SMBTeam

LAW FIRM REVENUE PLANNING

The Law Firm Growth Math Playbook

How to reverse-engineer your revenue goal into an exact number of leads, so you always know what it takes to hit your target

5%

AVERAGE YEARLY GROWTH

Most law firm owners work hard every year and still feel stuck. The average law firm grows 5% per year. That's not a growth strategy. **That's a treadmill.**

The firms that break through almost always do one thing differently: they know their numbers. They know exactly how many leads they need, what it costs to get them, and what it takes to close them. This playbook gives you that math.

Start with the revenue goal 2

The 5-step reverse-engineer formula 3

What happens when you optimize the numbers 4

The numbers most law firm owners don't know 5

Your growth math worksheet 7

What to do with these numbers 8

THE GOAL

01 Start with the revenue goal

If you don't know where you're going, you won't get there

The first question is simple: how much do you want your law firm to make this year? If you don't have an answer, here's a starting point that works: take what you made last year and double it.

If you're under $3 to $4 million in annual revenue, doubling year over year is achievable by following the right process. The number you pick doesn't have to be perfect. It just has to be a number, because without a specific target there's nothing to reverse-engineer and no plan to build.

If you don't know what you want to make, use this starting point

- Take your total revenue from last year
- Double it. That's your goal for this year
- Write it down as a specific dollar amount, not a range

$2M

EXAMPLE GOAL

Last year's revenue was **$1,000,000.** This year's goal is **$2,000,000.**

THE FORMULA

02 The 5-step reverse-engineer formula

Work backward from your goal to get your lead target

Once you have a revenue goal, you can work backward through five calculations to find out exactly how many leads you need every month, and what it will cost to get them. Use your own numbers, not the examples below.

#	WHAT YOU'RE CALCULATING	THE FORMULA	EXAMPLE ANSWER
1	Revenue goal	Take last year's revenue and double it (or set your own target)	$2,000,000
2	Cases needed per year	Revenue goal / Average case value	$2,000,000 / $10,000 = 200 cases
3	Cases needed per month	Cases per year / 12	200 / 12 = 17 cases per month
4	Leads needed per month	Cases per month / Realistic closing % (cut your honest guess in half)	17 / 0.25 = 68 leads per month
5	Monthly ad budget needed	Leads needed x Cost per lead (use $200 as a conservative estimate)	68 x $200 = $13,600 per month

WHY YOU SHOULD CUT YOUR CLOSING PERCENTAGE IN HALF

When you estimate how many of 10 qualified prospects would hire you, you'll almost always be too generous. Cut that number in half to get your realistic closing percentage. This is intentional.

If your estimate is too high, you budget for too few leads and miss your revenue goal. Being conservative means you plan for enough leads even on a slower month. And if you close better than expected, you hit the goal early.

THE LEVERS

03 What happens when you optimize the numbers

Two variables make the biggest difference: closing rate and cost per lead

The formula above gives you the worst-case budget, with a conservative closing rate and a conservative cost per lead. But you're not locked into those numbers. Two improvements make an enormous difference: closing more of the leads you already get, and paying less for each lead. Here's what the same $2 million goal looks like in both scenarios.

VARIABLE	CONSERVATIVE SCENARIO	OPTIMIZED SCENARIO
Closing rate	25%	40%
Cost per lead	$200	$150
Leads needed per month	68	42
Monthly ad spend to hit $2M	$13,600	$6,300
Annual ad spend to hit $2M	$163,200	$75,600

38%
FEWER LEADS NEEDED

Going from a 25% to a 40% closing rate alone cuts your lead need by 38%. The same marketing spend that was generating $1.3 million in revenue can now generate $2 million, **without buying a single additional lead.** Your intake process is a revenue lever, not just an administrative function.

Two ways to improve your closing rate

- **Speed to lead.** The firm that calls back first wins a disproportionate share of signed clients. If a prospect calls three firms and yours calls back in five minutes while the others call back in two hours, you win that case
- **Intake quality.** How your team handles the first conversation, including tone, empathy, urgency, and follow-up, determines whether a prospect feels confident enough to sign. This is a trainable skill, not a personality trait

Two ways to lower your cost per lead

- **Ad optimization.** Better targeting, better creative, and better landing pages reduce what you pay per click and per conversion. An experienced legal marketing agency moves this number faster than most firms can on their own
- **Lead source mix.** Not all channels cost the same. LSA ads, SEO, referral networks, and content marketing have very different cost profiles. Knowing your CPL by channel lets you shift budget toward what works

THE INPUTS

04 The numbers most law firm owners don't know

You can't optimize what you haven't measured

The formula only works if you plug in your real numbers. Most law firm owners have never calculated their average case value, their actual closing percentage, or their true cost per lead by source. If any of these feel unfamiliar, here's where to find them.

Average case value

- Pull total revenue for the last 12 months from your billing system
- Divide by the total number of cases closed in the same period
- If your practice has very different matter types (for example, flat-fee and hourly), calculate separately for each

Closing percentage

- Count the total number of qualified consultations or intake calls you had last month
- Count how many of those became signed clients
- Divide signed clients by total consultations. That's your real closing rate
- If you don't track this yet, start tracking it immediately in your CRM or intake log

Cost per lead by channel

- Pull total spend from each advertising channel for the last 90 days
- Pull total leads from that channel in the same period from your CRM or intake log
- Divide spend by leads, separately for each channel (LSA, Google Ads, Facebook, referrals, SEO)
- Your blended CPL hides which channels are actually working and which are wasting budget

WORKSHEET

05 Your growth math worksheet

Fill this in with your own numbers

Use this worksheet to calculate your own lead target and budget. Don't use the example numbers from earlier in this playbook. This only works if you use your firm's actual data.

My revenue goal this year	$ _____
My average case value	$ _____
Cases I need per year (Goal / Case value)	_____
Cases I need per month (Per year / 12)	_____
My honest closing % (of 10 qualified leads, how many hire me)	_____ %
My realistic closing % (cut honest % in half)	_____ %
Leads I need per month (Cases per month / Closing %)	_____
My average cost per lead	$ _____
My monthly ad budget needed (Leads x CPL)	$ _____
My annual ad budget at this pace (Monthly x 12)	$ _____

Once you have your numbers, ask yourself three questions

- Is my current lead volume at or above the number I need? If not, that's the first problem to solve
- Is my current closing rate at or above the realistic closing percentage I calculated? If not, that's a process problem, not a marketing problem
- Is my current cost per lead at or below the number I used in this worksheet? If not, it's worth reviewing your ad channels and marketing partners

THE PLAN

06 What to do with these numbers

Turn the math into a plan

The growth math tells you what your firm needs. What it doesn't tell you is how to get there. That's a strategy question. But knowing your numbers means every strategy conversation becomes concrete. You can evaluate a marketing proposal by asking whether it generates enough leads at the right cost. You can evaluate your intake team by measuring their closing rate against your target.

Three things to do after completing this worksheet

- Share the numbers with your practice manager or operations lead so they understand the lead and intake targets the firm is working toward
- Set a monthly review to check actual leads, actual closing rate, and actual cost per lead against the targets. The formula only improves if you update the inputs as your numbers change
- Identify which of the two levers, closing rate or cost per lead, has the most room to improve, and focus there first before trying to solve both at once

The firms that grow fastest are not necessarily the ones that spend the most on marketing. They are the ones that know their numbers, close consistently, and optimize systematically. That is what this playbook gives you the foundation to do.

SMBTeam

Scale your law firm across leads, intake, operations, and finance

Learn more