



International Review

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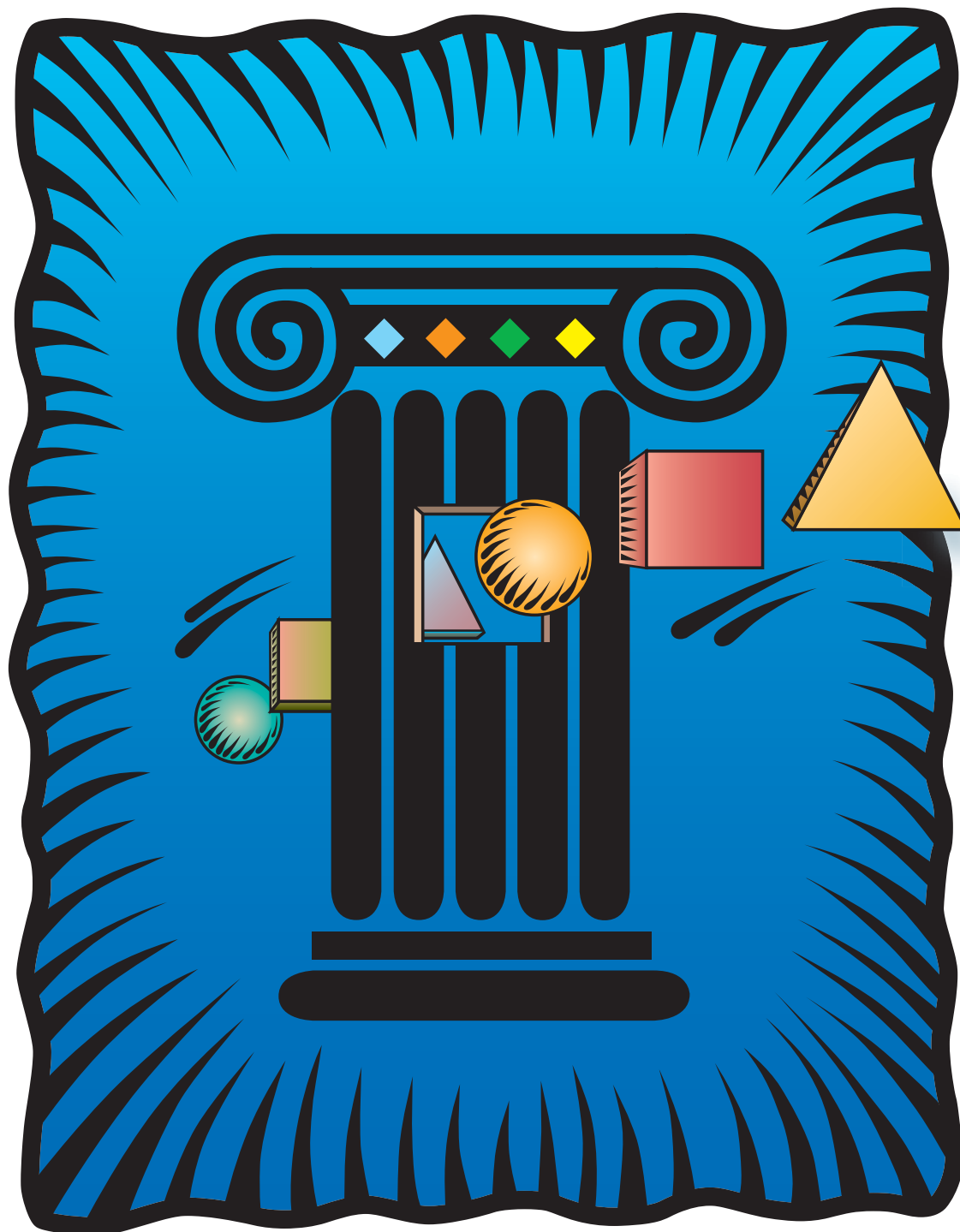


**SUCCESSFUL
TRANSITIONS:
THE NEW MANAGING
PARTNER'S FIRST DAYS**
by Patrick J. McKenna

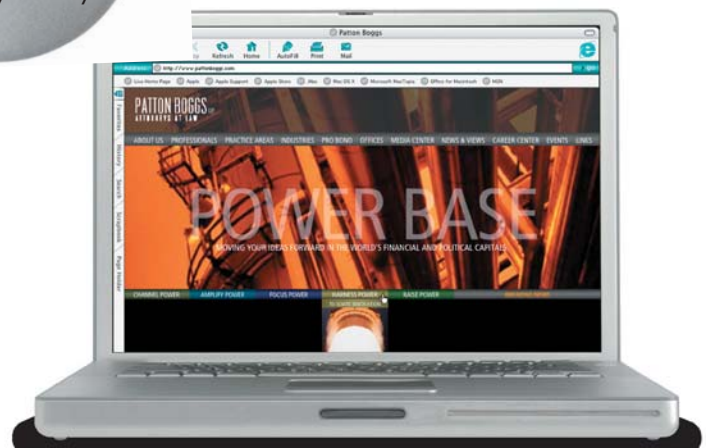
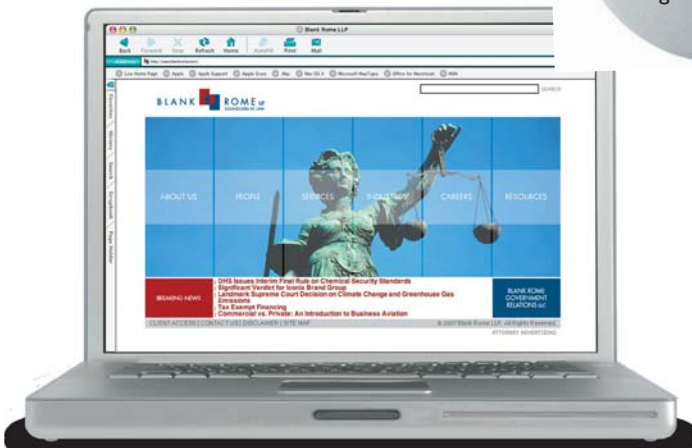
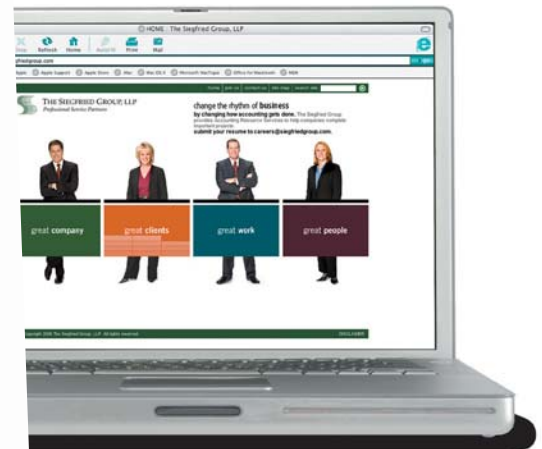
**MY FAVORITE
LEADERSHIP
QUOTATIONS**
by Michael J. Anderson

**TALKING WITH PETE
KALIS OF K&L GATES**
by Bruce MacEwen

**PLANNING YOUR LAW
FIRM RETREAT**
by Edge International



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Greetings to Our Valued Clients and Friends:

There is an interesting article in the April issue of *Of Counsel: The Legal Practice and Management Report*. The inimitable Steve Taylor once again donned his Investigative Reporter's cap to discern whether law firm consultants differentiate themselves in any meaningful way for their clients. Among the firms he critiqued, Edge International was cited as having "a stellar reputation as the go-to consultancy for practice group management and training"; as "one of the few to offer a satisfaction guarantee" and for performing in accordance with their 'reputation before revenue' philosophy.

In addition, Edge was recognized "as a firm that gets its message out in print very well and very prolifically." You are holding in your hands evidence of the way in which we do just that. While others may attempt to copy this acclaimed journal, we are proud of the feedback that those from firms of all sizes and from all across the country, have graciously shared with us about our publication:

- "Thank you" **BRACEWELL & GIULIANI**
- "In general, we find your publications to be the most advanced and useful we receive from legal consultants." **CALFEE HALTER & GRISWOLD**
- "Good stuff!" **CRAVATH SWAINE & MOORE**
- "Interesting work. Thanks for sharing it." **DEBEVOISE & PLIMPTON**
- "The material you circulate is the best quick read material that I receive."
HINCKLEY ALLEN & SNYDER
- "Your work on organization and management has been most helpful." **LANE POWELL**
- "All are excellent. The best stuff out there!" **LOWENSTEIN SANDLER**
- "Your articles are terrific! Thank you. I read them carefully."
MCNEES WALLACE & NURICK
- "Good job" **PATTERSON BELKNAP WEBB & TYLER**
- "I enjoy reading the materials." **PORTER WRIGHT MORRIS & ARTHUR**
- "I enjoy your publications very much!" **REINHART BOERNER VAN DEUREN**
- "Very useful material." **WILMER CUTLER PICKERING HALE AND DORR**

We hope you have a relaxing and enjoyable Spring and thank you for your continuing support during these 25 fascinating and successful years.

Patrick J. McKenna

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BY PATRICK J. MCKENNA

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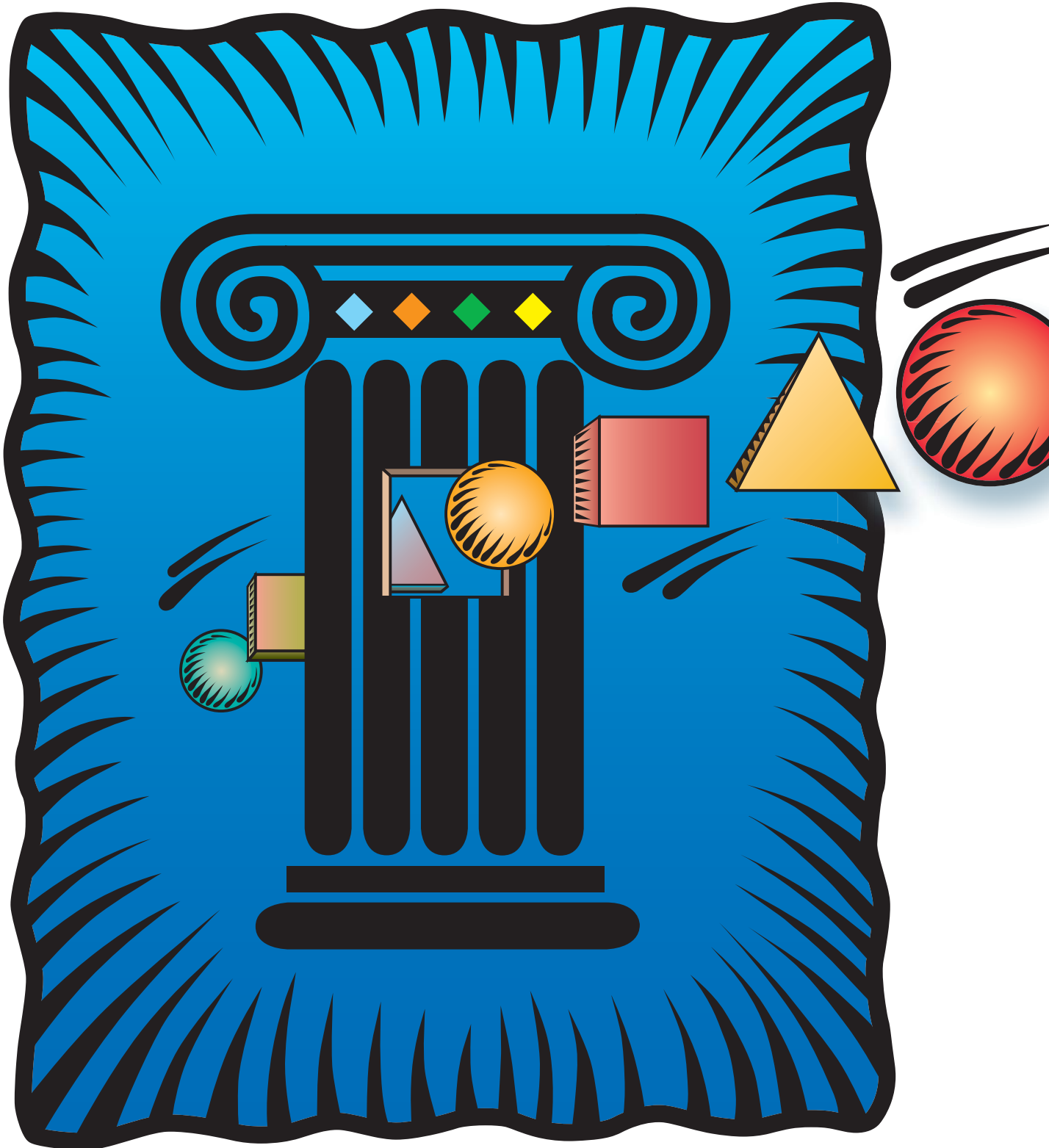
BY EDGE INTERNATIONAL

THIS PAPER IDENTIFIES WHAT MAKES FOR A SUCCESSFUL RETREAT, WHAT WORKS, WHAT DOESN'T AND HOW FIRMS CAN GET MAXIMUM RETURN FROM THEIR RETREAT EFFORTS.

Publication designed & illustrated by Jim Prokell, Jim Prokell Studio

Successful Transitions:

The New Managing Partner's First Days

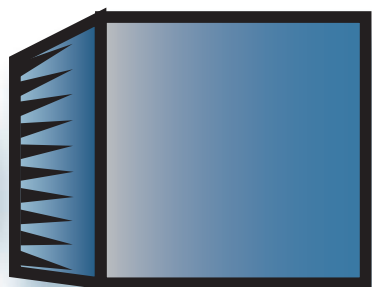


by Patrick J. McKenna, **EDGE INTERNATIONAL**

Can anything really prepare you for those initial days in your new role as managing partner? Just when you feel that you have reached the peak of your career by building a successful practice, you may realize that you still have some things to learn. You also may face some real challenges settling into your new role.

How can a new firm leader make the most of this important transition period and avoid the potential pitfalls that can affect their ability to be successful over the long term? To find out, we interviewed a collection of new or soon to become managing partners of firms from across the country.

We talked to them about the importance of those first days, their priorities and challenges, and the advice they would give to



someone taking over just such responsibilities. We chose firm leaders from a variety of firm sizes but were surprised to learn that in each and every case these leaders were partners in their firms for a minimum of 17 years and had served

in some prior management capacity (practice group leader, office managing partner, executive committee member) for at least 5 years.

While some hold (or will hold) the title of Chair, President, Managing Director, or CEO the eight firm leaders we interviewed were:

David C. Baca,DAVIS WRIGHT TREMAINE
Frederick J. Baumann,ROTHGERBER JOHNSON & LYONS
Ira C. Kaplan,BENESCH FRIEDLANDER
Alan H. Maclin,BRIGGS and MORGAN
Richard D. Nix,McAFEE & TAFT
Michael B. Ray,STERNE, KESSLER, GOLDSTEIN & FOX
Maureen Weaver,WIGGIN AND DANA
Rich Zeidman,LINOWES AND BLOCHER

What were some of the most important things you learned from your prior leadership transitions (for example, when you became a practice group leader or began to serve on the Executive Committee)?

Ira Kaplan: As I am in a transition period that runs through '07, I have the luxury of looking back at my past position as a department chair and executive committee member and looking forward. I believe in the need to have an organized plan to accomplish one's goals and the discipline to carry out that plan. I also think that it is exceptionally important to communicate what

your goals are and what actions you have taken and plan to take. And I guess consistent with setting and communicating goals is the importance of being direct with people as to how they are doing compared to expectations.

Richard Zeidman: I agree. I believe you need to be honest and direct with people; don't sugar coat the facts. Having said that, there is a fine line between being direct and being confrontational.

Dave Baca: For me, one of the important things I continue to remind myself of is the importance of listening. I find that I also have to constantly resist the pressure to deal with low priority but seemingly urgent matters.

Fred Baumann: I think that the most important learning for me is communication. Communication is fundamental to leading lawyers.

Alan Maclin: Each step up always takes more time than you anticipated and involves more meetings and issues than you realized exist. You don't know all the answers when you assume the position, and some of the answers you thought you knew aren't workable in the real world. You've got to be patient and listen. Thinking you can lead by dictating does not work. Things change. What worked for you, or your predecessor, in the past won't necessarily work tomorrow.

The first 100 days are critical. I have found that I am being watched by people at all levels, including people with whom I have worked for over 17 years, to see how I will manage.

How important would you say, the Managing Partner's first 100 days are?

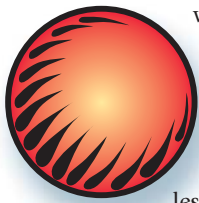
Dave Baca: Very . . . but more in the sense of setting expectations and having some initial successes, not in proclaiming a brave new world and dramatic new vision.

Mike Ray: The first 100 days are critical. I have found that I am being watched by people at all levels, including people with whom I have worked for over 17 years, to see how I will manage. I am getting a fair amount of feedback on my careful, consensus building decision-making. Decision-making in this manner is

very time-consuming, but I feel that it is necessary at the beginning. Once credibility is established, I believe that I can adopt more efficient decision-making. I'm also seeing, after about two months, people starting to become more at-ease with the change.

Fred Baumann: I agree that the first several months are critical. I think that it's important to establish the right tone, as well as reassure your partners that you are "up to the job."

Alan Maclin: I think the first days are incredibly important. I have three new Board members and two new Executive Committee members. You might guess that there is a bit of firm-wide anxiety over new leadership. There is also an opportunity to re-direct and re-energize some areas that need it. In the first few weeks I think that it is critically important to gain the trust of the shareholders and the leadership; and let them feel comfortable with your style, ability and vision. You need their immediate trust to try to move your vision forward, and I think that if you don't work hard toward establishing that in the first 100 days, at a minimum, you've lost a huge opportunity.



Richard Zeidman: While I certainly don't disagree with what's been said, I think the first 100 days may be less important in a small firm like ours as management knows all the partners intimately well. And in our system, as managing partner elect for a year, the transition from elect to acting is probably a little "softer" landing.

Maureen Weaver: I agree with Richard. I think it depends on firm size, culture, length of transition period and the nature of the managing partner's responsibilities. For a firm like mine where the managing partner still practices 50% of the time, 100 days can go by very quickly. I see the first six months as more of a benchmark.

Richard Nix: I think that any change at the Managing Partner level will cause many of the legal and non-legal staff to sit-up and watch your early actions. By being prepared on the first day of the job you will instill confidence that as the new leader of the firm you are prepared for the challenges ahead.

Ira Kaplan: For my part, I have not experienced my first 100 days yet but I believe they are critical to setting the correct tone of trust among the partners, and perhaps also critical to showing a thoughtful agenda and process.

As you stepped up to become the new Managing Partner, what did you see as the challenges to be faced?

Richard Nix: My challenge, first and foremost, is to gain the confidence of the legal and non-legal staff in my new role as Managing Partner. They trusted me as a partner and as a board member. Now they elected me as their new Managing Partner – I need to show them their confidence in me for this new position is warranted.

Richard Zeidman: One of the challenges for any new leader is to clearly build consensus at management committee and then with the partnership to engineer any changes. As we all know, you cannot just mandate change, even in small things if the partners just say no. Absent external dynamics, incremental change for an old and successful firm like ours is an imperative. No one elected me to turn the firm on its head.

Alan Maclin: I'm seeing lots of new attorneys in leadership positions – a change of generations in charge. The firm has had a terrific run the past few years and there was a danger of complacency or skepticism of change. I think our Board has made it clear that we can't be complacent, and we need to get the shareholders' buy-in. Now, we need to grow and improve our marketing. We will have a number of senior attorneys retiring over the next few years and we need to plan for that transition.

Mike Ray: I saw my biggest challenge as establishing leadership credibility with a group of strong willed, skeptical, and risk-averse people, characteristics common in attorneys.

Fred Baumann: I think I had plenty of credibility from my prior service in firm management, so my challenge was to demonstrate that some changes could be made without damaging the firm's traditional character and culture.

Maureen Weaver: In our firm, we had an effective governance model in place and good management structure, so I saw my challenge as more strategic - - steering the firm towards real growth without sacrificing the character and culture of the institution.

Ira Kaplan: I'm in a similar situation. We have done exceptionally well during the term of our current managing partner and there is a significant success story to build upon. The challenge now is for me to set my own course while making it clear that we are going to build on what we have done well and continue to improve in the areas that are identified as our challenges.

Dave Baca: For me, it's first, getting a handle on the variety and detail of the issues being faced by the incumbent. Second, forming or confirming good relationships with key leaders within the firm—some formal, some not. And third, establishing an

imprint on the vision for the path of the firm, without underplaying past successes, since we have had many.

Have there been any surprises to this point in your tenure?

Maureen Weaver: Yes, but I assumed there would be. It's the nature of the job.

Fred Baumann: I suppose the biggest surprise is the amount of time it takes to do the job right. I have targeted a 60/40 ratio of client work to management time, and so far I have not even come close; it's been more 75/25 in favor of management. Hopefully, this will stabilize, but I think I underestimated the amount of time that needs to be devoted to management of the firm.

Mike Ray: I agree with Fred. I'm finding the job to be much more time consuming than I anticipated. I'm finding that much of my billable legal work must wait until evenings and weekends to get attention. This isn't good. I need to find more time to practice law. I also need to find more time to be proactive and plan.

I found a colleague's warning to "communicate, communicate, communicate . . . and when you think you've communicated enough, you haven't" very helpful. This colleague also commented that your intent is not relevant, what the recipient hears is all that matters. I have taken this to heart and have been very careful. And even then, I see the possible pitfalls of poor communication.

Richard Nix: I'm in total agreement. Managing and overseeing the day-to-day operations of the firm has been more time consuming than I had originally anticipated, but none of my time spent has felt "wasted." Everything I have done thus far is preparing me for the challenges ahead.

Dave Baca: For me, the quantity and quality of the issues that need to be faced or delegated by the managing partner was far more than I would have expected. There are a lot more, and they are far more intricate than I imagined—or that anyone who hasn't been doing the job could have imagined.

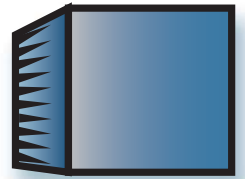
Alan Maclin: I agree. The number of requests for meetings and issues, both petty and major, that fall on the president's desk is amazing.

Richard Zeidman: A surprise for me was that what you say is not always what the partners hear and that constant reinforcement of the message by word and deed are critical. It's a bit like being on stage, you need to project in a manner that may be more exaggerated than in normal day to day intercourse with people.

Ira Kaplan: I'm seeing the same situation. There is a strong desire among people in the firm to see and talk to me and share ideas. My being accessible takes some time, but I do understand that the upside, in terms of trust building, is significant. I guess it is the small things that count. People do want you to succeed and if encouraged, seem to be open with their thoughts, both positive and constructively negative. Controlling expectations is also important so that there are no surprises.

From what you have learned, what advice would you offer to those about to go through a similar transition into some new leadership position?

Maureen Weaver: Three things come to mind. First, law firm and practice group management is a model based on inspiration, motivation and consensus. Change takes time, and ideas should not always be abandoned due to initial negative responses. Learn to accept that in a partnership on any one initiative there will always be some doubters and detractors.



Secondly, you need to assume that you will never accomplish all you set out to do in the first 100 days. Get comfortable with the need for flexibility, the need for refinements in your agendas and initiatives, and some delays in implementation.

And finally, practice group leaders and law firm managers make mistakes. It's important not to view those mistakes as setbacks, but to see them as opportunities for improvement.

Fred Baumann: I would recommend that you be open, listen well, and clearly communicate with each partner. And don't ignore the non-partner constituents, including associates and staff. They, too, are looking for assurance during a time of change that the firm is in capable hands.

Alan Maclin: My advice would be to be yourself. Don't have unrealistic expectations. Change won't come overnight, and you need firm buy-in for change.

Ira Kaplan: Make sure your partners see you as engaged and listening. Keep the lines of communication open. Begin a process with senior staff to get plugged in on a regular basis. Be prepared for how to deal with your people. They want honesty and clarity as to what goals are and what expectations are. Be prepared to make hard decisions and use your hired professional staff to help.

I think that it is very important to be organized, so that when meeting with people at the practice group level or otherwise, you use time productively and do not waste your partners' time. It is also important to have well conceived action items and dates for those items to be accomplished, so that your partners and staff know what is expected of them. From there, follow up is critical to convey the sense that what is being asked of people is meaningful and that they will be held accountable.

Dave Baca: The best advice I can offer is to get all you can from the current incumbent, and from those reporting to the incumbent.

Based on your own experience in making transitions into management / leadership positions and in observing others make those transitions, what are the most common traps into which new leaders fall, during their transitions?

Maureen Weaver:

Trap #1: especially for practice group leaders – not giving management of the practice group the appropriate priority and attention.
Trap #2: letting inevitable crises and unexpected events become the management agenda and excuse failure to move ahead strategically.

Richard Zeidman:

Trap #1: over eager to push a mandate that no one voted for
Trap #2: arrogance
Trap #3: don't listen to the advice of your attorneys and don't build consensus as to new ideas

Dave Baca:

Trap #1: accepting the way we've always done it without examination
Trap #2: acting or reacting too quickly
Trap #3: worrying too much about consensus to avoid conflict

Mike Ray:

Trap #1: make grand plans that you don't have the time to complete
Trap #2: get caught-up in minutia
Trap #3: try to do too much with too little delegation

Fred Baumann:

Trap #1: repeating what has been done in the past – just because it has been done that way before.
Trap #2: not finding a 'signature issue'

You need to establish a compelling personal vision, which need not be much changed, of the firm and its future, and then have some initial successes.

Ira Kaplan:

Trap #1: failing to make hard decisions quickly enough
Trap #2: that planning is difficult, time consuming and cannot be put off

Alan Maclin:

Trap #1: trying to take on too much and getting overwhelmed
Trap #2: balancing management and leadership with billable work responsibilities is difficult
Trap #3: trying to make too many significant changes too quickly

How can a new Managing Partner best add value in the first 100 days?

Mike Ray: The first 100 days is for calming fears and anxiety and establishing lines of communication. During this time it is important to listen and think. It is also important to begin moving forward your signature issue. I think it will be very important at the end of the first year to show good progress on at least one important issue, coupled with a pattern of good communication and responsiveness on other issues.

Fred Baumann: I agree. I believe it starts with picking one or two things to do differently, and making sure that the substantial majority of your partners see those changes as making a positive difference.

Dave Baca: I definitely think that real value comes from not let anything get out of hand. You need to establish a compelling personal vision, which need not be much changed, of the firm and its future, and then have some initial successes - which need not be life changing, but should be noticeable.

Ira Kaplan: I think the suggestions that a "small" plan be conceived of and implemented so as to create a couple of wins in short order is very important. I agree with that completely. I believe that building trust during the first 100 days and being visible is important. I believe that communicating with attorneys and staff is very important. Creating the sense that the business will not miss a beat is paramount. Creating the belief that this change will not create other disruptive changes merely for the sake of change, is critical as well. And then creating the quick impression of strength is critical.

Alan Maclin: Pick good leaders to work on the team. Spend lots of time in discussion with key attorneys and leaders in selecting

a few very important goals that can make a difference. Learn from your predecessor and from speaking with other managing partners at other law firms.

Richard Nix: Simple – be prepared, as much as possible, from day one.

Richard Zeidman: Patience and in addition to everything that has already been said, follow the medical principal "First do no harm."

Maureen Weaver: Let's not forget that the real "first 100 days" are the 100 days before you take over as managing partner. You can best add value by starting during the transition period to communicate informally and formally with partners, non-lawyer managers and the firm generally and by preparing key priorities and initiatives.

CONCLUSION

Any new firm leader needs to be skillful in analyzing and assessing the issues, the business drivers, the infrastructure and the resources of their firm, and identifying appropriate solutions and communicating those solutions effectively. Of course, nobody is ready to be a managing partner superstar the day he or she steps into the job. The post is far too difficult, no matter how skilled the professional may be. In effect, our interviewees are confirming that the job has become more time-consuming, complex, international, technology-related, client-centric and engaged with profitability issues than ever before.

The responses from our interviewees also indicate that preparing for those first 100 days as the new managing partner is extremely important, and being clear about your objectives will improve the chances for your success.

INTERVIEW PARTICIPANTS

□ **David C. Baca** - DAVIS WRIGHT TREMAINE,
SEATTLE, WA

Dave served as co-chair of the corporate securities department, chair of the compensation committee, and on the firm's executive and quality assurance committees. He worked on the transition from December 15, becoming managing partner on April 13, 2007

□ **Frederick J. Baumann** - ROTHGERBER JOHNSON & LYONS,
DENVER, CO

Fred, a senior trial lawyer, was formerly loss prevention counsel for the firm, and a member of the executive committee for 10 years. He was appointed managing partner in November 2006, and scheduled to assume office effective January 1, 2007.

□ **Ira Kaplan** - BENESCH FRIEDLANDER,
CLEVELAND, OH

Ira currently serves as the associate managing partner and is scheduled to take over as managing partner in January 2008.

□ **Alan Maclin** - BRIGGS and MORGAN,
MINNEAPOLIS MN

Alan served on the firm's executive committee for 5 years, was chair of the litigation department and a member of the board of directors. He began his transition into the new role as president in August 2006, and became president on February 13, 2007.

□ **Richard D. Nix** - McAFEE & TAFT,
OKLAHOMA CITY, OK

Richard is the former practice leader of the firm's employee benefits group and served on the firm's board of directors for seven years before assuming the role of managing director on February 1, 2007.

□ **Michael B. Ray** - STERNE, KESSLER, GOLDSTEIN & FOX,
WASHINGTON DC

Mike was elected managing director in December 2006 (effective April 2, 2007) while serving both as a practice group leader and a member of the firm's executive committee. Mike's election is part of the firm's succession from a founder's firm. He is working very closely with the current managing director who serves as his mentor.

□ **Maureen Weaver** - WIGGIN AND DANA,
NEW HAVEN, CONNECTICUT

Maureen became chair of Wiggin and Dana's executive committee on September 5, 2006. She has been a member of the executive committee since 2002 and is the former chair of the firm's health care department.

□ **Richard Zeidman** - LINOWES AND BLOCHER,
BETHESDA, MA

Richard currently serves on the firm's management committee and is the head of the firm's real estate transactional practice. He will assume the role of managing partner effective as of January 1, 2008.



PATRICK J. MCKENNA

Author of First Among Equals (The Free Press), and one of the profession's foremost authorities on practice leadership, Patrick's latest e-book First 100 Days: Transitioning A New Managing Partner (NXTBook) earned glowing reviews and has been read by firm leaders in 63 countries. This interview follows from his successful one-day intensive MasterClass for new Managing Partners.

"For every problem, there is a solution which is simple, neat and wrong."

"Whether you think that you can . . . or you think that you can't... you're right."

"Ever heard of 'Alexander the pretty good'?"

"If you don't know where you are going, you will end up somewhere else"

"No man ever interests himself out of a job."

"We know what happens to people who stay in the middle of the road, they get run over."

"Nothing was ever achieved without enthusiasm."

My Favorite Lead

"Insanity: doing the same thing over and over again and expecting different results"

"You may be disappointed if you fail, but you are doomed if you don't try."

"Only those who dare to fail greatly can ever achieve greatly."

"Managers are people who do things right. Leaders are people who do the right"

"Just make a decision. If it's wrong, then just make another decision."

"There is nothing so useless as doing efficiently that which should not be done at"

"It is essential to build a culture where there is no such thing as a bad idea."

"He who laughs, lasts."

We often meet with firm leaders who are not really sure of what their precise role is, or how to accomplish what needs to be done at their firms to dramatically drive them forward. They often tell us that they have had little or no preparation for the role they have been thrust into. Certainly law schools do not really teach leadership and often a viable role model is not always present. The whole idea of "Herding Cats" is foreign to many new firm leaders since, until they are appointed, their firm has always rewarded and acknowledged them for their individual accomplishments rather than team building, developing respect or leadership style.

For some years I have collected various quotes and motivational sayings that often serve to inspire me to think about familiar things in unfamiliar ways. I thought I might share some of my favorite leadership quotes in hopes that some might provoke you to ponder about what it must take to be effective.

With a bit of luck these practical quotes will lead you to a more precise understanding of what the elusive nature of leadership is all about...

"Whether you think that you can . . . or you think that you can't... you're right."

HENRY FORD

"Only those who dare to fail greatly can ever achieve greatly."

ROBERT F. KENNEDY

"Today's successful business leaders will be those who are the most flexible of mind. An ability to embrace new ideas, routinely challenge old ones, and live with the paradox will be the effective leader's traits."

TOM PETERS

"Just make a decision. If it's wrong, then just make another decision."

HARRY S. TRUMAN

"I not only use the brains I have, but all that I can borrow."

WOODROW WILSON

"There is nothing so useless as doing efficiently that which should not be done at all."

PETER F. DRUCKER

"Managers are people who do things right. Leaders are people who do the right things."

WARREN BENNIS

"It is essential to build a culture where there is no such thing as a bad idea."

"The greatest mistake you can make in life is to be continually fearing that you will make one."

ELBERT HUBBARD

"No man ever listened himself out of a job."

CALVIN COOLIDGE

"People will sit up and take notice if you will sit up and take notice of what makes them sit up and take notice."

FRANK ROMER

"Tell me, I'll forget. Show me, I may remember. But involve me and I'll understand."

CHINESE PROVERB

"Nothing was ever achieved without enthusiasm."

RALPH WALDO EMERSON

ership Quotations

"In the 21st century, organizations have to achieve peak performance through inspiration by unleashing the power of their people – not by leading them, not by managing them, but by inspiring them."

KEVIN ROBERTS

"There is no limit to the amount of good a man can do if he doesn't care who gets the credit."

ROBERT L. BERNSTEIN

"Ever heard of 'Alexander the pretty good'?"

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"Few things help an individual more than to place responsibility upon him and let him know that you trust him."

BOOKER T. WASHINGTON

"The best leader is the one who has enough sense to pick good people to do what needs to be done, and the self-restraint to keep from meddling with them while they are doing it."

THEODORE ROOSEVELT

"It is essential to build a culture where there is no such thing as a bad idea."

NOLA BUSHNELL

"If you don't know where you are going, you will end up somewhere else"

YOGI BERRA

"For every problem, there is a solution which is simple, neat and wrong."

H. L. MENKEN

"Insanity: doing the same thing over and over again and expecting different results"

ALBERT EINSTEIN

And last, but certainly not least,

"He who laughs, lasts."

ANONYMOUS

"It isn't the people that you fire that makes your life miserable, it's the people you don't."

HARVEY MACKAY

"We know what happens to people who stay in the middle of the road, they get run over."

ANEURIN BEVAN

"You may be disappointed if you fail, but you are doomed if you don't try."

BEVERLY SILLS



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by Bruce MacEwen

Talking With PETE KALIS

At age 56, Pete believes he stands at the dividing line between the maturation of the profession into an industry: He describes himself and his peers as the “ultimate, or more probably, the penultimate generation of unintended managers,” people who are selected largely by process of elimination.

IS

of K&L Gates

We had an opportunity to sit down with Pete Kalis, Chairman and Global Managing Partner of K&L Gates, which is the product of the January merger of Kirkpatrick & Lockhart with Preston Gates & Ellis, creating a firm of 1400 lawyers in 22 offices on three continents. Although that milestone was a spark for the meeting, we had long wanted to get his views on the current state and future trajectory of our industry, and our supposition that his thoughts would be nuanced, astute, and every so often contrarian, were borne out in spades. Pete has thought long, deeply, and hard, about the evolution of our profession—and our industry, a distinct, but equally apt, perspective—all the while with his hands under the hood, as it were, of an increasingly prominent firm. His thoughts demand attention, reflection, and ultimately, action.

A Generational Shift

Firms have a peculiar, unscientific and very time-and-place specific approach to choosing leaders. They must be: Not too

young, not too old; must have the respect of the partners; equity not income partners, etc.; and at the end of the process there may be very few viable candidates left standing.

Contrast this with corporate America: When they need a new leader, Pete says only half-facetiously, they get on I-95 and head up to Fairfield, Connecticut where they swipe someone from GE. Why? GE's senior executives are known to be globally oriented, bottom-line focused, with an intense strategic perspective on their business and the mandate to be in a leading position. Imagine if

law firms exercised similar rigor in their choice of leaders. He predicts that the next generation or two of law firm leaders will "almost certainly" be chosen through a more sophisticated process.

Parenthetically, here's a thought experiment for you - Question: How will we know when law firms have truly evolved to the corporate model? Answer: When they look outside their own four walls for a firm chair.

Pete said he didn't mean to be self-deprecating, but his career objective had never been to be leader of a global law firm: His selection to that position in 1997 was by consensus, but still didn't amount to the equivalent of a rational search by an elite recruiting firm. [We should interject here, in case you didn't know it, that Pete has nothing whatsoever to be self-deprecating about: His credentials include being Editor-in-Chief of the Yale Law Journal, a Rhodes Scholar, and law clerk to Skelly Wright, chief judge of the DC

Circuit, and then Byron White on the Supreme Court.]

Composition of the Elite Firms Today

We ask if he thinks leadership matters, and he virtually erupts: "*Absolutely, and the bigger and more sophisticated the firm, the more so.*" He proceeds to share his view of how the structure of the legal industry came to be as it is today, and divides the high end into two types of firms:

- Those who appear to have been born with a brand: The New York "bulge bracket" firms, the Magic Circle in the UK, firms that appear to have sprung entire onto the scene at birth with impeccable pedigrees and

nearly-insurmountable market positions. Of course that's an illusion, and we all know most of these firms began as two guys sharing a partners' desk on the second story of some passable building in a marginal neighborhood, but that's scarcely how it appears today.

- The second type of firms are the "strivers" who have come up from regional cities like Atlanta, Boston, Chicago, Los Angeles, Pittsburgh, San Francisco, and so forth, who have followed a well-trodden path to "end up on the right side of history."

So what **does** it take to be one of the leading firms today? Whatever other commendable features they must have, the winners all have had:

- A dominant position in their home market (they need not be #1, but they must be top of mind in that market)
- A great Washington, DC office (Washington is important not so much in terms of the size of your office as that it

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must comprise a strategically sound fit with the regulatory and governmental needs of your client base: And economically, if Washington is not precisely countercyclical it is surely “evergreen” in the sense that the government’s schedule of initiatives bears no relationship to peaks and troughs in the economy)

- A great office in a financial capital (domestically, this means New York)
- Critical mass in California
- And strategic combinations offshore.

Going forward, firms must add in these ingredients:

- London, and eventually key markets on the Continent of Europe;
- And China (which has historically meant Hong Kong and will now mean Shanghai and Beijing as well)

If you’re not in a silver spoon firm, or a successful striver firm, is there still time to join the ranks of the emerging elite?

“If there’s any time left, there’s not much.” The critical obstacle is cracking the New York market, which is “by far the hardest in the world.” Some formerly-from-California firms (we mention Latham and Orrick, and he nods vigorously) have pulled it off, but for those that haven’t yet cracked Manhattan; they’ll be paying “predatory” prices to attract substantial talent. Elaborating on this, Pete says establishing an office with critical mass in Manhattan today, from a standing start, involves “house to house combat.” Not that it’s impossible, but it’s far far more vexing and expensive than it was even a decade ago.

We’re by no means fully evolved as an industry. We have little looking over the horizon capability. We only saw private equity coming when deal flow from traditional M&A clients dried up, and we asked, Where did the deal flow go?

Why, then, do firms keep trying? Simply stated, to align your firm with your clients, how can you **not** be formidable in New York?

Managing 21st Century Firms

We’re by no means fully evolved as an industry, he observes. For example, we have little “looking over the horizon” capability. We ask about today’s practice specialty prom queen, private equity, and he admits that they only saw it coming in a back-handed way, when deal flow from their traditional M&A clients — strategic buyers looking to acquire firms for horizontal or vertical expansion rather than for financial re-engineering — dried up, and they had to ask, “Where did the deal flow go?”

In K&L/Gates’ defense, they were scarcely alone in failing to foresee the explosive growth of private equity in the first half of this decade, which we personally attribute to the catalytic mixture of the Sarbanes-Oxley “public company excise tax,” with unprecedented scrutiny of borderline GAAP interpretations, and the tsunami of global liquidity. As Pete joked, “if you think having a hair-trigger hedge fund manager looking over your shoulder is bad, would you rather it be the US Attorney?”

We note that K&L Gates has accomplished mergers with these firms (and others), and ask Pete what were the promise, and the most challenging aspect, of each:

- Nicholson Graham
London
- Preston Gates
Seattle, Asia, and other venues
- Hill Christopher
Washington
- Warner & Stackpole
Boston

Wryly, he notes that those have only been the publicly announced and successfully consummated mergers, and says that the firm is always willing to discuss a combination that might make strategic sense, but that “it’s very very hard to get to the finish line” in merging law firms. We ask if the cancellation of the Dewey-Orrick and Bryan Cave-Squire Sanders means that mergers are riskier than we assume, and he responds that “risky” probably isn’t exactly the right word, but that assuring firm buy-in by the partnerships beforehand is indispensable. Without stating it, his opinion clearly is that working out the ramifications of a proposed merger of two complex and storied firms populated by head-strong people is not an exercise prudently to be conducted in public.

What makes for a successful tenure as managing partner?

You have to realize that “there are such smart people in these firms,” people deeply versed in everything from history and literature to current affairs: This is a resource that one must tap. Look for insights from a wide array of people — “mining the wisdom of your partners” might be the slogan — and combine that with analysis of what’s going on in the world (e.g., the private equity boom), and meld them into a strategically coherent strategy.

Thus, being an integral participant — and instigator — of the interior dialogues going on in the firm is the bare minimum for a managing partner, the price of admission.

In the press release announcing formal approval of the Kirkpatrick & Lockhart/Preston-Gates merger, which went out under Pete's signature, one phrase struck us as out of place — out of place in the sense that one virtually never hears such things, so we ask him about it. The phrase is that a core value of the new firm is to advance “reasoned discourse and articulate communication.”

Needing no more prompting, Pete erupts: “There is nothing that transforms a decision-making process more into vitriol than *ad hominem* arguments or, perhaps even worse, **silence**—which is passive-aggressive.” By contrast, having candid, open conversations, and being prepared to actually change one's mind, is an act of strength, not an act of capitulation.

The War for Talent

Applying this to the topic of mergers means having an open dialog about what can be done to unlock the synergies that the combination presents, while simultaneously recognizing that no synergy will be achieved without true integration, which he calls “absolutely key.”

Intriguingly, he notes that there's inherent tension between “consumption” and “investment” in running a firm. At K&L/Gates, they view professional development and excellence as a “destination for investment.” This sounds like motherhood and apple pie, until you run into a coterie of people who are more accustomed to immediate consumption, which is antithetical to K&L/Gates' preference for investment in the brand positioning, and “the platform,” which “work for you while you're sleeping.” If communicating the

preference for investment to your partners is indispensable, it's a *fortiori* the case with potential merger partners and potential lateral recruits.

On the subject of lateral recruits, we note that there's a school of thought that laterals “capture” much or all of the present discounted value of their contribution to profits, leaving little if any left over for the firm — a phenomenon that has been widely studied in the context of professional athletes and celebrity entertainers — and ask Pete for his views on this. Essentially, he believes that some firms have a “comparative advantage” in lateral recruitment, particularly those that can offer laterals a superior “platform” for their practice, and cites as a somewhat generic example a partner with a \$1.5-million book of business who, by coming to a K&L/Gates, could grow that revenue to \$5-million within a few years by being able to offer his clients (again, hypothetically) additional venues, M&A expertise, project finance capability, a more sophisticated corporate governance/compliance structure, etc.

The one non-negotiable principle to keep in mind when dealing with talent is this: The institution should not impose any ceiling on partners' success: You cannot put limits on what the best people can achieve.

This prompts us to read Pete the following quote and ask for his reaction:

“The competitiveness of any place in the world, including a place called the United States, depends less and less on the profitability of companies headquartered in that location, and more and more on the capacity of the people that live there to add value to this increasingly integrated global economy.” —*Robert Reich*, Dec. 2006

His reaction is immediate, and terse: “*Indisputable.*”

The US/UK Divide (and the Hegemony of Anglo-Saxon Common Law)

We observe that it's fair to say that US firms have fared better invading the UK than vice versa, and ask Pete why he thinks that is.

First, the US firms with articulated platforms in the US offer UK merger partners access to the largest legal market in the world. Second, such US firms have long and deep client lists composed of US-based global corporations that are investing in and through London, and these firms offer more inbound work to UK firms than vice versa. And third, and most intriguingly, he believes that UK firms with the reach to come over here “have ignored the last decade of history.” By that he means that they have aspired to merge with the *crème de la crème* of US firms, ignoring that:

- US firms of that caliber (Cleary Gottlieb, Cravath, Davis Polk, et al.) have no reason whatsoever to dilute their brands, and every reason to preserve their supra-normal profitability; and
- Now that many “strivers” have succeeded in the past decade, it's likely that the US firm would end up being the “senior partner” in the merger; the UK firms might like to merge in principle, but they won't want to relinquish their sovereignty.

Spontaneously, the conversation turns to the global dominance of firms with roots in the former British Empire. Almost shockingly, of the “Global 100” firms (the top 100 by revenue, jointly compiled by the UK's “The Lawyer” and the US's “The American Lawyer,” 98 of the 100 have British Empire roots: In the US (75), the UK (17), Australia (5), or Canada (1), leaving one in France (#77) and one in the Netherlands (#99).

Pete attributes this (as do we) to two powerful barriers to entry favoring Anglo-American firms:

- The *lingua franca* of business being English; and

- The infinite extensibility of the common law tradition. (Imagine trying to write the indenture for a collateralized debt obligation [CDO] under the Napoleonic code—it simply could not be done.)

On the Manageability of Law Firms

Professional service firms in general, and high-powered global law firms in particular, are notorious graveyards for well-intentioned management initiatives and managers in general. But clearly Pete has found K&L/Gates receptive and welcoming of his leadership. Has his experience been different than the conventional wisdom that high-achieving lawyers are autonomy-seeking missiles, dismissive of efforts to channel their efforts, antithetical to team playing, and generally allergic to top-down direction?

He responds energetically that in his experience it's utter myth that lawyers aren't team players. Warmly, he recounts that he has probably never experienced such an intense exercise in teamwork as getting the *Yale Law Journal* out (giving the lie to the notion that only MBA students, not JD students, collaborate and work in teams).

More subtly, he points up an analogy between a global law firm and a University, or even a complex socioeconomic organism such as New York City. How are they similar? In all three, human beings spontaneously self-organize into smaller and larger groups connected by common interests, goals, or simple propinquity. People, Pete insists, *like to work together*, and they will, left to their own devices, form communities: The structured finance group, the biology faculty, the garment district, Kappa Kappa Gamma.

Athenian Democracy, or Parris Island?

An essential theme in the early years of the 21st Century seems to me to be the tension in our industry between the Quaker

Meeting style of management which was the order of the day 20 and 30 years ago, and the increasing pressure to move towards a corporate, hierarchical, executive management style as law firms scale into serious multinational enterprises. So we ask: On a scale of 0—100, where 0 equals full-bore total-consensus Athenian democracy, and 100 equals Parris Island boot camp command-and-control, where should an aspiring, competitive global law firm fall? He responds immediately, "80," then seems to rethink it, and concludes that the real question is different: "What you really need is to make good decisions that translate positively in to the lives of your major stakeholders. This is more important than a nominalist exercise focusing on your form of governance."

But, we insist, is the "corporatization" of the law firm inevitable?

Yes, Pete agrees; he repeats that his generation may be the last not to be purposely groomed for leadership, possibly even selected and recruited for the position of chair.

Fairfield, Connecticut, anyone?

And Why This Matters

Spending time with Pete focuses and integrates one's thoughts on the changes with which globalization is assaulting our industry, and the changes we're spontaneously initiating to become ever more competitive, and to match our clients' geographic footprints and the complex demands of their increasingly sophisticated, "real time" businesses.

At the start of Pete's career, businesses were:

- Local or regional
- In one, readily understandable line of business
- With predictable relationships (typically of long-standing) with clients, suppliers, and labor

- Subject to regulations which changed glacially if at all.

Today, businesses are:

- Global, operating in real time 24/7
- Opportunistically acquiring and shedding, expanding and contracting, lines of business as marketplace demand shifts (often in unforeseeable and discontinuous jumps)
- Tightly integrated to their suppliers and labor, albeit with loyalty cycles re-measured quarterly
- Facing complex multi-jurisdictional regulations which can conflict and contradict each other (just for example—records retention requirements under electronic data discovery standards in the US vs. privacy requirements in the EU).

Law firms which don't evolve as rapidly as our clients will lose the "Global 100" race. Pete is determined that K&L/Gates will excel.

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by **EDGE INTERNATIONAL**

Planning Your Law Firm Retreat

The rapid growth of law firms in the past decade has created some new and unique management difficulties. With firms' size, and the complexity of global legal practices, coordinating the availability of partners to perform any management function beyond routine meeting attendance is increasingly difficult. The values of the partnership model to which many law firms aspire are becoming difficult to achieve in a modern professional service organization. The problem is further compounded in large multi-office firms where partners not only don't know their fellow partners from other offices well, they may not have even met each other.

One solution to these issues for many law firms is a partner retreat. Typically held at a location away from the office, retreats offer law firm partners an opportunity to get to know one another and deal with some of the more complex issues of operating their firm, away from competing practice priorities.

The forms that firm retreats take are as varied as the firms themselves. Retreats can range from little more than tax-deductible vacations to cathartic events. One consistent fact is that the clarity of purpose for the retreat and the quality of planning dictate the value achieved and the level of partner satisfaction about the time devoted to their attendance.

At Edge, we have participated in planning, facilitating and speaking at literally hundreds of law firm retreats. This paper represents our formal attempt to debrief ourselves as to what makes for a successful retreat, what ideas work and which don't and how firms can get the most from the time and money expended in conducting a retreat.

Why Law Firms Hold Retreats

The motivation behind a retreat may differ among firms. In general, we find that the most successful retreats involve at least one of five basic purposes. The most common retreat objective involves an attempt to develop a consensus of the partners about a specific plan or activity. In some cases this will involve the approval of a strategic plan. In others it may be to discuss a potential merger. Sometimes it is simply the opportunity to gain agreement on the routine functions of getting time reports in and bills out.

A second common reason is to create a strategic direction for the firm, often as a prelude to developing and implementing a strategic plan. Another reason is to hold, what is essentially, an expanded annual meeting and conduct the firm's internal business. A fourth purpose is often educational. This may range from self-awareness issues about the firm's culture or the personality of its partners to opportunities to learn

about each other's practices. Finally, one of the true benefits that many firms cite as the purpose of their retreat is to create an opportunity for their partners to get to know one another in a relaxed setting.

In reality, many retreats represent a mixture of several of these purposes. The purpose or mix of purposes may change from year to year as the firm evolves and new issues appear. What is important, however is that there is an understanding among, at least the retreat's planners, about the retreat objectives. This will help maintain a focus for the program and, hopefully, create a benchmark for measuring the retreat's success.

1. Consensus Building Retreats

Many firms consider themselves to be operating as a democracy. This requires partners to approve most important issues that come before the firm. While this may or may not require a formal vote, in most firms it is a function of leadership to gain consensus by presenting information to the partners and giving them an opportunity to discuss and consider it. In a large firm this can be problematical. For national and international firms this process could take months and then a partner can participate only if he or she is available on the day that the leadership comes to their office. The debate is also isolated on an office-by-office basis with little cross germination of thoughts.



In a retreat setting, all of the partners obtain information at the same time and in the same format. They all have an opportunity to provide their input and gain from the insights of their partners. Perhaps most importantly, it gives partners the feeling of inclusion in the decision-making of their firm. It makes them feel like an owner.

The need for consensus building is especially important with highly subjective decisions. Subjects considered at client's recent retreats have involved internal governance changes, consideration of mergers, opening new offices, creating new practice areas, reorganizing into industry based groups and the creation of ancillary businesses, strategic alliances and joint ventures.

The process that is used to build consensus is important to the overall success of the retreat.

Advance Material. Lawyers are accustomed to dealing with the written word. Therefore, the distribution of written background material and factual information in advance of the retreat can be an important first step in gaining consensus. The best format is as a briefing paper providing summarized information using charts and graphs to present financial concepts. The length of the advance material differs from firm to firm and with the complexity of the issue. In most cases, the fact that the information is available in advance carries as much weight with partners as the information in the material itself. It is not necessary that the background material present a recommendation or a point of view. The purpose is solely to permit those partners who are interested to get themselves up to speed before the retreat begins.

Frame the Issues. In our experience, it is likely that more than half of a firm's partners will not have reviewed the preliminary material in advance of the retreat. Therefore, it is advisable for the Managing

Partner or the partner spearheading the issue to present a background report early in the retreat. It is important in that presentation to frame the issues. For example, if a retreat is about the firm's growth, one of the issues may be to consider whether mergers are a viable means of achieving growth and if so, under what circum-

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stances. The issue is not whether the firm should or should not merge, but, rather, to give preliminary consideration of whether mergers are valid options.

Facilitated Session. Giving partners an opportunity to discuss the issue using a skilled facilitator enhances the constructive consensus building.

Breakout Groups. With large retreats, breakout sessions are often more effective than participation in a full firm meeting. With complex issues, each group can be given a different aspect to consider and report back to the group as

a whole. The facilitator then leads discussion on the results of the breakouts.

Voting Machines. A number of companies provide wireless voting machine by which partners can express their opinion about an issue with near instantaneous tabulation and display. These can be extremely effective because they allow partners to remain anonymous in their voting, while participating fully in a highly objective format, without the delay of a written ballot and without the time required for every partner to speak.

Follow-up and Summary. It is important that some member of the firm or the facilitator have responsibility for recording the results of the consensus process and distributing it to all partners promptly after the retreat. While this seems like a simplistic step, it is amazing how quickly memories fade as to what was decided.

2. Developing Strategic Direction

Strategic direction sets out the goals and the basic means of achieving those goals. Strategic planning requires a significant amount of soul searching about the future of the firm which is hard to do at a two or three day retreat. In fact, strategic direction is a leadership function and cannot effectively be determined by the partnership as a whole. It is possible, however, for a firm to use a retreat as a catalyst for strategy by developing issues to be considered and setting the stage for a strategic planning initiative.

Preparing for a Strategic Directions Retreat

The success of any retreat can be enhanced by doing some preparatory work prior to the retreat, on the issues the partnership feels are important.

One way to do this preparation is to obtain partner input about relevant issues. The value of seeking partner (or partner and employee) input is not only the feeling of

inclusion it provides the participants, but the insight it provides permits the firms leaders to focus on the most important issues at the retreat. It often also helps save the leadership from pursuing strategic issues that are blind alleys with little chance of success. Presenting the results of partner input at the beginning of a retreat also serves to gain partner's attention and focus them on the importance and relevance of the issues to be considered.

There are a number of ways of getting input:

- **Partner Surveys.** Many firms find it useful to ask partners to complete a survey prior to the retreat dealing with directional issues. Not only does this provide useful input that can be analyzed at the retreat, it gives the partners the feeling of involvement in the process. Most importantly, surveys tend to focus the partnership's interest and thought process toward the driving issues facing the firm in its market place rather than a rehashing of the internal issues that partners will often find more interesting, if left to their own devices. We have found that the survey format that is most likely to draw a strong partner response is web based. Major legal consulting firms are able to set up a web based survey instrument quickly and for a relatively low cost.

- **Focus Groups.** An alternative to surveys is to get together groups of partners, associates, staff members and clients to consider where the firm is and should be in the marketplace. Assuming that the partners have been chosen in a manner to be representative of the partnership, focus groups can be extremely accurate. In fact, if well performed they can be more active than surveys because focus groups provide the ability to inquire to clarify responses, observe body language and use group interaction to test the depth of opinions. To be effective, of course, requires that the groups be well planned and lead by experienced facilitators.

- **Partner Interviews.** Individual partner interviews provide an opportunity to intensively understand the level of partner's opinions, emotions and preferences. The only limiting factors in the interview process are time, the selection of interviewees and cost. The combination of conducting an interview and creating a

One of the most popular retreat topics continues to be 'how-to sessions' on a variety of skills. The advantage of using a portion of the retreat for training is that it allows the firm to have virtually all of its partners receive precisely the same training, free of day-to-day practice distractions.

record of the results typically takes 45 to 60 minutes per person. This means that a skilled interviewer can only meet with, at most 10 partners per day. This process can be accelerated by meeting with groups of two or three partners at a time, however, there are risks that individuals may be reluctant to express true opinions in the presence of another person or that the resulting interview can be dominated by one person. Indeed, experience demonstrates that focus groups of six to eight people are usually more accurate and effective than small groups of two or three. There is also a statistical risk with interviews because, typically, partners

select themselves for interview by signing up or agreeing to a time. The results can therefore, be somewhat flawed because information is not obtained from those too disgruntled, disinterested or intimidated to participate.

- **White Papers.** Another method of preparation is to prepare briefings for participants in advance of the retreat. Many firms find the whitepaper to be a valuable way of disseminating information. Whitepapers are briefings on a single topic that present all relevant background information and discuss potential courses of action. Because lawyers respond so well to the written word, a series of well prepared, concise white papers be much more effective in preparing the partnership for considering strategic issues than oral presentations at the retreat.

Obtaining Partner Input at the Retreat

If a firm prefers not to obtain partner input prior to the retreat or the timing of the retreat does not make this possible, there are still means of systematically collecting partner input at the retreat. One of the most effective methods is, what we have come to call, the **Growth Aspirations Survey®**. The Growth Aspirations Survey can be used in a number of ways, however, one of the most successful is as a homework assignment on the first night of the retreat. This survey seeks partners gut intuitional reactions to growth and strategic issues. Therefore, when performed away from the institutional settings of the office with a limited response time in which to ponder the issues, the survey can provide a quick but highly accurate insight into partner's personal reactions to the issues that confront the firm. The Growth Aspirations Survey also works extremely well using voting machines.

Breakout Sessions

Dealing with strategic issues is a large group can be unwieldy. We have experienced

great success in using breakout sessions at retreats. Groups, as large as 25 lawyers, can function effectively and accomplish a great deal in a short period of time. There are four keys to successful breakouts:

- The group must reflect either a random selection of participants or a pre-selection designed to incorporate a reflective mix of offices, practice areas and demographics. One popular way of doing this is to have each partner select a breakout group number from a fishbowl upon entering the first retreat session.
- There must be a highly focused agenda and express expectations. Asking a breakout group to talk about an issue will yield little of value. Instead, asking a group to come up with three ways we can increase our name recognition among venture capital companies provides a focus and expectation.
- Participants in the groups must be briefed on the techniques of brainstorming. The concept of drawing out ideas is contrary to the lawyer mindset. However, given a few rules, lawyers can adapt very successfully to creative discussions.
- There must be a skilled facilitator. Since there are too many breakout groups for the use of consultants as facilitators, it is necessary that selected partners fill that role in each group. To be effective, however, facilitators must be trained in facilitation techniques. Typically this can occur in a couple of hours the morning of or the night before the retreat.

Facilitated Sessions

The power of a retreat is the facilitated sessions. These are sessions at which the partnership as a whole decides the firm's strategic direction using the partner opinions solicited either before or during the retreat, and the decisions made in the breakout groups. The strength of these sessions is the sense of consensus that occurs as the partners draw together and jointly make decisions about the firm's future.

The best facilitated sessions occur in a carefully planned rhythm with the breakout sessions. Often this involves a plenary session where an overview of a topic is presented and breakout instructions are given. The breakout group meets with each group having a secretary who records the results. At the beginning of the next general session the secretaries present their reports and the facilitator draw a consensus of the entire firm.

Follow-up and Reporting

Although everyone was at the same retreat and experienced precisely the same presentations and discussions, it is amazing how recollections of what happened can change over even a short period of time. A partner, or the firm's principal administrator, should be responsible for recording a brief, one or two-page record of the results of the retreat which is promptly distributed to all partners shortly after they return to the office.

It also makes sense to schedule a follow-up meeting within a few weeks after the retreat. A great way to wrap up a consensus building retreat is to identify two or three action agenda items to be addressed between the retreat and the follow-up meeting.

3. Expanded Annual Meeting

Many firm's partnership agreements require an annual meeting for the election of member of management, selection of new partners, approval of compensation and other similar issues. These are important issues, not only because they concern day-to-day operating concerns but because they go to the fabric of what it means to be a partnership and the concept of being the owner of a business.

A retreat, of course, presents a convenient time to hold the annual meeting. Partners are assembled in one place, it emphasizes the business nature of the retreat and, some would suggest, conducting an annual meeting at the retreat legitimizes the event as a

tax-deductible expense. The issue of legitimacy extends beyond tax questions. Annually meetings are important events in the governance structure of all businesses. Combining them with a retreat brings a serious functionality to a retreat and provides an additional reason for partners to attend.

That said, there can be some downsides to including the annual meeting at the retreat. Many partnership agreements dictate either specifically or in general the time of year during which the annual meeting is held. This may or may not be a good date for partners to attend or timing for the other issues to be discussed at the retreat.

The schedule of the business meeting during the retreat can also be an issue. Business meetings scheduled at the beginning of a retreat can be open ended.

Discussions can expand to fill the time available and we know one firm where discussions of a controversial pension amendment scheduled for less than an hour, took up the entire three-day retreat. Conversely, business meetings scheduled at the end of a retreat can result in knee-jerk decision about important issues discussed during the retreat.

On balance, if the timing of the retreat coincides with a partnership business, holding a business meeting at retreat makes sense but the ground rules should be laid that the meeting will last a maximum of a certain amount of time and if, at the end of that time, the matter is not resolved, the business meeting will be adjourned until a specific date after the retreat is over.

4. Internal Educational Retreats

For many firms a primary retreat objective is to convey information within the partnership. The scope of this form of retreat can be very broad. The information may involve making sure partners are aware of

what various practice groups do or the latest industry groups that have been created. Topics may involve insights into the firm's culture and values, or the personality and motivations of individual partners. Programs could even take on the form of continuing legal education or the teaching of skills not directly tied to the law but involved in legal practice.

Practice Information

As many firms focus their marketing efforts on cross-selling, knowledge about the firm's capabilities become critical. This extends beyond basic practice information to the special skills of individual partners and even their industry or client contacts that could be of value to the entire firm.

To provide practice information some firms carve out brief sessions in the program for practice group leaders to discuss what their group does and is capable of doing. The key to these sessions is highly little known information about the practice rather than to be all inclusive.

It would come as no surprise to a room full of partners that their litigation department tries complex commercial and other civil cases. But, it could be valuable for them to know that the firm has been involved in more machine tool product liability cases than virtually any other law firm. It is equally important that these sessions be very brief (five to ten minutes maximum) and spaced throughout the retreat. The simple rule is that if the partners are bored, they won't pay attention, and if they don't pay attention there is no sense in wasting time with the presentations.

Another way to convey practice information is through practice group fairs. Schedule for an hour during the retreat, a particular department of the firm has a series of tables with displays of their available brochures, newsletters, articles and

other marketing materials. The booths are manned by member of each practice group within the department. This allows partners in other departments to wander the fair and understand what the strength of the firm is in each area. The best fairs have a large number of booths on highly specialized areas of practice that may fall within practice groups. It is not necessary that booths only be for established practice groups and this is a great method for making the firm aware of a capability in a hot emerging area of practice.

It is also possible to have a mixture of booths. One very large firm devoted a portion of a retreat to the litigation practice and, in addition to the practice group booths, asked several outside companies to bring displays on imaging services, animated courtroom exhibits and forensic accounting. Both the presentations and the fair can be adapted for use with industry groups.

Skills Training

One of the most popular retreat topics continues to be 'how-to sessions' on a variety of skills. The advantage of using a portion of the retreat for training is that it allows the firm to have virtually all of its partners receive precisely the same training, free of day-to-day practice distractions.

While there are a variety of training possibilities, by far the most popular is marketing, specifically sales and cross selling. For some lawyers the necessity of these skills is viewed as being demeaning to the profession. Others are shy or embarrassed at their need for the skills. Presenting the training to an entire practice group or the entire firm often increases individual attorney participation and receptiveness to training.

Another area of skills training that some firms have used retreats for is technology training. Many conclude, however, that the expense of shipping equipment and

setting up training facilities off site can exceed the benefits of the training.

Culture and Value

A common area of concern in many firms is the importance of understanding and maintaining the law firm's culture. Culture is the defining feature of most law firms and, not surprising, lawyers are eager to talk about cultural issues. This is especially true in law firms that have experienced recent growth or participated in a merger. Typically the cultural segment of a retreat can involve the use of a **Cultural Inventory®** in which partners participate in prior to the retreat by logging into a special web site and answering a brief questionnaire. The results describe the firm's culture and the anticipated manifestations of that culture in the way the firm operates. The results can be stratified in a variety of ways including by office, practice group, seniority, partners vs. associates and gender. The combination of cultural detail is presented to the partners. They can then, through the use of facilitated sessions and breakout groups, determine the aspects of their culture deemed to be important and the actions the firm can take to maintain the culture and inculcate it in new lawyers and laterals. At the same time the partnership may observe aspect of the culture that are not desirable and may want to consider ways of downplaying or changing that aspect of the culture.

While culture may sound touchy-feely to some partners, there is a significant body of research showing a direct tie between aspects of a firm's culture and profitability. In a retreat setting, this tie permits a discussion of profitability issues in the context of the firm's culture.

Core values have always been an important issue to law firms but, since the Enron and WorldCom scandals, value systems have been an important retreat topic. Values are somewhat a self fulfilling prophecy and

they values of a firm tend to become what the firm announces it values. Accordingly, the actions of partners and employees tend to follow the stated values of the firm. There are number of values exercises that stimulate thought and discussion and permit a firm to develop a strong understanding and statement of its values in a relatively short period of time at a retreat.

It is also possible to combine cultural and core value issues with an understanding of individual partner traits through the use of psychological tools such as Social Styles or Meyers Briggs. Individual assessment tool are a marvelous way to inculcate lateral attorneys or develop a better understanding among recent merger partners.

5. Inter-firm Relationship Building

For many firms, the most valuable feature of a retreat is the opportunity to have partners from various offices and practice groups get to know one another. This occurs naturally when you get a group of people together but there are techniques that can enhance the speed and depth of relationship building.

Breakout Group

It is one thing to know a partner as a person - who his spouse and children are, what avocations he or she pursues. While this information is important, having the opportunity to know the person as a lawyer is extremely valuable in functionally getting lawyers to work together across office and practice lines. One extraordinary way to do this is through the use of practice groups. Regardless of the of the group and its function, participating in a breakout group permits members to observe each other and work together in ways that would not have been possible in the normal practice of law or may have taken years to occur. The management of breakout group assignments is, therefore, important and retreat planners should be almost Machiavellian in their design.

Recreational Activities

Recreational activities can be excellent for developing acquaintanceships and even friendships but have some limitations. Almost every law firm retreat involves some element of golf. Spending four hours together with someone in a golf cart can create a relatively high degree of intimacy, particularly in that golf can tend to bring out the worst in some people. But while the depth of the relationship building may be good, it is limited to the person in your cart or perhaps your foursome. Tennis can be even worse. Many firms find that unusually activities such as fishing excursions, hot air balloon rides or even nature hikes can create equally valuable relationship with a larger number of people for the same investment of time. At issue is the desire to create relationships among the most people (six to eight seems to be the effective maximum) with the greatest depth (a golfer will probably remember little about the round at last years retreat but will always remember who they white water rafted with).

Team building is a popular concept in recreational activities at retreats. A number of firms have created scavenger hunt teams with each team getting a different colored firm tee shirt. Other firms have used an Olympics theme with different strange events. These events work well for extraverts. They are introverts worst nightmare. There is a gender difference in building relationships. Many firms find that late night card games do as much to build relationships as virtually any other activity.

Social Activities

Social settings such as meals and cocktail parties are valuable if the interaction is forced. People have a tendency to gravitate to people they know. Some firms use assigned seats at meals to mix people up. Some large firms who use name tags at the retreat make each office or practice area be a different color and encourage

rainbow tables. There are, of course, a host of ice breakers that can be used at cocktail gatherings.

Mixed Purpose Retreats

Depending on the length of a retreat, it is sometimes advantageous to combine several objectives in a single retreat. This is especially true for firms having experienced several previous retreats or where there is not a driving issues or question to be resolved.

Multiple objective retreats are engaging because they meet the needs of a wider variety of partners. A partner who would not show up for a three-day retreat devoted exclusively to strategic planning will come if there is also marketing training, an important vote at a business meeting and an opportunity to play golf.

The downside is the risk that too many objectives can cause a loss of focus and intensity. If every issue is deemed to have been handled superficially because there is not enough time, the partners will be as dissatisfied as if they were bored with a single issue.

A good way of planning a mixed objective retreat is to select the most important objective in holding the retreat, determine the total number of hours available at the retreat, and designate the number of hours for each objective as one would allocate assets in an investment portfolio. A common allocation is one-third Consensus Building, one-third Education and one-third Relationship Building.

Special Issues

There are some special issues involved in law firm retreats that are worthy of consideration.

Facilitation

The quality of the facilitation will make or break the retreat. Facilitation is a skill that takes training and experience and facilitation of lawyers is an

art unto itself. It is almost impossible for someone from within the organization to successfully facilitate a retreat. A good facilitator must be able to do three things:

- Control the group in a way that permits everyone to participate, does not allow any individual to dominate the discussion and summarize comments so the process is constantly moving forward;
- Bring knowledge to the proceedings by being able to serve as an immediate source of expertise, e.g., when a partner makes a claim about what other firms do the facilitator must be able to speak with credibility about what, in fact, is going on in the legal marketplace; and
- Guide the discussion to make sure the group does not become side tracked or miss important areas completely.

A good law firm retreat facilitator is knowledgeable about the legal industry, is experienced in facilitating a significant number of law firm retreats, is articulate and has a good sense of humor and is someone who will get along well with your partners.

Speakers

In a mixed objective retreat, speakers can be an excellent addition to the program. Authors of pertinent business books, motivational speakers, consultants, celebrities and a variety of other speakers can add interest to the retreat. If they are a published author, it is also possible to order discount quantities of their book as a giveaway to the partners.

Too many speakers, each speaking for a relatively short time can give a fragmented appearance to the retreat. It is also expensive since, with travel, each speaker ends up charging for virtually a whole day even if they only speak for an hour. Another concern is that people have a limited attention span. Listening to a

podium speech of an excellent speaker that lasts more than half an hour is difficult (an average church sermon is 20 minutes). Before booking a speaker, consider the audience, their attention span and to what they react well. A morning long interactive session that involves a lot of audience participation may be more enjoyable than an hour long speech.

Partner versus All Attorney Retreats

As issues of associate retention remain increasingly important, firms are moving toward inviting all attorneys to, at least, a portion of the retreat. Inviting associates is a function of two issues:

- The purpose of the retreat. If the purpose of the retreat is to build consensus or establish a strategic direction, it is probably best to have only partners. But, if the primary purpose is education and relationship-building, having all associates or just senior associates is a nice gesture.
- The size of the firm and the retreat budget. For a firm with more than 500 attorneys, it is almost logistically impossible to have an all attorney retreat and the cost of bring attorneys in from a widely dispersed firm can be prohibitive.

There is also the risk of not being able to get the genie back into the bottle. As nice a gesture as having all attorneys may be, once the firm stages an all attorney retreat, it is extremely difficult to go back to an all partner retreat, should that be desired.

Spouses

The number one controversy is whether spouse should be invited to a law firm retreat. Proponents cite the advantages of using spouses to build a bond between them and the firm through their friendship with other attorneys' spouses. Such friendships could be supportive in keeping an attorney who might otherwise consider changing firms. The disadvantage of spouses is that it removes focus from the

retreat. Partners must pay attention to their spouses. The effect is to reduce the amount of relationship-building time available. Of course, like associates, bringing spouses represents a genie that is hard to get back in the bottle.

If the purpose of the retreat is primarily social, bringing spouses is great. If the primary purpose is business, leave spouses at home.

Conclusion

Retreats can be an important and powerful tool for law firm leaders and managers. The keys to their success are clearly defined objectives, a skilled facilitator and a great deal of advanced planning.

Note: The Growth Aspirations Survey® cited in this article was developed by and is proprietary to Edge International, while the Culture Inventory® is a program developed in conjunction with The University of Michigan and adapted for law firms through a strategic alliance with Edge.

EDGE INTERNATIONAL *Over the past two decades the partners at Edge International have assisted hundreds of law firms to conduct effective firm, partner, practice and industry group, and even support staff retreats - always with an emphasis on developing specific action plans and follow-up procedures.*

A conceptual photograph showing a tiny person standing on a small, flat surface. A large, thick metal bolt is positioned vertically, passing through the person's head. A large, circular metal nut is being tightened onto the bolt, compressing the person between the nut and the surface they are standing on. The background is a soft, out-of-focus light blue and grey.

Is the thought of another **RETREAT** squeezing your patience?

RETREATS

are becoming fairly commonplace. The motivation is usually to provide more face-to-face interaction thereby developing social bonds, improving communications, dealing with operational issues, exploring further directions, and even having a bit of fun.

At these Retreats we often engage some outside speaker sufficiently inspiring that everyone gets charged up and takes copious amounts of notes. Inevitably, our sessions conclude and we all return, hopefully invigorated enough to face the pile of voice-mail messages and client files that have been left burning on our desks. That binder of notes hits the shelf and maybe, just maybe, something inspires us to return to it in the months to come, such that we pull it down and actually do something as a result of that last retreat we all attended.

Now that pretty much represents the conventional practice for most firms' Retreats. While the groups may be different and the speakers may vary, the measurable results are all too often the same. As one managing partner commented about firm meetings in general, "When all is said and done, there is usually a heck of a lot more said, than ever done!"

Of course, then we come to scheduling our next Retreat. And wouldn't you know it. Some partner has the audacity to ask, "But did anything really happen as a result of our last get together?"

Now when that happens (and it inevitably will) our very best counsel would be for you to punish that partner (for their audacity) by assigning them to Chair the organizing committee for your next Retreat. Then please give that partner our telephone number. We transform talk into action.



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