



# 12-Month **Operational Report**

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Partner  
Linc Alex LLP

# Executive Summary

The Linc Alex LLP is heading in a **dangerous direction** since **Ms. Daisy** assumed the managing partner position at the beginning of the last year.

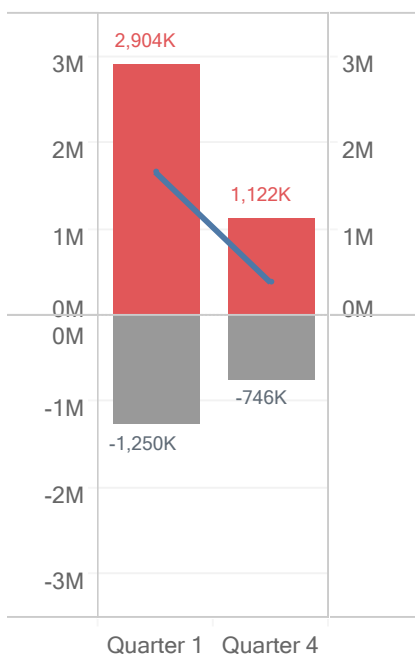
- Although the firm has a good start due to residual effects of the previous leader, the firm's revenue is constantly **going down**, from the first quarter's **\$2.9K** to the fourth quarter's **\$1.1K**.
- The employees' satisfaction is **reducing**, which coincides **6 colleagues' resignations** at the end of September. The morale **continued the downward trend** after the massive resignation.
- Our **client relationship is plunging** for the whole year, revealed from the **recession** of firm's **website visiting** and **new client numbers**.

## Shrinking Profitability

The **financial performance** of our firm is disappointing, especially during the **fourth quarter**.

- The **revenue** in the **first quarter** is **2.9M**, but the number in the **fourth quarter** slid down to **1.1M**.
- The **profit** was plunging from **1.6M** in the **first quarter** to **0.3M** in the **fourth quarter**.

Revenue (red), Cost (grey), and Profit (blue) of Q1 & Q4

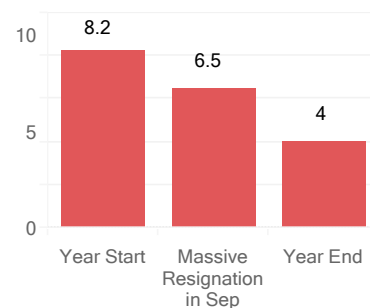


## Bleeding Morale

The employees' satisfaction was **continually decreasing** the whole year round.

- Six employees left the firm at the end of September, all of whom having **low satisfaction level** to the firm.

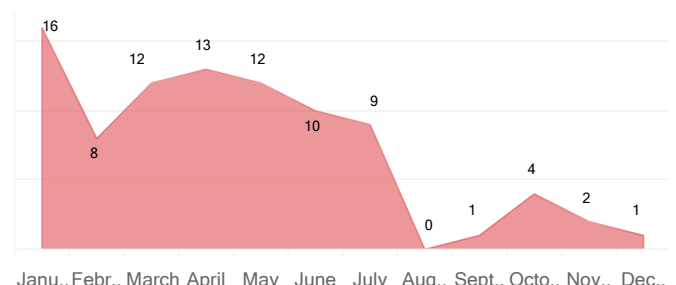
Morales Change



## Disappointing Clients

A great portion of clients are not content with our firm, and our firm is having difficulty acquiring new clients.

Number of New Clients



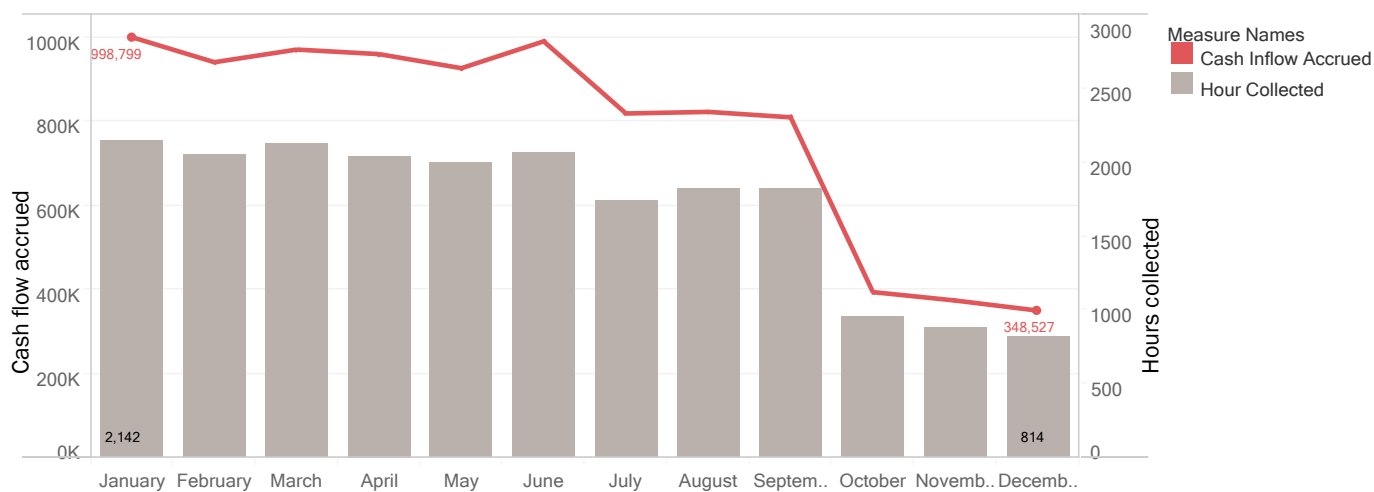
# Reduction in Profitability

## A Trend Going South

It is undoubtedly that our firm was **profitable** during the past 12 months, the majority of the cash inflow was from the first three quarters. In the **fourth quarter**, the profitability suddenly started to go south.

- The monthly **revenue** in the fourth quarter was only **a half** to that in the first three quarters.
- The sharply reduced revenue **concurred** with a sharp **reduce of collected billable hours**.

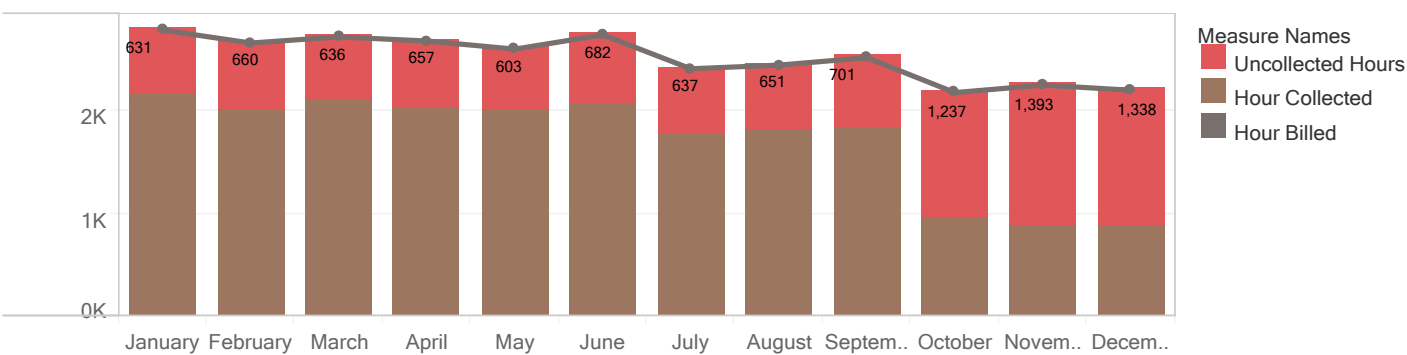
Cash Inflow and Hour Collected



## Uncollected Hours

Not only did the number of billable hours dived in the fourth quarter, the **gap** between the collected hours and total billable hours has also **widened**.

Numbers of Uncollected Hours



# Downturn of Morale

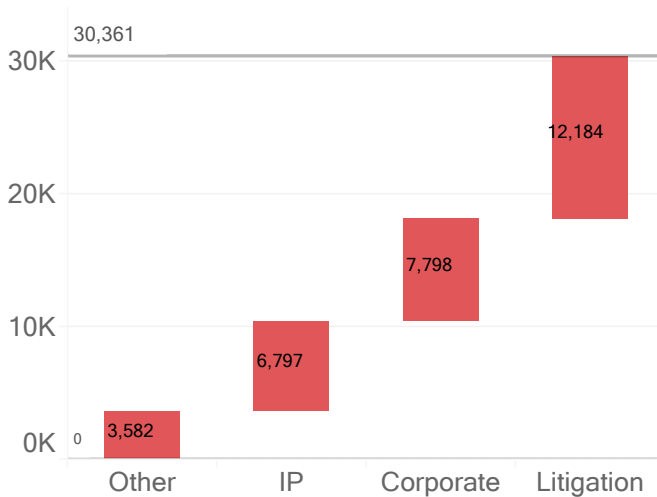
Dept	Num of Associates Year Start	Num of Associates Year End	Num of Partners Year Start	Num of Partners Year End
IP	2	2	2	2
Corporate	2	2	3	2
Litigation	6	3	2	0

## Unrecognized Efforts

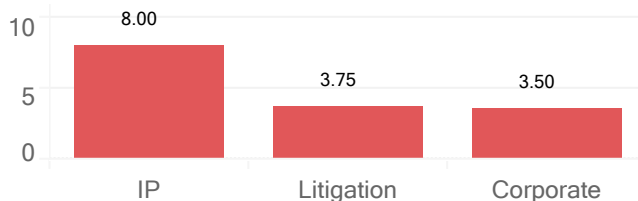
The reduced billable hours in the fourth quarter **coincides with** the **resignation** of six employees, **five** of whom are from the **litigation department**.

- The table on the left top shows that **six employees left** the firm at the **end of September**.
- Among those who left, there are: **one partner** from the **corporate department**, **three associates** and **two partners** from the **litigation department**. The litigation department has had **no partner** since then.
- The chart in the middle shows the **litigation department** contributed the most billable hours.
- The chart at the bottom shows the employees' **satisfaction level** to the firm **right before the resignation** happened. From the data we can see that both employees in the litigation and corporation department have **low satisfaction level** to the firm.
- We may infer from the results that the employees from the litigation department felt that **their efforts were not recognized by the firm**.

Billable Hours of Each Dept



Employee Satisfaction



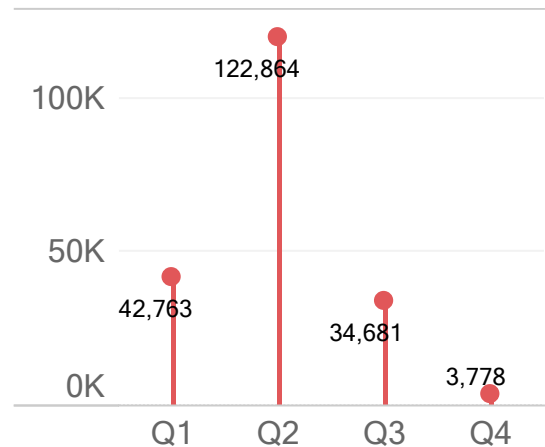
# Loss of Clients

## Who Moved Our Cheese?

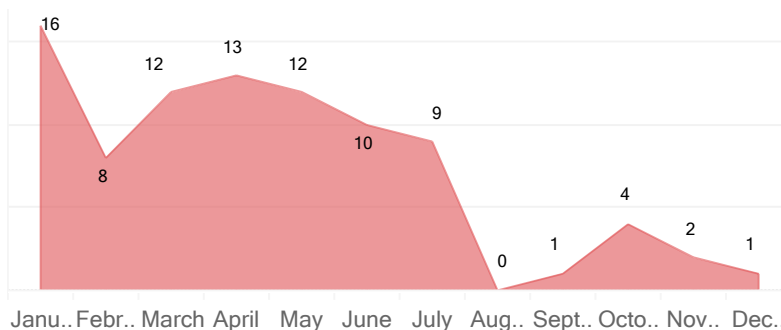
Another discouraging fact is that our firm is **losing clients**.

- Coinciding with the massive resignation, the number of visitors to our firms' website was descending, from the **122K** in the **second quarter** to mere **3.8K** in the **fourth quarter**.
- Another indicator of our critical condition is the **reducing number of new clients**. While our firm was gaining **double-digit numbers** of new clients In the **first half of the year**, after **August** we only retained **no more than five** new clients each month.

### Website Visitors Plunged



### Number of New Clients



## Next Steps

It is appropriate to say that our firm is **in a crisis** after the new leader took the position. The crisis manifests itself in the **recession of profitability, depressed employees' morale**, and the **reducing number of clients**. In this regard, it is crucial that we take the following steps:

- Introspect the state of our firms, especially the **efficacy** of the current **leadership and management styles**.
- Request the **managing partner** to bring about **practical solution** to the low employee morales in the litigation and corporate departments.
- Discuss the ways to acquire **new clients**.