

ALTMAN WEIL EXPERT

Roundtable

How can lawyers and their firms best invest in future success? Here are topflight thoughts shared at a recent Altman Weil roundtable conducted exclusively for *Law Practice* magazine. Our thanks to Altman Weil, Inc., and to the practice management experts who took part in this valuable discussion.

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Investing in Long-Term Success

What Constitutes Effective Lawyering?

TOM CLAY: In today's marketplace, being a highly effective lawyer seems to require greater levels and types of contributions and skills than ever before. If that is true, what are some

of the things that lawyers must do throughout their careers to be seen as highly effective?

DEBORAH MCMURRAY: The baseline is that they continue to learn and be intellectual

leaders in their specific areas of study. So whatever their specific practice or industry specialty, they have got to be deep and rich, and on the cutting edge of their substantive areas of law.

But on top of that, I'd suggest that they strive to be more well rounded as human beings. Many lawyers focus mainly on developing their intellectual skills and not enough on equally balancing their people skills. Third-party surveys of legal services buyers show that when making a short list of law firms, buyers focus on expertise and experience first. But when they are actually choosing *the one* firm to work with, clients make an emotional decision: Do I trust these people? Do I like them? I don't believe lawyers focus enough on that emotional connection in the client relationship.

IDA ABBOTT: I completely agree. At the same time, I would add that lawyers focus so much on the cognitive skills and intellectual aspects of practice, they forget how important it is for them to develop teams. They need to encourage and inspire people to work together effectively, and to create a work environment in which people want to stay and feel that they can succeed.

Also, while lawyers need to stay very strong in their chosen fields, they must also be adaptable because there



THOMAS S. CLAY,
MODERATOR

are so many changes happening so quickly—both in the conditions of the workplace and in the profession. Existing practice fields, for example, can morph into something completely different or simply go by the wayside. Adaptability will serve lawyers well, both in their intellectual and practice development and also how they relate to different types of people.

JOHN STERLING: Probably the greatest challenge for a lot of lawyers is to become considerably more collaborative in their approach to practice. That really becomes salient when you look at practice groups because lawyers have to act in teams to get the work, to serve the clients, to connect the dots. Connecting the dots means being able to serve the client beyond the immediate issue at a particular point in time. You want to be able to see the issues that are two, three or four steps down the road, issues that might require other skills and expertise outside of the individual lawyer's area of competence.

The State of Professional Development Plans

CLAY: A specific tactic we've been seeing over the past decade or so is professional development planning by partners and associates. It involves lawyers sitting down on an annual basis and asking, "What am I going to do this year, in various and sundry ways, for my individual career and for the firm?" Is this effective in terms of developing skills and building collaboration? Or is it something of a fad?

MCMURRAY: In terms of being collaborative, I've seen it work in the opposite way because it's typically one lawyer sitting in his or her office coming up with an individual plan in a vacuum. Some firms might be getting more sophisticated about conducting the process on a client team or similar

basis. Generally, though, my sense is that the plans don't tend to be practical. The spirit behind the plans is good. But, at least the way I've seen them executed, they become singular activities that often have nothing to do with the strategic plan of the firm or even of a practice or industry group.

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ABBOTT: Career development plans should—and can—be worthwhile. The problem in most firms, though, is that people do not understand how to use them as development opportunities. The lawyers aren't clear on what kinds of goals they should be setting or the fact that a plan ought to include a collaborative component. In other words, if *this* is my goal, who will I work with to achieve it?

For associates in particular, often the firm gives them a form and tells them to fill it out. But a third-year associate may not have a clue about what's a pertinent and reasonable goal for someone at that level. Plus, I find that partners who are supposed to be advising associates on setting goals often don't know what kinds of goals they should be setting for themselves. Most think in terms of business development. But there are many other types of goals that need to be considered—including becoming a more adept leader and working as part of a team to achieve certain objectives. Too many firms do too little to help their lawyers use these plans correctly as development tools.

STERLING: I've seen associate planning work reasonably well when the supervising partners are well engaged in what the associates' careers should look like, what their age and stage suggest and the like. That, of course, requires the partner to be thoughtful about the associate's career, what professional skills are needed, what new exposure to other areas of practice are required. But for a partner or an associate, when a firm or a practice group just says, "Okay, everybody go do this," it ends up being a paper exercise, not a meaningful intellectual exercise in career development.

MCMURRAY: The motivation behind the process is something that

can be very powerful. A few years ago, for example, I worked with a group of women partners who wanted to learn more about business development and emphasizing their cross-selling skills. They felt they would be more comfortable working together to meet new clients and help each other bring in business. The plans were very specific and were done collaboratively. And because these women generated the idea themselves, they were also self-monitoring about the process, which worked very well for them.

STERLING: Another thing I've seen work well, although more at the individual planning

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level, is the use of executive coaches by lawyers. I think this has particular potential for practice group leaders, members of policy committees and others with business management responsibilities. When the coach fits the individual, it's a relatively painless and surprisingly effective process.

How Firms Are Handling Problem Behaviors

CLAY: Moving onto another topic, I've been very taken with Jim Collins's book *Good to Great: Why Some Companies Make the Leap and Others Don't*. It represents some principles that are wonderful in the business sector but can be adapted to the legal profession as well.

Collins discusses the need to have the right people on your bus, and the right people in the right seats, before you develop a strategy.

That brings to mind a particular issue at the management level. What do firms do with problem partners, the ones who can be described as “jerks”? Are firms becoming more willing to deal with these individuals, even when they have big books of business?

MCMURRAY: I wish I could say yes. But I think the answer is no. If someone has a \$5 million book of business, that person usually has a ticket to behave pretty much as he or she wants. A lot of firms say that they won't tolerate poor behavior by partners, but in actuality, they pretty much overlook it.

But when partners are rude, imperious or disrespectful to others, it can cause so much damage. Especially today, after all the fallout over Enron and other bad behaviors in corporate America, a firm needs to evaluate its own civility standards and determine which types of behavior will be acceptable going forward. Clients are doing it in their own organizations, and they'll expect their law firms to do it as well.

ABBOTT: While I don't see a cause for rejoicing just yet, I do see a greater willingness to confront and deal with difficult lawyers. More lawyers in management recognize the corrosive effect on other people in the firm and on the way the firm does business. Management doesn't necessarily fire or force out the difficult people, but it does come up with other sorts of tactics to deal with their behaviors. Management might isolate the lawyers in terms of what projects they'll work on, or who will work with them, or penalize them in terms of compensation. I think most people running law firms recognize that the costs involved in tolerating these behaviors are too great.

STERLING: There are two places where I see the “jerk factor” being



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managed quite effectively. One is in first-generation firms that are still defining their place in the world, what their culture is, and who they’re going to be over the long-term. I’m especially thinking of firms that have grown rapidly over the past 20 years or so. Some of these firms have dealt very effectively with this issue because their founders have had the force of will to say, “Nothing is worth dealing with that kind of aggravation.” When you decide not to tolerate it from day one, it never takes root.

The other place where it’s dealt with quite effectively is at the other end of the spectrum, in firms that have been around for a long time and already have a strong culture. I’m talking about a culture where it’s very uncomfortable to be in the firm if you’re a difficult personality because folks there just aren’t difficult. It’s just not part of the established culture, it’s not part of the place. So being difficult makes you an outlier, and it’s uncomfortable to be an outlier anywhere.

How to Get, and Keep, Business

CLAY: Let me switch gears a bit. It’s said that clients hire lawyers versus law firms. In terms of how lawyers can be highly effective in their own careers and for their firms, what are some of the things that a practitioner can do to position herself or himself as the lawyer who gets hired by the client?

MCMURRAY: The best way for lawyers to contribute to a firm’s success so that both the law firm and the lawyer can get hired is to *stop* selling. There’s so much talk today about sales as the new branding, or sales as the new marketing, or sales as the new TQM. But I think that’s missing the point. The point should be that successful lawyers focus on what clients are buying. And that’s a very different mind-set.

ABBOTT: It’s also important to keep in mind that no matter how good you are, if you don’t have a team behind you to do the work, and do it satisfactorily for the client, it doesn’t really matter if the client hires you or not. Being part of a firm and ignoring those who are doing the work can be catastrophic. It can lead to a lot of difficulty with your clients. Putting all of the emphasis on selling and being the big rainmaker ignores the fact that individuals, at least most of the time, do not serve the client all alone.

CLAY: We see a lot of emphasis in law firms on everyone becoming a rainmaker. Is that a right-headed or wrong-headed concept?

STERLING: You cannot make someone into a rainmaker if that person doesn’t have the basic skills. Or, put differently, if you take people too far out of their comfort zone, in effect, they’re not able to function. And some folks are just too far out of their comfort zone in a selling situa-

tion. In that light, trying to make everyone a rainmaker is a counterproductive approach.

That said, I find that in most firms just about everybody, certainly at the partner level, has an important role to play in bringing in clients and keeping clients and getting more work from existing clients. As Ida pointed out, lawyers aren’t serving the client alone as an island—there’s a team behind them. In that sense, each person in the firm has a role to play in developing business. It isn’t solely about the person who goes out, hunts down and brings in the next brand-new client.

Needed: Metrics to Reward Nonbillable Contributions

CLAY: Let’s look at a related subject. For more than a dozen years my firm has conducted a survey of compensation in the legal profession, covering, among other issues, the most highly rated compensable criteria. It will come as no surprise that work brought in and work done by the sweat of your own brow are the two highest-rated criteria over the past dozen years. But there are other important contributions to a firm’s success. How should management encourage those other contributions?



“Part of the problem is that lawyers don’t have very good metrics available.... Until you develop the metrics for the types of behaviors you wish to value, it is naive to think you’ll get away from the focus on profit-producing activity.” – JOHN STERLING

ABBOTT: Well, one way is recognizing those contributions tangibly—and also, not penalizing people who are doing things that are beneficial for the firm if those activities detract from their billable hours.

The main area of contribution that’s really undervalued is developing people and helping to retain lawyers and staff. If others love to work with you because you’re a good trainer, a good mentor, a good organizer, a good supervisor, then you help the firm retain talent. The savings achieved by holding onto good lawyers for the long-term—developing them into future partners and future leaders of the firm—is enormous. The value is enormous. And it can be translated into dollars and cents by calculating the savings in attrition costs to the firm. Yet lawyers who make that contribution don’t usually get the recognition and reward that they should.

MCMURRAY: The biggest issue is that anything that’s considered a soft skill in a law firm is not rewarded. It is hard to quantify or even qualify the contributions that soft skills ultimately make to the bottom line. However, I would argue that they certainly can be both quantified and qualified. It just takes longer.

CLAY: Are we naive to think that we can get away from dollars being

the most highly valued criteria?

STERLING: You’ll never get away from rewarding profit-producing activity, whether it’s charging hours on projects or making sure lots of people are productive on projects. The latter tends toward more of a soft skill, though. Now you’re talking about managing people on larger projects or cases.

But folks have a hard time bringing themselves to reward what we call “the management stuff.” And once they do bring themselves to reward management activity, it is usually only at the firm management level. Most haven’t made the leap to the next logical level: rewarding practice group leaders. Part of the problem is that lawyers don’t have very good metrics available. So they respond to the limited metrics that are available—origination, hours worked and responsibility credit. Until you develop the metrics for the types of behaviors you wish to value, yes, it is naive to think you’ll get away from the focus on profit-producing activity.

Final Words of Wisdom

CLAY: Any last thoughts that you think would be helpful to the readers of *Law Practice*?

MCMURRAY: My best advice is for firms to align the marketing function more closely with the managing partner’s and the policy committee’s goals. Marketing has become too functional as opposed to being transformational. Marketing staff is being

left out of important conversations concerning what managing partners care about most—retaining clients, retaining lawyer talent, expanding into new markets—which limits marketers’ ability to add significant value in these critical areas.

ABBOTT: My main advice is to pay closer attention to the needs of your lawyers in terms of growth and development. Considering that lawyers are really the firm’s only indispensable resource, it is essential that the firm help them learn and make their work experience interesting and challenging. Create a work environment where young lawyers cannot only reach their potential but can surpass it.

STERLING: One thing that works every time is to apply the 80/20 rule. Pick the largest clients that generate the largest percentage of fees for the firm. Get all the people together who have a significant role in serving that client. Talk about the client off the clock for two to four hours. Then have the relationship manager take the results of that conversation and spend another two hours off the clock talking with the client about it.

Explain that this is what we see coming, these are your areas of risk, these are things we’re worried about on your behalf. It always generates more work. It cements the relationship. Put what label you want to put on it—client service planning, relationship management, whatever—but it works.

CLAY: Thanks to all of you for participating, and for your good advice. **LP**