

**Transformation of a company in order to provide sustainable
development and business scale**
Capstone project

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MBA 23

2022
Kyiv, Ukraine

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Gratitude

I would like to express my personal gratitude to all Kyiv School of Economics team, special thanks to all Business Education teachers, lecturers and coordinators. I am very grateful for acquiring new knowledge, skills, and experience. Thank you for the opportunity to meet people with different interests and common values, especially in current turbulent times.

EXECUTIVE SUMMARY

I have been working as a lawyer in Equity law firm for more than eight years. Now I am a counsel in this company.

Equity is a multifunctional law firm with different well-developed practices. Nevertheless, it mainly is focused on national litigation. Generally, we have reached leading positions in the Ukrainian law market for the past eight years. Recently EQUITY has been recognized by Legal 500 EMEA 2023 in its annual research of the Ukrainian legal market. Equity has been listed in White-Collar Crime - tier 1, Dispute Resolution - tier 2, Banking, finance and capital markets - tier 3, tax - tier 3. Following rate was based on client's feedback for the previous years.

As an employee I am entitled to influence managerial processes within my team which consists of 5 persons. Additionally, I carry on the business activity of real estate objects which Equity owns with 8 extra employees which gives me also possibilities to conduct optimization.

Nevertheless, for the years I have been observing some systematic constraints which limit further development of the company.

Key problem -

Despite a tremendous increase, Equity remains to be managed in manual mode which would result in further slow progress or even regress. I advocate the idea that the company needs more synergy of all employees to achieve systematic growth.

Therefore, I would like to define the problem in the following way - What shall be done to achieve sustainable development of the company with annual business scaling of 10% by the end of 2024?

Mission - Equity is a leading law company which includes multifunctional professionals especially in litigation, existing assets, and powerful professional connections which completely form unique capital for further development.

Values - Equity's team stands on values of continuous self improvement, cooperation, support, strong managerial and business skills, and rapid reaction to customer's needs.

Vision - Our vision at Equity is to remain the leading Ukrainian law firm based on a sustainable model of internal management, existing human and material capital, and permanent possibilities of growth within the organization.

Consequently, it would bring a powerful synergy to deliver exceptional results to our clients, to expand the business by each participant of the team, and to transform the organization to business-corporation in future.

Goals -

- To develop and implement a modern leadership model wherein everyone is encouraged to engage in the sustainable management of the company, launch new projects, and attract new clients.
- To leave a niche segment in a law market and identify new targets in the law industry and investment targets in the current circumstances.
- Subsequently, to create, promote, and deliver new services, in particular combining legal and managerial services, to customers until the end of 2024 in order to increase revenue.
- Consequently, the introduction of new integrated services and the subsequent promotion of the company by its own employees will enhance sustainable development for the entire organization.

SECTOR 1. DIAGNOSTICS

General information about a Company

Equity is a traditional Ukrainian law firm with the main focus on litigation, white-collar crime, bankruptcy, banking, real estate. The Company concentrated on specific the most difficult legal cases because its solution provides bigger revenue. Equity rarely supplies their clients with comprehensive legal support.

Therefore, the Company's key value is the solution of the most important and complicated legal issues for the client which requires a deep and creative approach.

Historically Equity law firm have its anchor clients which has a significant influence on relationships with them. And key partners have a straight access to the anchor client and decision making. Following model boosts key partners to build more trusted relationships with their clients. Such a model limits opportunities for searching for new big clients because their interests could be an opponent to anchor`s client interests. Nevertheless, it guarantees a stable subscription fee for legal services.

I suppose that limited scope of legal services, except litigation, does not allow business to rise in the law market and become systematic. Also not all employers are involved in management and client's search. Thus, they need to get more possibilities for chasing new smaller clients providing them a diversified pool of services.

Analysis of Business model based on Canvas Business Model

<p><i>Key partners</i> Banks Producing factories Financial companies Real estate business Oil and gas companies Energy companies</p>	<p><i>Key activities</i> Legal services Equity mainly focuses on dispute resolution, white-collar crime, bankruptcy, banking, real estate. Equity also provides asset management.</p>	<p><i>Key values</i> Generally we provide different types of legal support. Primarily Equity specializes in commercial and white-collar crime litigation This highlight allows the Company to provide a comprehensive investment protection for the business. Acting in following purposes we delve into business structure and</p>	<p><i>Relationships with clients</i> Equity is positioning itself as a trusted advisor of our clients, especially of an anchor client. Mostly the Company attracts new clients thanks to the current client's feedback or ties. Also, Equity partners search for new clients due the close relationship with other businesses.</p>	<p><i>Customer segments</i> Equity's clients are Ukrainian middle and large businesses from traditional sectors of the economy. Approximately 50% of the companies represent the big anchor client. Equity is focused mainly on dispute resolutions, the most significant cases for our clients in order to protect business or investments. Additionally, we provide comprehensive legal support but it's rather an exception than the traditional approach. Our expertise allows</p>
	<p><i>Key resources</i> Human capital is the main</p>		<p><i>Distribution channels</i> B2B</p>	

	<p>resource. The Company mostly consists of persons who started their career hier. To some extent professionalism and loyalty are the values of the Company. Also, Equity has a modern-designed and well-equipped office in the city center. Additionally, the Company owns few real estate assets.</p>		<p>Most clients are located in Ukraine, Kyiv. Therefore Equity can provide its service offline and online.</p> <p>Equity actively participates and carries on different legal forums, events, and seminars to be a well-recognized organization among businesses, government bodies.</p>	<p>us (a) to found and manage assets in our own or investor's interests, (b) to engage new clients from more prospective sectors such as agriculture and IT.</p>
<p><i>Cost structure</i> Fixed costs</p> <ul style="list-style-type: none"> - salaries - rent payments for the office 		<p><i>Revenue stream</i> Equity receives a subscription fee for legal services from the anchor client, as well as an additional success fee. There is a pool of non-permanent clients who pay fees according</p>		

	<p>to an agreement for a specific case, also with an additional success fee.</p> <p>Furthermore, Equity is engaged in various real estate investment projects as legal advisers or independent participants, which create additional revenue streams.</p>
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Table 1. Canvas business model

Organizational structure

Also, the Company has an ordinary system of management for law firms with the head partner and other partners who make the final most significant decisions, including strategic, managerial and financial.

Our team has grown from 14 lawyers to approximately 50 for the last 9 years. That's the significant rise and now the Company includes seven partners, eight counsels, eight senior associates, associates, junior associates.

I believe that the deep integration of most employees within the company holds great value. For example, counsels have worked at Equity for 8-10 years, while senior associates have been with the firm for 5-7 years. This has made them well-prepared to tackle new management challenges. To some extent these employees may be considered as new potential managers.

Moreover, Equity conducts yearly evaluations of its employees that are contingent upon their experience and qualifications. However, the existing scope and frameworks of legal work do not permit all staff members to progress within the organization, which frequently results in discouragement towards pursuing further professional development.

Nevertheless, I admit that the organizational culture is founded on the principles of complete involvement in legal and managerial matters, continual self-development, and the search for new opportunities in legal and investment markets. This has resulted in the desire and capability of most employees to expand the company's business as if it were their own.

This culture has led to a significant accumulation of business and legal knowledge, experience, commercial ties, tangible and intangible assets. Thus, there are sample opportunities to expand and transform these assets into something more than a law firm - a corporation of interdependent businesses, thanks to the human capital.

On the other hand, strategic focus on ongoing legal issues does not allow direct more effort in development of new legal domains, new businesses. Additionally, there are no established algorithms to push and transform their ideas into real assets.

<p>Suppliers vendors of software, office supplies, and equipment</p>	<p>Location Equity law company is located in Kyiv</p>
<p>Value delivery chain At the outset, Equity identifies the primary issue of the case. Subsequently, associates gather and delve into all pertinent materials and particulars. This enables the legal team to furnish the most suitable and efficacious legal counsel by preparing legal documents, advocating for the client's interests, and so on.</p>	<p>Value proposition Protection of the business by legal tools, Full or partial solution of the customer's legal issues, compensation or restoration of damages, Expansion of the business due to the legal services.</p>
<p>Organization <i>Legal team -</i> The head partner and other partners which are acting as CEO, Counsels, senior associates, associates, junior associates. Overall, there are five separate legal teams focused on different projects or legal domains. PR managers, HR managers, office managers, drivers.</p>	<p>Information WEB MS Word Messengers (Telegram, Signal, Whatsapp) E-mail</p>
<p>Management system Overall, the partners of the company oversee the work of their teams of lawyers, defining priorities and maintaining the most significant communication with customers. This includes managing client requests, proposing solutions to problems, and handling financial issues. Additionally, counsels play a supportive managerial role in their clients' work, including elaborating on legal issues, developing strategies to protect clients' interests, and managing ongoing communication with them.</p> <p>Counsels, senior associates, and associates (all of whom are attorneys at law) also represent clients' interests in courts, develop legal opinions or drafts, and undertake other supportive work. Junior associates are also</p>	

engaged in developing legal opinions or drafts and performing other supportive tasks.

There is no universal company policy for the planning process, as it varies from team to team. The level of independence to make decisions within teams depends on the personalities of the partners. However, I acknowledge that teams with greater independence are more likely to provide synergy and creativity in their legal and managerial work.

POLISM operating model

External analysis. PESTEL analysis

Below we illustrate the PESTEL analysis to understand the “big picture” of current circumstances in Ukraine and to provide the context for more detailed planning.

Political Factors: The political situation in Ukraine has a huge impact on the legal environment in which the law firm operates. Firstly the ongoing war with Russia and political instability leads to changes in regulations and laws affecting the legal industry. The President of Ukraine imposed martial law. This law determines, in particular, the legal basis of activity of public authorities and private entities, human and civil rights and freedoms. The Parliament makes many amendments to legislation, in particular in tax, sanctions, energy. Therefore, law firms are required to observe any changes for their own activity and for clients.

Economic Factors: Ukraine had a sharp decrease of GDP per capita from 4 882 USD in 2021 to 4 348 USD in 2022 due to the war.

Generally, the economic situation in Ukraine has an impact on the ability of clients to pay for legal services. Many businesses located in the East or the South of Ukraine have been destroyed. Their main focus is restoration of an activity or relocation but. Less clients are interested in dispute resolution, the most tremendous area for Equity. Clients are eager to cut such expenses and settle their conflicts out of the court.

I suppose the country's mixed economy can also influence the availability of legal work in different sectors. On the other hand, we have a decrease in the real estate market. On the other hand, agriculture, logistics, and IT sectors of the economy remain stable to some extent. As a result, its activity requires permanent legal support.

Social Factors: Social factors can also impact the legal industry in Ukraine. The aging population may lead to a demand for legal services related to estate planning and wills. Another big challenge is large emigration. Both trends lead to the decrease of the population and the market of consumers as follows. Inequality and poverty caused by the war can lead to a need for pro bono services and legal aid.

Additionally, many men, in particular employers and clients, have become combatants which makes their business activity impossible for time of the war.

Technological Factors: The legal industry is increasingly adopting new technologies, such as artificial intelligence, to improve efficiency and provide better services. However, the availability of technology and internet infrastructure in Ukraine may impact the ability of the law firm to adopt these new technologies. For example, less Ukrainian law companies actively integrated ChatGPT in their activities.

Environmental Factors: Environmental factors may not have a significant impact on a law firm in Ukraine, although the law firm may need to consider environmental regulations and laws when advising clients in certain industries. Nevertheless, trend to comply with environmental requirements refers to the law market too. Because legal support for the companies who neglect environmental rules can lead to the huge risk for reputation.

Legal Factors: The legal industry is subject to regulations and laws, both nationally and internationally. Changes in regulations and laws can impact the legal environment in Ukraine and the services offered by the law firm. For instance, many law firms elaborated on sanctions legislation. That was quasi legal support for the state.

Another tremendous legal risk for the law market are relationships with clients who are related with russians. Following ties may be not obvious.

Therefore, law companies must pay more attention to comply-requirements for their clients.

Based on this analysis, a law firm operating in Ukraine may face challenges related to political instability, economic uncertainty, and a need to adopt new technologies. The legal environment in Ukraine may also undergo changes due to legal and regulatory factors. The firm may need to develop a strategy to navigate these challenges and opportunities, such as adapting to new technologies and keeping abreast of changes in the legal environment. Another great challenge is becoming systematic in order to survive competitors.

External analysis. Porter`s 5 forces.

Below we show Porter's 5 forces analysis to understand the law industry more deeply, its structure, and attractiveness.

Industry Rivalry: The law industry, in particular litigation, in Ukraine is highly competitive, with many firms vying for clients. The level of competition is often high, with many firms offering similar services, and clients may switch firms based on a range of factors, including quality of service, pricing, and responsiveness.

The number of law firms is such high that top legal medias as Iurpraktika or Iuruduchna Gazeta make rates with 50 of the best law companies every year. That's a real challenge for company-beginners to get into this rate.

Threat of New Entrants: On the one hand, the barriers to entry in the law industry in Ukraine are relatively high. New entrants must establish a reputation, attract and retain clients, and navigate complex regulations. They must also invest in expensive equipment and technology, and hire experienced lawyers and staff with a strong background in different areas of a law. Furthermore, established firms often have strong brand recognition, making it difficult for new entrants to gain market share.

On the other hand, there is a low barrier to start a new legal business for a group of people generally. In litigation area they are required to obtain an attorney license to represent clients' interests in the court. A legal consulting associate even doesn't need the license, except a law diploma. After the quarantine it's easier to start a law business without an office because clients became more tolerant of remote suppliers of legal services.

Threat of Substitutes: There are some substitutes for litigation services in Ukraine, such as alternative dispute resolution (ADR) methods like mediation

or arbitration. However, litigation is often the preferred option for clients who want to protect their rights and interests through the court system.

On the contrary, the law industry faces solely prospective menaces from AI, particularly in the realm of litigation. I presume that the only legal domain susceptible to the influence of AI is that of notaries.

Bargaining Power of Suppliers: The suppliers in the litigation industry in Ukraine are typically vendors of software, office supplies, and equipment. While these suppliers may have some bargaining power, the law firms themselves are usually the dominant players and can negotiate favorable terms. Furthermore, owing to the quarantine and subsequent modest decline in rental prices, the bargaining power of suppliers has decreased over the past three years.

Bargaining Power of Buyers: Clients have significant bargaining power in the litigation industry in Ukraine. They can choose from many firms, negotiate pricing and other terms, and often demand high-quality service. However, in the case of litigation, clients are often driven by the complexity of the case and the perceived expertise of the law firm, and may be less price-sensitive. Numerous fresh entrants are keen to undercut prices or provide solely success-based fees for their services, which prove more appealing to customers. Since the beginning of the full-scale war, a considerable number of clients have declined the subscription fee for legal services.

Overall, the litigation industry in Ukraine is highly competitive, with many law firms vying for clients. The barriers to entry in “the extra league” are relatively high, which means that established firms have an advantage. There are some substitutes for litigation services, but litigation remains the preferred option for many clients. Clients have significant bargaining power, but in the case of litigation, they may be more concerned with the perceived expertise of the law firm than with pricing.

Market analysis

Market size and growth rate: We have some difficulties in assessing the market of Ukrainian law companies due to the limitless market research in 2022. Thus, we would like to show the rate of companies by revenues in 2021 -

№	Company	Revenue (UA)
1	Avellum	158 963 597

2	Ader Haber	101 673 482
3	Redcliffe Partners	100 413 179
4	Everlegal	96 057 200
5	Lexwell and Partners	95 400 000

Additionally, we would like to show the Top-10 law firms by revenues which provide the following data confidentially -

- 1) Asters
- 2) Illiashev and Partners
- 3) Baker Mckenzie
- 4) Sayenko Kharenko
- 5) LCF
- 6) Equity
- 7) Aequo
- 8) Golaw
- 9) KPMG law office
- 10) CMS-Kyiv

The only available data is that according to the polling in the end of 2022 we have a decrease in clients requests by 45%, decline in general fee by 38%. Thus, the following data gives us only the approximate perception of the size of the law market in Ukraine and its prospects to rise in future. Law companies have not published their revenues in 2022. Therefore it is difficult to assess the real size of the market due to the numerous small companies or self-employed lawyers.

Overall, experts and researchers can make only some assumptions about an increase or decrease of the law marker which depends on the numerous circumstances in the ongoing war and its influence on the economy, political stability, willingness of foreign investors and current Ukrainian business to carry on their activity in Ukraine.

Market segmentation: the Ukrainian legal market is highly segmented, with a range of firms operating across different practice areas. Some of the most significant areas of legal practice in Ukraine include corporate law,

commercial litigation, banking and finance, real estate, and intellectual property law.

According to the the most recognized rate of Ukrainian law from Iurydycna Praktyka Top-10 in 2022 law companies includes the following firms -

- 1) Asters, Sayenko Kharenko
- 2) Equity, Illiashev and Partners
- 3) Dentons
- 4) Golaw
- 5) KPMG Law, Ukraine
- 6) Everlegal
- 7) Redcliffe Partners
- 8) Eterna Law
- 9) Ader Haber
- 10) Gramatskyi and Partners

Additionally the following rate provides the division of the companies in different areas of law. We would like to illustrate the most demanded sectors.

Banking and finance -

- 1) Sayenko Kharenko
- 2) Asters
- 3) Baker Mckenzie
- 4) Avellum
- 5) Aequo

Corporate law -

- 1) Asters
- 2) Sayenko Kharenko
- 3) Baker Mckenzie
- 4) Avellum
- 5) Aequo

M&A -

- 1) Sayenko Kharenko
- 2) Avellum
- 3) Baker Mckenzie
- 4) Asters

5) Aequo

Litigation -

- 1) Equity
- 2) Asters
- 3) Illiashev and Partners
- 4) LCF
- 5) Sayenko Kharenko

Business protection -

- 1) Equity
- 2) Aver Lex
- 3) Sayenko Kharenko
- 4) Asters
- 5) VB Partners

Competitor analysis: The Ukrainian legal market is highly competitive, with a large number of domestic and international law firms operating in the country. The top law firms in Ukraine include Baker McKenzie, CMS, and Sayenko Kharenko, among others. These firms have a strong market presence and offer a broad range of legal services.

Customer analysis: The Ukrainian legal market is primarily driven by the business sector, with most law firms catering to corporate clients. These clients have diverse legal needs, ranging from complex litigation to regulatory compliance. The demand for legal services is also driven by the growing startup ecosystem in Ukraine, which requires legal support for business formation and protection of intellectual property rights.

Economic and industry trends:

We would like to highlight the most tremendous economic trends such as reimbursement of damages inflicted by Russian Federation, business protection in the investigations of the Ukrainian government, legal consulting of exporting businesses.

Additionally we would like to admit some trends of internal management in legal companies. From the beginning of the full-scale war we got a “portrait

of the new leader” which includes braveness, self-confidence - “Ability to stand in a storm”. Also, stuff started to precise more responsibility and care of the leader.

Internal analysis. SWOT analysis

We provide the SWOT analysis of Equity law firm to evaluate the company's competitive positions and develop strategic planning.

Strengths

- Equity has a strong brand and established reputation in the Ukrainian legal market, particularly in white-collar crime, bankruptcy, restructuring, and insolvency.
- The company boasts highly skilled lawyers with specialized expertise across various legal fields, with a main focus on litigation that provides a deep understanding of procedural law and global knowledge in different legal domains.
- The loyalty of its employees is noteworthy, as statistics show that only six employees with more than a year's experience were dismissed at will. Furthermore, we believe that the number of employees dismissed with less than a year's experience is also low. For approximately 60% of Equity's employees, it remains the only workplace they have ever known.
- Well-developed managing skills and business-oriented approach of many employees which provides a great possibilities for expansion of the business.
- Equity owns several valuable real estate assets, including a former large factory and a 35-hectare land plot in Kyiv, 33 parking places in the city center, and a commercial building of around 1,000 square metres in the city center.
- Equity has a robust network of business and professional contacts in Ukraine, with a longstanding collaboration with various businesses that creates possibilities for common investment projects.
- Access to a large pool of legal talent due to the large number of law schools in Ukraine. The Company provides a strong cooperation with law faculties and holds law academies or competitions for law students. The following actions helps to involve the most talented students in the Company.

- Equity actively participates and takes part in various legal forums, events, and seminars in order to remain a well-recognised organization amongst businesses and government bodies.

Weaknesses:

- There is a strong centralization of authority at the company, with employees (excluding partners) not being involved in the development and making of strategic decisions. We believe that this approach leads to a lack of leadership ability among employees and they are not empowered to plan for their future.
- Consequently, the organization depends heavily on a few leaders, and its growth is unsystematic.
- Consequently, barriers for employees to rise within the organization. Stable number of clients and scale of the work does not allow staff to rise according to their ambitions and expectations.
- Moreover, there is limited access to advanced legal technology and software within the organization. Additionally, there is no well-developed culture among employees to use legal technology in their day-to-day work.
- Difficulty in enforcing legal contracts and judgments due to a slow and inefficient court system. The following weakness sometimes does not allow to realize the most appropriate strategies for customers. Equity has many requests for protection business and investments and inefficient court system decrease a number of means to defend clients' interests comprehensively.
- Limited experience in international legal matters and language barrier for clients who do not speak Ukrainian. I advocate the idea that the following weakness is a drawback of the tremendous highlight of the litigation area. Pretty successful achievements in litigation don't boost the Company to develop the other legal industries such as M&A, consulting, and engagement of foreign clients.

Opportunities:

- There is a moderate growing demand for legal services in Ukraine due to the developing business environment, especially after the deep crisis when Russia just invaded Ukraine. The business community expects further growth when the post-war restoration of Ukraine begins. Many international institutions are now entering Ukraine to

direct different financial aid and start rebuilding projects, which require qualified legal professionals.

- The decline of the internal market has led numerous businesses to search for export opportunities for their goods and services. Consequently, they need to comply with the specific legal requirements of new markets. This process creates new opportunities for Ukrainian law companies to provide less costly legal support for export-oriented businesses.
- Numerous businesses search for reimbursement of damages inflicted by Russian Federation. Ukrainian government is expected to compensate the following damages due to the assets seized from Russian oligarchs in Ukraine and assets of Russian government arrested in the Western states. But the second option has been not elaborated.
- The Ukrainian government is currently deeply involved in imposing sanctions against Russian and pro-Russian businesses, some of them do not have real connections with Russian citizens and consequently they require professional support from Ukrainian law firms.
- On the other hand, Ukrainian state bodies have started numerous investigations and court procedures against Ukrainian businesses and officials, who consequently require efficient legal advice.
- The decreasing prices of real assets in Ukraine creates new investment opportunities, while increasing international investment and trade leads to more cross-border legal work.
- There is a growing market for legal services related to energy, infrastructure, and environmental regulations, as well as for intellectual property and technology-related legal services.

Threats:

- The decline of the internal market could lead to a decrease in the overall size of the legal market in Ukraine, as there would be fewer domestic clients for law firms to provide legal services to.
- Political instability and corruption have been still affecting the legal system. The following setbacks and drawbacks result in disability of Ukrainian and foreign investors to protect their interests in Ukrainian courts. Therefore they prefer to register the ultimate beneficial owners in safer jurisdictions and to settle disputes in the foreign courts or arbitration.

- Ongoing war and following economic downturns and fluctuations (inflation, devaluation) in the economy generally and in legal work in particular.
- Increasing competition from freelance lawyers, online legal services, and AI.
- Changing legal regulations and reforms that may affect the legal market.

By identifying these factors, Equity law firm can develop strategies to build on its strengths and opportunities while mitigating its weaknesses and threats.

PROBLEM SOLVING PROCESS

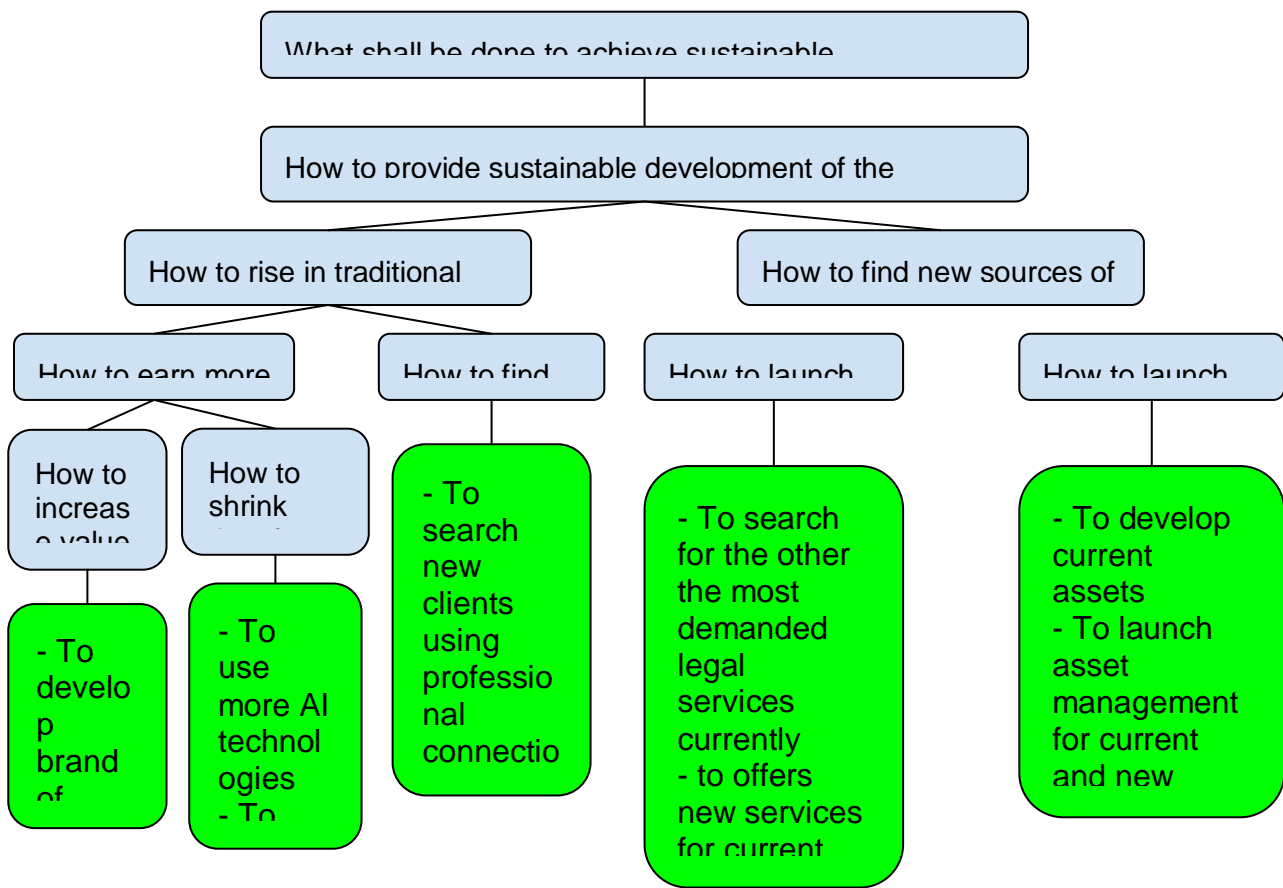
We suppose that the external and internal analyses provides us with pretty enough information in order to define and structure a problem

<i>Problem definition</i>	
<p><i>Context</i> Equity is a leading Ukrainian law company with a main focus on litigation. Despite significant increase, Equity law company is led in manual mode. Further development of the company depends on the few leaders, who carry on clients' work and financial issues. If the heads leave the business, there will be a high potential risk of the company's disintegration.</p>	<p><i>Stakeholders</i></p> <ul style="list-style-type: none"> - Owners of the company - Team members - Families of team members - Local and foreign clients.
<p><i>Success criteria</i></p> <ul style="list-style-type: none"> - to achieve sustainable development of the company which would be independent from a few leaders. 	<p><i>Restrictions/ limitations</i></p> <ul style="list-style-type: none"> - Limited experience in other legal domains, except litigation. - Limited experience in

<ul style="list-style-type: none"> - To reach annual business scaling of 10% by the end of 2024 	<p>international legal matters.</p> <ul style="list-style-type: none"> - Current declining demand for traditional law sectors for Equity as litigation. - Restricted team member engagement in client acquisition.
<p><i>Barriers to sustainable outcomes</i> Long war duration with shrinking of an internal market.</p>	

On the basis of the following information I would like to determine the problem in the following way - *What shall be done to achieve sustainable development of the company with annual business scaling of 10% by the end of 2024?*

Furthermore we need to structure the problem using the MECE approach which helps to understand better the problem, break it down into components, and take into account everything important. MECE approach means Mutually, Exclusive, Collectively, Exhaustive.



SECTOR 2. PLANNING

Sustainable development.

Introduction

We aim to commence with the most fundamental strategic concepts of company growth, which may eventually propel the organization to a higher level. On the basis of the internal analysis we can conclude that -

- Despite experiencing tremendous growth, Equity continues to be operated manually. The company is heavily reliant on the present decisions of its leaders, without a long-term strategy and policy that is essential for both the employers and employees.

Additionally, the current human capital is the main asset of the company which could drive its development in the future. However, Equity is required to transform itself into a sustainable organization to engage the human capital into its enhancement.

- Within the law area Equity mainly focuses on litigation, white-collar crime, bankruptcy. Nevertheless, a further expansion to a large extent leans on launching new legal and business services which can be supplied by current and additional human capital. Due to acquired large experience and professional ties definitely current employees can be a driving force of further flourishing.

On the basis of the following statements we can assume that the company initially needs to elaborate on a strategy programme which includes mission, vision, objectives, and the company's policy.

In 2017, Equity's partners attempted to implement a new company development strategy. At that time, the organization introduced a range of positions, starting from the lowest level of junior associate to the highest level of partner. Furthermore, Equity's partners shared the vision of the company's growth and the role of each staff member in its enhancement. This approach involved a shared notion that everyone could contribute to the company's expansion, particularly in attracting clients, which would lead to a share in potential income and impact one's evaluation within the company.

However, the biggest obstacle to realizing this vision was a lack of strong commitment to implementing these changes. To a large extent, Equity's partners are not motivated to attract new clients through team members, as they believe that the current number of clients will continue to ensure the

company's prosperity.

Based on past experience, the company's partners need to recognize the importance of engaging employees in strategy development. This entails involving all team members in generating a comprehensive range of strategic alternatives or decisions.

Strategy development

Strategic session is aimed to develop the key issues for the company growth

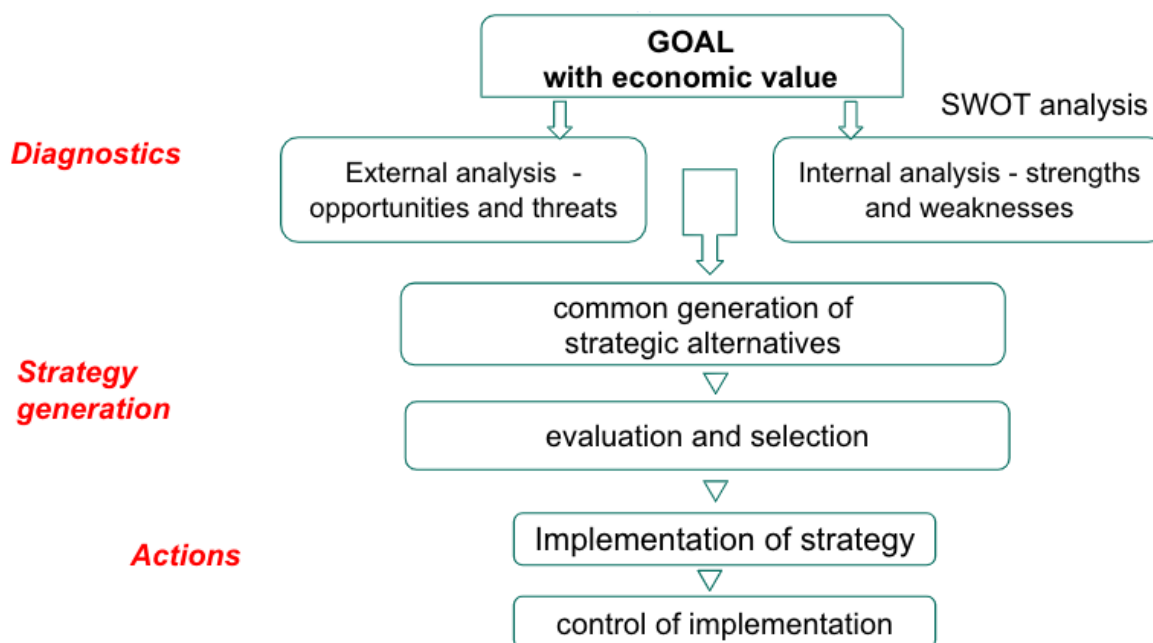
-

- Vision
- Mission
- Objectives
- Values

Therefore, we would like to show principles of strategy development for Equity -

- strategy is a priority for the whole team
- clear communication between employers and employees
- involvement of all employees in strategy development
- ideation
- focus on leadership
- Cutting-edge strategy for introducing novel products.
- Massive objective within a five-year horizon.

Subsequently, the company can evaluate these alternatives based on their economic value and implementation challenges. By employing this approach, the final strategic alternatives can be effectively determined.



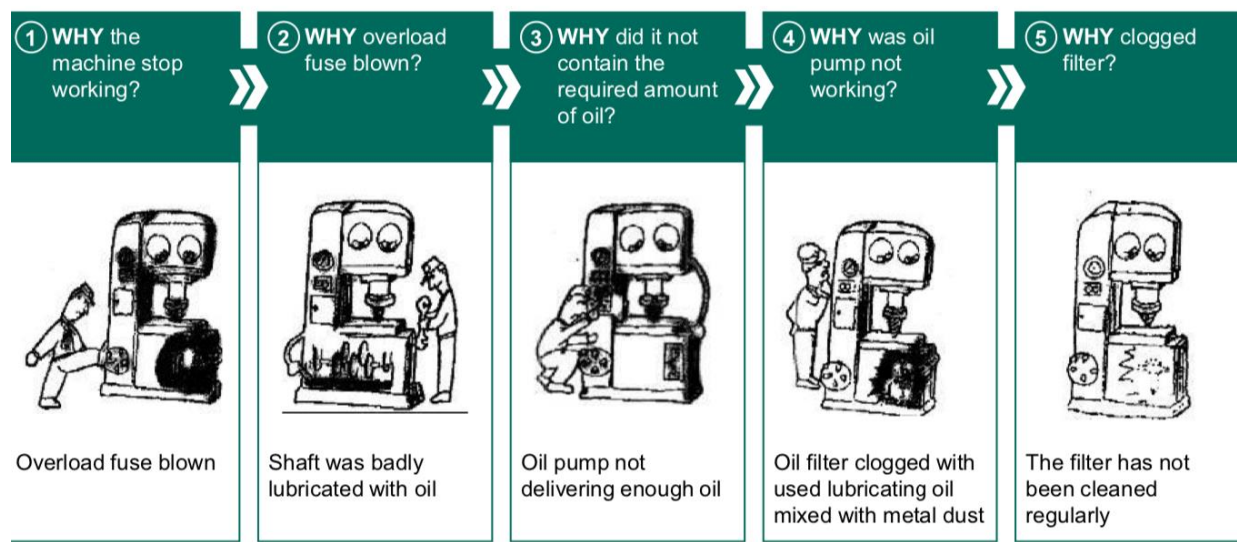
Moreover, I support the notion that active involvement in generating strategies enhances the appreciation of their value and fosters a greater desire for implementation. Participation in strategic sessions is an integral aspect of our work as it instills a sense of ownership within the company, to some extent. In contrast, when strategies are exclusively developed by employers, the level of intention and understanding of the concept tends to be insufficient.

The company should arrange a minimum of two strategic sessions to generate strategic alternatives. The first session aims to brainstorm and explore all possible strategic decisions. It is crucial for all employees of Equity to participate in this session. Furthermore, I propose that employees be divided into groups based on their interests, focusing on specific areas such as marketing alternatives, new legal services alternatives, supplementary products alternatives, and so on. Involvement in these ideation sessions would enable certain employees to continue similar managerial activities within the company.

The subsequent stage involves evaluating all strategic alternatives, taking into account their anticipated economic impact and potential implementation challenges. I strongly advocate for the inclusion of all employees in the assessment process. However, it is understood that the partners and counsels of the company retain the authority to select the strategic alternatives, while providing the other team members with justifications for their decisions.

In the planning stage, we had the presumption that all team members would have the opportunity to participate in enhancing the company's strategy for achieving sustainable development. Consequently, we need to propose a few highly effective tools that employees can utilize during strategy sessions. [The first one is 5-Why technique -](#)

You should ask yourself the question "why?" until the root cause of the problem is found



The model of sustainable management

Based on our analysis, we have reached the conclusion that Equity has been operated manually. Consequently, the primary challenge lies in establishing sustainable management of the company that actively involves all employees. Within strategy development the company's team mates should define the following issues:

- What are the most relevant drivers of work engagement and how to implement them?
- How to implement a concept of “an engaging leader” in the company which would develop the organization in each direction?
- What is a new financial model of rewards for stimulation of employees?

Drivers of work engagement

Therefore, when generating strategic alternatives, team members should consider the most relevant drivers of work engagement. What does it mean for strategic development? From our point of view, team mates should elaborate on the vision, mission, objectives, and values of the company

taking into account the key drivers of work engagement. Subsequently, moderators of strategic sessions are required to remind participants about integrating the following drivers into strategic alternatives. We advocate the idea that the company's teammates should elaborate on the following matters:

- Personal resources - engaging lawyers in intellectually stimulating and meaningful legal work, such as complex cases, high-profile clients, or impactful legal matters, can enhance their engagement. Providing opportunities to make a difference and contribute to the legal system can be highly motivating.

- Organizational resources - the company can drive engagement by offering continuous learning and development opportunities. This can include specialized training programs in particular regarding new legal domains, mentorship, and support for professional certifications or advanced degrees, allowing lawyers to expand their expertise and advance their careers within the firm.

Recognizing and rewarding lawyers for their achievements, such as successful case outcomes, exceptional client service, or contributions to the firm, can boost engagement. This can be done through performance-based bonuses, promotions, public acknowledgments, or other forms of appreciation.

- Job characteristics - granting lawyers a certain level of autonomy and responsibility in managing their cases and clients can enhance their engagement. Providing opportunities for lawyers to make independent decisions, manage their own workload, and take ownership of their work can foster a sense of professional fulfillment.

- Social relations inside the company - a positive work environment that emphasizes teamwork, collaboration, and mutual support can contribute to engagement. Encouraging open communication, fostering strong relationships among colleagues, and providing a sense of community within the firm can create a supportive atmosphere where teammates feel valued and engaged.

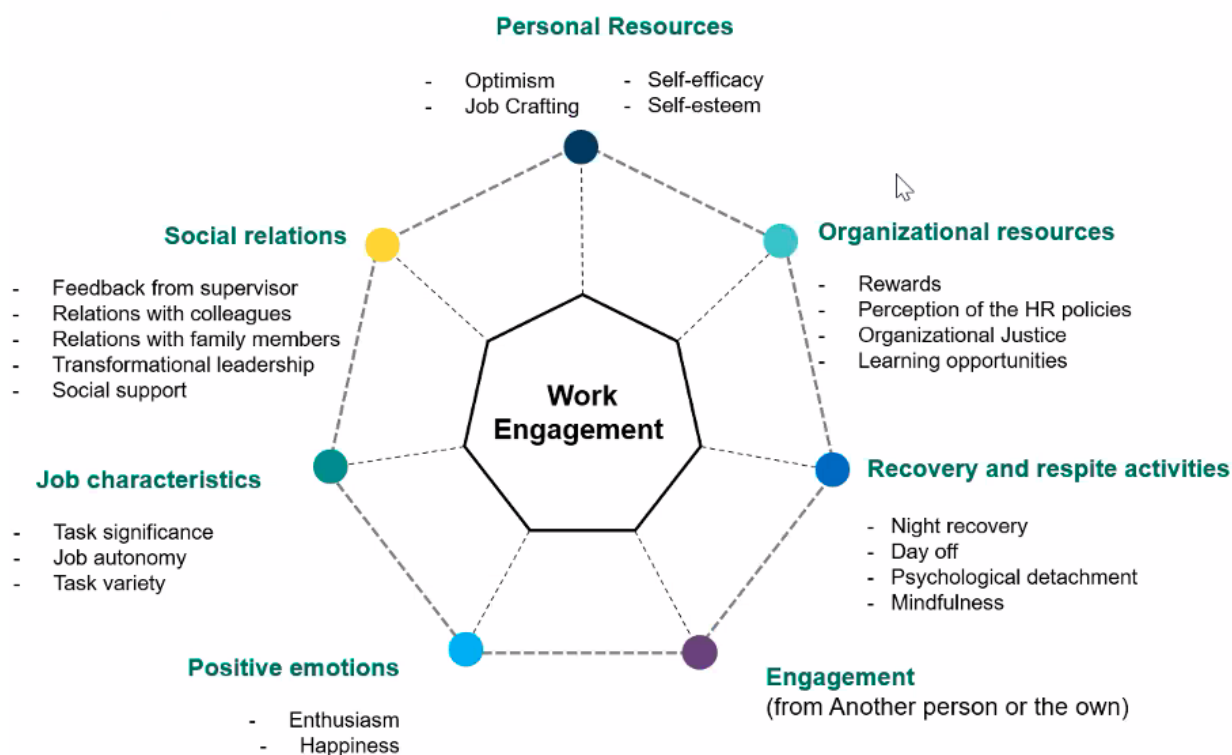
- Recovery and respite activities - although the legal profession often demands long hours and high-pressure situations, promoting work-life

balance can help sustain engagement. Offering flexible work arrangements, encouraging time off, and implementing policies that support lawyers in managing their personal obligations can contribute to their well-being and overall engagement.

Positive emotions - upholding high ethical and professional standards within the firm can foster a sense of pride and engagement among lawyers. Emphasizing integrity, professionalism, and a commitment to justice can create a positive work culture that aligns with the values of legal professionals.

- Engagement, leadership and mentorship - effective leadership is crucial in driving engagement within a law firm. Strong leaders who provide guidance, mentorship, and opportunities for growth can inspire and motivate lawyers to perform at their best. Leadership that promotes a clear vision, sets realistic expectations, and supports the development of junior lawyers can positively impact engagement levels.

The most relevant drivers of work engagement



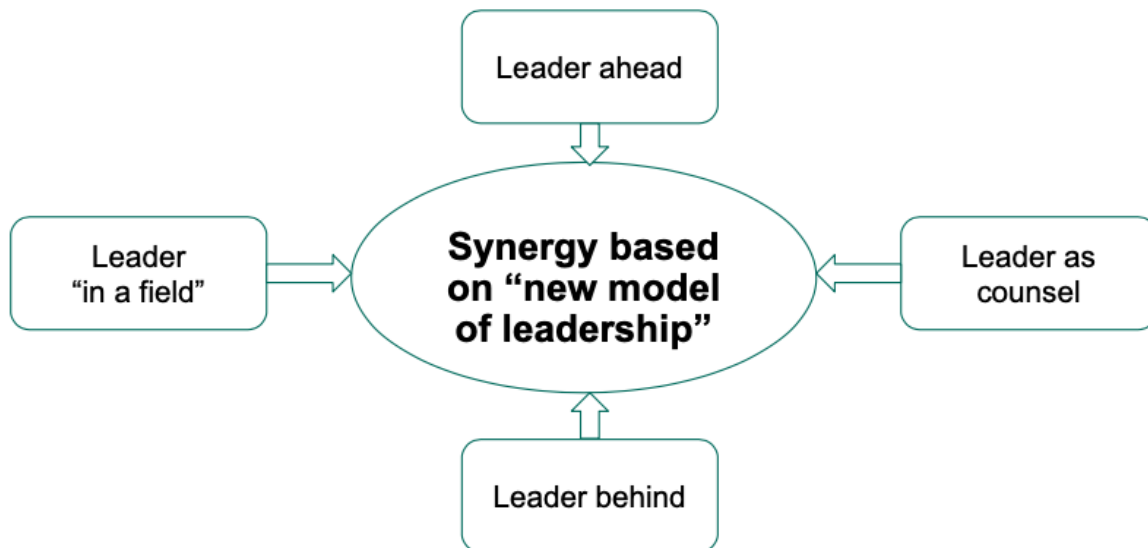
Engaging leaders

Obviously a higher level of work engagement would boost the company's growth. Additionally, a further expansion including launching new services of the company should be based on a "new portrait of an engaging leader". The success point of the following concept is that everyone can become the engaging leader. Subsequently strategic sessions of the company should be aimed also to the common perception of "the engaging leader".

From our point of view, I support the idea of Schaufeli that "the engaging leaders" have to satisfy the need for autonomy, competence and relatedness of their followers by facilitating, strengthening and connecting them.

Additionally, in the current complex context "the engaging leadership" means versatility of roles depending on the certain circumstances and challenges. We advocate the idea that everyone should be a leader in his/ her own position because the following behavior is the most significant condition for synergy growth.

The greatest challenge lies in harmonizing these business-oriented

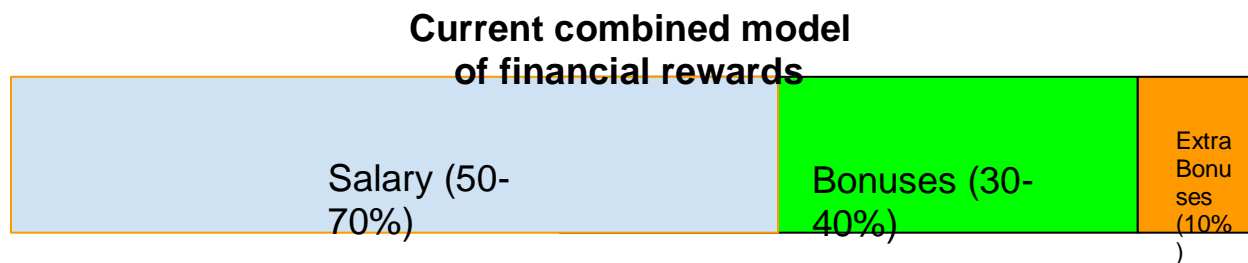


personalities within a sustainable and systematic organization, where team members are more interested to remain rather than depart.

Therefore, we would like to outline the main directions for values development to reach the following model of leadership:

- Co-active leadership which includes supportness,
- Productivity which means also efficiency,
- Inspiring influence,
- Being responsible,
- Meaningfulness - clear perception of the role and behavior in the current moment,
- Clear communication - telling about expectations, mistakes, and feedback.

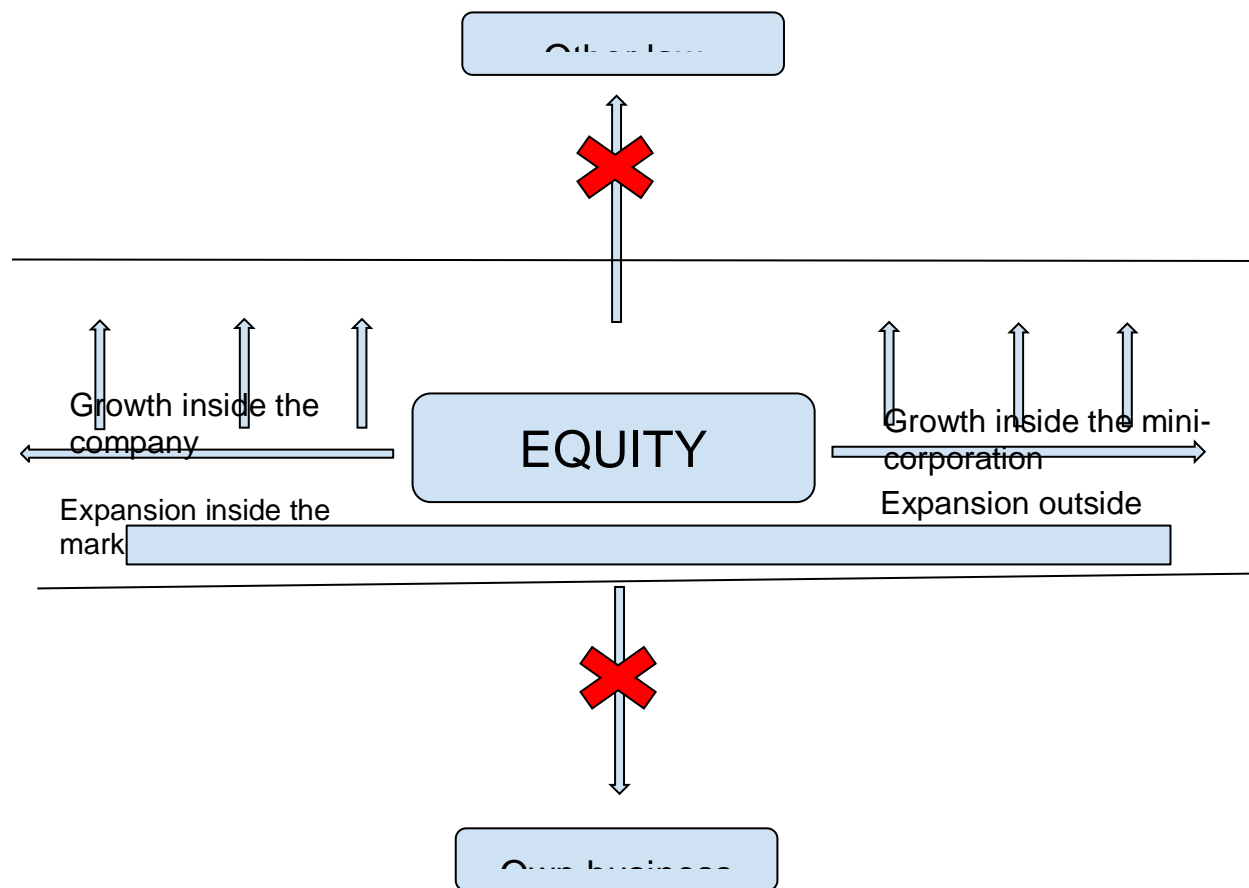
New financial model of rewards



The company has established a reward system where the overall monthly income for individual employees consists of a fixed salary, month bonus, and extra bonuses which depend on successful finish of the project.

We would like to admit that the total sum of salary and bonuses does not change from month to month, generally they are fixed. Subsequently, employees have expectations that they will receive fixed salary and bonus despite the second one is called bonus. Extra bonuses can change from month to month - it can compose 30-50% of the total income for the employee, but in the next month it would compose 0%.

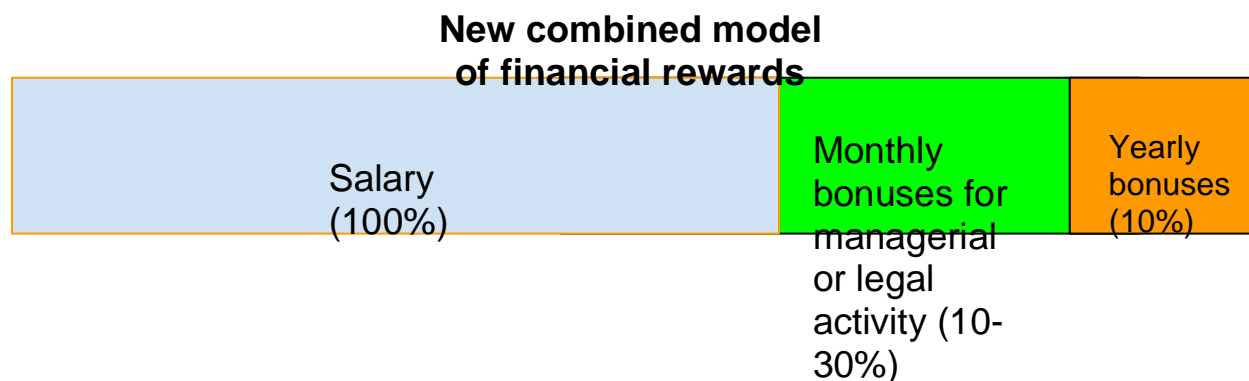
Whilst we are elaborating on the compensation system, our primary challenge is to unite business-oriented individuals within a sustainable and systematic organization. Because on the one hand, commercial-minded personalities are the most significant active of the company. On the other hand, we need to encourage these people to remain inside the company and to develop it rather than to enhance their own business separately.



Here, the primary objective of the organization is to establish a transparent compensation system that would incentivise employees to drive business growth and reap rewards from their efforts.

Instead of the current system we propose to add ordinary bonuses to salary

because both numbers are fixed. Additionally, the company will pay extra bonuses on the basis of monthly and yearly reports.



Realization plan. How to leave the niche segment in the law market?

As we mentioned the company is aimed to leave the niche segment - litigation area. Thus, Equity is required to elaborate on segmentation, targeting and positioning.

Segmentation

- size of the business - small, medium, and large business
- industry of the business - producers, logistic companies, technological companies, banking and finance, services, real estate, medicine.
- kind of legal services - litigation or consulting.
- industry of law - litigation, corporate law, labor law, banking and finance.
- supplementary services - government relations management, asset management, negotiations, trusted advisors.

Targeting

Our revised target market comprises medium-sized and large enterprises, with a particular emphasis on technology firms, export-driven manufacturers, and agricultural businesses that require legal counsel and representation to safeguard their interests.

In addition, Equity is able to provide expertise in government relations management and asset management to stimulate business growth and business attraction.

Equity has significant experience in business protection within criminal procedures, corporate conflicts, damage recovery which provide a wide overview of the root of problems. The following background would allow successfully focus on growing businesses which need legal business protection in a specific Ukrainian environment.

Positioning

In the external environment for potential clients Equity can position itself in the following way - “We can protect your business and provide further development”.

Additionally, Equity could have all necessary conditions to position itself as sustainable and systematic organization which involves business-oriented personalities in the internal environment.

Marketing mix

On the basis of segmentation, targeting and positioning we are able to evolve the marketing mix of the company.

Products and services

Our positioning is more related to the rising businesses and economic domains which remain stable in current circumstances. Therefore, we have a hypothesis that the following businesses will demand a relevant legal consulting for a further development and protection of the current business.

Legal Consulting in IT:

This service focuses on providing legal guidance and advice specific to the IT industry. It includes assisting clients with intellectual property protection, software licensing, data privacy and security, technology contracts, e-commerce regulations, and other legal aspects relevant to the IT sector. The legal consultants would stay updated with the latest industry trends, regulations, and case precedents to offer informed guidance to IT companies. Additionally, in the event of legal disputes, IT companies may require legal representation. Legal services can help resolve disputes through negotiation, mediation, or arbitration, and provide representation in litigation if necessary.

We believe that the ongoing integration of Ukraine into EU law will greatly encourage Ukrainian companies to adhere to GDPR regulations,

necessitating the need for legal support in this regard. The other challenge and opportunity for the law company is intellectual property protection due to the rapid development of artificial intelligence in particular ChatGPT.

Legal Consulting in Agriculture:

In this product offering, the legal consulting firm would provide specialized services tailored to the agricultural sector. It would involve advising clients on agricultural laws, land acquisitions, zoning regulations, environmental compliance, crop protection, contracts with suppliers and distributors, agricultural labor laws, and other legal aspects specific to the agriculture industry. The consultants would possess knowledge of farming practices, agribusiness, and relevant agricultural policies.

Furthermore, under the current circumstances, the agriculture industry requires additional legal services in the logistics domain, owing to the blockade imposed by Russian forces on Ukraine. Additionally, free market of agriculture lands creates new conditions the company as an legal advisor and protector.

Legal Consulting in Export-Related Producing:

This product would include to companies engaged in export-related production. The legal consulting firm would assist clients with international trade laws, export regulations, customs compliance, cross-border contracts, export financing,, dispute resolution, and other legal aspects specific to exporting. The consultants would have expertise in international trade and an understanding of the intricacies involved in exporting goods and services.

We advocate the idea that a permanent work relationship with export-related companies would boost M&A practice in Equity because definitely the following businesses are the most active participants in M&A agreements.

Government relations management

The company's permanent experience in negotiations with state bodies would allow it to build strong partnerships for relevant businesses. In current circumstances businesses have to understand the government's needs and cooperate with state bodies. The company may represent itself as communicators and protectors of business`s interests.

Additionally, this product focuses on helping companies navigate the complex landscape of government regulations, policies, and interactions. The legal consulting firm would offer services such as monitoring and analyzing legislative and regulatory changes, developing government relations strategies, advocating for clients' interests, assisting with compliance, managing interactions with government agencies, and providing advice on public affairs and lobbying. The consultants would have a strong understanding of government processes and relationships.

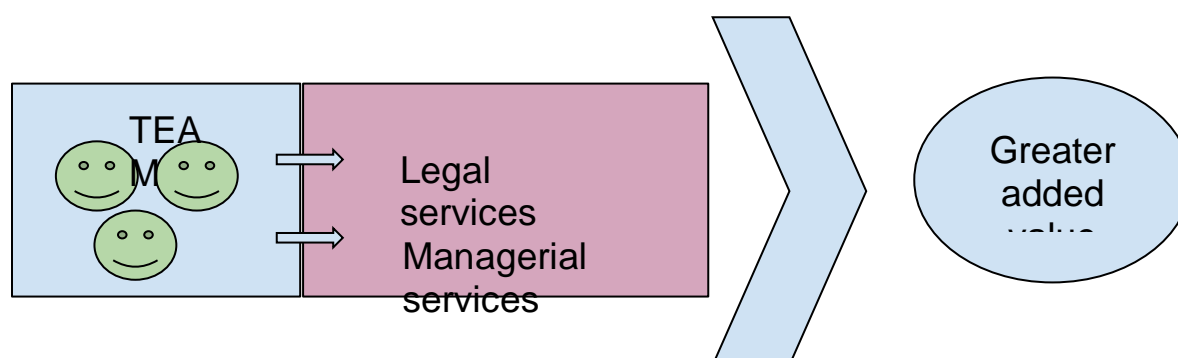
Asset management

Equity has great capabilities to enhance asset management based on the current real asset, business-oriented team. Also, the company has real possibilities to attract investments from permanent clients.

In this offering, the legal consulting firm would assist clients in managing their assets effectively and legally. This could include services such as estate planning, trust formation and administration, tax planning, succession planning, wealth preservation, and investment strategies. The legal consultants would collaborate with financial experts to provide comprehensive asset management solutions that align with clients' goals and comply with relevant laws and regulations.

By expanding their product portfolio to cover these new areas, the legal consulting firm would be able to cater to a broader range of clients and address their specific legal needs in the fields of IT, agriculture, export-related producing, government relations management, and asset management.

Combining of legal and non-legal managerial services



From our point of view, combining legal and non-legal managerial services is a significant innovative initiative from the company which possesses the

real assets, has relevant business and investor`s connections, and consists of business-oriented persons. The final product that combines legal services and managerial services for Equity`s clients would be a comprehensive and integrated solution designed to address both legal and business challenges.

Nowadays the company is able to offer the new product for the current clients which means organic growth. Additionally Equity can search for new customers from the other fast-growing domains due to the promotion. And we advocate the idea that the company could be engaged in asset management of state property which has been acquired recently and which is required of efficient management. Thus, here's how the final product could look:

Service Offering:

The company is able to provide a combining set of the following legal and managerial services for the most attractive domains of businesses

- IT business: Provide legal guidance on IT-specific areas such as software licensing and distribution agreements, technology contracts, data privacy and security, intellectual property protection for software and digital assets, regulatory compliance in the technology industry, tax issues in different jurisdictions, and technology-related dispute resolution.

Taking into account legal aspects the company is able to offer IT-specific managerial services such as IT strategy development, project management for technology initiatives, IT infrastructure assessment and optimization, cybersecurity risk management, vendor and contract management, and IT governance and compliance.

- Agriculture Business: Provide legal support for agricultural businesses, including assistance with land acquisition and leasing, zoning and land-use regulations, agricultural contracts, agricultural labor laws and compliance, environmental regulations, agricultural subsidies and grants, and agricultural product liability.

On the basis of legal services, Equity can also offer managerial guidance specific to the agriculture industry, including crop planning and management, supply chain optimization, farm financial management, risk assessment and mitigation, sustainability and environmental practices, and farm diversification strategies.

Producing Business: Provide legal assistance related to production businesses, including contract negotiation and drafting, intellectual property protection for produced goods, compliance with production regulations and standards, product liability and safety regulations, supply chain agreements, and resolving disputes in the production industry. As a supplementary service the company can offer managerial support in areas such as production planning and scheduling, inventory management, quality control and assurance, lean production methodologies, cost optimization, supply chain management, and product lifecycle management.

Customized Solutions:

- **IT Business:** The Company can tailor legal and managerial solutions to address the unique challenges faced by IT businesses, such as navigating rapidly evolving technology landscapes, managing intellectual property in software development, cybersecurity and data privacy concerns, and aligning IT strategies with business objectives. Nowadays many Ukrainian companies are facing compliance with EU requirements.
- **Agriculture Business:** Equity may develop customized solutions for agricultural businesses based on factors such as crop types, farming practices, environmental considerations, and market demands. Address specific challenges such as regulatory compliance, sustainable agriculture practices, diversification strategies, and optimizing farm productivity and profitability. Additionally, the company can be a navigator in the free land market for investors.
- **Producing Business:** The company should create tailored solutions that account for the unique aspects of producing businesses, including production processes, supply chain complexities, quality control, cost management, regulatory compliance, and market competition. Additionally, Equity should be aimed to address specific

challenges related to product development, manufacturing efficiency, and product distribution in the war economy. Many newly-owned state companies are required to manage efficiently.

Collaborative Approach for the company's clients:

- **IT Business:** Foster collaboration between legal professionals, technology experts, and managerial consultants to ensure a deep understanding of IT-specific legal and business challenges. Encourage cross-functional workshops and knowledge-sharing sessions to integrate legal and managerial perspectives effectively.
- **Agriculture Business:** Promote collaboration between legal experts, agricultural specialists, and managerial consultants to ensure a comprehensive approach. Foster a shared understanding of the legal and business considerations in the agriculture industry and facilitate joint problem-solving to deliver integrated solutions.
- **Producing Business:** Encourage collaboration between legal professionals, production specialists, and managerial consultants to understand the legal and managerial aspects of the producing business. Facilitate joint meetings and workshops to develop comprehensive strategies that align with the unique requirements of the industry.

Expert Team:

- **IT Business:** The Company should assemble a team with expertise in both IT law and technology management, including lawyers with a deep understanding of software licensing, data privacy, and cybersecurity, as well as managerial consultants experienced in IT strategy development, project management, and IT governance.
- **Agriculture Business:** Build a team that combines legal knowledge in agricultural law with expertise in agriculture management, including lawyers experienced in agricultural regulations and contracts, alongside managerial consultants with a strong background in agricultural operations, supply chain management, and farm financials.

- **Producing Business:** Form a team that includes legal professionals with knowledge of production-related laws. Additionally, Equity should engage professional managers who would be able to solve strategic challenges and provide ongoing project management.

Transparent and Value-Based Pricing:

The company should establish a transparent pricing structure that reflects the value delivered through the combined legal and managerial services. Clearly communicate the pricing to clients, explaining the benefits and outcomes they can expect. Provide options such as project-based pricing, retainer-based arrangements, or customized packages, hourly-rates, depending on the scope and duration of the services required. Initially, Equity should be open for new ways of price forming.

Seamless Integration:

Develop streamlined processes and systems to ensure the seamless integration of legal and managerial services. Implement technology tools and platforms that facilitate collaboration, communication, and information sharing between the legal and managerial teams. This integration ensures a cohesive and efficient service delivery process.

Goal of new products - to protect business, stimulate its development, and create new businesses.

Price

I suppose that the Company should adopt a combined payment model, comprising a project-based pricing, retainer-based arrangements, or customized packages, hourly-rates, depending on the client relationship and project complexity. Therefore, Equity needs to establish a transparent hourly rate for the work of each lawyer, ranging from partners to junior associates.

As the company launches new legal services, Equity needs to take into account the ROI for introducing the following services. Therefore, price will depend on -

- upgrade of skills for current employees by relevant learning. As previously stated, the primary emphasis for the company lies in litigation. Therefore, further advancement in adjacent legal domains would necessitate a more profound understanding of these areas.
- involving new employees. We advocate the idea that initiating new legal services will also lead to the growth of the company staff.

However, we must consider the prices of our competitors in the legal market since the majority of the aforementioned services are available separately in the market. Nonetheless, the company is willing to establish its own pricing strategy when Equity offers comprehensive legal and non-legal services (such as asset management and GRM) concurrently from one person. This is because, in such instances, the company offers a broader range of products and services.

Due to the different paying models we would like to use hourly rate for predicting sales plans based on competitors prices for similar services, our prices for legal services. As a result regardless of the agreement with clients we assume that our average price for new services would be from 120 to 180 USD per hour depending on the service.

We assume that the company would provide new combining services due to upgrading the skills of the current employees. Additionally, we assume that initially the company would be required to engage new employees, for instance freelancers. It would allow to overcome a gap in the beginning of the activity.

Place

The company is located in its office in Kyiv. Also, Equity is aimed to work in the Ukrainian market with potential necessity to work outside the office. Additionally, new services will require new employees to solve the problem of additional workplaces.

Promotion

Launching new products will need developing awareness of Equity as Legal business counsel and protector.

- Thought Leadership Content: The company should create and share thought-provoking articles, whitepapers, and blog posts that showcase the law company's expertise in business law, offering insights and guidance on

legal matters relevant to businesses. This content can be published on the company's website, shared through newspapers, and promoted on social media platforms. We advocate the idea that Equity has to pay attention to its own telegram channel regarding business news.

- Webinars and Workshops: Also, Equity needs to conduct educational webinars or workshops specifically tailored to business owners and entrepreneurs, covering legal topics such as contract drafting, intellectual property protection, regulatory compliance, and risk management. These events can be promoted through various channels and help establish the company as a trusted advisor for businesses. Furthermore, Equity has a significant experience in conducting legal forums which can help to organize similar events for businesses.

- Networking Events: The company is required to host or participate in networking events targeted at the business community, such as industry conferences, trade shows, or business association meetings. Actively engage with attendees, share knowledge, and offer legal insights to establish connections and raise awareness of the law company's services. The company can position itself as legal advisor for businesses at the following events.

- Case Studies and Success Stories: The other opportunity is to highlight success stories and case studies where Equity has successfully helped businesses overcome legal challenges or achieve favorable outcomes. These can be featured on the website, shared through marketing materials, and utilized in client presentations to demonstrate the law company's capabilities and track record. The company's lawyers can share its own success stories due to the well-known media.

Online Presence: We need to optimize the company's website for search engines to ensure it appears prominently in search results when businesses are seeking legal counsel. Maintain an up-to-date and informative website that clearly communicates the law company's services, expertise, and value proposition to prospective clients.

Client Referrals and Testimonials: Equity can encourage satisfied business clients to provide testimonials and refer the company to their professional networks. Additionally, the company is able to highlight these testimonials on the website and leverage them in marketing materials to build trust and

credibility.

Industry Partnerships: The company has to establish strategic partnerships with other professionals or service providers catering to businesses, such as IT-developers, producers, consultants, or financial advisors. Collaborate on joint events, cross-promote each other's services, and leverage these partnerships to expand reach and enhance credibility.

Public Speaking Engagements: Seek opportunities for lawyers within the company to speak at business-focused events, conferences, or seminars. Deliver presentations on legal topics relevant to businesses, positioning the law company as a go-to resource for legal counsel and protection.

Social Media Engagement: The company should maintain an active presence on relevant social media platforms, such as LinkedIn, Instagram, or Twitter, where businesses are likely to be active. Share valuable legal insights, engage in conversations, and participate in industry-related discussions to raise awareness and attract business clients. The most significant challenge for the Company is to encourage its own lawyers to illustrate their best practices and cases in social media in an attractive way.

Targeted Advertising: Furthermore, the company has to start considering targeted online advertising campaigns that focus on reaching businesses in specific industries or geographical areas. Platforms like Google Ads or social media advertising can be used to effectively target and raise awareness among the desired audience.

Financial planning

Launching new services for more sustainable development of the company will require a growth of operating expenditures per year. Subsequently, we will give an explanation of what we include in new OpEx and calculation of it.

Fixed and variable expenses

- *upgrade of skills for current employees* by relevant learning. As we mentioned the primary focus for employees is litigation. Thus, those employees who are eager to be more involved in new services (legal consulting related to IT, agriculture, producing, and relevant business management) should get additional training courses and knowledge in

the following areas. The company partners and leaders need to have deep conversations with teammates to understand who is interested in developing new legal domains. Then the company would be entitled to define the budget for training courses and upgrading. We can make a strong assumption that the company would need approximately two thousand dollars per person for upgrade of skills in legal and managerial domains until the end of 2024 based on average prices for the following training. Also, we assume that really 40% or 20 employees would completely or partially use the opportunity to upgrade their own capabilities in legal or managerial areas.

- *engagement of new employees* with relevant background in new services (legal consulting related to IT, agriculture, producing, and relevant business management). The most significant challenge would be to define a number of new employees because of unclear demand.

Initially, the company can testify to new legal services due to the engagement of freelancers. It would lead to optimal correlation between a number of new employees and real demand in future.

- *promotion projects* - launching new legal services would lead to an increase in operational expenditures regarding promotion projects as participation in workshops, networking events, etc, and targeted advertising.

Total financing required until the end of 2024	Units	SUM	AVC
TOTAL COSTS (until the end of 2024)	USD	171600	
FIXED COSTS	USD	81600	
<i>Upgrade of skills</i>	<i>USD</i>	<i>40000</i>	
Additional courses for employees	USD	40000	
<i>Promotion projects</i>	<i>USD</i>	<i>41600</i>	
Participation in networking events	USD	20000	
Targeted advertising	USD	21600	
VARIABLE COSTS	USD	90000	
<i>Involvement of current and new employees</i>	<i>USD</i>	<i>90000</i>	
- in the IT sector	USD	36000	67
- in the agriculture sector	USD	27000	50
- in the producing sector	USD	27000	50
<i>Explainer</i>			
We got a period from July, 2023 to December, 2024, totally 18 months			
We got an average hourly rates in legal, agriculture, producing sectors			
We calculate AVC based on assumption of <u>additional</u> average salary and expected hours in relevant projects			

SALES PLAN			
Name of service	Unit	Price (per hour)	Expected revenue (per month)
<i>*Combining of legal and managerial services related to:</i>			
- IT domain	USD	180	5400

- Agriculture domain	USD	120	3600
- Producing domain	USD	120	3600
TOTAL			12600

BREAKEVEN FOR SALES MIX				
Combining of legal and managerial services related to:				
	IT	Agriculture	Producing	TOTAL
Price (USD per hour)	180.00	120.00	120.00	
AVC (USD per hour)	66.67	50.00	50.00	
Contribution margin (USD per hour)	113.33	70.00	70.00	
Margin rate, %	62.96	58.33	58.33	
Sales mix calculation				
Sales units (hours per month)	30.00	30.00	30.00	
Sales mix, %	33.33	33.33	33.33	
Sales mix*CM	3777.78	2333.33	2333.33	8444.44
Salex mix*Price	6000.00	4000.00	4000.00	14000.00
Average Contribution Margin Rate				0.60
Breakeven Point				135284.21

Based on the calculations provided, we make the assumption that the company would achieve the breakeven point for the newly integrated legal and managerial services after eleven months of ongoing operations. Our calculations are based on the assumption that only one person would lead each new combining legal and managerial domain - a minimal workload. In case of more intensive workload the company could rather reach break even point or invest more in promotion, training courses, and more rapid involvement of new employees.

Risk registry

Our objective is to achieve sustainable development of the company with annual business scaling of 10% by the end of 2024

Ri sk ID	Risk description	Risk owner	Risk Control ler	Risk Probab ility, %	Risk Impa ct, %	Risk response strategy	Action
1	Reestablishme nt of full-scale russian invasion in Kyiv region and other regions.	The compan y	Partner s	20	100	Accept	To take all possible measures in order to guarantee safety of teammates and try to provide services in new conditions.
2	Choice of wrong directions for development, lack of demand for new combining legal and managerial services.	Partner s	Financi al departm ent	40	60	Mitigate	To search for new directions of development.
3	Decrease of activity in domains related to new	Employ ees, primary with	Partner s	20	50	Mitigate	To search for new directions of development.

	services due the war.	managerial focus					
4	Lack of support from employees in sharing managerial responsibilities and other related tasks.	HR department	Partners	30	50	Mitigate	<ol style="list-style-type: none"> 1) To detect problems in the initial stage 2) to communicate decrease of activity of teammates
5	Lack of continuous commitment from the partners in sharing managerial responsibilities with employees.	HR department	Employees due to the semi-annual meetings	50	100	Accept	<p>Employees can proclaim about their observations and communicate about the need to continue sharing managerial responsibilities with employees. Nevertheless, partners remain owners and they can neglect their commitment.</p>
6	Lack of efficient solving of their new legal issues by employees.	Partners	Clients	30	100	Mitigate	To detect problems in the initial stage, to warn about non-efficient levels of problem-solving. Also, the company can involve new

							employees to the new challenges.
7	Too high prices for new combining legal and managerial services.	The company	Clients	25	50	Mitigate	To change price policy, to negotiate new conditions.

List of resources:

1. Rate of law firms by revenues <https://pravo.ua/articles/50-providnykh-iurydychnykh-firm-ukrainy-za-dokhodamy/>
2. Polling in the market <https://yur-gazeta.com/publications/legal-business-in-ukraine/aktualniy-stan-rinku-yuridichnih-poslug-opituvannya-kerivnikiv-yuridichnih-firm.html>
3. Rate of law firms <https://pravo.ua/articles/50-providnykh-iurydychnykh-firm-ukrainy-2022-roku/>
4. Problem solving approach
https://teaching.kse.org.ua/pluginfile.php/42825/mod_resource/content/1/Strategic-management_Problem-solving-frame_part-1.pdf
- 5.