

## Confronting Firm Complacency

### QUESTION:

*As of the beginning of January I am slated to become our firm's next managing director. In now looking at what lays ahead, I realize that many firms have begun to confront the challenges of tomorrow – adopting alternative fee arrangements, outsourcing, social media, new IT capabilities and so forth. While our firm has been financially successful, I fear that my colleagues have become somewhat complacent. How would your group suggest I approach this situation with my partners, when I assume leadership of this firm?*

### RESPONSE:

At the outset, we observe that the challenge identified in your question is one commonly confronted by new leaders. It is less about substance, such as the issues that your question lists-- alternative fee arrangements, outsourcing, social media, new IT capabilities—than it is about how best to apply leadership principles within a professional services organization.

We suspect that you already have concluded that "top down" approaches to leadership do not flourish in the law firm environment. You also have determined that the substantive issues listed in your question warrant attention within your firm. The leadership challenge lies in translating your recognition into recognition by your partners and action on their and your parts to address the issues.

As a first step in the process, we suggest that rather than telling your partners what *you* think, you ask them what *they* think are the small number of critical issues that should be highest on the firm's near-term agenda. Face-to-face conversations probably are the best way to elicit your partners' views, and we suggest that you set aside time to meet with all of your partners (if feasible) and that you ask all of them the same questions. Have in mind the substantive issues about which you are concerned and ask your partners for their views on them. Ultimately, this process will enable you to formulate an agenda that you fairly can describe as your partners' agenda, not your agenda. This can be an effective means to channel your partners' concerns and aspirations and to convey your commitment to carrying out their agenda.

As an analog to asking for your partners' views, we suggest that you tap clients' views about what is important. Visiting with the firm's key clients early in your tenure would offer the opportunity to learn their views of your firm and the legal marketplace and their own visions for their businesses, all of which would help to inform the firm's agenda for the future.

In some firms, undertaking strategic planning might be a desirable means to help partners identify the issues that are most important to the firm's future success. However, the new firm leader should be thoughtful about embarking on a full-blown strategic planning exercise early in her or his tenure, because (1) the exercise can be hugely time consuming for the new leader at a

time when time is most precious; and (2) if the exercise does not succeed, it will be difficult to resurrect the planning process for some time to come. If the firm already has a strategic plan, undertaking a review and updating of the plan could be a useful means for identifying the issues that are most immediately relevant for the firm, and doing so would not present the same potential risks as a planning initiative that commenced at ground zero.

Your question advises that your firm has been financially successful in the past and expresses concern that past success has contributed to complacency. Because the firm has had past success, we encourage you to try to avoid creating the perception that by asking for views about the substantive issues you are attacking or criticizing your predecessors. Instead, we suggest that your orientation be that of building on the successes of the past.

Complacency presents a more daunting challenge for the new leader. Here are our thoughts about that subject:

**First, let your partners share your experiences.**

What persuaded you that alternative fee arrangements are an important subject for the firm to address? Consider exposing your partners, or at least some of them, to the same sources that informed your views, such as articles or presentations. Make it a practice to try to inform your partners about trends affecting the profession and consider making these trends an agenda topic for partner meetings. Encouraging your colleagues to be out and about, meeting with professionals from other firms and client organizations, might be another means to acquaint your partners with what other organizations are doing in the areas that you regard to be important to your firm's future. Messages about the need to change coming from clients are particularly credible. Consider having some of the firm's clients talk with your partners about the changes underway within their organizations.

**Second, consider engaging the opinion leaders in your firm in your effort.**

These are the partners who are among the most respected and to whom others in the firm look for guidance. Ask them if they might be willing to assist you in addressing an issue among those in the agenda that has come out of your meetings with your partners. Their investments of time will help them form their own conclusions and later could be helpful in persuading others that action is needed.

**Third, identify and recognize successes already achieved and challenges already confronted.**

It is likely that some within your firm already realize the importance of one of more of the issues about which you are concerned. Perhaps there have been successful experiments with, for example, alternative fee arrangements. If so, bringing these successes to the attention of all of your partners will help to open their minds about the issue. As with successes, important lessons can be drawn from the challenges or problems that the firm has faced in the past. These lessons go not only to the substantive issue implicated in the challenge or problem, but also to the processes or means by which the firm dealt with them. Sharing these lessons with the firm's

partners could provide a useful learning experience and suggest availing approaches to matters that are on the firm's agenda.

#### **Fourth, encourage healthy competition.**

Lawyers have a natural competitive bent, and competition is an effective means to combat complacency. One approach would be to identify an external competitor and to highlight what the competitor is doing that you believe your firm and its partners can do better. Then, look for ways to measure the competitor's and your firm's results and encourage your partners to think about and undertake steps by which they can outperform the competitor.

One last piece of advice—try to avoid overselling. Once persuaded that a particular course of action is necessary, leaders all too often proceed to bombard their colleagues with the data and arguments that the leader expects will persuade. However, this process can have the opposite effect from that intended. And, when others are not sold on the leader's perspective, the leader sometimes escalates efforts to persuade, trying to create a sense of urgency that will compel action. This can make our partners even more resistant, and they are not likely to appreciate the leader's tenacity in advancing the agenda through verbal force.

In summary, we encourage your thoughtful attention to listening to your partners and your firm's clients to develop an agenda for their and the firm's energetic action to promote future success.

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