

**MCK**

# International Review

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**THE BURNING  
ISSUES FACING  
FIRM LEADERS  
IN 2017**

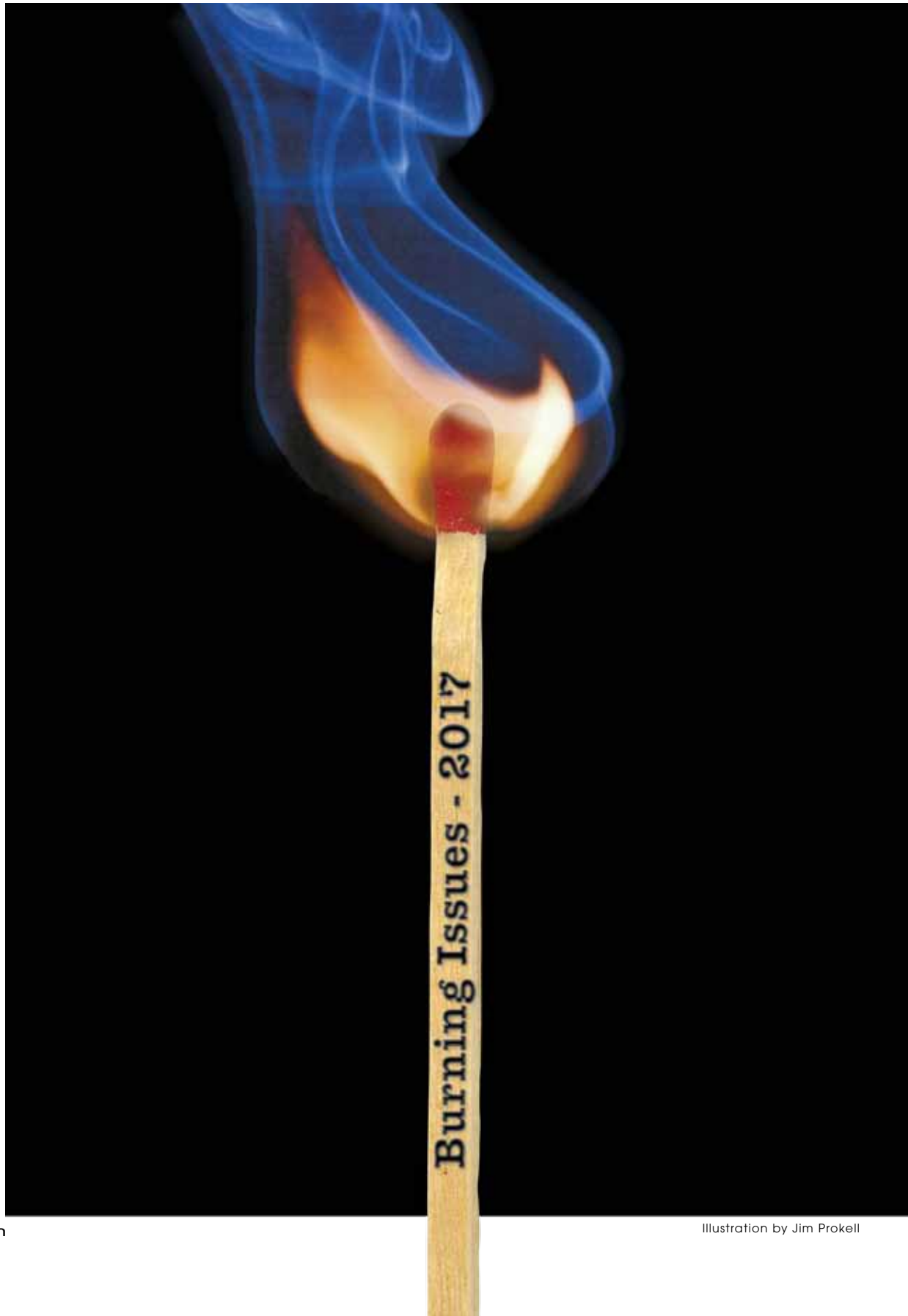
**GET YOUR  
CLIENTS TO DO  
YOUR TALKING**

**BECOMING THE  
FIRM OF  
CHOICE: IT'S  
ALL ABOUT THE  
IMPLEMENTATION**

**LEADERS GET  
THE BEHAVIOR  
YOU TOLERATE**

**THE FIVE  
CHALLENGING  
PARADOXES OF  
FIRM LEADERSHIP**

**WHEN A FIRM  
LEADER HANGS  
UP THE CROWN**



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Dear Valued Clients and Friends:

As we look forward to a dynamic spring and summer, I am hopeful that this issue of my *International Review* magazine will contribute to your personal productivity and leadership efforts.

Two of the articles contained here are the result of a collaboration with my good friend and colleague, David Parnell whose regular Forbes column is avidly read by leaders throughout the legal community. *The Burning Issues Facing Firm Leaders in 2017* and *Leaders Get the Behavior You Tolerate* are the product of extensive surveys we have conducted during the past six months and should provide you with interesting data and substantive counsel.

With *Becoming The Firm of Choice*, I am pleased to feature an excerpt from a new book (by the same title), authored by old friends Robert Lees and August Aquila. I commend both this article and their new book as insightful and very worthwhile reading.

From coping with the stress involved in looking like you know what you are doing to the enormous time demands imposed by partner requests, *The Five Challenging Paradoxes of Firm Leadership* identifies the top tensions that every leader has to contend with at some point in their leadership role.

*Get Your Clients To Do Your Talking* offers some practical advice for how you can meaningfully differentiate who you are and what you have to offer clients.

Our final selection, *When A Firm Leader Hangs Up The Crown*, represents an excerpt from the newly revised and expanded second edition of my *The Changing of The Guard: Selecting Your New Firm Leader*, destined to be published in April 2017.

I sincerely hope that you find some usable ideas, tips and techniques here that you can put to work immediately. Please send me your observations, critiques, comments and suggestions with respect to any of these articles.

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# The Burning Issues Facing Firm Leaders

We recently presented Firm Leaders with a selection of over 50 timely and ‘Burning Issues’ – those critical business issues concerning technology, market development, profitability, client demand, cultural shifts, governance or whatever subjects were foremost in their minds and asked of them “what is currently occupying your leadership agendas?” These leaders we surveyed were asked to identify from the list we provided (as well as submitting anything we missed identifying) their top 10 priorities – those issues of most importance for the coming year. We were pleased to receive responses representing firms from 50 to over 2000 lawyers in size.

To start with, what perhaps was most striking from the responses received were those issues that did NOT get identified as being on anyone’s agenda, irrespective of firm size.

For example, from a selection of five different Technology issues, the subject of **Artificial Intelligence** and initiatives such as **Ross** were surprisingly, and counter to all of the various articles being dedicated to AI’s potential impact on the profession, of little real interest to firm leaders. Those same leaders also, by way of their voting preferences, seem to have some disdain for the increasing number and visibility of various listings of “**best**” lawyers – Chambers, Legal 500 and so forth. And the third issue that all respondents seemed to be wary of, was the supposed increasing involvement of Corporate Procurement Departments in their role of evaluating outside law firms. It would appear that wherever the involvement of **procurement professionals** are being utilized, it is not having a substantive enough impact on these law firms to merit much attention for 2017.

Meanwhile, there were a number of other issues that were only identified by one sole respondent and even then, not as one of their top five most important. Those issues included one that we are told is of growing

importance to the Millennial-aged attorneys – utilizing technology to better effectuate **working remotely**. Another, of interest it would seem, only to your internal IT professionals, is utilizing external legal/client-oriented BigData and internal data collection and analysis software for **information management solutions**.

Then when it came around to thinking about business development and marketing strategy, there was one particular issue that received minimal attention in spite of the very recent Georgetown Law report on “Alternative Legal Service Providers” taking work away from traditional firms. Our research here would seem to indicate that most firm leaders are giving little consideration to having their firms expand into non-legal or **ancillary business** offerings.

Finally, under the umbrella of firm expenses and profitability two issues stood out. We find that firms are not prioritizing the need to deal with the costs of maintaining and sustaining offices in **smaller markets** that are no longer critical to their growth strategy – which may be the result of firm leadership believing that they have already addressed that expense issue. However the second non-priority is dealing with the need to embrace **new business models** and approaches to enhance the profitability of doing commoditized work and we would respectfully



# Burning Issues in 2017

submit that, from our observations, there is still much to be done in this arena.

That said, here is a summary of the top three burning issues what we identified from our survey results, and then categorized by firm size (and with an obvious sensitivity to maintaining confidentiality).

## FROM FIRMS OF ALL SIZES

The number one, strongest topic that generated the most attention as a top priority for firms of all sizes was identified as **strategy focus**. This was defined as deploying initiatives in your firm, whether through management, policies and/or compensation to increase focus on firm adopted strategic initiatives. It's all about implementation and execution of firm strategies!

One firm leader focused in on the illusive accountability factor. "The issue for me has to do with the accountability of our practice group leaders. In my opinion, we have yet to develop a meaningful way of measuring the value of our team leaders and then handle it appropriately during the compensation process."

The topic of **succession planning** was the second highest priority on everyone's list – both with respect to those firms who responded that they

have a material transition of leadership power on their one to two year horizon, as well as those who worry about the baby-boomer rainmaking partner who is eventually destined to exit the firm.

One respondent focused on the issue of whether leadership should have a term limit. *"I marvel at managing partners who remain in that position for decades, and one wonders whether that's really good for the institution. The institution changes over time, the changing nature of the profession demands a different type of leader, and fresh ideas become critical to positioning your firm for necessary changes."*

As another leader expressed it, *"The overall demographics are aging. The lion's share of the producers in this firm are in their late fifties and early sixties with little strength below that level. So, we are potentially destined to suffer a succession issue."*

One sentiment reinforced by a couple of managing partners went like this, *"I'm giving some thought to how we can better utilize our more senior partners, people in their sixties whose practices are no longer robust but who are very good lawyers and have much to give by way of training younger lawyers."*

Related, we believe to the strategy focus, the third most pressing Burning Issue that firm leaders identified was dealing effectively with their **management matrix** and the need to

develop a more effective means of managing both practice and industry groupings.

One firm leader we heard from attempted to put it rather diplomatically, *"The issue that we are attempting to address is our multiple practice group, industry group, client team and multiple office dysfunctional structure. I'm not comfortable that we have organized ourselves appropriately, and these groups operate at quite different levels of efficiency. We are planning to undertake a thorough review to*

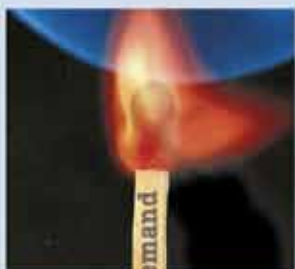
*"The number one, strongest topic that generated the most attention as a top priority for firms of all sizes was identified as strategy focus - all about implementation and execution of firm strategies!"*

*determine what we should be doing."*

We should also note that the issue of **cultural integrity** was also identified by a number of respondents. *"Our firm, like most firms our size, has expanded primarily through the hiring of lateral attorneys. Although we attempt to vet each hire pretty carefully, there is always a struggle to incorporate them into our firm's culture. Not an easy issue."*

## FROM FIRMS OF OVER 500 LAWYERS

Curiously – as if the outcome of some mysterious



'group-think' experiment – the highest-ranking issues that large firm leaders collectively identified all centered around three common themes.

The single most oft-cited topic was **decreased demand**. From the research conducted by BII we are being told that 2017 may bring revenue growth of only .09% so it is no surprise to see that the larger firms are continuing to look for ways to adapt to a slow-growth economy. These firms report that they are looking to initiate effective plans to cope with the continuing flat or deteriorating demand for certain legal services.

As expressed by one firm leader: *"A number of our practice areas are increasingly being perceived as commodities by clients. We are exploring how we might continue to make money competing for and doing this type of work. The fundamental strategic question is . . . does taking it on enhance our ability to get the fuller range of a client's work or does it lead to the overall perception that we are only good for commodity work? Alternatively, if we only aim to position ourselves for the high-end stuff, how do we keep everyone busy or do we need to plan for strategic shrinkage?"*

On a related note was the issue of **attorney development** - and particularly with respect to making investment initiatives into the development of associates and junior partners with regard to enhancing their business skills.

According to one respondent, *"A burning issue we continue to focus on is professional development; focusing on what kinds of programs work to get our attorneys operating efficiently in the area in which they are working (a lot of which they are going to learn by doing), but also in the intricacies of being highly productive at client development."*

From another, *"My big challenge is how to deal with the large group of my partners in the middle of the bell curve, to maximize the effectiveness of their mediocre abilities to develop business."*

And as yet another firm leader framed it, *"We have an abundance of terrific lawyers, but a real shortage of 'leaders.' I suspect that puts us in the same category as everyone else. The priority is to give some real focus now to the early identification, positioning, and training of young partners with leadership traits."*

And, of course, no discussion of firm leadership challenges would be complete without some reference to: *"The burning issue on my agenda is diversity as it remains increasingly important."* While the subject of increasing formal and informal diversity initiatives scored among the top ten for most firms, it made it into the top 3 for the largest firms in our study.

#### FROM FIRM'S OF 200 TO 500 LAWYERS

As law firms have grown, the role of being a firm leader has become more strategic and the pressures more intense. The single most important issue for firms in this grouping and (as mentioned earlier) for all of the respondents in our survey was identified as **strategy focus** – deploying initiatives, whether through management, policies and/or compensation to increase focus on the firm adopted strategic initiatives.

As one leader rather bluntly put it, *"One of our more important burning issues is internal. Our practice groups and practice group management suck at getting anything meaningful accomplished. And unfortunately, we've never held them accountable."*

Then there were those firm leaders who talked about their priority challenge in terms of **differentiation**: *"Are we doing enough to differentiate and how do we distinguish ourselves in such a way as to attract more of the kinds of clients we would love to serve?"*

This one we particularly liked: *"We struggle with differentiating ourselves from several other compet-*

*ing firms who, from the outside, look an awful lot like we do. I think we have made some headway – but most people want to know the difference . . . in 10 words or less!"*

There were even those firms that identified their differentiation challenge as one of competing for the best talent. *"We are constantly competing with much larger firms for talent. We believe we are actually more profitable than some larger firms and historically have provided a far better platform for serving clients. In any event, positioning ourselves to continue to attract the go-to lawyers is always an issue."*

And similar to their larger counterparts, these firms also cited the topic of **decreased demand**. There were even those who, in this size range, questioned the future of the mid-size, middle market firm.

#### IN SUMMATION

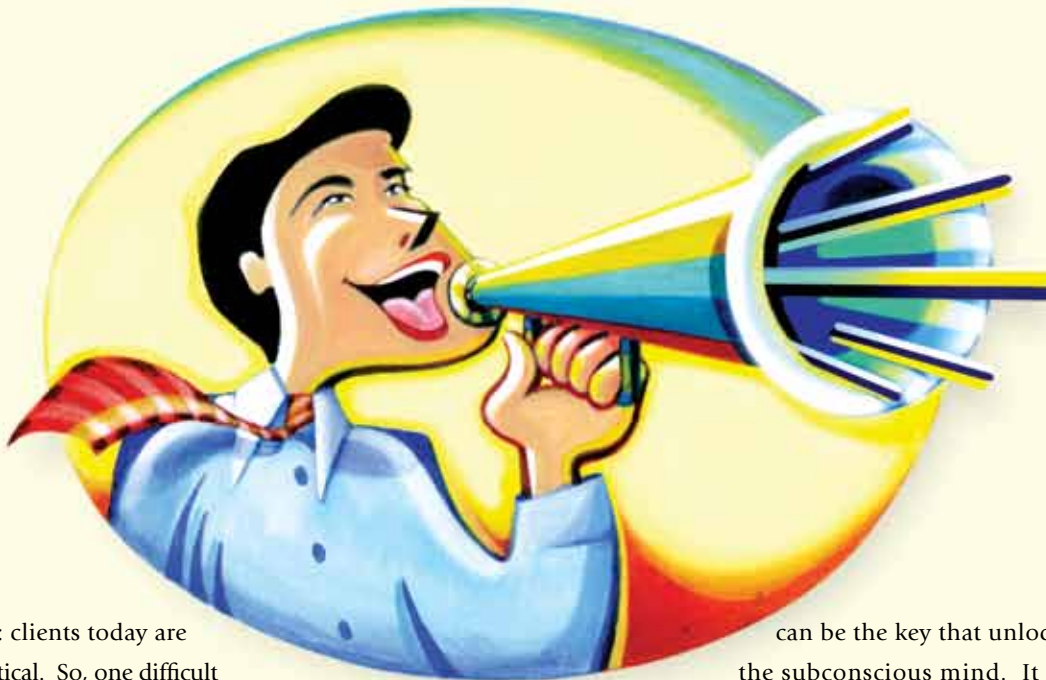
This was the one comment that just about summed it all up with respect to today's market challenge: *"We are a firm that believes our strong culture serves as a major assets. Our revenue and profitability growth has been acceptable to our partners over the past three years and turnover at the partner level is exceedingly low. In short, things are going quite well for us . . . but . . . is this a viable model going forward?"*

While these varied observations may be viewed as a basket full of thorny, deeply challenging issues facing firms today, we believe many of these law firm leaders have the persistence to face their burning issues and create strategies to give themselves a decided advantage.

*This article is an excerpt from the original published by David J. Parnell at [www.forbes.com/sites/davidparnell](http://www.forbes.com/sites/davidparnell)*

*David J. Parnell is a Columnist for Forbes & American Lawyer Media and author of *The Failing Law Firm: Symptoms and Remedies*.*

# Get Your Clients To Do Your Talking



It's hard to deny: clients today are particularly skeptical. So, one difficult challenge each of us as professionals face, is coming up with a convincing response to one critical question: "As a prospective client, tell me please, why should I choose you (your firm or your practice group); what makes you distinctive and what added-value do you bring to my business matters . . . that I cannot get anywhere else?"

Now you might be able to answer that question with a bold assertion, and making a bold claim may be important to get your audience's attention. However, supporting that claim is even more critical if you want to convert attention into action. To support any assertion, proof speaks the loudest. So, when you say something about yourself, it's bragging. When other people say it about you, it's providing proof. That is the essence of any testimonial. One of the ways to prove that you have something meaningful to offer clients and evidence that you are better than your competition, is to produce a few forceful and persuasive testimonials.

A testimonial is usually a written communication from a client that talks about what is special about you, your practice group and/or your firm. Preferably a testimonial should describe the work undertaken, highlighting the success achieved, and include a comment that the client is happy to recommend you. The power of a testimonial or of someone endorsing your service

can be the key that unlocks the doors of the subconscious mind. It is tangible evidence that allows you to showcase the specific ways you are meaningfully differentiated and distinctive from competitors.

Testimonials can be used to say things about your firm and your services that you could never say yourself; but most importantly they should:

#### ■ Evidence success

Clients want to work with those professionals and firms who have a track-record for producing results — "Smart & Smarter guided us through all of the pitfalls involved in outsourcing our manufacturing operations and helped us save over \$7 million in operating costs in the first year."

Ask yourself; do any of your current client testimonials make you want to do business with your firm?

#### ■ Build trust

When a prospective client reads a testimonial about how you and your firm are a leader in their particular industry niche or always go the extra mile to provide exceptional service, the commentary is more likely to be seen as objective feedback, and oftentimes viewed as more trustworthy.

Do you think that your current client testimonials resonate with prospects and give them the confidence to trust you?

### ■ Provide credibility

Your potential clients, especially the *Fortune* 500, want reassurance that you have served companies of their stature, or in their industry, or with their particular problem and therefore understand their mission-critical issues. Third-party objective endorsements are usually much more believable and credible than any paid advertising.

So how much does your firm spend on paid advertising each year and what are

**Keep your promises.** Clients expect a lot and they expect it when they need it. You need to be the professional who delivers everything you promised and more; on time or sooner.

**Be proactively remarkable.** When you stand out from other professionals you will be talked about. Being remarkable means going the extra mile and making service the forefront of your offering not an add-on. Help your clients learn

and grow. Don't just solve their current problem, help them anticipate and avoid future problems.

**Provide enormous benefit.** Help your client save money, time or anything else of value to them. Help them increase or improve efficiency, throughput, or control. That

is how a benefit is described. Benefits help people save, reduce, control and decrease costs or expenses. Benefits help people increase, improve, enhance or gain money, efficiency or time.

**Get business for them.** While not always possible, this is the most valuable thing you can do to secure loyal relationships and testimonials. Figure out a way introduce your client to important contacts, find them networking opportunities, or find some way to being the conduit to helping them get new business.

Now, once feeling like you truly have earned the testimonial, you may still have

to ask for them.

Before you ask, I would be willing to bet that you are already getting spontaneous testimonials. I am always impressed to see firms make a big deal out of identifying certain testimonials as "unsolicited." *Unsolicited* testimonials are those that arrive via email, ordinary mail, seminar feedback forms, or simply from random conversations, without any effort on your part. Think back to the last time someone sent an e-mail to thank you for some recommendation that you provided, commented on the intellectual brilliance of your latest article, or perhaps commended you for responding to their question so quickly and thoroughly. These are testimonials in the making. If you were to simply respond— the same day — thanking them for their generous comments, and ask permission to use what they wrote, you have an unsolicited testimonial.

Have you ever been a speaker, perhaps on a panel, when someone in the audience later approached and commented to you about how much they enjoyed your insightful presentation? When someone says something you like, let him or her know you're flattered, and that what they have said would be perfect for a testimonial. Ask them if it would be okay for you to write up what they said, and send it to them for approval in the morning. And you know the old adage: strike while the iron is hot. Waiting more than a couple of days after an incident occurs, significantly lowers your chances of taking advantage of this opportunity.

*Solicited* testimonials are those you consciously pursue. You might start by listing ten clients you consider your most important, high profile, or influential.

**T**hink back to the last time someone sent an e-mail to thank you for some recommendation that you provided, commented on the intellectual brilliance of your latest article, or perhaps commended you for responding to their question so quickly and thoroughly: *These are testimonials in the making.*"

your plans for obtaining compelling client testimonials?

### SO, HOW DO YOU GET GREAT TESTIMONIALS?

Perhaps not surprisingly, the answer is the same as it is for referrals; first you have to ensure that you have earned them!

#### Understand your client's expectations.

To have any hope of obtaining winning testimonials you must be known as a professional who performs in accordance with your client's expectations, which means that you need to invest the time to ensure that you clearly understand those expectations.



In order to possess a testimonial that is powerfully persuasive and becomes part of your market positioning, you should try to get a testimonial from a recognized / influential commentator or expert on how you have helped address and solved a problem that is a representative of the problems experienced by your targeted client group. A persuasive testimonial will help you to tell your story and show that you know something about a specific problem, issue, market, or business.

If you want great testimonials, you have to ask for them. Most often, your clients being smart business people understand the nature of your request. Call them, tell them what you need, treat them to breakfast or lunch; and also give some thought to what you can provide them of value (an idea or lead) at the same time, to help earn your testimonial. That said, generally you won't experience difficulty in obtaining a testimonial, as you will only be asking those clients who are deliriously happy with your work. If you feel in any way awkward about asking any client for this favor, it should be a clear signal that your relationship with them may not be the best.

You might want to consider inserting a clause in your retainer agreement, that makes obtaining a testimonial, a standard part of doing business with your firm: "After completing this transaction and obtaining your financing (our firm) would like to feature our work together in a testimonial." A clause like that can set an expectation, at the very beginning of a specific matter, that a testimonial will be furnished right after the project is completed.

In some situations it pays to help people write your testimonial. Perhaps they're ex-

remely busy, perhaps a bit uncomfortable about how to actually write a testimonial, or sensitive to not wanting to disappoint you. In these cases, you might offer to write the testimonial for them. Simply interview them about their experience with your firm; write up your notes – including all the main points they made, and use as much of their actual terminology as possible. Write two different versions to allow them to choose which they prefer. After you've drafted the two testimonials, include another section titled "I Can Do Better Than That" and leave some blank space for your client to write an original statement. If they do make any changes, it inevitably ends up being *much* better than what you originally wrote.

#### **WHAT SHOULD YOUR TESTIMONIAL SAY?**

Take a moment and look at any of the written testimonials you currently have – perhaps those on your LinkedIn page. Ask yourself objectively if they would prompt you to pick up the phone. Or do they merely communicate the same old trite message: "These are wonderful folks to work with and I have been doing business with them for years." That sounds nice but doesn't have any compelling power.

To be truly powerful and convincing, your testimonials need to articulate as many of these attributes as possible:

- **be phrased in a way that removes a risk or neutralizes a fear.**

*"I was extremely concerned that our company would be vulnerable to significant punitive damages, but with your expert guidance we were able to take effective preventative action."*

- **overcomes a prospect's potential objection.**

*"Initially, I thought your firm's fee quote was*

*rather steep, but now in retrospect I have come to realize they what would have been extremely expensive, is if we had retained a firm who had only limited experience with these kinds of financing deals and wasted our precious time with us helping them learn the ropes. Your firm definitely provided us with the best value."*

- **defines a benefit**

*"Helping our company license our intellectual property allowed us to expand our market reach, develop three important strategic alliances, and improve our profitability by 64 percent last year."*

- **focuses on the specifics of the professional.**

*"Jennifer Ward was not only responsive to returning every call within the hour, but she managed to get her team of attorneys to work non-stop, through an entire weekend to close our deal within the tight time-frames it required."*

- **has an "act now" impact.**

*"Up until last summer we used the ABC firm for all of our tax work, but having now switched to your firm we find that we get far more proactive tax counsel and believe that every company in our industry would benefit from similar advice."*

- **reinforce your claim.**

*"The extra effort put forward by members of your client team has resulted in our legal department being far more knowledgeable and able to draft the required privacy protocols for our various business units."*

Which of these testimonials engages you?

*"Wow, was I surprised. When we first contemplated the complexities of our first share issue, I never thought I could get my securities questions answered so quickly."* or *"We got our securities questions answered quickly."*

Wouldn't you agree that the first testimo-

nial, because of the underlying emotion in it, actually draws the reader in more? Don't lose the 'flavor' or the emotion of your endorser. Very often, some intense feelings or the slightly quirky phrases that someone uses in writing the testimonial are the very words that will make a special connection with the reader. Don't be tempted to edit them out. Keep the testimonial in the writer's own words.

Always include a name at the bottom. ONLY, when a testimonial has a name attached to it, is it believable. And, if it is not fabulous, don't use it. It's better to have no testimonials at all, than to use weak or unbelievable testimonials. Only use testimonials that truly support your practice objectives.

### STRATEGIC VARIATIONS

**Endorsement Letters** – This is a variation on the testimonial, known as an endorsement letter, that deserves special mention. In this process, Firm A (the host and let's say this is an accounting firm) agrees to let your firm (the beneficiary) deliver a promotional message to Firm A's clients. You might even write the endorsement letter introducing and recommending your services to their clients. Firm A simply approves your writing and "signs" the letter. This is a very powerful and cost effective technique as the cost of sending an offer to each of Firm A's clients is minimal. The beauty of this technique is that the clients of Firm A are more susceptible to hear from you since Firm A, which they already know and trust, is implicitly recommending you. To make this work, you need to look for firms that target the same type of client you seek and

are not competing directly with you. Think about the various aspects of your practice and the firms that you could approach to start a profitable relationship with.

**Launching A New Practice Area** – If you're launching a new practice or dramatically changing the focus of your existing practice, you might think about using tes-

*"Always include a name at the bottom. ONLY, when a testimonial has a name attached to it, is it believable. And, if it is not fabulous, don't use it."*

timonials to support your new endeavor. Perhaps to help launch your new practice you've done some substantive research and decided to present a workshop or seminar to existing and prospective clients. You can often get pre-event testimonials by forwarding your seminar notes or outline to business contacts or colleagues for review. Tap your network, ask your friends, look to your past clients. With a bit of persistence – you should be able to get several credible testimonials well in advance of presenting your seminar. Now use those testimonials to give credibility to your actual seminar offering and build trust in your presentation expertise. At the seminar itself, ensure that participants are allowed to provide written commentary at the end, especially to identify what they liked about your seminar content (what was the most valuable to them). Now use the seminar testimonials to evidence your knowledge and expertise as it impacts the new practice area.

### USING YOUR TESTIMONIALS

Before you purchased your last business book, did you flip to the back cover to read what other people had to say about it? As an author I learned from some of my more experienced brethren that one good way to promote your newest work was to get well-respected peers to write favorable advanced praise and then include that commentary all over the front and back covers of the book jacket. When you admire the person who provided the quote, it adds instant credibility to the book.

While testimonials must be used in the proper manner, don't limit your creativity. You can include them among your materials for use in RFP proposal presentations;

in client newsletters; post them on your website, on different pages and in borders so they remain in view; and you might even include a testimonial in your e-mail signature (ideal to rotate them). One firm I know put together a fabulous promotional brochure comprised completely of only client testimonials. They recognized that . . . It is what others say about you that really counts!

Most often, we use testimonials to get in the door. Obviously, if that is the only way to initiate contact with the prospect, do it. But the real power of a testimonial is in the proof it offers when the potential client is ready to decide. Testimonials should be used at the end of the selling process to dispel any doubt, eliminate risk, substantiate value and pave the way to your engagement proceeding.

# Becoming The Firm Of Choice

## It's All About IMPLEMENTATION

Every law firm we've worked with has been full of highly intelligent, highly analytical people. People more than capable of comparing the individual elements in the model to how their firm currently operates and determining precisely what their firm needs to do to change the way it operates. However, these same highly intelligent and analytical people tend to be much less effective at turning their plans into reality. Hence, our unshakable belief that the firms who will ultimately become the firm of choice in their chosen markets will be those that can implement their plans faster and more effectively than their competitors.

As all firms will have different starting points, what we can't do in this article is go through every possible set of actions that will deliver the systems and beliefs contained in the model. What we can do, though, is highlight the principles that underpin successful change in any professional service firm. These are gleaned from all of our combined forty-plus years' experience of working on change programmes in professional service firms, as well as extensive desk research and conversations with the leaders of lots

Being the firm of choice in its chosen markets has to be the objective of every professional service firm. This will inevitably mean that, in some markets, there are multiple contenders for that title. So, what will differentiate the ones that take the prize from those that don't? In our view, the answer is simple: their ability to implement the changes needed to move them from their current operations and culture to those that differentiate them from their competitors.

In a recent article we explained what those operations and culture are and the model, which illustrates them in action, is shown below:

Figure One: The Professional Service Firm Systems and Beliefs Model ©



of professional firms across the world.

But let's start with a general but crucial observa-

tion: no change program we've ever known works as people intend it to at the outset. Change can be illogical, non linear and frustrating. Good ideas can also come from the most unexpected (and often younger and less experienced) sources. This can be particularly perplexing for senior people unfamiliar with change programmes and who, in their everyday work, are used to the idea that their voices and reputations carry the most weight.

Helping these very smart people, who live in professional firms, to respond effectively to the challenges of change is what we've each spent the last twenty-plus years doing. We have done this more than enough times to know that understanding the principles that underpin successful change makes a real difference and that it speeds success.

So, here are our key principles:

**Change is about the whole firm:** Experience tells us that rarely in any firm do all the practices operate at the same level. And, as good as it

may be for one practice – say, M&A in New England – to be the firm of choice in its market, if the

firm's other practices do not have the same, or similar, reputations, it severely restricts opportunities to introduce other services with the revenue and profitability enhancements that should go with it. So, while it's tempting, if you are that M&A practice, to go steaming ahead and ignore the position of the firm's other practices, remember, successful change is about the whole firm.

**"B**eing the firm of choice lies in having the ability to "implement" the changes needed to move you from your current operations and culture to one that differentiates you from your competitors.

**Make things fun:** Make things exciting. Make it worth the time, effort – and pain – involved in getting there.

**Speed and momentum are critical:** While there is always lots of energy and excitement at the start of any initiative to make the firm even more effective in its markets, sustaining that momentum is especially important. That means keeping the prize, and the benefits to everyone at the front of people's minds.

**The partners have to walk together:** The partners are the leaders in a professional service firm. They have to act as one, or "walk together" as we call it. As the people, who influence both what gets done and how it gets done, the partners must lead from the front in both word and deed.

**You have to make the "end" real not an abstraction:** Everyone needs to know what the end is and what it will look and feel like to them personally. Change initiatives invariably increase people's levels of anxiety and uncertainty, so providing as much detail as possible about what they will be doing differently is particularly important.

**Involve everyone in the firm as early as you can:** By doing so, people will take ownership of the problems and the solutions, and they'll deliver!

**Behavior only changes where the work gets done:** The partners have to ensure that their people take on board the new ways of doing things, of dealing with clients and each other, and don't fall back into the "old" ways because it's easier.

**Encourage people to do things differently:** But don't criticize failure or create a culture that is intolerant of failure. And don't expect or wait for perfection. Just because something doesn't work the first time, that doesn't mean that it's wrong or won't work next time.

**Recognize people's contributions:** People want

to be associated with success; it's uplifting and great for morale. Thanking people can act like rocket fuel and encourage them to do even more.

**Don't reinvent the wheel:** Bring people together to share what's worked in other parts of the firm and what hasn't. And spread the good news fast!

**Instill a "high challenge/high support" culture:** Lots of firms have the "high challenge" but not the high support. People should never be afraid to ask for help. Remember, it's about being the best. And people will make mistakes. The key is to help them, to analyze what didn't work as intended, learn from it and move on together.

**Take every opportunity that comes along:** Use unexpected consequences as opportunities to build on and use them to your advantage.

**Over communicate. Over communicate. Over communicate:** There is no such thing as over communication in a change initiative. People get bored, get worried, get tired – the partners have to reduce their anxiety by keeping them informed about how far they and the firm have come and what has been achieved.

**Know what you're good at – and what you're not:** When you need external help and support, get it. It'll speed the process and that's key.

And finally, three key ones:

**People will get "change fatigue":** Everyone in the firm will, at some time, have had enough and will dream of just doing their "day job." This will include the firm's leaders as much as anyone, but to help the everyone in the firm keep their focus on the end point, the leaders have to be on the road, telling the story, emphasizing the why and the benefits.

These principles highlight the complexities and difficulties of change - we never said becoming the firm of choice would be easy! However, following these principles and integrating them into the way the firm takes on the challenge of becoming the firm of choice, will definitely make a discernible difference. There's no doubt that responding to the challenge will feel soul-destroying at times but when the firm achieves its "best in class" reputation, it'll all have been worth it!

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The ideas in this article come from their new book, *How To Become The Firm Of Choice*, which will be published by ARK Group early in 2017. Further information about the book can be obtained here - <https://www.ark-group.com/product/how-become-firm-choice#.WJNt9zWgTJf>

# LEADERS GET THE BEHAVIOR



# YOU TOLERATE

Cooperation in the workplace is a valuable commodity. And while it can be challenging to achieve, your garden variety major enterprise is armed with a whole host of tools to facilitate it: a well-articulated and expansive growth structure; strictly defined roles amongst the workforce, management, and leadership; highly differentiated and flexible compensation structures; profit sharing, stock ownership, pensions, and other long-term enticements; etc.

Law firms, on the other hand, are a different animal. Their structure is fairly flat, corraling the more senior attorneys into a single or two-tiered pool – “partnership” – that can create ambiguity surrounding one’s relative criticality within the firm. Responsibilities are often loosely articulated, creating confusion about priorities, client intake, time management, etc. There are no long-term incentives, full stop. Compensation models, while focused on, among other things, incentiviz-

ing cooperation, are challenged by the intense competition for clients and the tension created by the billable hour. The list goes on . . .

Inextricably, this type of environment creates stress; particularly as it relates to human interaction. As consultants to the profession, we know this all too well, and have often observed those seeking lateral opportunities being largely driven by toxic environments created by colleagues. Realizing that this is a primary challenge for law firm leadership, we recently conduct a survey of major law firms regarding detrimental behavior and how they handle it (or don’t as the case might be!)

Polling firms ranging in sizes from 100 to multiple-thousands of attorneys, we explored: how firms define and articulate “detrimental behavior;” the characteristics of detrimental actors; reporting policies and procedures; the governing of detrimental behavior; and behavioral modification processes. Our results came from 124 responding firms – approximately

half of those being from AmLaw 100 and 200 firms – and provided us with a spectacular cross-section of data.

## SOME OF THE MORE INTERESTING THINGS WE FOUND:

### ■ Regarding Values and detrimental behavior:

Among the AmLaw 100 firms responding, 87% claimed to have written value statements while only 20% have clear and tough sanctions for behavior which does not comply with their values. And when queried on whether compliance with firm values is given equal weight in the firm’s appraisal process to other areas such as technical competence and billable contribution, only 11% said “yes.”

### ■ Behavioral Modification:

59% of all respondents have “used ‘detrimental behavior’ as a reason to reduce a partner’s compensation in the past 5 years,” while 52%

have asked partners to leave in the last 5 years for “behavior that offended their values.”

### ■ Citing Detrimental Behavior:

The top five most common detrimental behaviors that firm leaders cited were:

“bullying behavior and lack of respect” (by 89% of respondents);

“not being a team player with a ‘me-first’ personal agenda” (84%);

“poor matter management habits like getting in time, etc.” (80%);

“failure to achieve work quality standards” (76%); and

“Negative attitude infecting others” (69%).

Some of the other behaviors offered up included “Blocking the advancement of others and acting out.” “Failing to share credit and failing to treat staff with respect.” “Not managing files to a budget; big egos engaged in internal empire building.” “Failing to address and support diversity issues.” And even “General poor behavior: the ‘a-hole factor.’”

### ■ Processes For Handling Detrimental Behavior:

66% of the firms told us that they have a confidential path for complaints, but only 33% of all firms have a “formal complaint process, written clearly and in plain language,” and only 54% have any kind of “formal follow-up process with the complainant.”

### ■ Psychological Challenges

Perhaps most interesting was the resistance that firm leaders lamented when confronting the detrimental actors. 41% of the firms said that discomfort among leadership in challenging detrimental actors has been strong enough to delay addressing the problem,

*The most common detrimental behaviors that firm leaders cited included: “bullying behavior and lack of respect” (by 89% of respondents) and “not being a team player with a ‘me-first’ personal agenda” (by 84%).*

while 22% admitted that the discomfort was strong enough to altogether prevent leaders from addressing the problem.

Now, bearing in mind that 70% of responding firms claimed that the primary responsibility of confronting the detrimental actors lays with the managing partner (or whatever other title is given to their alpha), most firms leave a *single* person with the unsavory yolk of confronting a difficult topic with an actor that has a propensity toward belligerence – and REMEMBER: 89% of respondents noted bullying as the top detrimental behavior. We can’t imagine that anyone would be rushing to do this. And while we *are* speaking about those leading from the top of a pyramid of top-of-the-food-chain attorneys, they are still people. We can see why this may cause a problem.

And let us not forget the potential for pre-existing relationships. The former Office Managing Partner of an AmLaw 50 firm, Ed Reeser had this to say:

*“It would be rare that the MP did not owe some significant support, if not the defining percentage necessary to have themselves elected, removed, or marginalized, from a majority of these partners who display bully behavior. Take one bully on and win, and you become more a threat and less an ally to others – unless they themselves appear to be concerned about it impacting themselves – not to mention making an outright adversary of the*

*now openly challenged bully who will NEVER forget what you have done and be ever watchful of the opportunity to return the bullying focus upon the MP. Ultimately you will have to outlast them at the firm, or push them out, all with the clear and hopefully consensual support of the other ‘bullies’. It is not a casual confrontation or education, for actually changing them is quite unlikely.”*

### ■ Structural Challenges

Taking this a bit further, we asked about compensation as it relates to detrimental behavior: “In comparison to our average PPP, the compensation of the detrimental actors that we’ve experienced is generally lower, equal to, or higher,” and found that 75% of detrimental actors had compensation equal to or higher than the firm’s averaged PPP. We also explored how (client) book size and internal clout affected the handling of detrimental actors, finding that 38% of firms have allowed detrimental behavior to continue because of the size of someone’s book, and 36% have allow detrimental behavior to continue because of a partner’s clout.

The importance of client development is a long held truism, and isn’t unique to the legal industry. Robert J. Lees, co-author of *When Professionals Have To Lead*, had this to say about the accounting industry:

*“My experience from working in large accounting firms around the world is that the absolute drive for sales and the over-reliance on big client partners gave them absolute power over anyone else. They were – and still are in way too many cases – Gods, with delivery – actually doing the work – way down the list of importance. So, my experience mirrors [that of the survey] and every MP I have known has struggled; after all, when there’s no job description and little or no develop-*

ment, what chance have you got?"

With this in mind, the uniqueness of law firm DNA can amplify a firm's vulnerability. As partners at the firm, law firm leadership, while indeed having a level of influence, still technically resides on the same plane as those they lead. This inextricably prevents a *true* separation of power and interests, and can leave leadership vulnerable by declawing them

– to a degree – and in some ways leaving them impotent to modify the bad behavior.

This is *not* an attack on the leaders, but just an observation of the realities of law firm governance.

Further, professional rules make it impossible (for all intents and purposes) to *lock* attorneys into a firm with a non-compete clause. Further, clients are increasingly doing business with star attorneys, and not necessarily a law firm as a brand, making the free-agent market a hot one to pursue. As a result, disgruntled books of business can go mobile in a relative instant. When you throw this into a declining market that is continuing to constrict and consolidate, many-if-not-most firms can't afford to risk upsetting a book of business that might get up and leave as a result.

#### WHAT CAN BE DONE?

While a firm can just grin and bear it, we think that the survey results underscore the need for firm leadership to take decisive action. The only way to change bad behavior is to change your behavior toward it. That means that leaders need to strongly signal that those exhibiting bad behavior will not get them what they want and that there will be consequences if they persist.

It is illuminating to look at the link between bad actors and the paltry 11% of respondents

**While a firm can just grin and bear it, we think that the survey results underscore the need for firm leadership to take decisive action. The only way to change bad behavior is to change your behavior toward it."**

that told us that compliance with firm values is given equal weight with billable contribution in the firm's appraisal process. Establishing your firm's values and corresponding behaviors requires a continuing effort throughout every office in the firm, with ever constant reminders, explicit references to those important values and overt praising of good examples – all designed to help cement your cultural DNA.

In one instance, we heard a great example of this from a managing partner who informed us of how he reinforced the firm's value around mentoring juniors by having all of the associates nominate those partners, who from their experience, did the best job of mentoring. At the firm's annual retreat, he then called upon those who received the highest scores from each practice group to come up to the front of the auditorium to accept a small token of the firm's appreciation. He told us, "I did not need to point fingers at those who weren't doing their part. Never underestimate the power of peer embarrassment to help shape the behaviors you want." One of the more powerful ways to influence bad actors is to have their peers prompt them to behave in accordance with the standards that everyone has agreed to.

We are reminded of Netflix CEO Reed Hastings, who in 2009 released a 124-page PowerPoint entitled, "Netflix Culture: Freedom

and Responsibility." Not unlike the written value statements that populate so many law firm's websites, this document emphasized the importance of decent behavior as well as professional competence. What was different about the Netflix approach to their stated values was swift termina-

tion of those who broke the rules. The result has been a firm culture renowned for being positive, supportive, and efficient.

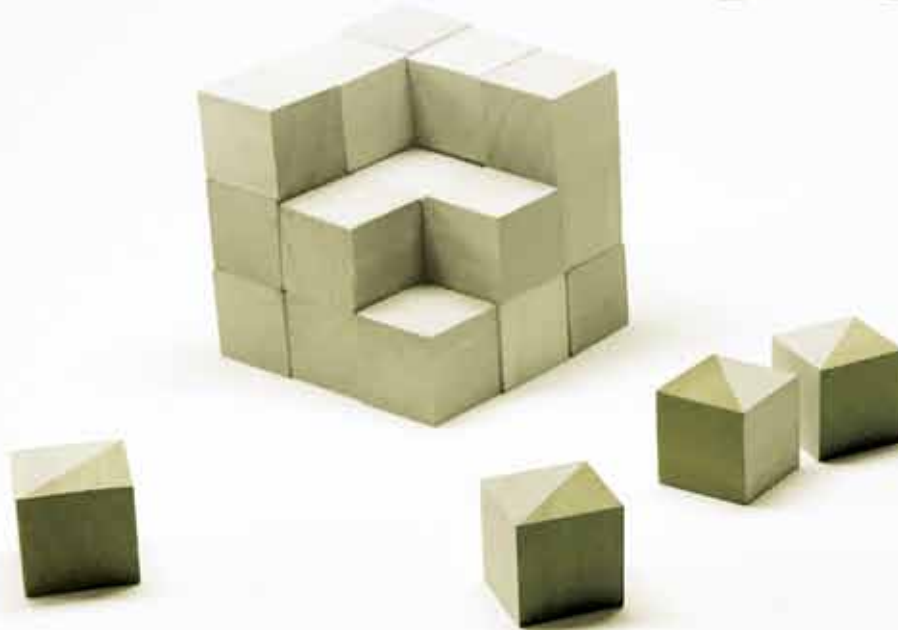
While this may all be more easily said than done, our immediate thoughts are that if the mental discomfort of exercising discipline causes a problem, perhaps a committee should be formed to address the problem rather than leave it to a single person. A dilution of the bad actor's focus would inevitably occur, and broaching bad news is always better in groups. However, the solution ultimately manifests, this is an area that is most likely a challenging one to address for both leadership and the rest of the firm.

Robert Sutton, the noted Stanford professor and author of *The No Asshole Rule* (2010) makes the case for also adjusting hiring practices. The best firms spend an inordinate amount of time, sometimes even using psychometric testing, to ensure that a candidate is socially competent and if they obtain evidence to the contrary they don't try to fix the problem, they just don't hire the problem — and in a law firm example, this should follow no matter how big the corresponding book of business involved.

*This article is an excerpt from the original published by David J. Parnell at [www.forbes.com/sites/davidparnell](http://www.forbes.com/sites/davidparnell)*

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# The Five Challenging Para



The jobs of being a firm leader within a law firm should come labeled with a clear warning: *This job could seriously change you and how you behave within your firm!*

Over the past decade I have had the privilege, through my consulting, research and interviews, to peek behind the veil surrounding the challenge of becoming a **new** managing partner (or whatever title best signifies your firm's leader). From candid discussions about the stress involved in looking like you know what you are doing and the huge time demands imposed by your partner's requests, to feeling disorientated by the scale and scope of the mandate, many professionals quietly struggle with the various pressures that accompany their term in office. I discovered that the great majority of leaders, in any position of responsibility, are at their most vulnerable early in their tenure.

As a new leader you may be surprised to feel confused and indecisive just at the time you want to appear clear-sighted and strong-minded. You may feel overwhelmed and anxious just when you would far rather be seen as composed and dynamic. In fact what I've discerned is that there are a number of what I'll call "leadership paradoxes" – the more or less ongoing dynamics of the job that incumbents wrestle with, to effectively handle the job of being a leader. Here are the top five:

- Do I shake things up or do I preserve the status quo? (determining appetite for change)
- Do I strengthen my bonds with people or do I maintain a dis-

tance? (developing working relationships)

- Do I demonstrate that I know what to do or do I ask for help? (appearing knowledgeable)
- Do I strongly influence the decision I want or do I facilitate a consensus? (making decisions)
- Do I focus on achieving results or do I accept a degree of uncertainty? (setting action priorities)

Each of us, when serving as a leader, has a natural predilection to favor one approach or the other; to gravitate to one extremity over the other. Therefore, our preference, as to whether to 'shake things up' or to 'preserve the status quo' is often 'hard-wired' into us, the result of past experience gained *before* entering into our current leadership position. What seasoned leaders come to learn, is that the only way to navigate these tensions successfully, is to try to manage both ends simultaneously.

Let's take a look at these top five tensions of leadership — with an eye toward what you, as a new leader, can do to navigate them. To give you a sense of what it truly feels like on the front lines, each of the following sections leads off with a quotation from a real-life law firm leader (kept anonymous for reasons that will be obvious).

## 1. DETERMINING APPETITE FOR CHANGE



# Paradoxes of Firm Leadership

**(Paradox: Where do I shake things up and where do I preserve the status quo?)**

*Lawyers are creatures of habit and busy lawyers even more so – the time and effort to “condition” them to new modes of operating should not be underestimated. On a variety of change initiatives, my personal goal is to reduce the time from “that’s the dumbest idea I ever heard” to “we always do it that way” from 5 years to 3 years!*



Your first area of tension as a leader is to obtain some sense of agreement from your partners on the direction your firm, office or practice group should pursue. That direction has a great deal to do with the performance you as the leader are charged to deliver. It also has a great deal to do with your partner’s collective appetite for change. “Our dilemma,” explained one managing partner, “is that we hate change and love it at the same time. What my partners want is for things to remain the same but get better.”

There are many questions that you could probably utilize with partners to get a grip on the direction your partners want to go, but two are pivotal:

- What are the critical things we need to change as a firm and why?
- What are the most important things about our law firm that we should be sure to preserve and why?

Things to keep in mind:

■ As early as possible as a leader, you must get your partners input into what they see as the group’s preferable direction. Conduct one-on-one interview sessions with your partners – asking each one the same questions to get their insights, solicit their advice and see what

themes emerge. Clarify what they want to see you “shake up” and what they want to see you “preserve.” It is wise to have your partners see that you are genuinely engaged and willing to listen before you ever speak about where you think the firm needs to go.

Your interview goals:

- Absorb information from your partners;
- Define or confirm the firm’s key challenges;
- Establish credibility and win trust;
- Assess your partner’s appetite for change; and
- Gather input for developing your strategic agenda for going forward

Doing nothing but listening, for as long as you can stand it, is the most important thing you can do.

■ Ask yourself: How do I begin to make a difference? What do I want to make a difference about? Regrettably, some leaders accept unachievable missions and targets that are far too ambitious, while other become leaders and are told little about what is expected, other than ‘continue to make improvements.’ If you believe that the direction you are being asked to undertake is not achievable or able to be accomplished within the timeframe expected, make your feelings known as early as possible in your tenure.

**2. DEVELOPING WORKING RELATIONSHIPS**  
**(Paradox: Where do I need to strengthen bonds with people and where do I need to maintain a distance?)**

*I realized that fundamentally my relations with my partners would never be the same. Everyone has an agenda when they talk to you. As managing partner, you become more isolated and can never again just be one of the guys.*

In what circumstances will people follow you as a leader? Usually, for people to follow they need to have a strong relationship with you, they need to feel that they know you as a human being, and they need to feel a connection and sense of empathy for your beliefs, values, and stated priorities. Concurrently, these very same partners need to feel that you have invested the time to really know and understand them, and have a solid grasp on what they value and hold important.

Without a strong sense of relationship between you and your colleagues, great goals are impossible to set, performance cannot be sustained,

*It has a great deal to do with your partner’s collective appetite for change. ‘Our dilemma,’ explained one managing partner, ‘is that we hate change and love it at the same time. What my partners want is for things to remain the same but get better.’*

major difficulties cannot be overcome, and new opportunities rarely get created.

Alternatively there is also the danger that when a leader tends to lose their independence from their colleagues, they can tend to get identified with one cliché or coalition in the firm. At one firm recently we overheard one of the partners commenting that a particular proposition

while rather absurd, would likely get positive attention, only because the originator was a FOG. When we naively asked what a FOG was, the partner responded, “Oh, that is an acronym for Friend Of Greg” . . . the firm’s chairman and managing partner.

However, the tension comes because if you emphasize keeping your distance from colleagues, you may create a sense of aloofness, potential mistrust, and encounter resistance when you try to get things accomplished. You may soon detect increased feelings of division within the firm.

Things to keep in mind:

- Your partners are not interested in your title. They want to know if you care about them as a person, if you care about helping them solve their problems and enhancing their careers. Consider building and maintaining relationships as a critical part of your leadership role. Remember that leading is always done with others, not to them. Everyone wants a cheerleader, someone to believe in them, to help them have a can-do attitude. What can you do to let every partner know that you believe they can become even more of a success?
- As a leader, you will be under a microscope, being observed (your decisions, how you make them, whom you consult with) very carefully (what you say and the signals you send.) You will be barraged with phone calls and e-mails – with questions, requests, and advice. You may need some time to transform some relationships. Good leaders customize the relationship created to each individual.

### 3. APPEARING KNOWLEDGEABLE

(Paradox: How do I maintain balance between

knowing what to do and asking for help?)

*Notwithstanding all of the qualities I believe I have, I’m feeling like I’m a fish out of water. In yet how do I tell anyone what I’m going through. I need them to go on believing in me and trusting that I know what I’m doing.*

When you are new to the function and responsibility of managing and leading the entire firm, you are starting out with an enormous amount to learn. You soon find that the skills that made you a highly successful practitioner, are not necessarily the same skills that will now transform you into a successful leader.

If you come across to your partners as having all the answers, knowing what to do, and showing everyone how to succeed, you risk being seen as imposing your views, being uninterested in the opinions of other partners, and prone to antagonizing and irritating those same partners.

Alternatively, if as a new leader, you are perceived to overdo ‘the seek help’ side of the spectrum, you may then risk being seen as lightweight and unsubstantial. Partners may soon wonder if you are ever going to get around to adding any value.

So the tension arises as you realize that you should not come across as a ‘know it all’. But, at the other end of this spectrum, your people will not be confident in the direction that the firm is taking unless you act as though you know precisely where the firm should be going, what it will encounter along the way, and what the destination will look like once it has been reached.

Things to keep in mind:

- Heed the old adage: He who asks a question is a fool for five minutes, but he who doesn’t is a fool for the rest of their life. Most people want the leader to succeed and will be willing to help you learn so that you can add value.
- All learning challenges a person’s self-image. As a leader, you need to recognize that learning will mean that you will have to modify some of your viewpoints and certainties.
- You will function more effectively when you have a confidant – someone that you can trust and confer with, who understands the joys and successes, the difficulties and frustrations of leadership.

### 4. MAKING DECISIONS

(Paradox: When do I strongly influence a decision and when do I just facilitate a consensus?)

*In some cases I’ve learned that I need to be more explicit . . . ‘there is where I believe we need to be going and this is what I think we need to do to get there, based on the discussions that I’ve had.’*

Deciding who will make what decisions and how decisions will be reached is a fundamental leadership act.

On the one hand, you know that your partners will likely take more responsibility for implementing decisions that they themselves have played a part in making. This argues for wider distribution and a consensus decision-making style.

On the other hand, you know that you must often reconcile the conflicting interests of appealing to partners who don’t want to move too quickly with the market reality that opportunity windows don’t stay open for-

ever. This argues for a quicker decision than obtaining full consensus might allow. Whether to influence or facilitate can be a function of firm culture, leader personality, and situational dynamics. It definitely shapes how your firm will operate.

Things to keep in mind:

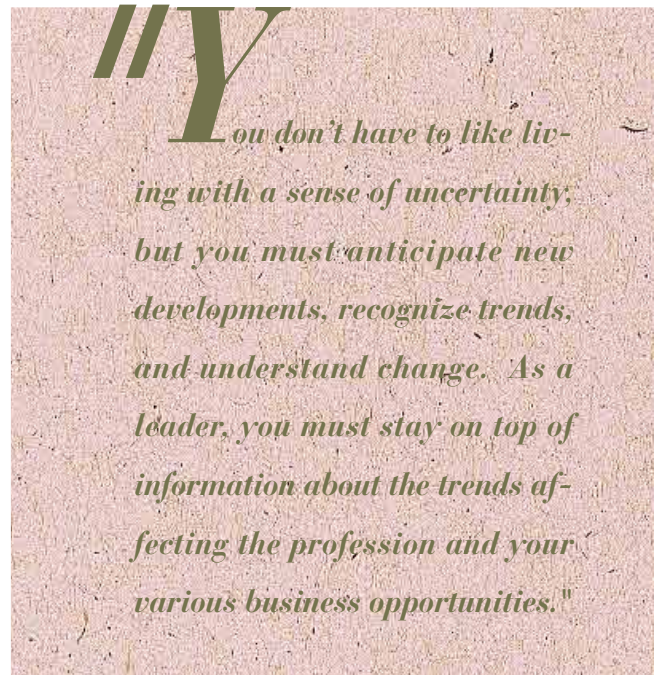
■ Things can get very stuck with this tension. Of all the tensions noted, you may very well tend to identify most strongly with either influencing or facilitating as your preferred style. Research shows that what we are skilled at is what tends to get reinforced. As a firm leader you will confront more complex situations than you may be used to and more complex than your habits are suited for. If you stick rigidly to only one (influence or facilitate) way of handling the situation you may become far less effective as a leader than someone who works at developing their skills in both of these decision-making formats. What is required, as with the other tensions, is an appropriate dosage of both influencing and facilitating.

## 5. SETTING ACTION PRIORITIES

**(Paradox: How do I maintain focus on achieving results and remain accepting of uncertainty?)**

*You don't want to show any weakness, any self-doubt, any concern about making a difficult decision. Remember, you are the firm leader, which means nothing but confidence and high energy when you walk into a room.*

As a leader, you are likely to want to achieve some impressive results during your tenure. You will go to considerable lengths to achieve



those results since your sense of self-worth, personal reputation, and ultimately, your leadership legacy depends on producing measurable results.

Your challenge is that you inhabit a world infused with uncertainty. So simply being methodical and persevering will not necessarily guarantee that you get the results you want. As a leader, you need to have the ability to be comfortable with uncertainty, to live with it, and not to be fazed by it.

You don't have to like living with a sense of uncertainty, but you must anticipate new developments, recognize trends, and understand change. As a leader, you must stay on top of information about the trends affecting the profession and your various business opportunities. Your future is directly linked to your ability to respond quickly and with flexibility.

Leadership is about credibility. Credibility requires confidence, certainty and capability. Allowing others to see that you lack certainty can be dangerous in the real world. Once doubts about the leader's certainty begin to

form, they can be very difficult to repair. Every leader knows this and every leader fears it.

Things to keep in mind:

■ It is very human to stay with doing what is comfortable. Make a conscious effort to turn off the old tapes that are playing in your mind and be willing to let go of the past. The most effective way to minimize the intimidating effect of uncertainty is through planning. The more understanding you have of the likely-to-happen event, the less debilitating the change will be.

■ Knowing when to unlock from a declared position and advocate a new one calls for courage. Accept that you will not be 100% right in all of your judgment calls. And beware of the mindset imposed by your professional training and your ego's need to be right. If any of your decisions turns out to be wrong, and they will, don't confuse the business need to change direction with feeling that you are looking indecisive.

■ It is very human to get discouraged at times. Sometimes your objectives may be criticized by others. Sometimes your goals may seem harder than you thought. There is always an element of personal sacrifice and a need to remain flexible. When unexpected events occur, the value of a leader with a high-faith factor cannot be underestimated. Expecting success to follow a period of change has a positive affect on the attitude of your partners. It is a powerful motivator.

# Paradoxes Questionnaire

If you want to manage the paradoxes of leadership more effectively, you must first get a sense of how you currently operate with the different tensions. This questionnaire will help you determine your preferred style.

From among the following two sets of variables, choose one that represents the style with which you're most comfortable. There are no right or wrong answers. Your choice of A or B represents how naturally disposed you are to act in one way versus the other.

Here is how you might want to think about the results: With all five of these tensions, you cannot decide to operate or behave in one manner or the other, gravitating to one approach over the other. To be effective, you must embrace the paradox of using both approaches at the same time and with varying emphasis, depending on the context.

## 1. DETERMINING APPETITE FOR CHANGE

Shake Things Up:

- I feel a great need for our firm to get on with making things happen.
- Things stagnate if we don't constantly challenge the way we do things around this firm.

Preserve Status Quo:

- The traditional 'tried and true' approaches to solving problems are usually the best.
- I am often the one to suggest that we stand back and take time to think before we commit to action.

## 2. DEVELOPING WORKING RELATIONSHIPS

Strengthen Bonds:

- I get a great deal of satisfaction from helping each of my partners become even more successful than they were.
- Loyalty, respect and trust between and among partners is a central value of mine.

Maintain Distance:

- It is important to me that I am valued on the basis of my overall contribution to the firm.
- I prefer to conduct my relations with partners on a business-like and formal basis.

## 3. APPEARING KNOWLEDGEABLE

Knowing:

- I enjoy having the opportunity to teach others by coaching and contributing my knowledge and experience.
- I feel confident in what I am stating when contributing to discussions and decisions.

Seek Help:

- It is important to gather information and consult with partners, before introducing new initiatives.
- I am comfortable in asking for feedback and advice so that I can improve whatever I am working upon.

## 4. MAKING DECISIONS

Influence:

- It is important to be, and be perceived to be, firm and decisive.
- I think clarity of direction is more important than consultation.

Facilitate:

- It is important to obtaining buy-in to be consultative before decisions are reached.
- If partners are involved in helping make

the decision they take more responsibility for the outcomes.

## 5. SETTING ACTION PRIORITIES

Focus on Results:

- I drive very hard toward goals and am not easily distracted.
- I believe you create your own future by always having clear objectives to work towards.

Accept Uncertainty:

- I think a clear direction emerges as a result of being attentive to your marketplace and becoming aware of what is needed.
- 'Going with the flow' is often more effective than 'sticking to your guns'.

## Keep Learning as You Go

Transforming into a leader is no small challenge. It is very human to get discouraged at times. Sometimes others will criticize your objectives. Sometimes attaining your goals will seem harder than you thought. Just remember that there is always an element of personal sacrifice and a need to remain flexible when one undertakes a leadership role. When challenges arise or unexpected events occur, the value of a leader with a high-faith factor cannot be underestimated. It is a powerful motivator for every individual you lead.

All successful leaders work through the top tensions over some time during their incumbency. Thinking through these issues at the *start* of your tenure will give you a more informed basis for formulating your objectives and pursuing your goals.

This article appeared as a featured cover article in *Legal Business World* No.2 – both in the English and later in the Dutch editions.

# WHEN A FIRM LEADER HANGS UP THE CROWN

Taking over from some long-serving firm leader, from a founding partner or even when you are not housed in the firm's largest offices can present an enormous challenge. And, in some firms it gets ridiculously difficult when the incumbent has been given only a few weeks or even days to prepare themselves before having to step into their new role or when the incumbent is not fully supportive of the transition. There are a number of specific actions the departing firm leader can take to make the leadership transition much smoother:

## 1. Make Sure There Is A Job Description

As Bob Dell stepped down from his many years of leading Lathams one of the things he commented upon was, "my partners apparently had no idea of what I did!" That reaction mirrors the fact that less than 23 percent of AmLaw firm leaders having any kind of written, formal job description (according to my latest research).

Most professionals really do dramatically underestimate the scope and responsibility of managing an entire firm. I often tease new firm leaders by asking them what they could possibly have been thinking when they took on such responsibility. Meanwhile, partners at law firms often bristle at any suggestion that they can or ought to be *led*. One thing the incumbent can insist upon is that the new managing partner have a detailed job description. That description should get widely circulated throughout the firm so that everybody gets a true sense of the enormity that the job entails.

## 2. Clear The Decks Of Any Delayed Issues

A leadership transition is a good time to deal with those protracted but annoying problems that have somehow fallen by the wayside in the press of other to-dos. In other words, for both the outgoing and in-coming leaders, this is an opportunity to address long-delayed operational situations or troublesome personalities (a couple of practice group leaders who really aren't doing the job and should be sensitively asked to step down). Rectifying such problems before the incumbent retires helps the new leader come in with a clean slate and begin to address more important and strategic issues sooner.

## 3. Make Room For Your Successor's Changes

A successful leadership transition requires a clear definition of roles and the predecessor's willingness to let his or her successor lead the firm unimpeded. The primary role for outgoing leaders in the final days is not to become obsessed with how colleagues see them or what they think their legacy will be—their primary role now is to help the new leader succeed. Accordingly, the outgoing leader must agree to allow the incoming leader to run with things, even when they might be in stark contrast with one of his or her previous initiatives, or convey a complete change in the firm's strategic direction. Outgoing leaders need to be highly sensitive to the influence they still have and the ways they can inadvertently undermine their successors' efforts.

In a recent discussion with a soon-to-retire



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firm leader, I discussed a number of substantive issues he needed to discuss with his successor including how he needed to handle communications with his various partners after he passed on the baton. Here is the script he prepared for himself to com-

**"O**utgoing leaders can use their influence with each of their partners to encourage them to work with the successor for the good of the firm. Buy-in from all the firm's stakeholders is critical to a successful transition."

municate to his successor:

*"I'll always be here to help you, but you should expect that some of our beloved partners are probably going to go around you and come to me whenever you make an unpopular decision. And, if you are doing your job as our new firm leader, as I know you will, this is guaranteed to happen. I want you to be confident that I am not going to respond, in any way, to any complaints, so don't let the prospect of my responding, impact your decision making. Even if you choose to fire someone who has worked closely with me for many years, you should proceed to take that action. And rest assured that if I don't agree with some course of action or observe you doing something contrary to the way I did it, I would not go to any partner to voice my feelings. This is now your firm to lead and you may call upon me should you ever feel the need for a sounding board."*

#### 4. Help Get Any Disheartened Partners Back On Board

One of the important tasks an outgoing

leader can assume is to talk one-on-one with those of the partners who may feel adversely affected by having a new leader. These may be partners who are disappointed that they weren't considered for the role; partners who were in a favored position with the outgoing administration and may feel threatened because of the change; and any partner whom for whatever reason may feel disappointment with this candidate taking over the firm's reins.

In discussion with David Morley, the retired Senior Partner at Allen & Overy, he explained to me: *We have had our current election system since 1998 and never lost any unsuccessful candidate as a result of not being selected for the position they aspired to hold. I don't say it would never happen. However, we go to great lengths to try to avoid that outcome.* Three key steps we take include:

1. Our elections are conducted by secret ballot, one partner-one vote (these days all online) by an independent body — the Electoral Reform Society — who specialize in conducting elections to high standards. They have standing instructions only to tell us who the winner is, and, specifically, not to tell anyone the number of votes attributable to any candidate. That was designed to avoid any sense of humiliation, etc.
2. It is accepted that the first call any successful candidate makes — even before his spouse — is to the unsuccessful candidates to thank them and to emphasize they have a bright future in the firm.
3. We 'show the love' to unsuccessful candidates with many partners going to see them and tell them they want them to stay with us.

*I think it is also a factor that our elections have never been acrimonious, polarized or conducted by way of personal attacks. That would be a fatal election strategy that partners would reject. So there is limited damage done to personal relationships between the candidates.*

Outgoing leaders can use their influence with each of their partners to encourage them to work with the successor for the good of the firm. Buy-in from all the firm's stakeholders is critical to a successful transition.

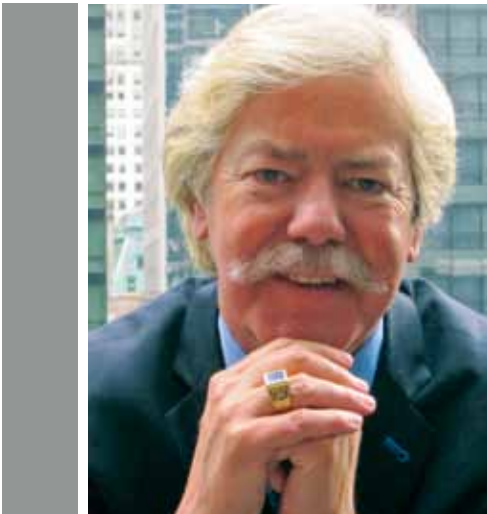
#### 5. Accept That You Will Be Missed But Not Indispensable

One common delusion every departing leader may hold is that we are indispensable or at least that the firm will stumble without us. Everyone who has ever held a leadership position may maintain some secret fantasy of one day announcing our plans to resign, and then leaving office amidst sorrowful tears, a standing ovation from partners and staff, and general consternation about the future, now that we are leaving. Here is how one firm leader expressed it, somewhat tongue-in-cheek:

*"You should know: I was 'indispensable' even though the Firm has not 'stumbled' under my successor's leadership; that I don't like it one bit but the Firm is 'thriving' without me; that I have been very positive about my successor and his new leadership team and believe me it has not been easy! I never agree with the probably hundreds of my partners that constantly complain about the new leadership team and want me to start a coup . . . Can't you tell - I have moved on!"*

The bittersweet reality is that your firm will survive and even thrive without you. You should therefore compose a realistic story to tell people, in a positive way, why you are stepping down and to convey your excitement about your next adventure, the firm's future, and the great choice made in selecting your successor.

This article initially appeared as one of my regular Thought Leadership columns for *The Legal Executive Institute* and is now included amongst new material in the Second Revised Edition of *The Changing of The Guard: Selecting Your Next Firm Leader* (2017) due to be released shortly.



## PATRICK J. MCKENNA

### P R O F E S S I O N A L P R O F I L E

An internationally recognized authority on practice management, McKenna has, since 1983, worked with leaders of premier firms globally to discuss, challenge and escalate their thinking on how to manage and compete effectively.

He is author of a pioneering text on law firm marketing, *Practice Development: Creating a Marketing Mindset* (Butterworths, 1989), recognized by an international journal as being “among the top ten books that any professional services marketer should have.” His subsequent work includes *Herd-ing Cats: A Handbook for Managing Partners and Practice Leaders* (IBMP, 1995); and *Beyond Knowing: 16 Cage-Rattling Questions To Jump-Start Your Practice Team* (IBMP, 2000).

A prolific writer on the challenges of firm leadership, his book (co-authored with David Maister), *First Among Equals: How to Manage a Group of Professionals*, (The Free Press, 2002) topped business bestseller lists in the United States, Canada and Australia; was translated into nine languages; is currently in its sixth printing; and received an award for being one of the best business books of 2002; while his most recent work, *The Changing of the Guard* (Ark Group, 2015), provides in-depth guidance on the leadership selection process in professional firms.

In 2006, McKenna’s e-book *First 100 Days: Transitioning A New Managing Partner* (NXT-Book) earned glowing reviews and has been read by leaders in 63 countries. This publication culminated in Patrick being asked to conduct a one-day master class for new managing partners, usually held at the

University of Chicago. Thus far over 70 new firm leaders from legal, accounting and consulting firms have graduated from the program.

His published articles have appeared in over 50 leading professional journals, newsletters, and online sources; and his work has been featured in *Fast Company*, *Business Week*, *The Globe and Mail*, *The Economist*, *Investor’s Business Daily*, *Forbes*, and *The Financial Times*.

McKenna did his MBA graduate work at the Canadian School of Management, is among the first alumni at Harvard’s Leadership in Professional Service Firms program, and holds professional certifications in management. He has served at least one of the top ten largest law firms in each of over a dozen different countries and his work with North American law firms has evidenced him serving 62 of the largest NLJ 250 firms.

His expertise was acknowledged in 2008 when he was identified through independent research compiled and published by Law-dragon as “one of the most trusted names in legal consulting” and his three decades of experience in consulting led to his being the subject of a Harvard Law School Case Study entitled: *Innovations In Legal Consulting* (2011).

He was the first “expert” in professional service firms admitted to the Association of Corporate Executive Coaches, the #1 US group for senior-level CEO coaches; and was the recipient of an honorary fellowship from Leaders Excellence of Harvard Square (2015).



## FIRST 100 DAYS

### Master Class for the New Firm Leader

#### TESTIMONIALS:

**"I** was struck by the synthesis of the issues you presented. It was amazingly clear and comprehensive, given the breadth of the topic and the short time available. I was delighted to attend the event and I learned a lot from it."

*Hugh Verrier, Chairman*  
**WHITE & CASE**

**T**he First 100 Days Masterclass was concise and insightful. I quickly learned the difference between being a practitioner and a Firm Leader. I was thoroughly impressed with the scope of the topics discussed.

ONE YEAR LATER: *I continually refer to that one day class as the best thing I did to prepare for my new role."*

*Vincent A. Cino, Chairman*  
**JACKSON LEWIS**

**T**his Seminar was precisely tailored to the new managing partner and I left with specific strategies to help my transition into my new role. You can expect to get a call or two over the next 100 days . . . I made notes of 15 items I want to act on sooner rather than later. And I expect to borrow heavily from your slides in assigning tasks to a half-dozen people.

*Michael P. McGee, CEO*  
**MILLER CANFIELD**

For more details, a copy of the day's agenda or to register, please visit:  
[www.first100daysmasterclass.com](http://www.first100daysmasterclass.com)

#### WHY A MASTERCLASS FOR NEW FIRM LEADERS?

**"N**ew firm leaders mistakenly believe that because they have served as a practice group manager or on the firm's executive committee they have the necessary background for taking on the role of leading the entire firm. Not even close!"

It may not be fair, but it's true: Your first few months as Managing Partner or Firm Chair — the time when you are just starting to grasp the dimensions of your new job — may well turn out to be the most crucial in setting the stage for a tenure that hopefully should last for years.

While these first 100 days will present a unique window of opportunity, they also hold potential for others to misunderstand you. How quickly you swing into action as the new leader, for example, might provide a basis for your peers to characterize your management style as rash, purposeful, or indecisive. Your selection of colleagues within the firm for consultation on your early decisions will fuel others' notions that you're inclusive, authoritarian, or even playing favorites. Some partners might rush to label you as fair or arbitrary; a visionary or a cautious bureaucrat. Some are even likely to try to test your composure in the early going.

This one-day intensive masterclass is designed to help you hone critical skills and develop a plan for a successful transition as you move into your role as your firm's new leader.

**WHEN:** Wednesday  
August 16, 2017  
**TIME:** 8:30 am - 4:30 pm  
**WHERE:** Gleacher Center,  
University of Chicago

#### YOUR MASTERCLASS MATERIALS

■ **24-PAGE MONOGRAPH** — "FIRST 100 DAYS: TRANSITIONING A NEW MANAGING PARTNER"

■ **200-PAGE HARDCOVER** — "SERVING AT THE PLEASURE OF MY PARTNERS: ADVICE FOR THE NEW FIRM LEADER"

■ **80-PAGE WORKBOOK**  
INCLUDES CASE STUDIES,  
EXERCISES AND DISCUSSION  
MATERIALS

■ **COPY OF 220+ SLIDES POWER-  
POINT PRESENTATION**

■ **A FORMAL, WRITTEN AND  
CONFIDENTIAL 15-PAGE "HO-  
GAN" PERSONALITY ASSESS-  
MENT WITH COACHING RECOM-  
MENDATIONS.**

#### YOUR MASTERCLASS FACULTY:

**Patrick J. McKenna** is an internationally recognized authority on law practice management; and

**Brian K. Burke** is the former Chair Emeritus at Baker & Daniels with over 20 years in law firm leadership positions.