assertion that they were satisfied with the nature of clients their firms served. The results were analyzed and are presented in Figure 4.29.
In the general responses from all the responses, most of the responds agreed strongly to the fact that they were happy with the nature of clients their firms served, posting a gradient of 1 on the trend line. However, firms working on a strategic plan and those with one posted gradients of -0.5 and -0.2 respectively.

**4.5 Strategic Planning Best Practices Applicable to Law Firms**

The third objective of the study was to identify strategic planning best practices applicable to law firms. A set of best practices were identified in Strategic Planning and Management literature and were then used to develop a set of questions to help identify gaps in the strategic management practices in law firms. The factors that were identified for analysis were as follows:

i. Management Commitment to planning process

ii. Urgency

iii. Simplicity of Strategic Plan
iv. Focused Strategic Plan

v. Doing Risk Analysis

vi. Doing Financial Analysis

vii. Doing SWOT Analysis

viii. Doing Environmental Analysis

ix. Using a 3-5 Year Planning Horizon

x. Presence of a Vision and Mission

xi. Development of Operational Plans

xii. Management Commitment to Execution of Plan

The respondents were asked to indicate their level of agreement with a set questions each phrased to measure how well their law firms applied strategic management best practices based on the list above. The results were analyzed first by getting the frequencies of each response across the 12 metric listed and by calculating the average score for each metric to see what the general trends in the industry were in regards to the strategic planning and management best practices. These results were then used to develop Figure 4.30.
Figure 4.29: Strategic Management best Practices

4.5.1 Analysis of strategic Management Best Practices

The analysis of the data related to management commitment to the strategic planning and management process indicated that respondents who were neutral regarding the commitment of
their management to the planning process had a mode of 44 responses for “neutral” out of 180 representing 24% of the responses. The mean of all the responses under this question was 3.1.

On the question relating to the ability of law firm managers to instill a sense of urgency regarding the need to develop a strategic plan for their firms, the modal response was “strongly disagree”, with 44 out of 180 responses. The mean for this question was 2.8.

The respondents, when asked to indicate their level of agreement that that their law firms would support a simple strategic plan, the modal response was “strongly agree”, which attracted 43 out of 180 responses. The question relating to the ability of law firms to produce focused strategic plans, the modal response was “strongly agree” with 43 out of 180 responses. The mean for these responses was 3.0.

Carrying out a Risk analysis was determined to be one of the best practices associated with the development of a strategic plan. A question was presented to the respondents asking them to indicate their level of agreement with this assertion. The modal response to this question was “strongly agree”, with a score of 39 a mean of 3.1.

The other three analyses included in the strategic management best practices were financial analysis, SWOT Analysis, and environmental analysis. The modal responses were “strongly disagree” with 43 responses, “disagree” with 43 responses, and “disagree” with 48 responses respectively for various levels of agreement with the assertions that each of these elements were critical to strategic management. Similarly, the mean for the responses were 2.9, 3 and 2.9.

The respondents were asked to indicate whether they agreed with the assertion that having a 3 to 5 year horizon is essential to effective strategic planning. The modal response for this was “disagree” with 44 out of 180. The centrality of a vision and mission as part of strategic management best practices of had two model responses for “neutral” and “agree” each with 41 responses. The mean for the question came to 2.9.

The respondents were asked to indicate their level of agreement with the assertion that the development of operational plans was essential to strategic planning. The modal response to this question was “disagree”, with a score of 42, and a mean of 3.1. Finally the question on the
necessity of the commitment of the management to the execution of the plan was posed to the respondents who were then asked to indicate their level of agreement to its assertion. The modal response for this question was 45 for “strongly disagree”. The mean for this question is 2.9.

### 4.5.2 Analysis for the Most Applicable Best Practices

Following the intent of the third objective which was to determine strategic planning best practices, an analysis was carried out to determine which of the best practices identified had the lowest mean scores. This analysis was done to determine the areas where law firms would need to work harder when implementing strategic planning and management initiatives. The mean scores for each of the factors identified under strategic management best practices were ranked from the lowest to the highest. The resulting data is presented in Table 4.4.

#### Table 4.4: Average Scores in Ascending Order

<table>
<thead>
<tr>
<th>Strategic Management Best Practices</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urgency</td>
<td>2.8</td>
</tr>
<tr>
<td>Doing Financial Analysis</td>
<td>2.9</td>
</tr>
<tr>
<td>Management Commitment to Execution of Plan</td>
<td>2.9</td>
</tr>
<tr>
<td>Doing Environmental Analysis</td>
<td>2.9</td>
</tr>
<tr>
<td>Using a 3-5 Year Planning Horizon</td>
<td>2.9</td>
</tr>
<tr>
<td>Doing SWOT Analysis</td>
<td>3.0</td>
</tr>
<tr>
<td>Focussed Plan</td>
<td>3.0</td>
</tr>
<tr>
<td>Presence of a Vision and Mission</td>
<td>3.0</td>
</tr>
<tr>
<td>Management Commitment to planning process</td>
<td>3.1</td>
</tr>
<tr>
<td>Development of Operational Plans</td>
<td>3.1</td>
</tr>
<tr>
<td>Doing Risk Analysis</td>
<td>3.1</td>
</tr>
<tr>
<td>Simplicity of Strategic Plan</td>
<td>3.2</td>
</tr>
</tbody>
</table>
The data was used to develop a chart showing the average score for each element and the gap remaining for it to achieve the full score. This gap indicates the effort required by law firms to fully accept and use strategic planning best practices in the application of SPM. The resulting graphs is presented in Figure 4.31.

![Figure 4.30: Strategic Planning and Management Gaps](image)

The graph indicates that the Best Practices most appreciated by law firms is the development of simple plans. The case here is that complex plans are harder to communicate and hence are fatally flawed. The next three best practices most appreciated by law firms include carrying out
risk analysis, development of operational plans and the commitment of management to the strategic management process. These all had average scores of 3.1.

On the lower end of the spectrum, the best practice least appreciated by law firms is the need to approach the strategic planning and management process with urgency with a mean score of 2.8. This is followed by four practices each with a score of 2.9. These practices include doing financial analysis, management commitment to execution of the plan, carrying out an environmental analysis, and using a 3-5 year planning horizon. These findings suggest that law firms are hesitant to include financial analysis in their strategic planning process or have not connected financial analysis to their strategic goals. The commitment of the management is higher to the development of strategic plans compared to their commitment to its execution.

4.6 Chapter Summary

This chapter presented the analysis of the data collected and identified key relationships related to the variables. The chapter examined all the demographics information that was collected using the questionnaires. It also looked at the analysis relating to each of the three objectives. The chapter also presented the analysis of the data based on the methodology presented in Chapter three, alongside the presentation of the data using graphs, charts and tables. Chapter four presents the discussions, conclusion and summary of the study.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key findings made in the study. The chapter also includes a discussion of the key findings in relation to the three objectives of the study. This paves way for the conclusions and recommendations from the study.

5.2 Summary

This study intended to look at strategic planning and management in law firms in Kenya. The main objective was to assess the role strategic planning and management plays in law firms in Kenya. The specific objectives of the study were to assess the potential benefits of strategic planning and management in Kenyan law firms. Secondly, the study set out to determine the factors affecting strategic planning and management in Kenyan law firms. The third objective was to explore strategic planning and management best practices applicable to law firms.

The study adopted a quantitative design because of the large number of variables related to these three objectives that it intended to address. The population of the study was legal firms active in Kenya and with a presence in Nairobi. The population size was estimated to be 1359. Random sampling was used to select the firms included in the study. The sample size selected for the study was 300 respondents. Data was collected through an online questionnaire. The final number of respondents who participated in the study was 180, representing a 60% response rate which is consistent with expected response rate for online surveys (Porvaznik, 2014). The data was analyzed using Excel. The analysis included the use of central tendencies (means, modes and medians) as well as correlational analysis. The results were presented using graphs, charts and tables.

Findings relating to the first objective were as follows. First the mean values obtained after data analysis for questions testing incidental SWOT analysis use in the firms were 3.1 (out of 5) for
strengths, 3.1 for weaknesses, 3.1 for opportunities and 2.9 for threats. The mean values obtained for the same questions this time testing for the deliberate use of SWOT analysis resulted in 3.0 for strengths, 3.2 for weaknesses, 3.0 for opportunities and 3.1 for threats. The Pearson correlation for these two sets of factors was found to be 0.6. When a similar analysis was conducted for values relating to the PEST analysis, the incidental mean values were 3.0 for political factors, 3.0 for economic factors, 3.0 for social factors and 3.0 for technological factors. The PEST analysis values for its deliberate use were 2.8 for political factors, 3.0 for economic factors, 3.1 for social factors and 2.9 for technological factors. The Pearson correlation coefficient for these factors was 0.2.

Findings associated with other factors include in the analysis were as follows. Firms with a strategic plan showed a greater degree of clarity regarding organizational direction as compared to the general level of clarity in the sector. Secondly, a link was found between a firm’s level of confidence in its strategic direction and the possession of a strategic plan (or being in the process of creating one). Thirdly, the study found that the firms in the sector in overall (and also those that were developing strategic plans) were confident of their competitive position. On the other firms that had completed strategic plans were less confident of their market position. On internal communication, firms in possession of a strategic plan and those in the process of developing one had greater confidence in their internal communication processes, while the general trend in the sector showed a lack of confidence in internal communication processes. The findings on firm’s understanding of employee needs were such that firms with a strategic plan had the best understanding, followed by firms that were in the process of developing a strategic plan. Overall sector direction tended towards a poor understanding of employee needs. The findings on resource efficiency indicate that firms with a strategic plan and those in the process of developing a strategic plan had higher resource efficiency on finances. Firms in the process of developing a strategic plan had the best human resource efficiency, while firms with strategic plans had poorer human resource efficiency. The industry trend was worse among the three units of analysis. On innovation, firms with strategic plans were the least innovative followed by firms in the process of developing strategic plans. The general industry trend showed greater levels of innovativeness in comparison. The levels of confidence that a firm would survive beyond the
next five years increased from general industry trends, to firms preparing strategic plans, and were highest in firms with a strategic plan.

Findings relating to the second objective were as follows. First, firms in all the three levels of analysis were dissatisfied with their financial performance. The level of dissatisfaction decreased with the strategic planning process. Secondly, firms with a strategic plan indicate the most confidence regarding the level of control they had over their business operations, in contrast to firms making strategic plans and the general industry, which were not confident. The same trend was seen in regards to the level of control the firms had over the legal services they provided. Another finding was that firms with strategic plans were most satisfied with their market position, with the general industry being the least satisfied. General industry trends indicated higher levels of confidence with internal stability while firm with strategic plans indicate the least confidence. There was a high degree of confidence regarding the competitive positions of firms with companies having strategic plans being the most confident, followed by the general industry, and those in the process of planning having the least confidence. The levels of confidence in service delivery were poor, with the poorest levels being seen in the general market. Firms with strategic plans followed, while those making strategic plans had the best scores here. There were poor levels of satisfaction with the number of specializations, with the poorest levels being recorded for the general market and the best levels recorded for firms with a strategic plan. Finally the general industry was satisfied with the nature of clients served as compared, while firms working on their plans had the lowest levels of satisfaction with the nature of clients they served.

Results relating to the third objective were as follows. The mean score for commitment of firm management to the strategic planning process was 3.1 out of 5. The mean score for the ability of the firm to create a sense of urgency towards strategic planning was 2.8. Support for a simple strategic plan by firms attracted a mean score of 3.0. Risk analysis had a mean score of 3.1 as a factor firms consider important in the process of strategic planning. Financial Analysis, SWOT Analysis, and PEST analysis received mean scores of 2.9, 3 and 2.9 respectively as factors significant to the strategic planning process. Having a 3-5 year strategic planning horizon received a mean score of 2.9. Finally, the development of operational plans, and the commitment
of firm’s management to the strategic planning process as strategic planning best practices received mean scores of 3.1 and 2.9 respectively. The best practice most appreciated by law firms is the development of simple plans. The best practice least appreciated is management’s ability to instill a sense of urgency in the development of strategic plans.

5.3 Discussion

5.3.1 Potential Benefits of Strategic Planning to Law firms

Regarding SWOT, a benefit would exist if the average number of firms that carried out SWOT analysis incidentally was lower than those that carried out SWOT analysis deliberately. This is not the case for strengths, and opportunities. A strategic planning benefit may be achieved in the identification of weaknesses and threats. Incidental identification yielded lower values in these two areas compared to the deliberate identification of weaknesses and threats.

The mean values for PEST-analysis indicate that more firms participated in incidental analysis of political factors and technological factors compared to deliberate analysis. There was no difference in the values obtained for economic factors, while a benefit may exist for law firms by the use of deliberate identification of social factors affecting their business. The values obtained from deliberate analysis were lower than the values obtained from incidental analysis.

The finding by this study that firms with a strategic plan showed a greater degree of confidence in their strategic direction as well as their organizational direction serves to corroborate findings made by Fairholm (2009) who found that strategic planning had a positive effect on a firm’s operations including aspects linked to strategic direction. The link between strategic direction and the possession of a strategic plan verifies the very point that strategic plans are supposed to address. Strategic plans provide organizations with the opportunity to identify a direction and to position themselves accordingly (Khan & Khalique, 2014). This is a benefit that is available to Kenyan Law firms. The finding that firms with a strategic plan were less confident of their market position seemed to go against the expectation that they would be more confident. A possible explanation for this finding is that firms that have gone through the strategic planning process are more aware of possible mis-positioning, hence are less confident of their current
market position. Firms with strategic plans also showed greater confidence regarding their internal communications and the understanding of employee needs. This is hardly surprising since the very first demand of the strategic planning process is to get the support of all stakeholders in the firm (Steiner, 2010). As such, communication benefits easily accrue and with it a better understanding of employee needs. This is a clear benefit of strategic planning for law firms in Kenya that are seeking to improve their internal communication process.

Resource efficiencies related to strategic planning seemed to follow on the stage of a firm in the strategic planning process. Firms with completed strategic plans had the best financial resource efficiency. This can be linked to optimization of operations and reward systems (Khan & Khalique, 2014). On human resource efficiency, firms in the process of developing strategic plans posted the best results. The strategic planning process usually leads to an analysis of the skills possessed by employees and it would therefore not be strange for a firm to optimize its human resource based on the discoveries made during this process.

An interesting finding made regarding innovation was that firms with strategic plans were the least innovative. There is a chance that once firms find their correct direction through strategic planning process, they move to optimize processes and procedures. Once completed the firm may seem rigid but in reality is operating efficiently. This finding is agrees with similar findings to the effect that strategic planning is correlated to improvements in operational efficiency (Aldehayyat & Twaisi, 2011). Finally the finding that firms with strategic plans are confident about their future also fits well with literature in the field (Steiner, 2010). This is a potential benefit law firms will enjoy by embarking on strategic planning.

5.3.2 Factor Affecting Strategic Planning and Management in Law Firms

The study examined various factors with the aim of identifying which ones had an effect on strategic planning in law firms. Several factors identified in literature were examined for their relative significance as drivers of strategic planning initiatives in law firms. These factors included financial performance, control over business operations, control over legal services provided by the firm, market stability, competitive position and services delivery. The factors
also included number of specializations at the law firm and the satisfaction with nature of clients served by the firm.

In all cases, the findings indicate dissatisfaction with financial performance in law firms, but with greater severity at industry level followed by firms currently developing strategic plans. Poor financial performance or concerns related to currently performance has been associated with the motive behind strategic planning for many firms (Cussons, 2011). This finding seems to corroborate this position since it indicates that firm’s satisfaction levels decrease as one approaches a formal strategic plan. The fact that there are still low levels of satisfaction means that strategic planning does not fully take care of financial concerns. It however influences the decision by firms to create strategic plans.

The desire for confidence in a firm’s direction as well as in the services provided and market position can be met through strategic planning and management as verified by findings in this study. Strategic planning processes have been linked to greater degree of control over a firm’s direction (Steiner, 2010). This finding indicates that firms with a desire to set their direction in a confident fashion are more likely to embark on a strategic planning process. Similarly, law firms that are concerned with their market position are also more likely to embark on strategic planning. these findings agree with the assertions by Remsen (2007) regarding drivers of strategic planning, which are presented as market needs and strategic direction needs.

This study found that firms with strategic firms were most satisfied with their market position, meaning they were in a market position that they intended to be. This finding agrees with findings made by Berry (1998). This is also closely related to the confidence that firms with strategic plans had control over the legal services they provided. The finding that firms with strategic plans had the least confidence in the clients they served shows that one of the needs a strategic plan may not satisfy is giving a firm assurance that it is service its target market. it was observed in literature that one of the needs organizations seek to meet through strategic plans is the need to determine their future directions and the need to be in charge of current processes.

The results of the study verified many findings seen in literature relation to the motivations behind strategic planning. The key element in the findings presented is that they can be ranked in
order of magnitude to determine the ones with highest influence on strategic planning process, leading towards those with the lowest influence. With the exception of the nature of clients served, the rest of the factors were demonstrated to have an influence on the decision by firms to embark on strategic planning processes.

5.3.3 Strategic Planning and Management Best Practices

Most of the scores relating to strategic planning best practices as used in law firms revealed both the strengths and the hesitations of managers in general when going through the strategic management process. The goal of examining the best practices was to compare how well law firms applied what were determined from literature to be best practices in strategic planning to their internal processes. These best practices included management commitment to the planning process, instilling a sense of urgency for change in the organization, developing a simple strategic plan, developing a focuses strategic plan, carrying out risk and financial analysis, carrying out SWOT and PESTLE analysis, developing a three to five year plan, presence of a vision and a mission, development of operational plans and management commitment to the execution of the plan.

The best score was given to managers being willing for their firms to develop simple strategic plans. Managers tend to be busy and can be intimidated or put off by the prospects of a difficult and complicated plan (ALM, 2012). In this sense, the willingness for managing partners in law firms to develop simple plans is indeed a welcome surprise. Lawyer are generally associated with the development of complex documents and as such it is a welcome respite that they actually would be satisfied with a simple strategic plan.

Risk analysis during the strategic planning and management process received high scores. This again plays into the strengths of managers especially in the legal profession who usually have highly developed analytical skills which their professional demands. On the other hand, the other analytical components (Financial analysis, SWOT analysis, and Environmental analysis) received lower scores. These aspects are harder to carry out using internal analysis not just in law firms but during the strategic management process in general (Wittmann & Reuter, 2008). This finding further cements the suggestion from ALM (2012) for the need include business
professionals in the strategic planning process adopted by law firms to ensure the firms have all round capacity to develop the plan. Otherwise, this study shows that managers are likely to support only components of the plan where they have natural strengths to the exclusion of other key processes where they are not as talented.

The item with the lowest scores among the strategic management best practices was the capacity of management to instill a sense of urgency in firm regarding the need to develop a strategic plan. This is a critical factor without which it is impossible to successfully complete the strategic planning process (Griggs, 2002). Law firms operate in a very well structured environment that’s not subject to rapid changes that regularly affect other businesses. Legal cases are rarely urgent, and urgent actions are usually the exception rather than the norm. These aspects of their operations may explain why managers seem to have the lowest scores when it comes to instilling a sense of urgency in the strategic planning process.

The fact that Griggs (2002) identified the creation of a sense of urgency as a critical part of the strategic planning and management process, at least at the onset, may further explain why only a few law firms have successfully completed their strategic planning initiatives. The finding showed that a large number of firms were poor at instilling a sense of urgency around their strategic planning initiatives.

5.4 Conclusions

5.4.1 The Benefits of Strategic Planning to Law Firms

Law firms stand to enjoy a benefit through strategic planning SWOT Analysis in the identification of weaknesses and threats to the firm. Current practices show little or no benefit to the process of identifying strengths and opportunities. Secondly, law firms in Kenya stand to enjoy a benefit through PEST analysis in the identification of social factors affecting their business. Law firms will also enjoy enhanced levels of confidence in their strategic direction, as well as market positioning by participating in a strategic planning process. Another benefit that firms will enjoy by participating in a strategic planning process is better internal communication and better awareness of employee needs. The key resource management benefits that law firms
stand to enjoy by engaging in strategic planning processes includes better financial resource efficiency, and human resource efficiency.

5.4.2 Factors Affecting Strategic Planning in Law Firms

The key factors identified as having an effect on strategic planning in Law firms include dissatisfaction with financial performance. The second factor affecting strategic planning in law firms is the desire for strategic direction and internal control by law firms. In addition, law firms with strategic plans exhibit greater confidence in their competitive position. Strategic planning is also influenced by the desire of firms to exert control over their legal services. Strategic plans seem not to answer the need for satisfaction with the nature of clients served. It can therefore be concluded that this factor does not have an effect on the strategic planning process.

5.4.3 Strategic Planning and Management Best Practices in Kenyan Law Firms

The application of strategic planning and management best practices in law firms include the willingness to develop simple plans. Secondly, law firms find it easy to carry out risk analysis. The best practices least deployed or with the least willingness of deployment in law firms include the creation of a sense of urgency around the strategic planning process, and carrying out financial analysis in context of strategic planning.

5.5 Recommendations

5.5.1 Recommendations for Practice

5.5.1.1 The Benefits of Strategic Planning to Law Firms

The study recommends that law firms embark on the process of developing strategic plans to guide their operations. Law firms stand to benefit from both the process of development of strategic plans and the subsequent implementation process. Therefore, all law firms should commence a strategic planning process commensurate with their firm size and needs.
5.5.1.2 Factors Affecting Strategic Planning in Law Firms

Secondly, it is recommended that all organizations that deal with continuing education for lawyers to incorporate strategic planning and management in there curriculums where it is lacking. This measure will make it possible for the law firms to get a clearer understanding of the factors in their operations that would be best resolved using strategic planning processes.

5.5.1.3 Strategic Planning and Management Best Practices in Kenyan Law Firms

Thirdly the study recommends to all legal startups to set up strategic plans as quickly take up strategic planning as part of their business development plans. This will yield greater benefits rather than attempting to incorporate strategic planning later in the day. The plans should be created according to the best practices identified in this study, starting with instilling a sense of urgency in the planning process and management commitment to the planning process.

5.5.2 Recommendations for Further Studies

This study recommends further studies of the same variable this time using qualitative techniques to further enrich the understanding of the variables. This study has provided the quantitative basis for such a study.
REFERENCES


APPENDICES

Appendix I: Introductory Letter

To Managing Partner

RE: INTRODUCTORY LETTER FOR DATA COLLECTION- Michael Muchemi. The above referenced matter refers I am an advocate of the High Court of Kenya, practicing as such as a Partner in the firm of Muchemi & Company Advocates. Currently, I am a student pursuing an award of Global Executive Masters of Business Administration (GeMBA) offered by the United States International University (USIU). In partial fulfilment of my degree, I intend to carry out research for a project entitled; Strategic Planning and Management in Law Firms in Kenya.

The project intends to look at how law firms utilize strategic planning and management principles in comparison to how the rest of the business world. The project will identify these difference and recommend ways in which law firms can improve their use of strategic planning and management principles.

The research results will without doubt be beneficial to the legal profession. I intend to carry out the research in Nairobi County. Your law firm has been chosen for inclusion in this study owing to its relevance and awareness with the issues at hand. I am inviting you to participate in this research study by completing the online questionnaire using the link provided. The questionnaire will require approximately thirty (30) minutes of your time to complete. There is no compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please do not include your name or name of your law firm. If you
choose to participate in this project, please answer all questions as honestly as possible. I wish to emphasize that the research data collected will be treated with utmost confidentiality. Neither your name, nor your firm will be mentioned in the final paper, and the data so collected will be used in a summary form and for academic purpose only. A final copy of the study will be availed to you upon your request. Thank you for taking the time to assist me in my educational endeavors. For any queries, or clarification, please do not hesitate to contact me on 0722667140 and michaelmuchemi@gmail.com or my Supervisor Dr. P.N. Kiriri pnkiriri@usiu.ac.ke Yours Faithfully,

Michael Muchemi
Appendix II: Questionnaire

This questionnaire is designed to collect data regarding strategic management practices in law firms. The response will be handled in strict confidence and will only be used for academic purposes. Thanks for your participation.

Part 1: Demographic Information

<table>
<thead>
<tr>
<th>Name</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>30 and below</th>
<th>41-50</th>
<th>61 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31-40</td>
<td>51-60</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest Education Level</th>
<th>Bachelors</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position in Law Firm</th>
<th>Managing Partner</th>
<th>Other Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>[___] Senior Partner</td>
<td>[___] Other ____________________</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td><strong>Type of Firm</strong></td>
<td>[___] Sole Proprietorship</td>
<td>[___] Partnership</td>
</tr>
<tr>
<td><strong>Age of Law Firm</strong></td>
<td>[___] 5 and below</td>
<td>[___] 11-15</td>
</tr>
<tr>
<td></td>
<td>[___] 6-10</td>
<td>[___] 16-20</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>[___] 5 and below</td>
<td>[___] 11-15</td>
</tr>
<tr>
<td></td>
<td>[___] 6-10</td>
<td>[___] 16-20</td>
</tr>
</tbody>
</table>
### Part 2: Strategic Planning and Management Profile of Law Firms

Please tick as appropriate

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>My firm has a formal written strategic plan</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>My firm has commenced the process of writing a strategic plan</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>My firm does not have a strategic plan (and has not begun the process of writing one)</td>
<td></td>
</tr>
</tbody>
</table>

Please indicate your level of agreement with the following assertions

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>My firm understands its internal strengths</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>My firm understands its internal weaknesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>My firm understands its external threats</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>My firm understands its external Opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>In the last 24 months my firm has deliberately identified its internal strengths</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>In the last 24 months my firm has deliberately identified its internal weaknesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10. In the last 24 months my firm has deliberately identified its external opportunities

11. In the last 24 months my firm has deliberately identified its external threats

12. My firm has a good understanding of the impact of political events on its business

13. My firm has a good understanding of the impact of economic events on its business

14. My firm has a good understanding of the impact of social events on its business

15. My firm has a good understanding of the impact of technological changes on its business

16. Within the last 24 months my firm has deliberately analyzed the impact of political events on its business

17. Within the last 24 months my firm has deliberately analyzed the impact of economic events on its business

18. Within the last 24 months my firm has deliberately analyzed the impact of social events on its business

19. Within the last 24 months my firm has deliberately analyzed the impact of technological changes on its

20. Within the last 24 months my firm has a set of written business goals to be achieved in the next 3-5 years

**Part 3: Strategic Planning and Management Benefits**

Please indicate your level of agreement with the following assertions

<table>
<thead>
<tr>
<th>1-Strongly Disagree</th>
<th>2-Disagree</th>
<th>3- Neutral</th>
<th>4- Agree</th>
<th>5-Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
21. My firm has clarity regarding its key priorities as a business entity
22. My firm has clarity regarding its key priorities as a law firm
23. My firm has clarity regarding its competitive position in the market
24. I’m satisfied with the effectiveness of communication within my firm
25. I’m satisfied that I have a good understanding of the needs of the employees in my firm
26. My firm uses its financial resources efficiently
27. My firm uses its human resource efficiently
28. My firm uses its time efficiently
29. I consider my firm to be innovative in its activities
30. I am confident that my firm will survive the next five years

**Part 4 Strategic Planning and Management Drivers**

Please indicate your level of agreement with the following assertions

1-Strongly Disagree 2-Disagree 3- Neutral 4- Agree 5-Strongly Agree 1 2 3 4 5
<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>31. I am satisfied with my firm’s level of financial performance as a business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. I am satisfied with my firm’s level of financial performance as a law firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. I am satisfied with the level of control my firm has over its business operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. I am satisfied with the level of control my firm has over its legal services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35. I am satisfied with the level of market stability (number, and quality of clients) my firm currently enjoys</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36. I am satisfied with the level of internal stability (e.g. staff commitment, working environment) my firm currently enjoys</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37. I am satisfied with my firm’s position in the market, compared to competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38. I am satisfied with the quality of legal services my firm offers to its clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39. I am satisfied with the number of legal specializations in my firm</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40. I am satisfied with the nature of client’s my firms currently attracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Part 5 Strategic Planning and Management Best Practices**

Please indicate your level of agreement with the following assertions

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Strongly Disagree 2-Disagree 3- Neutral 4- Agree 5-Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41.</td>
<td>Managing Partners are likely to be committed to strategic planning processes in their firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42.</td>
<td>Managing partners can effectively communicate the urgency of strategic planning in their firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43.</td>
<td>Managing partners will accept simple strategic plans for their firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>44.</td>
<td>Managing partners will accept focused plans for their firms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45.</td>
<td>A risk analysis is critical when developing a strategic plan for a law firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46.</td>
<td>A financial analysis is critical when developing a strategic plan for a law firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47.</td>
<td>Understanding the strengths, weaknesses, opportunities and threats is important for the firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48.</td>
<td>Understanding the business environment is important for a law firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49.</td>
<td>To be successful, it is necessary to develop 3-5 year goals for a law firm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50.</td>
<td>To be successful, a law firm must have a vision and a mission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51.</td>
<td>For goals to be achieved, there must be formal operational plans to support them</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52.</td>
<td>Managing partners can be relied on to stay committed to the goals of strategic plans</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>