

# Managing Partners: The Law Firm Hiring Risk Assessment

Know if your firm is truly ready to hire **without** gambling on cash flow, partner draws, or “we’ll grow into it” optimism.

## INSTRUCTIONS

Think about a hire you’re considering right now:

- Associate
- Paralegal
- Intake staff
- Operations
- Marketing

Keep that specific role in mind as you go through this. Answer honestly. This isn’t about whether the role is needed. It’s about whether the firm is ready.

### Step 1: Financial Cushion Reality

1. If revenue dipped 15% for 90 days, could you still cover this salary comfortably?
2. Do you know exactly how many months of payroll your current reserves cover?
3. Is partner compensation structured around projected cash — or reactive deposits?
4. Are you hiring from surplus — or from pressure?

If your answers are unclear, the risk isn’t the hire. It’s the visibility.

### Step 2: Capacity Pressure vs Strategic Growth

1. Are you hiring because the team is overwhelmed — or because the firm is scaling intentionally?
2. Is the workload temporary (case spike) or structural (long-term demand)?
3. Will this role increase margin — or just relieve stress?

Hiring should increase leverage, not just reduce anxiety.

### Step 3: Cash Timing Risk

1. Does your firm forecast collections 90 days forward?
2. Have you modeled how this hire impacts cash in slow months?
3. Do you know your firm’s true monthly operating break-even?

If the firm only looks stable in strong months, the hire amplifies fragility.

### Step 4: Partner Take-Home Impact

1. If this hire underperforms for six months, what happens to partner draws?
2. Would you feel comfortable maintaining compensation during a slow quarter?
3. Is this hire designed to increase partner income — or protect current chaos?

Growth hires should increase profitability, not redistribute pressure.

## The Core Insight

Most law firms don’t regret hiring because the person was wrong. They regret hiring because the timing was wrong. Timing isn’t about revenue. It’s about cash clarity, forecasting discipline, and decision confidence.

## Why This Is Important

Hiring too early strains cash. Hiring too late caps growth. Hiring without financial modeling increases stress — and stress slows everything else.

The firms that scale confidently don’t “hope revenue covers it.” They model the impact before committing. That’s what separates controlled growth from reactive growth.

If you’d like to pressure-test your next hire with clear cash visibility and forward forecasting,

Book a 15-minute strategy chat here:

<https://bluebird-partners.com>