

A 30-MINUTE SELF-ASSESSMENT

The 5-Leak Audit.

A self-assessment worksheet for managing partners of US mid-market law firms.

Audit your firm against the five hidden revenue leaks — before year-end closes the chance.

Firms cannot optimize what they cannot see.

— THE PREMISE OF THIS WORKSHEET

ESTIMATED TIME

30 minutes

FILL TOGETHER

COO / Director of Finance

The Inspection You Wish You'd Done in March.

A delayed invoice from 45 days ago cannot be corrected today. A matter unprofitable for three months cannot recover margin retroactively. This worksheet is the inspection you wish you had done in March.

WHO SHOULD FILL THIS IN

You and your COO or Director of Finance — together, in one 30-minute sitting. Practice Group Leaders can complete their group's section independently and forward to you.

WHAT TO HAVE READY

- Last quarter's firm-wide utilization rate (*if you don't know it — that's the first finding*)
- Firm-wide realization rate (last quarter)
- Your firm's blended hourly rate
- Total accounts receivable over 60 days
- A printed list of your top 10 matters by revenue

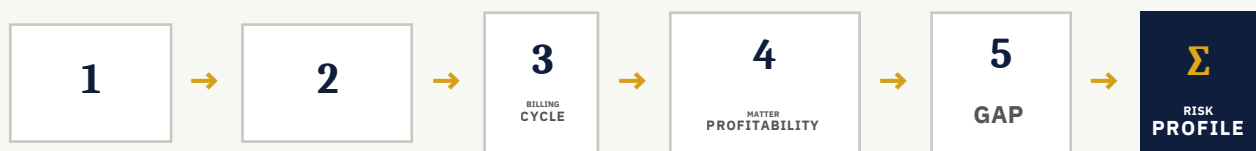
HOW TO USE THE RESULTS

Each page produces a checkbox count and an open answer. Page 8 totals your **5-Leak Risk Profile**. Most mid-market firms score 2–3 leaks at high risk; the goal is not to score zero, but to identify which leak is costing you the most.

FORMAT

Print and complete by hand on a Friday afternoon, or fill in Adobe Acrobat. Save the file as firm-name-5-leak-audit-[date].pdf for your records.

THE WORKSHEET FLOW



Utilization Inefficiency.

Attorneys may appear busy all day. That does not mean billable. Industry average utilization for US mid-market firms sits at 38% (Clio Legal Trends 2025); top-quartile firms operate at 47%+. The 12-point gap on a single attorney equals roughly 260 billable hours per year — \$78,000 in revenue your firm has already done the work to support, at a \$300 blended rate. Most firms see the gap only at quarter-end. By then, six weeks of underbilling has already occurred.

THE AUDIT

1. Firm-wide utilization rate (last quarter): _____ %
2. Number of attorneys below 35% utilization: _____
3. List the 3 attorneys with the lowest utilization (initials & practice group):

4. Do you have visibility into utilization *by week*?
 Yes No Don't know
5. Do practice group leaders see their group's utilization in real time?
 Yes No Don't know
6. When did you last review individual utilization with each attorney?
 This month This quarter This year Can't recall

READING YOUR ANSWERS

If you answered "Don't know" or "Can't recall" on Q3–Q6, this leak is likely costing your firm \$50,000–\$150,000 per under-performing attorney, per year. The most common cause: utilization reviewed quarterly instead of weekly.

Realization Rate.

Realization is the percentage of billed work actually collected — after write-downs, write-offs, and disputes. The Clio Legal Trends 2025 finds an 18-point spread between the highest-realization practice areas (IP at 93%) and the lowest (criminal defense at 75%). A firm averaging 85% realization is hiding both 93%-tier groups and 70%-tier groups inside a single number. The intervention is always at the practice-group level — you cannot fix what you have averaged away.

THE AUDIT

1. Firm-wide realization rate (last quarter): _____ %
2. Practice area with the *lowest* realization: _____ Rate: _____ %
3. Practice area with the *highest* realization: _____ Rate: _____ %
4. Sub-issues at your firm — *tick all that apply*:
 - Excessive billing write-downs
 - Delayed invoice approvals
 - Inconsistent billing practices across attorneys
 - Poor pricing visibility at matter intake
 - Client payment friction (slow review, disputes)
5. When did you last see realization broken down by partner?
 - This month
 - This quarter
 - This year
 - Never

READING YOUR ANSWERS

A **5-point realization improvement** correlates with roughly a 20-point profitability swing. If you answered "Never" on Q5, you cannot yet identify which partner is dragging the number down — and that is the highest-leverage conversation available in your firm.

Billing Cycle.

Lockup— unbilled WIPplus outstanding AR — runs at a median of 93 days for US mid-market firms (Clio Legal Trends 2025). For a \$5M firm, that is approximately \$1.27M in earned revenue sitting outside the operating account at any given moment. Every additional week of billing delay is roughly \$96K of working capital that does not return. The fastest-cash firms are not billing more. They are billing faster — and more consistently — than their peers.

THE AUDIT

1. Average days from work-completed to invoice-sent: _____ **days**
2. % of invoices delayed by attorney approval bottleneck: _____ **%**
3. Total unbilled WIP today: \$ _____
4. % of accounts receivable over 60 days: _____ **%**
5. Your firm's billing cadence:
 Weekly Bi-weekly Monthly Inconsistent

READING YOUR ANSWERS

For a \$5M firm, every **5-day reduction** in billing cycle equals roughly **\$69,000 in working capital** returned to the operating account. If your answer to Q5 is "**Inconsistent**," the leak is structural — not capacity.

Matter Profitability.

Most firms know revenue per matter. Few know profitability per matter. The distinction is the loaded cost — fully-burdened attorney cost applied at the matter level. Without it, you can identify high-revenue matters but not high-margin ones. A practice area generating strong top-line revenue may be reducing firm profitability through excessive overhead, low realization, or poor staffing fit. The diagnostic is internal: identify your top and bottom decile matter types, then redirect business development.

THE AUDIT

1. Can you produce a profitability number *per matter* today?

Yes Partially No

2. Can you produce profitability *by client*?

Yes Partially No

3. Can you produce profitability *by practice area*?

Yes Partially No

4. Practice area you suspect is your *least* profitable: _____

5. Matter type you suspect is your *most* profitable: _____

6. % of matters billed on alternative fee arrangements (flat, contingency, hybrid): _____ %

READING YOUR ANSWERS

If Q1–Q3 are all "No" or "Partially," your firm cannot yet make strategic decisions about which matter types to take more of, decline, or reprice. This is the **most underdiagnosed leak** in mid-market law firms — and the highest-leverage to close.

Visibility Gap (Spreadsheet Dependency).

The cost of fragmented reporting is not the systems themselves. It is the time gap between something happening at your firm and you being able to see it. Most mid-market firms run on six systems that do not talk to each other (Clio / MyCase / PracticePanther, billing, accounting, spreadsheets, manual reports, email approvals). The COO spends 10–15 hours per month consolidating numbers that should be one click away. The result: leadership operates on 4–6-week-old data.

THE AUDIT

1. How many systems hold your firm's operational data? _____
2. Sub-issues at your firm — *tick all that apply*:
 - Reports are consolidated manually each month
 - Practice group leaders ask for data and wait
 - Reports are delivered as static PDFs or spreadsheets
 - You see firm-wide KPIs less than once a week
 - Different leaders work from different versions of the same number
3. Hours per month your team spends preparing operational reports: _____ **hours**
4. Time lag between month-end and seeing the report: _____ **days**

READING YOUR ANSWERS

*If you ticked **3 or more boxes** in Q2, your firm is operating on monthly visibility cycles in a market where peers operate on weekly cycles. The reporting infrastructure is the bottleneck — not the COO.*

Total Your Findings.

Based on your answers across Pages 3–7, mark the risk level for each leak. Estimate the annual cost using the magnitudes referenced in the interpretation footer on each leak page.

LEAK	RISK LEVEL	EST. ANNUAL COST
1. Utilization Inefficiency	<input type="checkbox"/> Low <input type="checkbox"/> Med <input type="checkbox"/> High	\$ _____
2. Realization	<input type="checkbox"/> Low <input type="checkbox"/> Med <input type="checkbox"/> High	\$ _____
3. Billing Cycle	<input type="checkbox"/> Low <input type="checkbox"/> Med <input type="checkbox"/> High	\$ _____
4. Matter Profitability	<input type="checkbox"/> Low <input type="checkbox"/> Med <input type="checkbox"/> High	\$ _____
5. Visibility Gap	<input type="checkbox"/> Low <input type="checkbox"/> Med <input type="checkbox"/> High	\$ _____
TOTAL ESTIMATED ANNUAL LEAK		— \$

HOW TO READ YOUR PROFILE

→ **3+ leaks at High Risk.** Your firm is operating at Stage 2 of operational visibility. Annual leak likely exceeds \$500,000 for a 30-attorney firm.

→ **1–2 leaks at High Risk.** You have specific operational gaps but the systemic foundation is intact. Fixing the highest-cost leak first typically returns 60–70% of the recoverable revenue.

→ **0 leaks at High Risk.** Rare. Your firm is in the top decile — verify by booking the diagnostic to confirm the self-assessment against your actual data.

You've audited your firm, Now see the system that fixes it.

Book a 30-minute demo. We'll walk you through the LawKPIs dashboard using your firm's practice mix — and show you exactly which of the five leaks the platform closes first.

[Book my demo →](#)

No deck. No sales pitch. Just the numbers behind your answers.