

# Making Informed Decisions, Taking Practical Steps

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**How do you plan for the firm's future? What process will achieve greatest results? What resources do you need to make informed decisions? How do you create change? How do you get buy-in within the partnership? And, how do you get all aspects of the firm aligned so that you can move the firm towards success in achieving its goals?**

## **PLANNING**

In the twenty years this author spent in senior management roles within law firms, the planning process varied from non-existent to a critical part of the firm's culture. The planning process has a greater chance of success if it fits the leadership model.

In a strong-leader model a top-down approach fits the culture. In this model the chair and the executive takes on the task, charts the firm's course and then communicates the vision, the strategic goals and the plans underway to execute on those goals.

In firms that have a strong consensus model, buy-in is critical. These firms may have more success with a bottom-up planning process. This planning process begins at the grass roots with practice groups, industry groups and offices working through a planning process that involves a much wider group of partners. Leadership provides a framework so that the work of all groups will ultimately fit into a plan for the firm. This may fit a consensus culture and have a better chance of success where partners have a hand in mapping out their future.

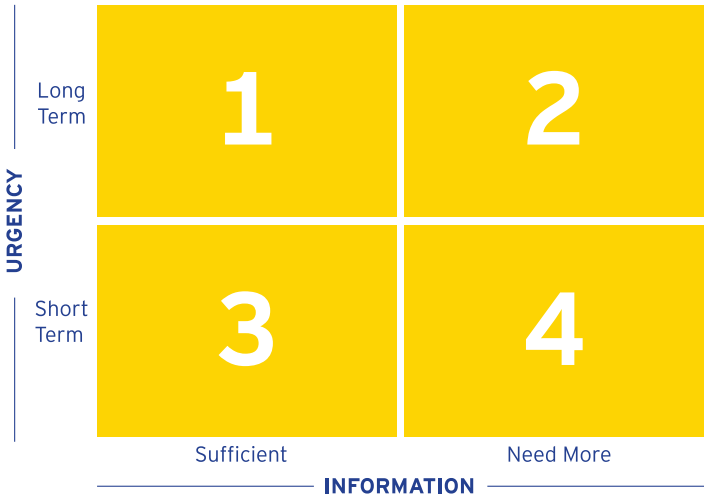
Individual plans are inspired by the firm's planning process. Individual plans should focus on specific efforts individuals plan to make towards the firm's goals and have to be measurable. For example:

- What specific steps will you take towards achieving our target of 10% revenue growth in the coming year?
- What specific behaviours will you foster in order to help the firm to be recognized as one of the top 50 places to work in your city?
- What specific steps will you take to get to know your colleagues better? Identify three other lawyers in the firm (perhaps in another office or group) – get to know them as people, get to know more about their expertise, find ways to collaborate.

Individual plans without follow-up and collaboration within groups in the firm are simply busy work – an item that simply needs to be checked off the list. Collaboration can happen at many levels. First, within practice groups, industry groups and/or client teams so that everyone is pulling in the same direction and so that individuals understand how their actions fit into the bigger picture. Secondly, collaboration amongst peer groups can be extremely helpful. For example – facilitated meetings of a group of sixth-year associates across all practice groups can help them to learn from each other, share ideas and solve problems common to the group. Problems like having the boardroom presence necessary to take on client relationship responsibility or asking senior partners for matter responsibility credit.

### APPROACH AND RESOURCES

Making informed decisions requires good information. A good place to start may be to understand the issues facing the firm – prioritize them in terms of urgency and understand the information currently available.



*Many firms will focus on interviewing all of the partners and while this is a critical step, the process risks being too internally focused.*

Analyzing the firm’s client base is important as it can highlight client growth and retention over a given period and identify client attrition.

What you may not learn is the reason for attrition. Rarely will you understand the reasons behind the attrition and without clarity you cannot take steps to either earn the client's confidence and the opportunity for future work. Clients rarely confront law firms with whom they are displeased, they will simply stop sending new work and quietly disappear.

Analyzing the firm's client base does not provide information from prospective clients – those that you have not served but where there might be opportunities. External research that enables you to understand what clients and prospective clients think of your firm and its competitors allows you to see where you stack up against the competition; what image clients have of your firm and where you are positioned in their view.



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A collaborative approach to planning that involves both internal and external resources achieves the highest and best results. For example:

External resources can glean information from clients that they would never share with members of the firm. Clients who receive a personal invitation from the partner most closely connected to the client will share more because the firm and the partner clearly value the relationship enough to want their opinion.

Planning can create exciting opportunities for professionals in all areas of the firm or it can be viewed as threatening. Internal professionals can and should be involved in gathering information but firm leaders must be sensitive to both staff and attorneys having a vested interest in the status quo.

## CREATING CHANGE

A change in leadership almost always impacts partner profits – positively or negatively - it rarely stays constant when there is a new leader. A leader who has a high requirement of acceptance may make decisions based on what colleagues will think – revenue likely will go down and the firm is likely to flounder. A leader who sees himself as a strong leader who makes decisions, runs the risk of disengaging colleagues – again

negatively impacting productivity, revenue and profit. A leader who can establish direction, align people and motivate them to achieve results may produce positive change and have a similar impact on revenue and profit. It's all about creating change.

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One of the much quoted articles on the topic is entitled *What Leaders Really Do*, by John Kotter and was published in the *Harvard Business Review* in December of 2001. Kotter answers four key questions about leadership, as follows:

**What is the leader setting out to do?**

- Establish the direction
- Develop a vision and strategies to achieve the vision
- Set high standards and stretch goals.

**How does a leader deliver results?**

- By aligning people
- By communicating in ways that engage people emotionally and intellectually
- By influencing behaviour

**How does the leader actually make it happen?**

- By inspiring and motivating
- By engaging people in meaningful ways
- By holding people accountable

**What are the outcomes?**

- Change
- Opportunity
- Results

## THE IMPORTANCE OF ALIGNMENT

A planning process is designed to identify strategies in terms of the firm's positioning against its competitors; in terms of the services it will provide; the profile of the clients it can best serve and the talent that will thrive within the firm in the future. Who are your clients? What talent do you need to attract? What is your value proposition to both?

Without alignment the firm is not likely to achieve its goals and lawyers are not likely to thrive and more importantly the resources (time and money) spent on a planning process will be for naught.

Strategy is about setting direction. Alignment is about creating the structures, processes, resources and the discipline to achieve the direction that's been set. Alignment is also about matching words with deeds. If you talk team but reward individual performance you are not aligned. If you talk client focus but never visit your client's place of business you are not aligned. If you claim to work at the very high end of the market ("*we're expensive but worth it*") but don't deliver the level of service and quality of work that is expected at that level you are not aligned.

As a leader, the choice is yours. Begin with good information, make decisions that are right for your firm, align the firm to support the direction and create meaningful change.

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