

How to Build Long-term Success by Tracking KPIs

Why Tracking KPIs is Important for Your Law Firm

When you're running a law firm, it's easy to get caught up in the day-to-day operations of managing your employees and clients. It's essential to take time out to review how your business is performing to make informed decisions about your revenue, number of clients, and costs per case.



The Benefits of Monitoring KPIs for a Law firm

Key performance indicators are essential for measuring the performance of your law firm. The ability to track and analyze these metrics helps you stay on top of your business and improve over time.

Benefits of using KPIs in your law firm include:

- Improving operational efficiency
- Identifying opportunities for growth
- Getting more clients and keeping them longer
- Reducing overall costs



Importance of Setting Goals and Timelines

Setting goals and timelines can help you stay on track and ensure that everyone is working toward the same objective.

To set goals and timelines for your law firm, **consider these helpful tips:**

- Set clear goals with specific targets
- Set timelines for achieving a goal



Set clear goals with specific targets

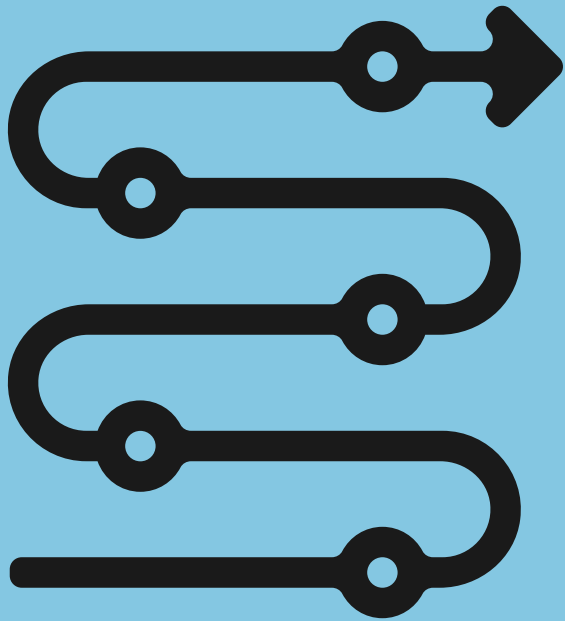
If your goal is to improve your client satisfaction rating, determine how to achieve it. You may want to focus on improving your lawyers' client relations or use online surveys to effectively measure client satisfaction.



Set timelines for achieving a goal

Set benchmarks along the way so that you can track your progress and make adjustments as needed. If improving customer satisfaction ratings means using online surveys, decide how long it will take before that happens.

Monitoring and analyzing KPIs with practice management software gives you a complete picture of your firm's performance and allows you to correct your approach early on.



How to Decide What KPIs to Track

To select the right KPIs for your law firm, make sure they meet the following three criteria:

- Measurable with quantifiable results
- Relevant to the firm's business goals
- Actionable for everyone in the law firm to follow



How Can Law Firms Use Metrics to Improve Their Performance?

You must ensure everyone in your law firm understands why you are tracking and analyzing KPIs and how their performance as an employee affects KPIs.

A law firm might track the following metrics:

- Number of new clients
- Average client satisfaction score
- Cost per case
- Firm net profit



Number of New Clients

Maintaining long-term client relationships is important for your law firm's revenue, but constantly taking on new clients can help your firm thrive. Intake teams can measure their success by the number of new clients per month and the average response time to potential new clients.



Average Client Satisfaction Score

Some firms have an internal satisfaction survey that they send out after completing a case or at the end of each quarter. You can also measure your clients' satisfaction levels with your firm's service through telephone surveys.

Client feedback helps lawyers improve their service and understand what clients like and dislike about their interactions.



Cost Per Case

Attorneys specializing in personal injury and criminal law may work with clients and help them resolve their cases. However, corporate clients typically require long-term partnerships to handle contracts and provide legal services.

By tracking the time and fees spent on each case, you can determine which practice areas need improvement and which ones bring the best financial returns.



Firm Net Profit

To calculate your firm's profitability, add up all your operational costs and subtract them from your gross revenue. Operating expenses should include utility bills, rent or mortgage, mileage rates, and expert witness fees.

Keep track of your spending to identify cost-saving opportunities. When possible, try to conduct video meetings or phone conferences as an alternative to travel mileage rates.



Make Tracking KPIs Easier with Practice Management Software

Attorneys can use KPIs to contribute to the firm's long-term success by understanding and appreciating their role and contributions. Backdocket's practice management software lets law firms track KPIs seamlessly. Instead of entering new data and maintaining spreadsheets, you can pull data from your case files to keep your KPIs up-to-date with our helpful software.



Get a Free Demo

At backdocket, we optimized our practice management software to enable small and medium-sized law firms to grow. From lead generation to case management and KPI tracking, our software helps retain new clients and keep your existing clients informed and satisfied.

Contact us today to learn more about how our practice management software can take your firm to the next level.

