



# 12-Month **Operational Report**

Ms. Daisy  
Managing Partner  
Linc Alex LLP

# Executive Summary

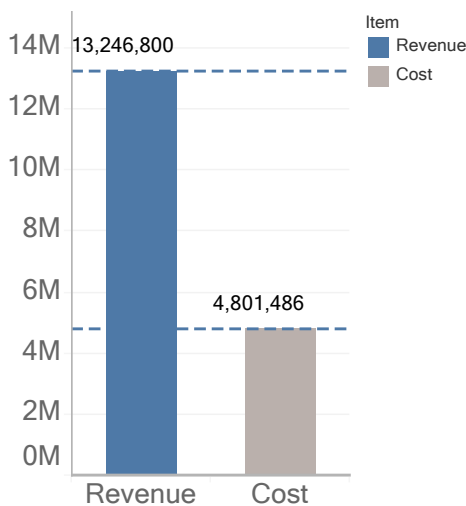
The Linc Alex LLP is seeing a **healthy growth** since **Ms. Daisy** assumed the managing partner position at the beginning of the last year.

- The firm has generated a revenue of **\$13M**, with a net profit of **\$8.4M** in the past 12 month.
- Ms. Daisy’s **IP department** sees the most revenue and billable hours generated per lawyer.
- **80%** of the clients have given our firm excellent feedback.

## Robust Financial Performance

The firm has been keeping a sturdy business growth and a sound cash inflow.

- The firm’s total revenue is **\$13M**, in which the actual collected income is **\$9.4M** so far.
- The firm’s cost is **\$4.8M**, with the salary expense comprising **80%** of the total cost.



## Optimal Employee Composition

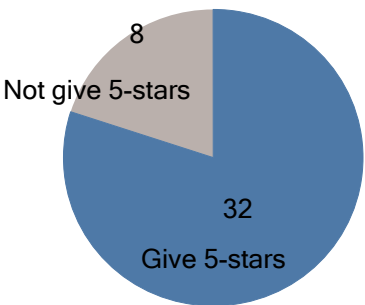
The firm’s strong performance depends on the efficient teamwork across three major departments.

- In total, **Litigation Department** generates the most amount of revenue.
- However, **IP Department** stands out in the revenue generated per person.
- Although several colleagues have left our firm, we manage to retain all of our top performers in the IP Department.

Department	Revenue generated per lawyer	Billable Hours per lawyer
IP	\$829K	1.7K hrs
Corporate	\$811K	1.5K hrs
Litigation	\$644K	1.5K hrs

## Positive Client Satisfaction

Among 40 clients who gave feedbacks, 32 of which have given us 5-star rating, indicating our clients’ satisfaction.



# Financial Conditions

## Revenue

Revenue is the key to our firm’s sustainability and an important metric of our profitability.

- Our firm’s billing structure is the traditional hourly billing. The revenue is generated by **hourly rate \* billable hours**.
- The hourly rates of our employees are: Partner: \$700; Associate: \$350; Student: \$175.
- By the end of the last December, the actually payment collected is **9.4M**, with **3.8M** out-standing account receivable.

Total Revenue	\$13,246,800
Account Receivable	\$3,885,325
Total Cost	(\$4,801,486)
Total Profit	\$8,445,314
Net Cash Flow	\$4,559,989

## Salary Cost

The majority of the firm’s cost is the salary expense, making up 81% of the total cost.

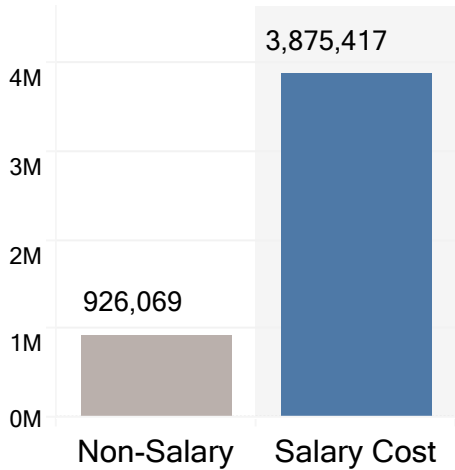
- Our firm sets a **base annual salary** standard for partners (\$375,000), associates (\$110,000), students (\$75,000), and support staff (not included in this report).
- The salary will be paid monthly for the amount of **annual salary/12**.
- The firm has only made one associate’s bonus (included in **non-salary cost**) and has not made partners’ dividends payments due to accounting process.

## Non-Salary Cost

The non-salary cost only makes up 19% of our firm’s total cost.

- The biggest item in the non-salary cost is the **rent (\$222K)**, followed by **marking cost (\$210K)**, and **benefits plan (\$138K)**.

### Composition of Costs



## Healthy Business Acquisition

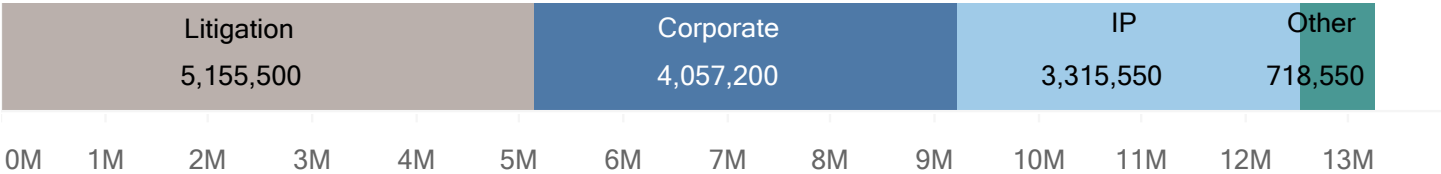
The firm also has a positive business acquisition, ensuring our firm’s future cash flow.

- The firm completed **336 cases** and acquired **465 new cases** in the past 12 months.

New Cases	Cases Closed
465	336

# Employee Assessments

## Revenue of Each Dept (\$)



## Employees in Different Dept

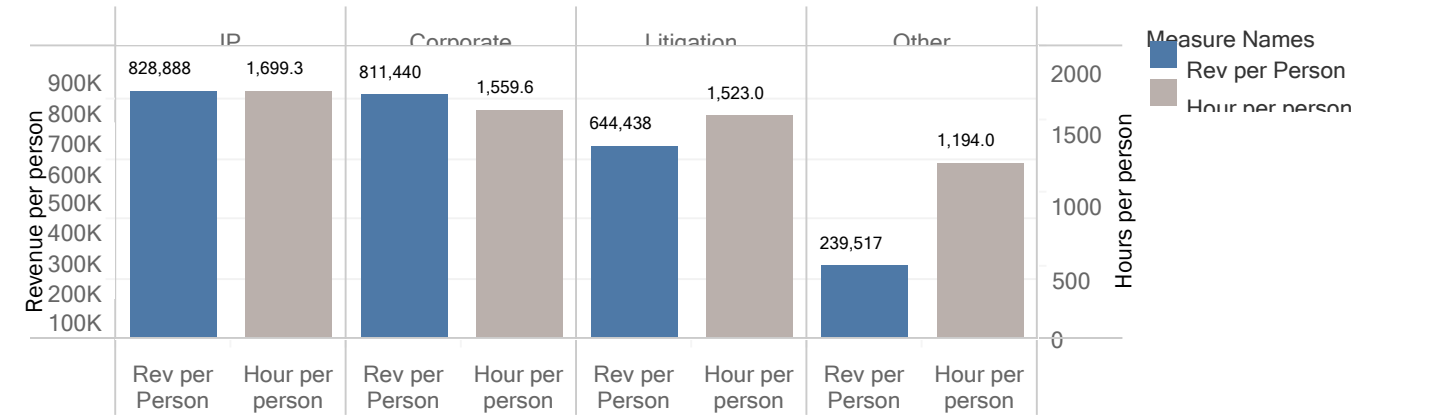
Except for two students and one associate who just recently joined the firm, all other associates and partners are assigned into one of three departments: Litigation, Corporate, and IP.

- In terms of total revenue generated, the litigation department has generated more than **\$5M** of revenue.
- Regarding the revenue and billable hours generated per person, it is the **IP department** that tops the list.
- In the diagram below, the blue columns are the **billable hours** of each person, and the grey columns are **revenue** of each pearson.

Department	Num of Employees in January	Num of resignation
IP	4	0
Corporate	5	1
Litigation	8	5

- Some of our colleagues, majority is from the litigation department, have left our team. However, since the remaining colleagues are originally top performers in our team, our firm is expected to see a growth in the revenue and billable hours per person.

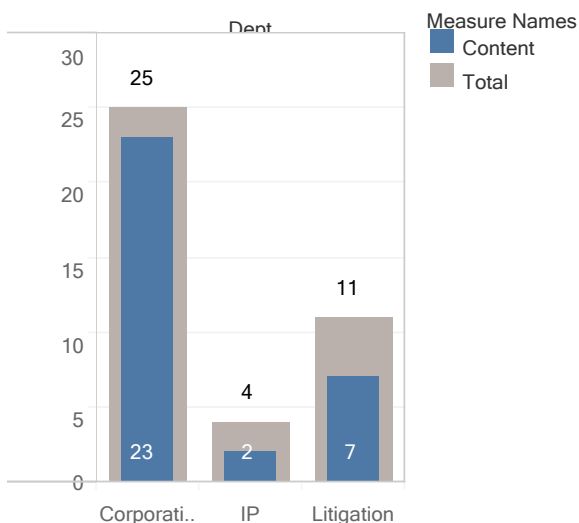
## Comparison of Revenue and Hour per Person



# Client Feedbacks

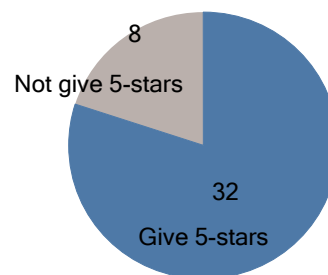
## Positive Client Satisfaction

Total vs Content Clients



Regarding client feedbacks, 32 out of 40 clients gave us 5-star (highest) feedback.

- **Corporate Department** acquired the most positive client feedbacks, with **23 out of 25** clients replied feeling satisfied about the service.
- It is worth noticing that only **half** of the clients in **IP department** gave positive feedback. However, those two clients have also stayed with our firm for a whole year.



## Next Steps

In conclusion, the leadership of **Ms. Daisy** in the past 12 months is generally successful. The Linc Alex LLP is expected to see another prosperous year under her leadership and our colleagues' collaboration.

Specifically, our firm was doing well in the following aspects:

- A large **profit margin** due to our effective **business acquisition** and our non-salary **cost control**.
- The efficiency in our lawyers working process reflected in our high revenue and billable hours per person, especially in the **IP department**.
- The **majority of our clients** have expressed their **satisfaction**.

Our firm also needs to buttress the following issues:

- Since litigation department has no leading partner currently, we need to **promote new partners** and **hire new teammates** for that department.
- We need to further analyze the reason for the **low satisfaction rate** in the IP department despite the department's outstanding performance in the financial aspect.