

MPF INSIGHT

Re-Envisioning the Law Firm:

How to Lead Change and Thrive in the Future



Developed by



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MPF Leadership & Governance Survey
147 Managing Partners, April 2016

MPF Audience Polling Results
86 Managing Partners, May 2016

Our thanks to NLR for their
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THE
**NATIONAL
LAW REVIEW**

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**Terry Wall, President, T.G. Wall Management
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Executive Summary

The world and the legal profession—especially smaller and midsize law firms—are changing radically and rapidly. To adapt to these changes, the future requires thoughtful, proactive planning and bold leadership so the law firm can respond to challenges and compete as a viable entity.

That's why Managing Partners (MPs) need to “Re-Envision” the law firm.

This report will help you do just that. It will also show how smaller and midsize firms are currently operating in the face of unprecedented change. And we'll give you recommendations for being successful in the future.

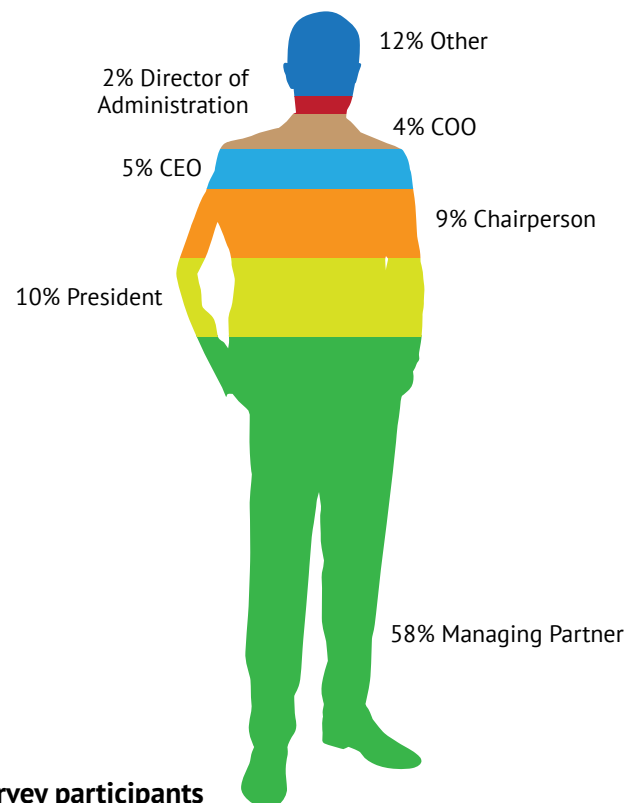
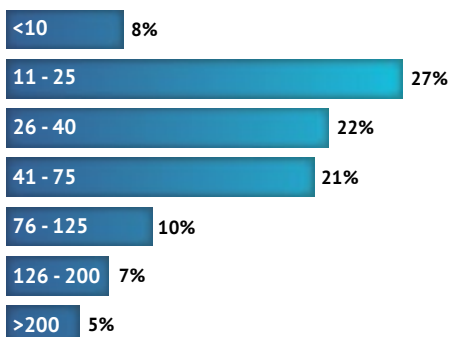
The report is based on three themes:

1. The law firm must be run like a business (not more like a business, but *like a business*).
2. The Managing Partner *must* take ownership of leading the effort.
3. Firm owners must take responsibility for embracing, engaging and implementing the necessary changes for operating like a business.

We base our recommendations primarily on two sets of data:

- **MPF Leadership & Governance Survey** – 147 Managing Partners' responses to a confidential online survey, April 2016; here's a breakdown of:

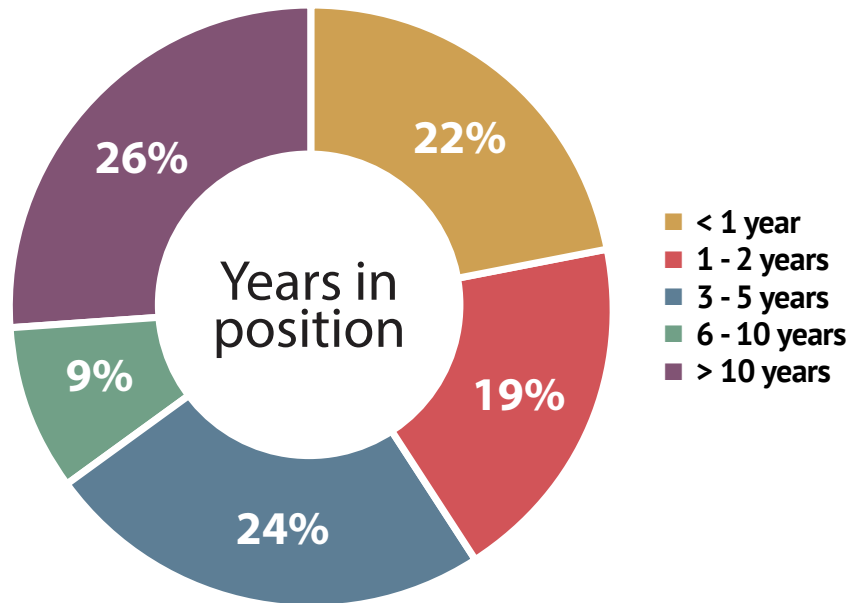
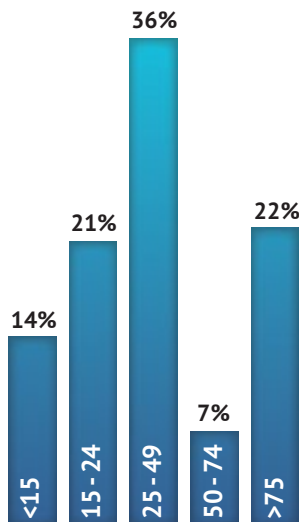
The number of lawyers at their firms



Titles of survey participants

■ **MPF Audience Polling Results** – 86 Managing Partners who attended the MPF Leadership Conference in May 2016; technology allowed us to get real-time, confidential responses to a series of questions. Here’s a breakdown of:

The number of lawyers at their firms



We started with this rich data and looked at other current research on this topic.

Other Resources

We also drew on insights and analysis presented in these highly regarded surveys.

- *Bright Insight* – 2015 National Legal Sector Survey Results (Cushman & Wakefield)
- *Law Firms in Transition 2016* (Altman Weil)
- *2016 Report on the State of the Legal Market* (Thomson Reuters, Georgetown Law)

Additionally, we drew on our own decades of active participation in the leading firm practice management associations, including the College of Law Practice Management, Law Practice Division of the American Bar Association, Association of Legal Administrators, and Legal Marketing Association.

But we didn’t stop there.

We also consulted some of the leading thought innovators whose ideas are transforming the law firm and legal profession. In addition, we talked to a wide cross-section of influential MPs who are known for bold thinking and decisive action. Their thoughts are incorporated throughout this report.

All of these sources, and the different methods of gathering insights, provided us with the timely, relevant and necessary information to assess law firm leadership and the current state of small to midsize law firms, and develop specific recommendations for moving into the future.

Primary Recommendations

1. Run the firm like a business.
2. The MP must lead the firm as a CEO, in title *and in function*.
3. Shape the firm's culture so that it promotes, and actually demands:
 - a. Change
 - b. Firm-first mindset
 - c. Accountability
4. Address Problematic Partners – their negative impact in your firm and its culture are more than you realize.
5. Look at everything, especially key processes, and ask, “Why do we do it that way?”
6. Undertake proactive and strategic planning with measurable capabilities.
7. Understand and unite generations for both short-term and long-term growth and success.
8. Embrace technology and marketing for greater reach and reputation management.

Run your
firm like a
business.

This report contains many more recommendations.

Our recommendations will not be easy to implement. In fact, many of them will be quite difficult, because they require bold, decisive action. But implementing them will help you and your law firm move into the future and compete effectively in a continually changing landscape and world.

“THE PACE OF CHANGE IS UNPRECEDENTED FOR THE LEGAL INDUSTRY, AND THE PACE WILL ONLY ACCELERATE INTO THE FUTURE. STRONG LEADERSHIP AND A SOLID GAME PLAN ARE REQUIRED IF YOUR FIRM SEEKS TO THRIVE AND PROSPER IN THE YEARS AHEAD. OPPORTUNITIES ABOUND FOR SMALLER AND MIDSIZE FIRMS TO EMERGE AS TRUE LEADERS AND INNOVATORS IN THE PROFESSION.”

JOHN REMSEN, JR.
President & CEO, The Managing Partner Forum



The Case for Change: Challenges Facing the Legal Profession

Change surrounds the legal profession, and it's coming from many directions. These are long-term trends that aren't going away anytime soon. In fact, they will accelerate in the future.

Globalization – The days of the truly local or even regional law firms are over. Now even the smallest companies have international components, thanks to technology that makes the world smaller each day.

Oversupply of Lawyers – The U.S. currently has 1.3 million lawyers. Although the annual number of law school graduates has been dropping, they still number 40,000 per year. At the same time, senior lawyers are hanging on longer, continuing to put off retirement.

More Demanding Clients – Clients want better service, more customized solutions and better value for their investment. They're also looking for law firms to supplement and complement the legal work they can do themselves because of technology changes.

Disruptors – A Disruptor is a change or innovation that radically alters and uproots how we think, behave, do business, learn and go about our day-to-day activities. Here are just a few for the law firm to consider: ABSs, LegalZoom, AVVO, Rocket Lawyer.

Industry Consolidation – BigLaw is getting bigger, with a voracious appetite for acquiring medium and small law firms. Mergers and lateral movement are at an all-time high.

Changing Workforce – Generations X and Y and millennials have different career goals and aspirations. This generational divide requires greater understanding of these differences, and better strategies to bridge the gap between those generations and the current generation of law firm leadership.

Technology – Constant changes in technology, with continual updates and changes, make it difficult to keep pace. At the same time, technology also enables law firms to do things better, faster and cheaper.

The U.S.
currently has
1.3 million
lawyers.

The time has come to
**evolve or
perish.**

How is MidLaw Responding?

Smaller and midsize firms are responding to these trends slowly at best. In the face of unprecedented changes, with more on the way, many smaller and midsize firms continue to do things the same way, thus lagging farther and farther behind. After all, they think, “We’re doing okay.”

In fact, in spite of all these changes, disruptions and disturbing trends, 81% of firm leaders are “optimistic about the future of their firms.” Are their heads buried in the sand?

Some MPs get it, although, unfortunately, many do not. Of even more concern is that many partners appear to be completely unaware of the current state of the legal industry. While they might not be charged with developing and executing the strategic vision of the firm, they have a vested interest in the health of the firm. By refusing to educate themselves or shed their denial about the evolution of the practice of law, many partners actually become obstacles to MPs, who find it difficult to execute change in the face of individuals who are content with the status quo.

To remedy this situation, and to prepare law firms to march successfully into the future, this report examines seven key areas. For each area, we look at what firms are doing and present our recommendations to law firm leaders and law firm owners.

How is MidLaw responding in these seven key areas?

- Leadership & Governance
- Strategic Planning
- Marketing & Business Development
- Problematic Partners
- Succession Planning
- Recruiting & Retention
- Technology

Leadership & Governance

A person is standing at the top of a long, wide staircase that recedes into the distance. The person is silhouetted against a bright, clear sky. The staircase is made of dark, solid steps, and the walls on either side are also dark and textured. The overall mood is one of aspiration and forward-looking vision.

Leadership and Governance are at the heart of any law firm. To be effective in the future, law firms need to streamline governance and decision-making.

WHAT FIRMS ARE DOING

Surprisingly, we found that today's leadership is a bit loosey-goosey. Most MPs enjoy the positive aspects of the MP role, but many don't seem to want accountability or to be responsible for holding others accountable for getting results. Holding people accountable usually requires having "tough conversations" with partners who are underperforming. There's almost a tendency to put these conversations off in the hope that the Problematic Partners will get better on their own.

To a certain extent, this is understandable. MPs are lawyers and, as Dr. Larry Richard points out, the lawyer personality often is quite comfortable with other aspects of leadership, such as the "being well liked" element. But since they also can be risk-averse and uncomfortable with change, they're reluctant to have confrontational discussions with poor performers.

This "sticking your head in the sand" approach must change.

One governance problem is that the current law firm structure doesn't always lend itself to effective leadership. The structure of the law firm can also be too relaxed, creating an atmosphere in which top leaders don't hold people accountable.

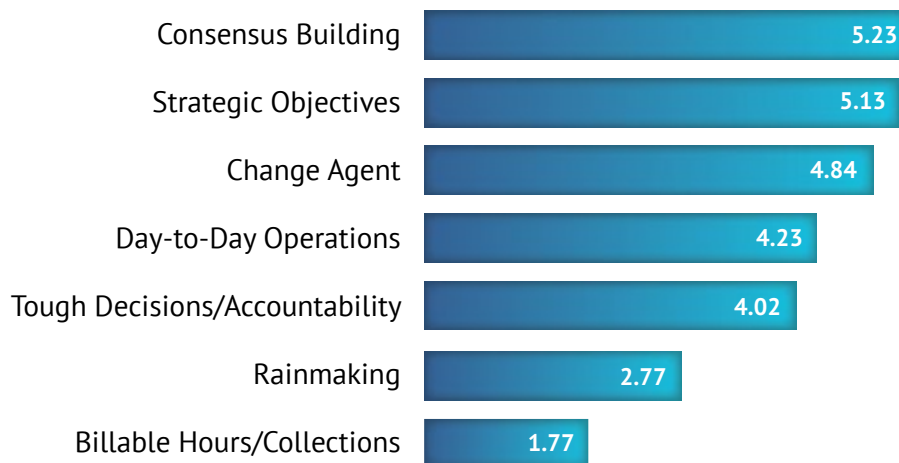
Another problem is that the "Managing Partner" title doesn't lend itself to good leadership because it focuses on "managing," not leading.

Managing is about administration, about projects, cases, processes. Leadership is about people, and inspiring those people to do their best work.

The
"Managing
Partner"
title doesn't
lend itself
to effective
leadership.

What are your most important contributions as firm leader?

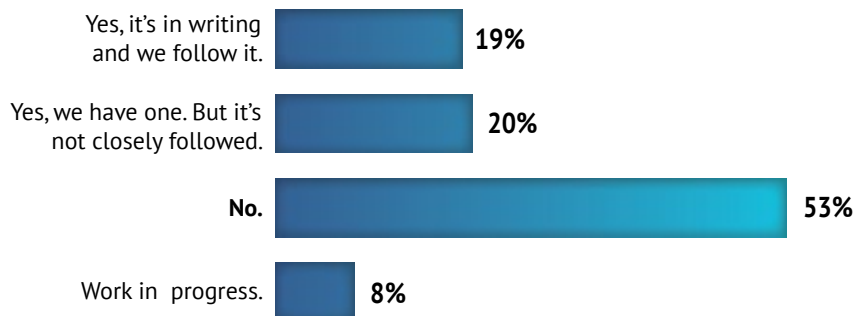
(Rate on a 1-7 scale. 7 is the highest.)



RECOMMENDATIONS

1. Run the firm like a business—The best corporations and businesses focus on:
 - a. Client service
 - b. Results
 - c. Profitability
2. Change the MP title and function to Chief Executive Officer: This means you're no longer "just managing things." As CEO, you're leading the organization, and inspiring all to do their best work. Making the hard decisions, being the change agent. While governing by democracy might theoretically sound appealing, especially because it spreads the blame should a strategy not succeed as planned, choosing to consensus build over decision-making delays and waters down change. Instead, MPs must have the confidence to act decisively, independent of consensus. Of course, leaning on internal trusted advisors is necessary, since leaders must listen to their constituencies to identify problems in the trenches that they might not be privy to. But waffling and compromising to the detriment of a solution are not qualities of a true leader.

Do you have a formal job description?



“LAW FIRMS MUST ANTICIPATE CHANGES IN LEADERSHIP OVER TIME, SO IT’S CRITICAL THAT MIDSIZE FIRMS ADOPT GOVERNANCE STRUCTURES THE GROOM FUTURE LEADERS. IT’S ESPECIALLY IMPORTANT AS FOUNDING PARTNERS OF FIRST-GENERATION FIRMS BEGIN TO APPROACH RETIREMENT YEARS.”

JAMES A. DRESSMAN, III, ESQ.
Managing Partner, Dressman Benzinger LaVelle



3. Establish job descriptions for the CEO: Only 19% of MP respondents in our Leadership & Governance Survey have meaningful job descriptions (meaningful means that the MP actually does what's in the job description). **Note:** Of the MPs who do have job descriptions, 93% appreciated them because they provided good guidance about what to focus on.
4. Hire a trusted and competent COO – an MBA/CPA-type to run the business side of the firm. Pay the bucks. Give him/her a seat at the table. This person oversees day-to-day operations.
5. Create an Executive Committee that functions like a CEO's senior leadership team.
 - a. This team would help the CEO oversee implementation of the firm's strategic priorities.
 - b. Committee members would be elected by owners for staggered terms, often set at two years, but without limiting the number of terms.
 - c. No term limits, why would you want to kick out someone doing a good job?
6. Shape the firm's culture and live it so it promotes and actually demands:
 - a. Innovation—firmwide
 - i. Rewards innovation, creativity and risk-taking
 - ii. Looks at everything – all its processes – and:
 1. Asks, “Why do we do it that way?”
 2. Makes changes (realistic and achievable) as necessary
 - b. Change—this part of the culture is reflected in leaders being open to:
 - i. New ideas
 - ii. Forward and progressive thinking
 - iii. Conflicting opinions
 - iv. Constructive *feedback* (aka constructive *criticism*, which has a negative connotation)
 - v. Taking risks

Shape the firm's culture and live it so it promotes innovation, change and accountability.



“WHAT WORRIES ME THE MOST IS NOT THAT TODAY'S LAW FIRM LEADERS ARE OFTEN IMPERFECT IN FULFILLING THE ROLE, BUT RATHER THAN MANY OF THEM AREN'T EVEN AIMING AT IT!”

DAVID H. MAISTER

as written in his best-selling book *True Professionalism*

- c. Accountability—this means the CEO
 - i. Holds himself or herself responsible for excellent performance and results
 - ii. Communicates clearly, and often, what is expected of
 - 1. Executive Committee members
 - 2. Stakeholders/owners
 - 3. Members of the firm
 - iii. Identifies the need for change and makes necessary adjustments
 - iv. Swiftly and forcefully addresses problematic partners and other underperformers
 - v. Builds trust, because trust is the foundation of all relationships
 - vi. Emphasizes clients first, firm second, individuals third
 - vii. Expects everyone in the firm to follow his or her lead and to hold themselves and others accountable for their performance and results
- 7. Prioritize your contributions as firm leaders. Survey results showed that the Top 3 Contributions (what leaders should focus on) were Consensus Building, Strategic Objectives and Being a Change Agent.

Consensus building is important at times, but ***making the tough decisions and holding people accountable for results and performance is more important in the new culture.***

Consider changing your **Top 3 Contributions** as Firm Leaders to:

1
Strategic Objectives

2
Change Agent

3
**Tough Decisions/
Accountability**

“LAW FIRM LEADERSHIP ISN’T ABOUT BOOTS ON THE GROUND ANYMORE – IT’S A 10,000-FOOT PERSPECTIVE WITH 360-DEGREE VIEWS OF THE FIRM, ITS CLIENTS AND THE INDUSTRY AS A WHOLE AT ALL TIMES. IT’S BEING ABLE TO ADAPT TO CHANGE QUICKLY AND MAKING HARD CHOICES THAT WILL INSPIRE AND EMPOWER GREATNESS.”

TERRY M. ISNER
President - Marketing and Business Development, Jaffe



Strategic Planning

To operate a business without a strategic plan is like wearing a blindfold. Strategic plans help businesses develop ways to be more competitive, serve clients better and prepare for the future of a constantly changing world.



Strategic Plans are an integral part of successful businesses and corporations. To operate a business without a Strategic Plan is like flying a plane wearing a blindfold: You have no idea where you are going and clueless about how you got to where you are. Strategic Plans help businesses develop ways to be more competitive, serve clients better and prepare for the future of a constantly changing world.

WHAT FIRMS ARE DOING

Firms are not doing nearly enough.

Shockingly, when the MPF Leadership & Governance Survey (L&GS) asked how strategies had changed in response to all of the disruptive changes in the legal profession over the past several years, 66% said their strategy had changed not at all.

And only 24% of firms said they had a well-established Strategic Plan.

Consider this: our L&GS showed that of the firms that did have a Strategic Plan, 71% reported that the Strategic Plan improved the firm's performance in terms of cohesiveness, profitability and sustainability.

Although we've talked about having a Strategic Plan, you need to understand, as *successful* businesses and corporations do, that it's not just about the plan. This is because *unsuccessful* businesses create a plan and think they're done.

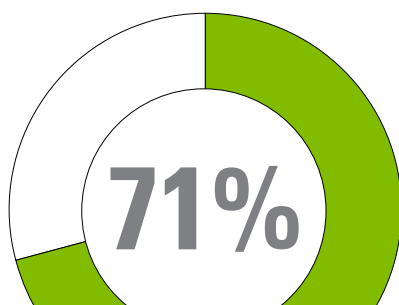
What they're forgetting is that after developing the plan, you have to:

- Implement it
- Review it
- Make changes as necessary. For example, let's say you create a Strategic Plan that covers the next five years. Think of how much the world can change in just two or three years.

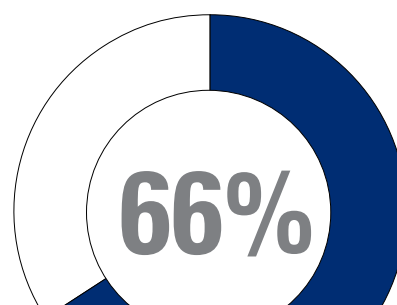
This means you need more than a plan; you need a Strategic Planning process that includes tactical plans for implementing a strategy and the ongoing review, and if necessary, revision of the strategies and objectives.

Only
24%
of firms
have strategic
plans.

MPs who reported the Strategic Plan improved the firm's performance



MPs who said their strategy had not changed at all



RECOMMENDATIONS

1. Develop a proactive Strategic Planning process with measurable capabilities. The first effort should involve all owners and keep it simple, realistic and achievable. Look ahead three to five years, but then outline only three one-year goals. Refresh regularly.
2. Update it as necessary because the plan is a living document—it has to change as the world changes.
3. When making important decisions, whether about new opportunities, shorter-term strategies or a new direction, use the plan as the North Star that guides your decision-making. If whatever you're considering doesn't fit the plan, you should have a solid reason to pursue it.
4. Change the important Strategic Objectives. When surveyed, MPs said that their most important Strategic Objectives were Marketing and Business Development, Succession Planning, Firm Growth, and Improved Lawyer Productivity.

Top 3 strategic priorities for participating firms



“IN MY OPINION, FIRMS WITHOUT STRATEGIC PLANS ARE COMMITTING MANAGEMENT MALPRACTICE. EVERY LAW FIRM, REGARDLESS OF SIZE AND PRACTICE MIX, NEEDS A STRATEGIC PLAN THAT SETS FORTH WHERE IT'S GOING AND THE ROAD TO GET THERE. IN ADDITION TO A FIRM PLAN, WE ALSO HAVE PLANS AT THE PRACTICE GROUP LEVEL. IT FORCES US TO LOOK AHEAD TO DETERMINE HOW WE ALLOCATE RESOURCES.”

ROBERT A. YOUNG, ESQ.

Former Chair, ABA's Law Practice Division
Former Managing Partner, English Lucas Priest & Owsley



Marketing & Business Development

Marketing and Business Development is the lifeblood of any business, because current investments in M&BD generally pay great future dividends.

Marketing & Business Development (M&BD) is the lifeblood of any business, because current investments in M&BD generally pay great future dividends (BD = Sales, but BD is the preferred term, since many people feel that the term Sales has a negative connotation). Marketing communicates and promotes the firm's brand and promise to its communities and audiences, creating a direct link to them, their expectations, needs and, in some cases, demands.

WHAT FIRMS ARE DOING

Although M&BD should be a top priority, our survey data indicated that the financial resources invested in M&BD is traditionally 2-3% of gross revenue for most commercial law firms. Surprisingly, 25% of firms we surveyed do invest more than 4% of revenue in M&BD.

In our research, we examined trends in how law firms are allocating marketing resources in the following areas:

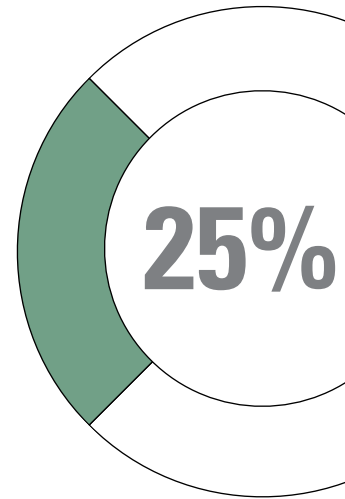
- Website and Internet Marketing
- Firm Events & Seminars
- Organizational Involvement
- Charitable Contributions
- Rankings and Directories
- Marketing Staff
- Lawyer Sales Training

When asked about the 2016 total investment for these activities compared to 2015, Website & Internet Marketing saw the greatest number of firms increasing their spend -- 54% of surveyed firms invested more in 2016 in this area. However, it's worth noting that 46% invested the same amount in this area, or even less, than they did in 2015. For the other six categories, 56-74% of firms kept their 2016 investments at the same level.

Anecdotal evidence supports the hard survey evidence that most law firms seem to be doing "the same old things" when it comes to M&BD, especially the BD component. Often, firms are doing the same old things because "we've always done it this way," budget constraints are set by equity partners unwilling to support it, or there is a "let's wait and see what the other firms are doing" attitude.

This has to change.

Innovation requires looking at things from different perspectives so you understand the reasons behind what you do. Therefore, doing something because "that's the way we've always done it" won't work.



25% of firms invest more than 4% of revenue in M&BD.

RECOMMENDATIONS

1. Start with current clients. Review your client base and put clients into categories, starting with those you want to keep:
 - a. A-List—your top, most-profitable clients
 - b. B-List—OK, but not great
 - c. C-List—drags on productivity and profitability; you may need to fire these (let them soak up the resources of your competition)
2. Establish a business development model. A model simply represents your philosophy about BD, and how it works. The model should include:
 - a. Why people buy
 - b. How they buy
 - c. Their motivations and fears
 - d. The process for finding prospects and converting them into clients
 - e. Where business comes from
 - f. Making sure your business development efforts focus on *building relationships*
 - g. How to become a trusted advisor to your clients and community
 - h. Identifying the firm's and lawyers' differentiators and how those characteristics align with your clients and their needs
3. Set M&BD goals and devise a tactical plan to reach those goals using an integrated marketing approach for greater reach and impact.
4. Make sure all business development training addresses these issues and doesn't reinforce old ways of thinking.
5. Encourage all partners and associates to develop individual M&BD plans (only 37% of firms we surveyed are doing this).

“MARKETING AND BUSINESS DEVELOPMENT TRAINING IS SO IMPORTANT THAT I THINK IT SHOULD BE A PREREQUISITE TO PARTNERSHIP. IF YOU ARE AN ATTORNEY AND YOUR LAW FIRM ISN'T TRAINING YOU IN SALES AND MARKETING, THEN YOUR LAW FIRM LEADERSHIP IS SETTING YOU UP FOR FAILURE AND LETTING YOU DOWN.”

TERRY M. ISNER

President - Marketing and Business Development, Jaffe



6. Look again at the seven activities covered in our survey—
 - Website and Internet Marketing
 - Firm Events & Seminars
 - Organizational Involvement
 - Charitable Contributions
 - Ranking and Directories
 - Marketing Staff
 - Lawyer Sales Training—and ask yourself:
 - How much business derives from each of these activities?
 - How important is this as a branding and marketing tool?
 - How important are these activities in the business development process?
 - What tools or tactics are missing, and how should we implement those?
 - What tools or tactics are new, and should we implement those?Make changes as needed.
7. Think about how incentives might be used to encourage and improve upon marketing support and efforts.
8. Track time and money invested in these activities and the returns on the investment of that time and money.
9. Through marketing tools and activities, listen to your communities and clients, and provide them with what they want.
10. Access your attorneys' marketing skills and inspire them to grow in the tactical areas in which they are most comfortable. For example, some folks are best at hanging out behind the scenes and writing, while others shine out in front, so find them a platform. Everyone should be contributing to the firm's marketing initiative in some way.

“FOR THE FIRST TIME MANY YEARS, WE’RE SEEING HEALTHY ACCELERATION IN THE MARKETING AND BUSINESS DEVELOPMENT BUDGETS OF US LAW FIRMS, LED PRIMARILY BY AMLAW 200 FIRMS. WE’RE ALSO SEEING EVIDENCE THAT THESE INVESTMENTS ARE STARTING TO PAY OFF IN A BIG WAY.”

BRENT TURNER

Client Development - Peer Monitor & Thought Leadership, Thomson Reuters



A blue-tinted photograph of two men in business attire. One man stands on the left, holding a pair of glasses, while the other sits on the right, looking towards him. The background shows a window with blinds.

Problematic Partners

This is a big, often-neglected, problem. It's hard. Many Managing Partners tell us that it's the most important but hardest part of the job.

WHAT FIRMS ARE DOING

Problematic Partners come in all varieties. Some underperform by submitting poor work products (briefs that have to be re-written), not meeting deadlines, and not being prepared for meetings. Others exhibit bad behavior: badmouthing the firm or other partners, being rude or arrogant, having anger management issues, etc.

Anecdotal evidence indicates that many firms tolerate large numbers of Problematic Partners. The issue is not the number of these people, who are drags on productivity, morale and profitability. The real issue is that, according to our research, most firms avoid the confrontations and hard conversations required to solve this problem effectively.

Our research shows that many firms take some steps to deal with underperformers (moving them to income partner or of counsel, or moving them out of the firm altogether), but 59% of those surveyed said they want to do something about it, but have yet to act.

Managing partners must learn to deal quickly and effectively with Problematic Partners.

59% said they want to do something about problematic partners, but have yet to act.

“YOU’RE RUNNING A BUSINESS, NOT A COUNTRY CLUB, AND IT’S IMPORTANT THAT FIRM OWNERS CARRY THEIR WEIGHT AND LEAD BY EXAMPLE. BAD BEHAVIOR AND CHRONIC UNDERPERFORMANCE ARE TOXIC TO YOUR FIRM AND ITS CULTURE, AND THEY MUST NOT BE TOLERATED. CONFRONTING BAD BEHAVIOR SHOULD BE FAIRLY EASY. CHRONIC UNDERPERFORMANCE, ON THE OTHER HAND, CAN BE A TOUGHER ISSUE. WE’RE OFTEN DEALING WITH SENIOR PARTNERS – GOOD LAWYERS, NICE PEOPLE – WHO’VE SLOWED DOWN FOR WHATEVER REASON.”

JOHN REMSEN, JR.

President & CEO, The Managing Partner Forum





Your Firm's Culture is Defined Largely by What It's Willing to Tolerate.

Several firms claim to have a “no jerks” policy, but still employ these disruptors. Bad behavior has a toxic effect on the firm. When others see that nothing is done about it, that sends the message that this kind of behavior is acceptable.

Strong, effective firm leaders hold their lawyers accountable for performance goals and acceptable behavior. As CEO, act decisively with underperformers; doing nothing endangers the long-term success of the firm.

—

“THE CULTURE OF YOUR FIRM CAN BE INFLUENCED BY WHAT IT’S WILLING OR NOT WILLING TO TOLERATE. IF YOU’RE WILLING TO PUT UP WITH CHRONIC UNDERPERFORMANCE, YOU MOST CERTAINLY WILL GET IT, AND THAT’S NOT GOOD FOR A FIRM’S LONG-TERM SUCCESS OR ITS MORALE. DEALING WITH UNDERPERFORMING PARTNERS IS INCREDIBLY DIFFICULT, YET SO IMPORTANT, FOR A MANAGING PARTNER TO ADDRESS.”

LOUISE M. WELLS, ESQ.
Managing Partner, Morris Manning & Martin

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RECOMMENDATIONS

Dealing with Problematic Partners is perhaps the most difficult – yet most important – thing that an effective MP must do for the long-term success of the firm. We break Problematic Partners into two camps: the bad actors (who lie, bully and break rules) and the chronic underperformers.

The first camp should be fairly easy to address. Lying, bullying and rule-breaking must not be tolerated. Period. The second group – often comprising senior partners nearing the ends of their careers – can be much more difficult. They're good lawyers, nice people and have been with the firm for decades, yet they haven't come close to meeting minimum expectations in years.

Left unchecked, both groups are toxic to your firm's culture. As a firm leader, one of your most important roles is that of "keeper of the culture" of the firm. Your firm's culture is defined largely by what it's willing to tolerate.

Here's what we recommend to MPs:

- Clearly articulate in writing the expected contributions – both billable and non-billable – of equity partners, non-equity partners and associates. More and more firms are raising the bar for becoming and remaining a firm owner, including a book of business. Not every lawyer should necessarily be measured in the same way.
- Identify behaviors – such as lack of trustworthiness, public criticism of the firm, selfish attitudes and actions, disrespect toward other lawyers and support staff – that are completely unacceptable and will not be tolerated.
- Identify any individuals at your firm who consistently fall short of expected contributions, as well as the bad actors who cross the line of acceptable behavior too often.
- Achieve support from the firm's Executive Committee (or a majority of its equity partners) to address the worst of the offenders.
- Schedule individual meetings to conduct the difficult conversations. Have the facts on hand to support your case. Be clear about the behaviors and/or performance area(s) that are unacceptable and where the individual is having problems. Generally, it's wise to praise in public and criticize in private.
- Ask the individual how he/she feels about the situation and whether or not he/she wants to improve.
- If the person says yes to improvement, develop a written personal improvement plan. The plan should be specific, realistic and achievable. Conduct monthly follow-up meetings to review progress and establish accountability.

79%
of respondents
said that they have
equity partners who
haven't developed a
book of business.

- Minimize misinterpretation and misunderstanding. With difficult partners, the focus is often about “what’s wrong,” instead of “how do we solve the problem.” Concentrate your energy on problem-solving.
- Provide resources such as counseling and coaching if they will be helpful. The cost for such resources should be shared between the firm and the individual.
- Be positive, as much as possible, while you address these difficult situations. Dr. Larry Richard says a firm leader should find three positive things to say for every negative one to motivate lawyer performance.
- Set consequences. The ability to identify and assert consequence(s) is one of the most important skills MPs can use to “stand down” a difficult person. Clearly articulating consequences will give pause to the problematic individual, and compel the person to shift from obstruction to cooperation.
- If no, a plan to move the Problematic Partner to non-equity status (or remove the person entirely from the firm) should be put in place.
- Effectively communicate how the firm is dealing with its Problematic Partners so it filters throughout your firm that bad behavior and chronic underperformance will not be tolerated.
- It is important to deal with these difficult issues sooner rather than later. These problems don’t go away by ignoring them. Generally, we encourage law firms to hire slower and fire faster.
- If it requires more than 80% of firm owners to expel a problematic partner or amend the partnership agreement, consider adapting a lower threshold for taking action in these areas.
- As a firm leader, do all you can to help Problematic Partners improve behavior and/or performance. If things don’t improve, the individual has made the decision to fire him- or herself. Your role is to hold a Problematic Partner accountable.

Problematic Partners are bad for the bottom line. When your firm realizes this and acts on it, you’ll be well on your way to a better culture and a better bottom line.



“NOTHING IS MORE DIFFICULT OR NECESSARY THAN ENGAGING IN THE EXCRUCIATING TASK OF CONFRONTING PROBLEMATIC BEHAVIOR.”

GERRY RISKIN

Founding Principal & Chairman, Edge International



Succession Planning

As a best business practice, Succession Planning is an integral process in securing the future of any business.

As a best business practice, Succession Planning is an integral process in securing the future of any business. It's not just about dealing with retirements, although demographics mean retirements will be a huge factor in Succession Planning.

Senior lawyers overstay and block change. Younger lawyers don't see a path to firm leadership or don't have the skills to advance.

This speaks to client transition—that important transfer of client ownership from a partner who is leaving to the partner who will now be responsible for that client.

Research by the American and Canadian Bar Associations shows that:

- 30%–40% of lawyers in private practice are beginning to retire, phase down or contemplate phasing down.
- Most law firms have actively practicing lawyers in their late 60s and 70s and even 80s, many of whom are/were rainmakers.
- In 63% of law firms, partners aged 60 or older control at least one-half of firm revenue.

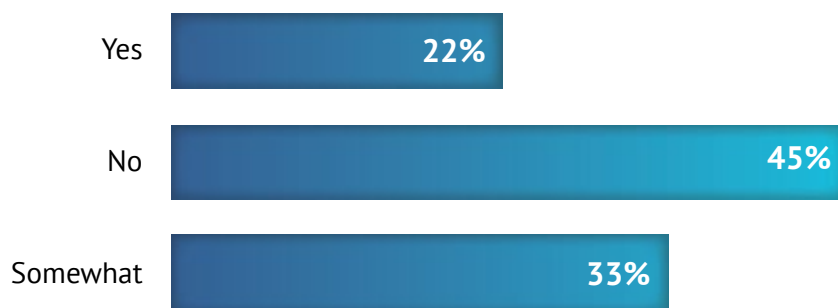
Demographically, law firms should focus on Succession Planning in relation to an aging workforce that is nearing retirement.

The law firm with its eye on the future must embrace the Succession Planning process. The plan itself is only a part of the process. Like Strategic Planning, it requires implementation, monitoring and revising.



In 63% of law firms, partners aged 60 or older control one-half of a firm's revenue.

Are you proactively grooming your successor?



WHAT FIRMS ARE DOING

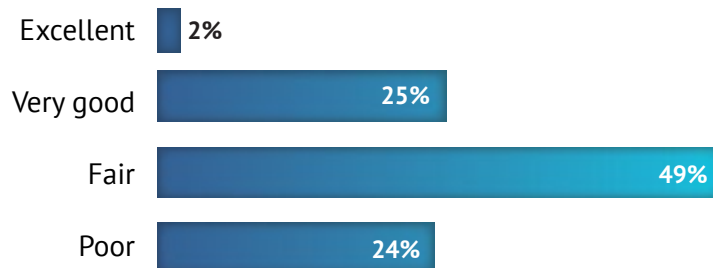
There is a lot of room for improvement here, especially since many firms are not grooming future leaders. In our survey, 73% of respondents said that their firms were doing only a *Fair* or *Poor* job at identifying and grooming future leaders. Research reported in the periodical *Legal Management* showed the following percentages for those in these positions who had documented succession plans with a successor identified:

- Managing Partner, 12%
- Practice Group Leaders, 1%
- Rainmakers, 5%
- Firm Administrator, 2%

In short, many law firms:

- Don't allow young partners a seat at the table.
- Allow older partners to stay past their prime.
- Watch younger ones eventually jump ship because they don't see a bright future or an opportunity to rise in the organization.

How well is your firm grooming future leaders?



“SUCCESSION PLANNING – THE SMOOTH AND ORDERLY TRANSITION OF OWNERSHIP, LEADERSHIP AND CLIENT RELATIONSHIPS – IS A NEGLECTED ISSUE FOR SMALLER AND MIDSIZE LAW FIRMS. SADLY, 70% OF FIRST-GENERATION LAW FIRMS DO NOT SURVIVE THEIR FOUNDING PARTNERS. IF YOU CARE ABOUT LONG-TERM SUSTAINABILITY, IT’S ESSENTIAL FOR YOUR FIRM TO IDENTIFY AND GROOM ITS FUTURE LEADERS. IT’S ALSO IMPORTANT TO HELP YOUR SENIOR LAWYERS TRANSITION SMOOTHLY TOWARD RETIREMENT. TALK ABOUT TRANSITION ISSUES EARLY AND OFTEN.”

JOHN REMSEN, JR.
President & CEO, The Managing Partner Forum



RECOMMENDATIONS

Most law firm management deals with succession the way that they deal with so many other aspects of their law firm business: on a reactive or as-needed basis. Firms often do not have strategic plans in place, much less succession and transition plans. And sadly, when they do focus on it proactively, they often leave clients out of the conversation.

1. Develop a formal Succession Planning process that identifies:
 - a. Critical positions (those where sudden vacancies would cause a severe disruption to the firm)
 - b. Potential successors for those critical positions
 - c. Others who might be ready for such a position in the future
 - d. The training and development needed to get people into the successor position, if they're not currently ready
2. Consider a mandatory de-equitization provision for equity partners at 65 years of age.
3. Implement a Senior Lawyer Transition Plan.
4. Abolish organization credit for life—it encourages hoarding and control.
5. Embed this process throughout the firm.
6. Better understand and approach succession as part of your law firm's ongoing growth strategy. This includes attraction, retention and firing strategies.
7. Develop and implement knowledge transfer plans for each person leading practice/industry groups, as well as large clients, MPs, and other firm leaders and rainmakers.
8. Protect your firm from unexpected departures by having a deeper talent pool to rely on. Define your criteria for these candidates, including role and core competencies for firm leaders, business development rainmakers or practice/industry managers.

“EVERY LAW FIRM SHOULD BE DEVELOPING ITS FUTURE LEADERS. IDENTIFY PEOPLE WITH POTENTIAL; TRAIN THEM (NO, LEADERSHIP SKILLS ARE NOT INNATE); GIVE THEM OPPORTUNITIES TO GROW AND EXCEL. IT IS NEVER TOO EARLY TO THINK ABOUT AND ACT ON SUCCESSION.”

ALAN S. BECKER, ESQ.

Founding Partner and Past Managing Partner, Becker & Poliakoff





Recruiting & Retention

Get Recruiting wrong, and you don't get the people you need.

Getting the right people to join the firm, and then getting them to stay there, is an important concept for building the firm's future success. This is where knowing and promoting firm culture is key. The goal is to attract like-minded people.

Get Recruiting wrong, and you don't get the people you need. In fact, you'll probably get the people you don't need.

Get Retention wrong, and you lose good people, but retain the underperformers.

Keep in mind that Recruiting and Retention are separate processes.

The Recruiting process involves **Hiring the Right People** by:

- Identifying the firm's needs
- Finding the candidates who align with firm strategy and culture
- Reviewing applications and résumés
- Deciding who gets an interview
- Interviewing
- Deciding whether to hire

The Retention process involves **Investing in Your People** by:

- Reviewing statistics on retention and turnover
- Gathering additional information through surveys of lawyers and leaders and holding exit interviews with departing attorneys
- Making sure people are in the right roles
- Developing and implementing policies and programs that promote retention
- Providing leadership development through feedback, mentoring and training
- Getting rid of policies and programs that inhibit retention

In our research, we found that 42% of respondents reported that they've lost partners or associates within the last six months whom they were sorry to see leave and 38% of respondents felt that, compared to five years ago, it was more likely that their best lawyers may leave the firm.



42%

lost partners or associates whom
they were sorry to see go

38%

feel their best lawyers
may leave the firm

Cushman & Wakefield asked associates to choose the most important factors that influenced their decisions to accept employment at their current law firms. Here are the top factors, with the percentages of associates who chose these factors:

What Attracts Associates

- Firm Reputation, 75%
- Areas of Practice, 66%
- Compensation, 58%
- Diversity/Complexity of Work, 39%
- Partnership Track, 35%

Note the differences Cushman & Wakefield found about retention, when they asked associates to identify the most important factors in getting them to stay at their current firms:

- Areas of Practice, 57%
- Firm Reputation, 56%
- Compensation, 55%
- Mentoring, 48%
- Collaborative Culture, 43%

WHAT FIRMS ARE DOING

Firms are struggling with this issue. In our survey, only 19% of respondents said they'd had "great success" with attracting and retaining Generations X and Y and millennials. Different groups are wired differently and have different priorities.

Something law firms aren't doing: using psychological assessments to help their hiring decisions. Areas covered by psychological testing include:

- General intellectual level and problem-solving style
- Emotional maturity and personality
- Interpersonal style
- Management style or selling ability
- Decision-making and organizational skills
- Leadership competencies
- Ambition and aspiration

Our research showed that 86% of firms do not use these tools.

IN 2015, THE MILLENNIALS BECAME THE HIGHEST PERCENTAGE OF THE U.S. WORK-FORCE, AND TODAY'S YOUNG LAWYERS HAVE FAR DIFFERENT CAREER GOALS AND OBJECTIVES THAN THEIR PREDECESSORS. UNDERSTANDING WHAT DRIVES THEM IS KEY TO ASSOCIATE RECRUITMENT AND RETENTION. MENTORSHIP, COLLABORATION AND FEELING LIKE THEY HAVE SOME SKIN IN THE GAME HAVE BECOME CRITICALLY IMPORTANT.

SHERRY CUSHMAN

Executive Managing Director, Cushman & Wakefield



RECOMMENDATIONS

1. Use psychological assessments.
2. Review your recruiting and retention processes to see if you could be doing them better: Look at everything and ask, “Why do we do it that way?”
3. Look at other law firms, and other industries, to find best practices.
4. Develop a strong mentoring program.
5. Survey lawyers and leaders to gather input on both recruiting and retention.
6. Consider:
 - a. A greater focus on diversity
 - b. Flex time
 - c. Alternative work schedules
 - d. A working-from-home policy
 - e. A non-equity track
 - f. Work-life balance
7. Understand and unite generations for short-term and long-term growth and success.
8. Strengthen your associate development program, and include training in:
 - a. Leadership Development
 - b. Business Development



“NEARLY ALL ASSOCIATES TODAY ARE MILLENNIALS. RESEARCH SHOWS THEY ARE GENUINELY DIFFERENT FROM PREVIOUS GENERATIONS. TO RETAIN THEM LONGER, AND TO PRODUCE A MORE ENGAGED WORKFORCE, PAY ATTENTION TO 5 THINGS: 1. ARE YOU ACTIVELY PROVIDING THEM WITH ADEQUATE DISCRETION AND CHOICE (I.E., AUTONOMY)? 2. ARE YOU ACTIVELY LINKING THEIR WORK TO MEANINGFUL SOCIETAL IMPACTS? 3. ARE YOU ACTIVELY MAKING THEM FEEL INCLUDED, AND DO THEY HAVE A CHANCE TO FORM CLOSE FRIENDSHIPS IN THE FIRM? 4. ARE SUPERVISING LAWYERS GENUINELY INTERESTED IN HELPING THEM TO DEVELOP A SENSE OF MASTERY OF THE CRAFT OF LAWYERING? AND 5. ARE YOU ACTIVELY ENCOURAGING AND ROLE-MODELING THE TREATMENT OF ASSOCIATES WITH RESPECT, ESPECIALLY BY PARTNERS?”

DR. LARRY RICHARD
Principal Consultant, LawyerBrain



Technology

Technology allows law firms to perform better, faster and cheaper than before.

Technology is a two-edged sword. On the one hand, technology allows clients and non-clients to do more legal research on their own. (These are disruptors. Think ABSs, LegalZoom, AVVO, Rocket Lawyer.) They can do it better, faster and cheaper than before.

In research by Altman Weil, 21% of firms surveyed considered technology that reduces the need for lawyers and paralegals to be a current threat, while 53% of the firms also saw it as a future threat.

On the other hand, technology greatly improves law firms in many ways, including better efficiency in terms of human resources, knowledge management, communication, etc. Technology allows law firms to perform these functions better, faster and cheaper than before. The same applies to legal functions, such as research.

Clearly, technology is important for the law firm of the future.

We looked at 2016 investments vs. 2015 investments in six key technology areas.

- Case Management Software
- Cybersecurity
- Website, Internet and Digital Marketing
- CRM & Database
- Competitive Intelligence
- Legal Research

The one that gets the most publicity today is Cybersecurity.

A Chase Cost Management (CCM) survey report, released in August 2015, showed that the average information security spend for Am Law 200 firms was \$8,000 per full-time equivalent.



“TECHNOLOGY HAS BEEN BECOME INCREASINGLY IMPORTANT FOR TODAY’S LAW FIRM WITH MANY EXPERTS PREDICTING THAT IT WILL SOON SURPASS RENT AS YOUR FIRM’S #2 EXPENSE ITEM AFTER SALARIES. THE TIME HAS COME FOR MANAGING PARTNERS TO TAKE A STRONGER AND MORE PROACTIVE ROLE IN LEARNING MORE ABOUT THIS VITALLY IMPORTANT AREA.”

ROBERT A. YOUNG, ESQ.

Former Chair, ABA’s Law Practice Division
Former Managing Partner, English Lucas Priest & Owsley

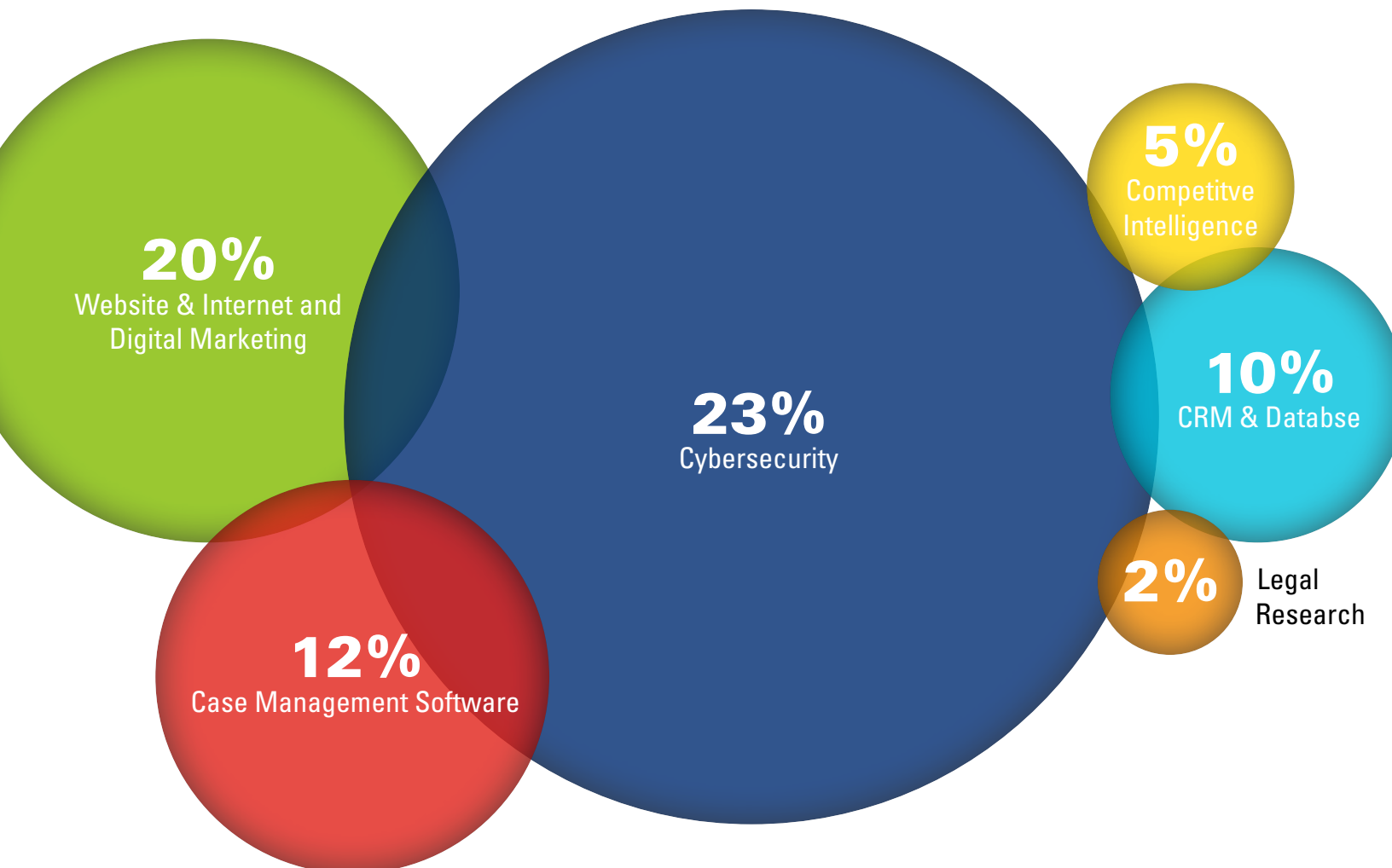


WHAT FIRMS ARE DOING

According to our own research, here are the percentages of respondents who have increased their 2016 investments over their 2015 investments:

- Cybersecurity, 23% of respondents
- Website & Internet and Digital Marketing, 20% of respondents
- Case Management Software, 12% of respondents
- CRM & Database, 10% of respondents
- Competitive Intelligence, 5% of respondents
- Legal Research, 2% of respondents

Cybersecurity is the obvious winner, with Website, Internet and Digital Marketing a close second. Cybersecurity investment may soon overtake rent as the #2 law firm expense item. The big question is: how much should you invest in these areas? That's hard to say, because many different factors are involved.



RECOMMENDATIONS

1. Focus on Cybersecurity to determine the level of investment that provides the greatest protection for the firm and its clients.
2. Provide Cybersecurity training for all partners, associates and staff.
3. Review the other five areas of investment and determine:
 - a. How much value each is actually generating
 - b. The amount of revised investments needed for those five areas
4. Embrace technology and marketing for greater reach and reputation management.
5. Don't be held hostage by your technology vendors. Using a vendor's proprietary platform limits your ability to fix and update efficiently and cost-effectively. With so many open-source CMS and web development platforms available, there is no reason not to build your website on an open-source platform. Customizations are limitless, and switching vendors is relatively easy.
6. Be more efficient, flexible, and better able to target your marketing activities by using digital marketing tools instead of print. The reach is as big or as small as you want it to be and the subject matter can be much more focused, speaking directly to industries and communities through email and social media channels.

“WE USED TO BELIEVE THAT WE COULD BUILD A WALL THAT WOULD KEEP INTRUDERS OUT. NOW WE KNOW THAT ADVANCED HACKERS WITH ADVANCED TOOLS AND SUFFICIENT FUNDING WILL INDEED BREACH US – AND OUR NEW MANTRA IS “DETECT, RESPOND AND RECOVER.” IF YOUR MANAGEMENT MINDSET ISN'T THERE, YOU ARE STUCK IN TECHNOLOGICAL OBSOLESCENCE. GOOD CYBERSECURITY IS GOOD RISK MANAGEMENT – AND BETTER YET, A MARKETING TOOL TO USE WITH CLIENTS. DON'T JUST DELEGATE THIS – THAT DOES NOT WORK. LEARN IT YOURSELF, AS MUCH AS YOU CAN – AND LEAD BY BEING KNOWLEDGEABLE – THAT'S HOW YOU ENSURE THE FUTURE OF YOUR FIRM!”

SHARON D. NELSON, ESQ.
President, State Bar of Virginia
President, Sensei Enterprises



I Closing

The role of a Managing Partner is facing a period of upheaval unlike ever before, and ignoring the trends of change and challenges in the legal industry will cause law firms to fail, get acquired or stay stagnant. We urge you to change the role of the MP, become a CEO and run the firm like a business to assure long-term success and relevance.

In our report, we examined survey data based on seven key areas from a state-of-the-industry approach to help educate law firm leaders. We provided many recommendations that surely won't be easy to incorporate into a firm's culture without other adaptations and changes.

Several key takeaways to understand as your firm's leader:

- Demand and expect innovative thinking and new directions and processes to steer the firm into the future.
- Hold others accountable for their actions and their inactions, with clearly defined expectations.
- Establish and implement a strategic plan as a living document that is regularly reviewed and refreshed to reflect ongoing changes within the firm such as clients, firm lawyers and the industry at large. Be agile.
- Monitor, track, set models for, listen to feedback and respond to the firm's marketing and business development activities to enable growth.
- Handle difficult lawyers directly and firmly with a plan to solve problems.
- Plan for the firm's future by actively investing time and resources for grooming the next generation of leaders.
- Recognize various individual personality characteristics and generational issues, and understand those differences in candidates to strengthen hiring abilities, as well as to keep good lawyers and staff.
- Technology serves the firm's future success, especially by the firm's website and digital marketing efforts, but with that also comes a warning of data security risks. Know them.

The future looks promising for the law firms willing to adapt and change. MPs of these firms will be positioned to face and overcome the unforeseen challenges in the legal profession faster and more efficiently, making their firms more competitive, more agile, more innovative—and more successful.

The question is: Will you be able to make the changes necessary to lead your firm into the future?

Thought Leadership



Founded in 2002, The Managing Partner Forum has grown to become the richest community and information source for leaders of today's most successful smaller and midsize law firms. Our programs and offerings are created for managing partners by managing partners, and based on guidance from The MPF Advisory Board which consists of three dozen managing partners and firm leaders.

For example, the MPF website features more than 500 articles, white papers, podcasts and surveys designed especially for leaders of smaller and midsize law firms. The *MPF Weekly*, our e-newsletter, has more than 10,000 subscribers from around the world.

In addition, we regularly present meetings and conferences on a variety of topics important to law firm leaders. More than 1,100 firm leaders from 850 law firms in 43 states have participated in The MPF Leadership Conference, our signature event held each year in Atlanta.

In short, our mission is to help law firm managing partners to be the most effective firm leaders they can be. For more information, visit www.ManagingPartnerForum.org.



Jaffe, the legal industry's full-service marketing, branding and public relations agency, has been recognized by Lawdragon, *National Law Journal*, Ragan's *PR Daily* and *PR News* for having outstanding marketing, PR, social media and business development services and leading consultants. In addition, the Legal Marketing Association has repeatedly honored the agency with "Your Honor Awards" for developing creative and results-driven marketing programs. Jaffe prides itself on exceptional client service and comprehensive service offerings, including media relations, legal marketing and business development, branding services, content marketing, search engine optimization, website development, rankings assistance and law firm business consulting, including advising on succession planning, strategic plans and management issues.



TheRemsenGroup is widely recognized as one of the country's leading authorities on law firm leadership, strategic planning, marketing and business development. Since 1997, we have worked with hundreds of law firms and thousands of lawyers to help them sharpen strategic focus, secure new business and improve profitability.

Importantly, we focus our consulting services in three primary areas: firm-wide and practice group strategic planning, firm retreats, and recruiting COOs and CMOs. TheRemsenGroup works mostly with smaller and midsize commercial firms, tailoring our recommendations to meet each law firm's unique circumstances.

John Remsen, Jr. is a Fellow of the College of Law Practice Management and is recognized by LawDragon as one of the top 100 legal consultants in the world. For information, visit www.TheRemsenGroup.com.

Appendices



THE MPF LAW FIRM LEADERSHIP & GOVERNANCE SURVEY

May 5, 2016

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THE
NATIONAL
LAW REVIEW

TheRemsenGroup

SURVEY OBJECTIVES, METHODOLOGY AND PARTICIPATING LAW FIRMS

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THE
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SURVEY OBJECTIVES

- Create the most comprehensive survey about leadership and governance models of smaller and mid-size US law firms
- Provide important bench-marking data to help firm leaders be more effective in their challenging, often ill-defined, roles
- Determine how firms select their leaders and what firm leaders do in their increasingly important roles
- Learn about the strategic priorities of smaller and mid-size US law firms, including their investments in marketing and technology



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THE
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LAW REVIEW



TheRemsenGroup

SURVEY METHODOLOGY

- Confidential, online survey with 35 questions
- 147 law firm leaders participated
- Firms ranging in size from 10-200 lawyers
- Powered by Jaffe, *The National Law Review* and TheRemsenGroup
- Conducted in April 2016



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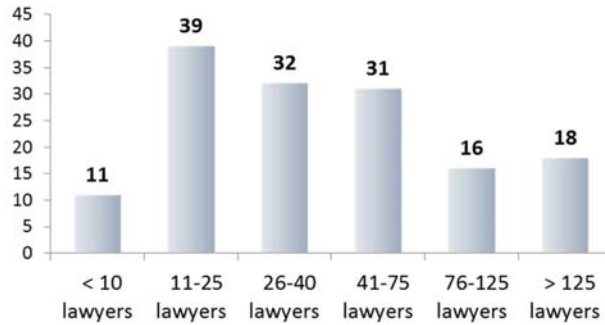
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HOW MANY LAWYERS PRACTICE AT YOUR FIRM?

(by number of lawyers)

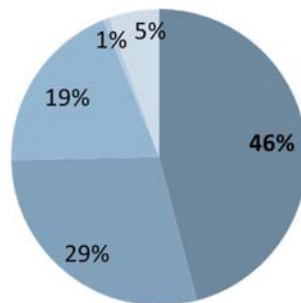


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WHICH TERM BEST DESCRIBES YOUR FIRM'S CURRENT PRACTICE?



- Full-Service Commercial Firm
- Several Recognized Practice Areas
- Single-Practice Boutique Firm
- Plaintiff's/Consumer Firm
- Insurance Defense Firm

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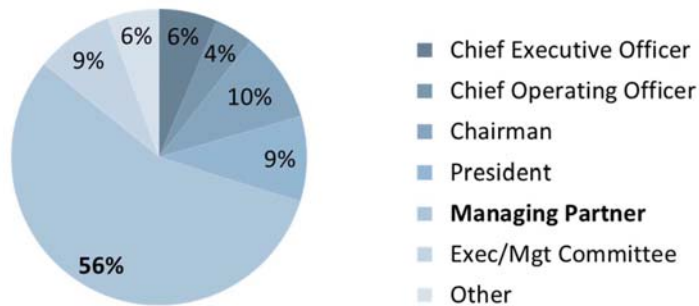
ABOUT YOU AND YOUR ROLE AS FIRM LEADER

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WHAT IS YOUR TITLE?

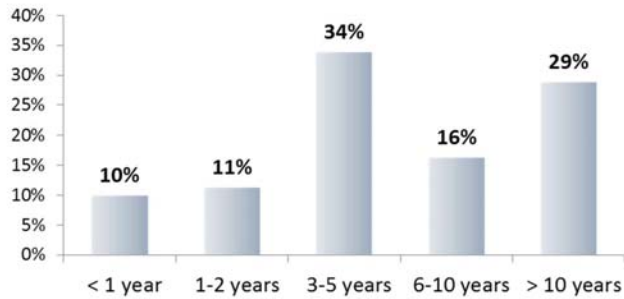


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HOW LONG HAVE YOU SERVED IN THE LEADERSHIP ROLE AT YOUR FIRM?

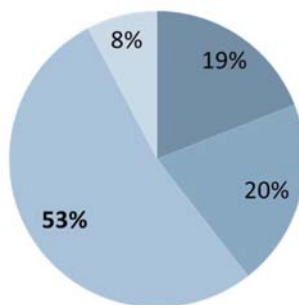


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DO YOU HAVE A FORMAL JOB DESCRIPTION?



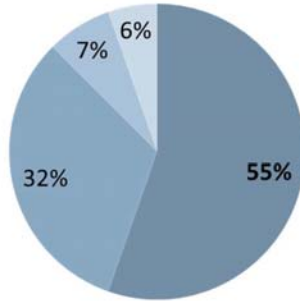
- Yes, in writing and we follow it
- Yes, but not closely followed
- No
- Work in progress

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IF YES, HOW DO YOU FEEL ABOUT IT?



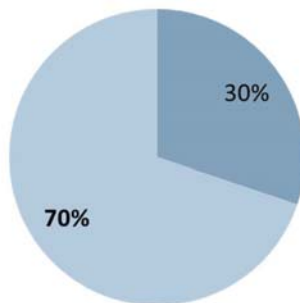
- Glad. It gives me guidance.
- Wish firm paid more attention to it.
- Wish I didn't have one.
- Other

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IF NO, DO YOU WANT ONE?



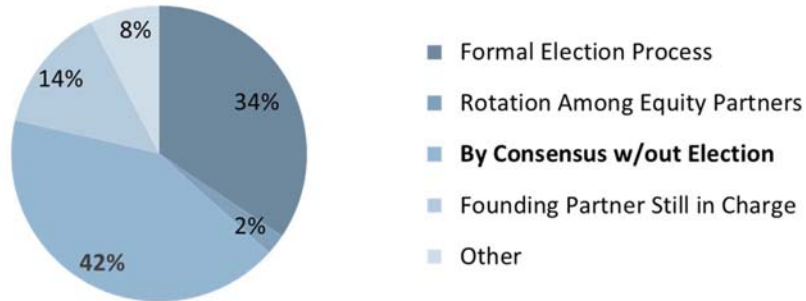
- Yes
- No

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HOW DOES YOUR FIRM SELECT ITS MANAGING PARTNER?

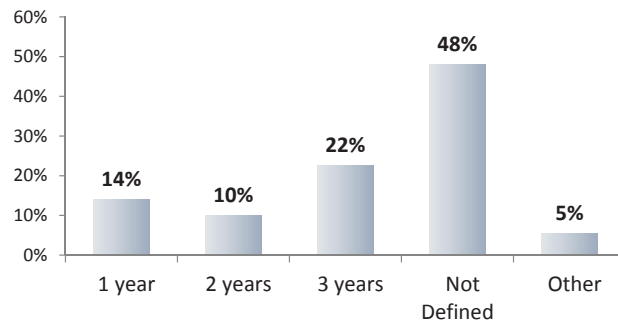


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WHAT IS THE LENGTH THE MANAGING PARTNER'S TERM?

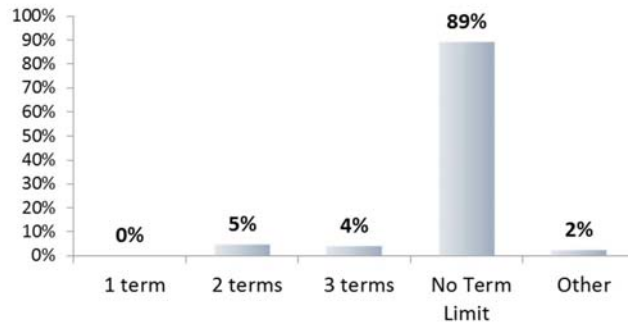


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ARE THERE TERM LIMITS?



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WHAT ARE YOUR MOST IMPORTANT CONTRIBUTIONS AS FIRM LEADER?

(Rate on 1-7 scale. 7 is the highest.)

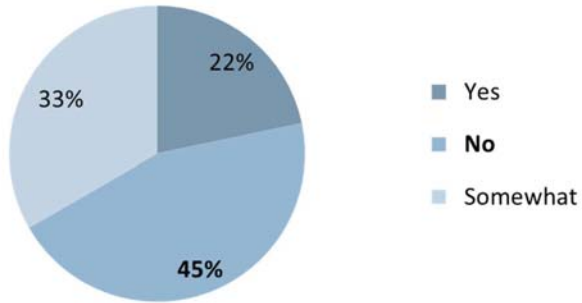


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ARE YOU GROOMING YOUR SUCCESSOR?



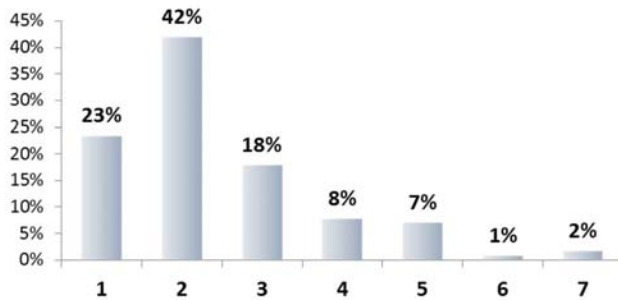
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DO YOU ENJOY THE LEADERSHIP ROLE?

(Rank on 1-7 scale. 1= love it. 7= hate it)



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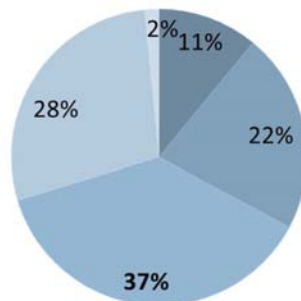
ABOUT YOUR FIRM'S GOVERNANCE MODEL

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WHICH TERM BEST DESCRIBES YOUR FIRM'S GOVERNANCE MODEL?



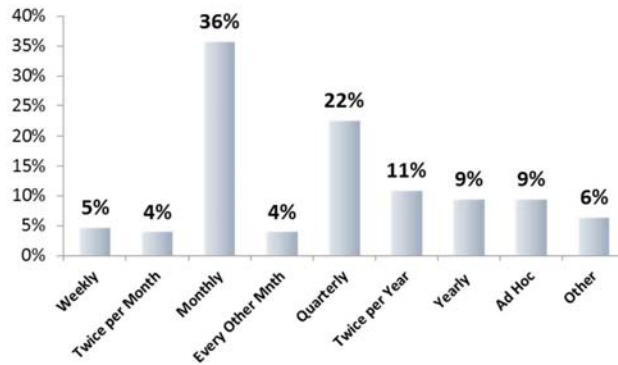
- Benevolent Dictatorship
- Established Oligopoly
- **Representative Democracy**
- Open Democracy
- Office Sharing Arrangement

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HOW OFTEN DO FIRM OWNERS MEET FOR DECISION-MAKING PURPOSES?

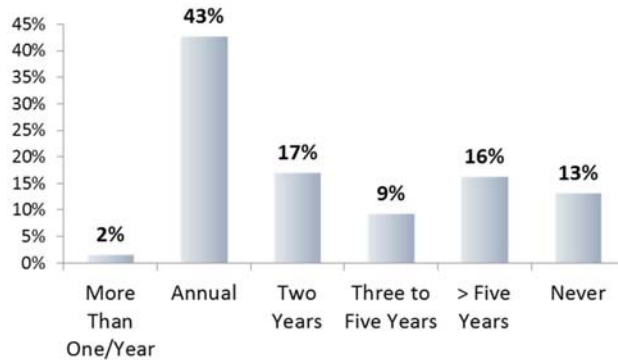


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HOW OFTEN DOES YOUR FIRM HOLD FIRM RETREATS?

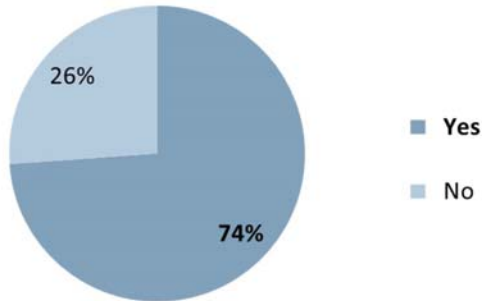


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DOES YOUR FIRM HAVE AN EXECUTIVE/MANAGEMENT COMMITTEE?

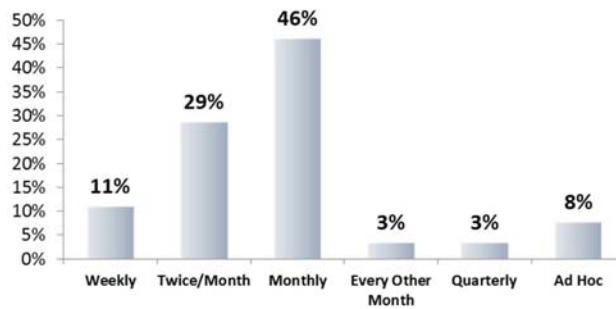


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IF YES, HOW OFTEN DOES IT MEET?

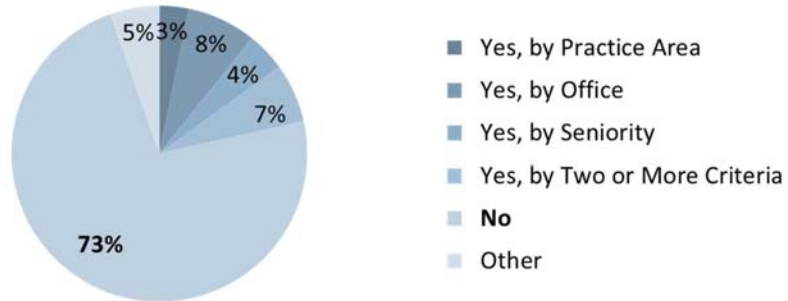


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IF YES, IS THERE “FORCED” REPRESENTATION?

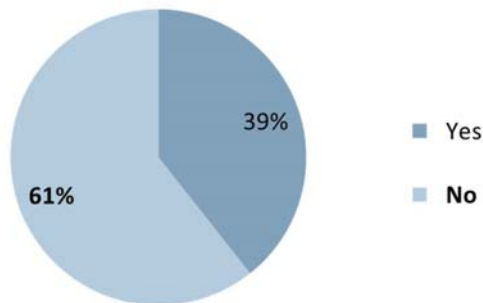


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IF YES, IS THERE A SEPARATE COMPENSATION COMMITTEE?

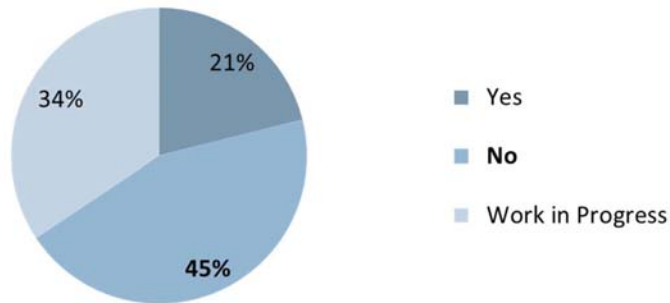


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DOES YOUR FIRM PROVIDE LEADERSHIP TRAINING?



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IF YES, BRIEFLY DESCRIBE LEADERSHIP TRAINING AT YOUR FIRM

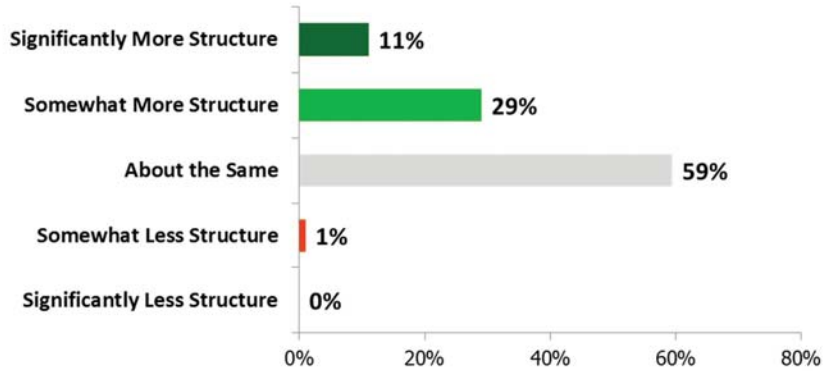
- Outside consultant
- Successors “shadow” predecessors
- External meetings and conferences
- Internal meetings and training sessions
- Assignments to chair important projects and initiatives
- Self-selected mentorship program
- Recommended reading: Books and articles

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HAVE THERE BEEN CHANGES TO YOUR FIRM'S GOVERNANCE MODEL IN THE LAST FIVE YEARS?

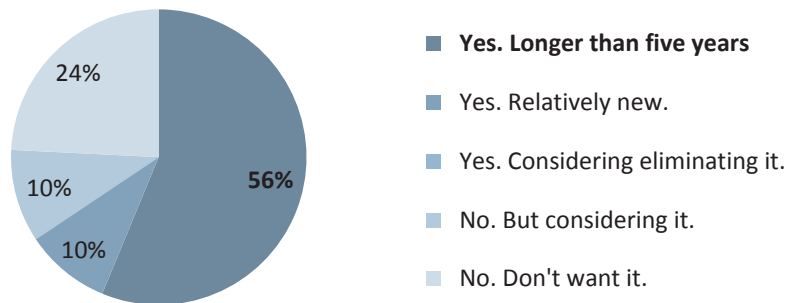


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DOES YOUR FIRM HAVE A MULTI-TIERED PARTNERSHIP STRUCTURE?



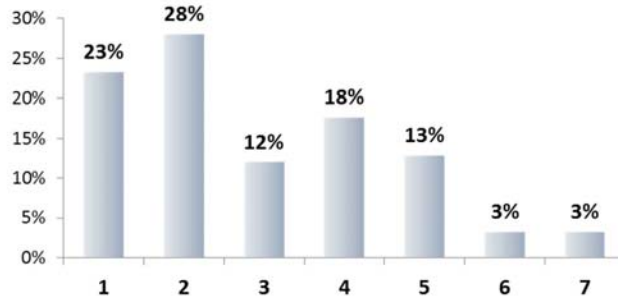
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HAS YOUR FIRM CLEARLY ARTICULATED THE CRITERIA TO BECOME A FIRM OWNER?

(Rank on 1-7 scale. 1= Very clear. 7= Very unclear)



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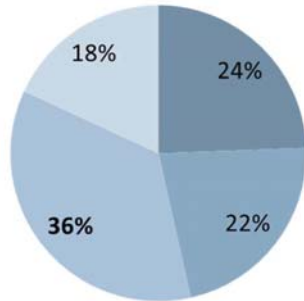
ABOUT YOUR FIRM'S PLANS FOR THE FUTURE

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DOES YOUR FIRM HAVE A WRITTEN FIRM-WIDE STRATEGIC PLAN?



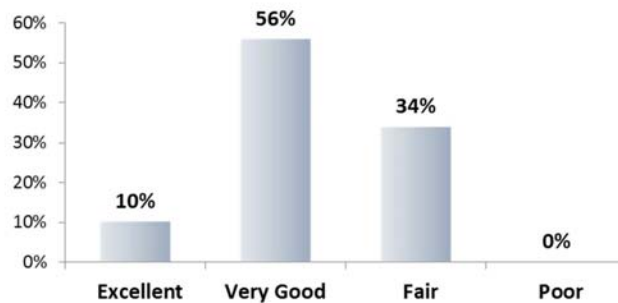
- Yes. Longer than five years
- Yes. Relatively new.
- No. But considering it.
- No. Don't need one.

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IF YES, HOW IS YOUR FIRM DOING ON IMPLEMENTATION?

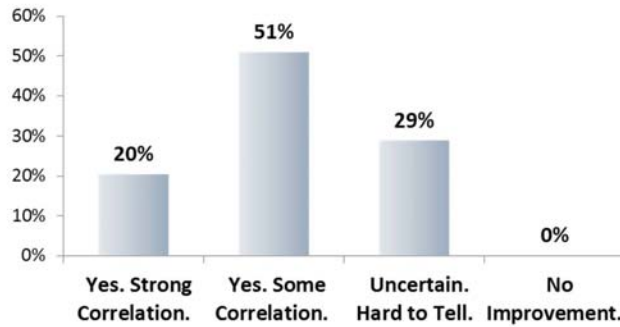


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IF YES, HAS STRATEGIC PLANNING IMPROVED YOUR FIRM'S PERFORMANCE?

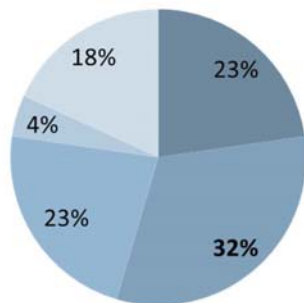


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IF NO, WHAT'S YOUR OPINION AS FIRM LEADER?



- I don't think we need one.
- I'm sold, but not my partners.
- We're busy. No time to plan.
- Too expensive with little ROI.
- Never thought much about it.

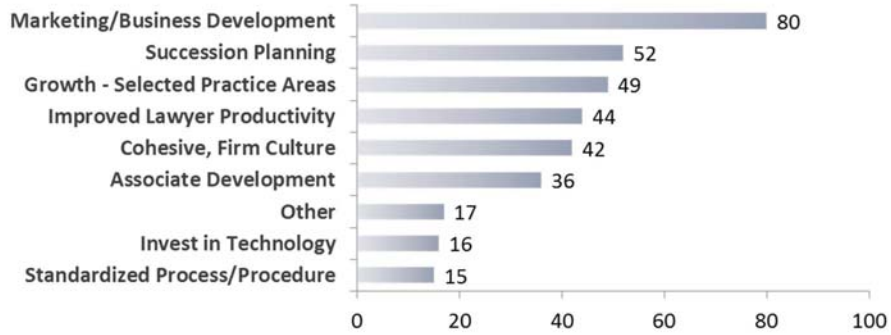
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MOST IMPORTANT STRATEGIC PRIORITIES

(Select your firm's top three priorities.)



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FIRM INVESTMENT IN MARKETING AND BUSINESS DEVELOPMENT

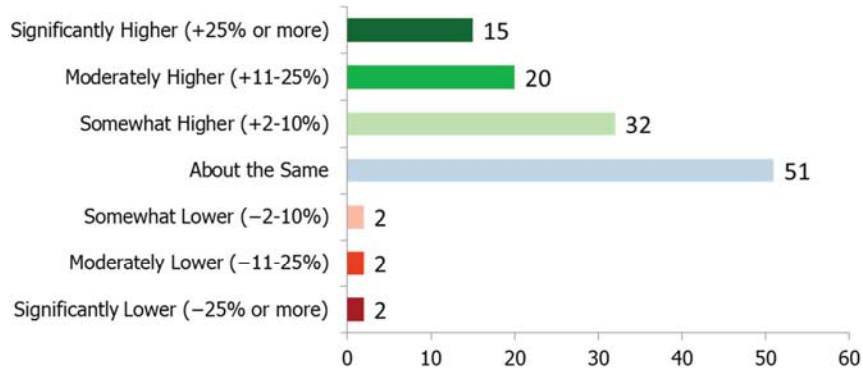
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WEBSITE AND INTERNET MARKETING

(Total Investment 2016 vs. 2015)



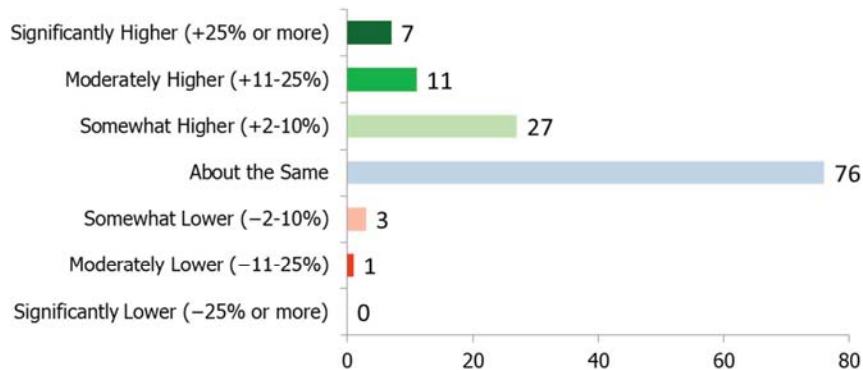
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FIRM EVENTS AND SEMINARS

(Total Investment 2016 vs. 2015)



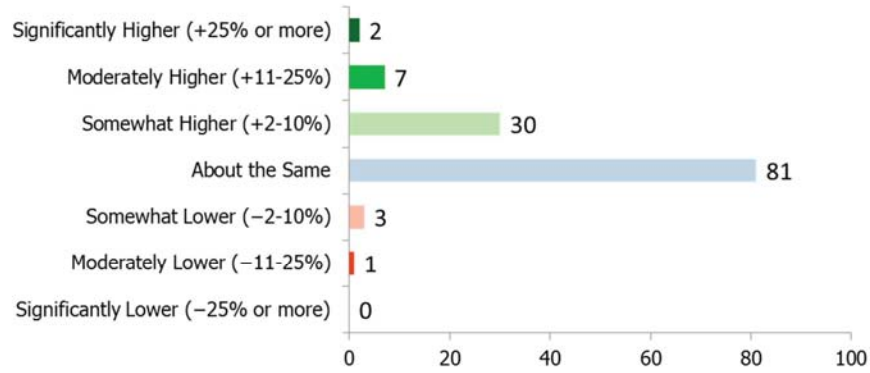
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ORGANIZATIONAL INVOLVEMENT

(Total Investment 2016 vs. 2015)



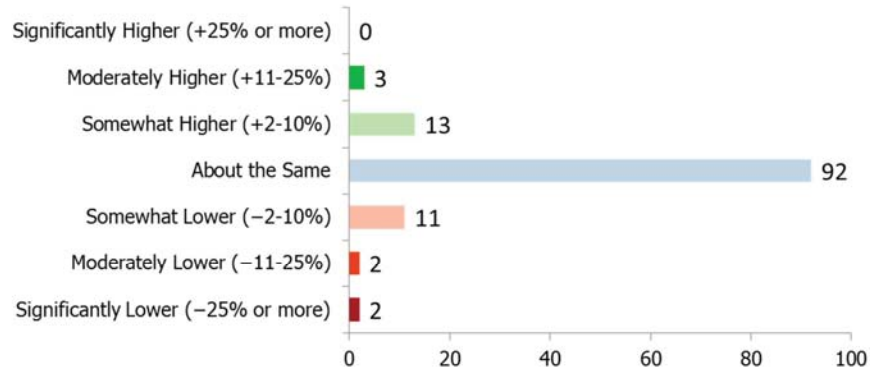
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CHARITABLE CONTRIBUTIONS

(Total Investment 2016 vs. 2015)



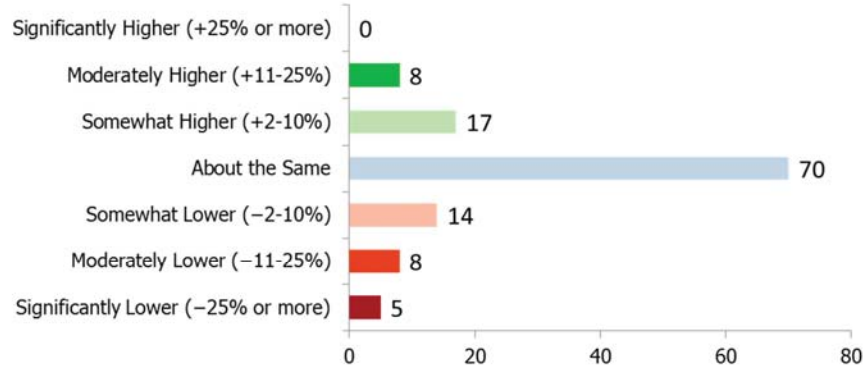
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RANKINGS AND DIRECTORIES

(Total Investment 2016 vs. 2015)



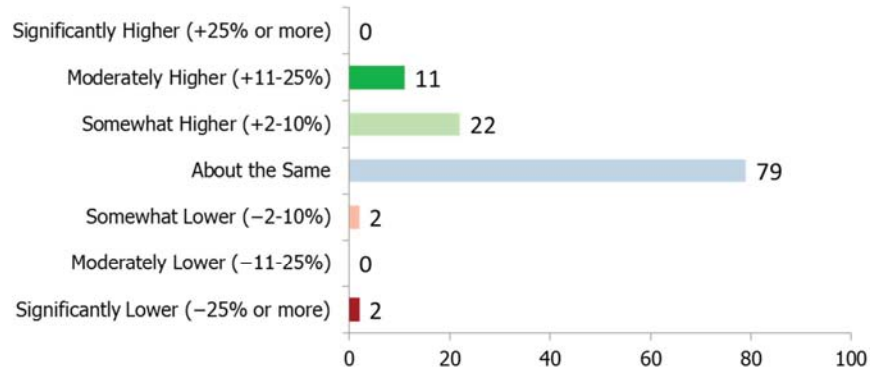
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MARKETING STAFF

(Total Investment 2016 vs. 2015)



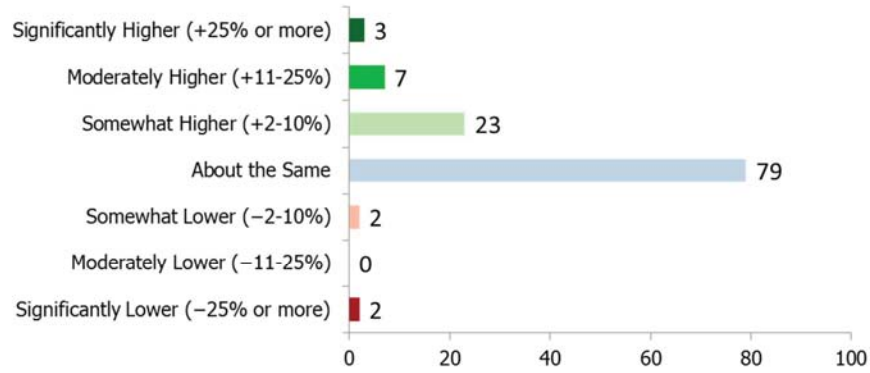
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LAWYER SALES TRAINING

(Total Investment 2016 vs. 2015)



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FIRM INVESTMENT IN TECHNOLOGY AND INFORMATION SYSTEMS

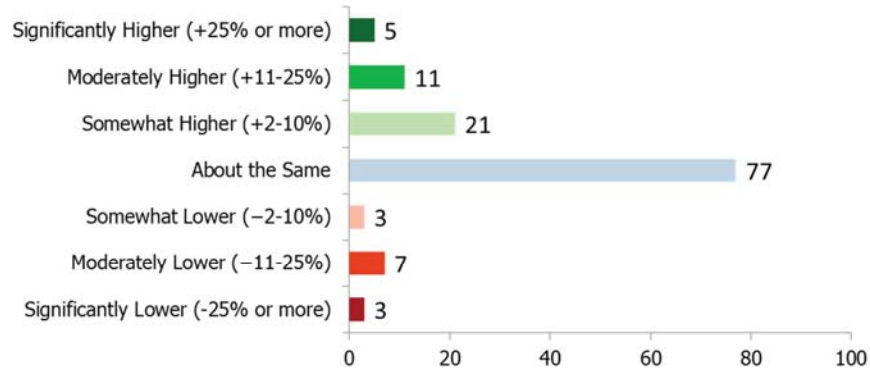
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CASE MANAGEMENT SOFTWARE

(Total Investment 2016 vs. 2015)



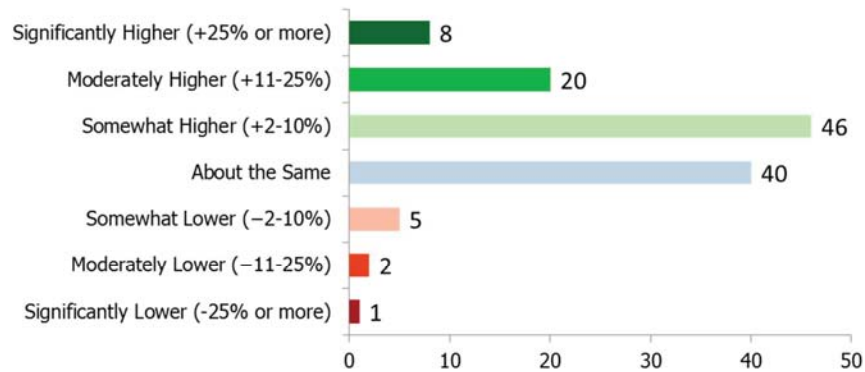
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CYBER SECURITY

(Total Investment 2016 vs. 2015)



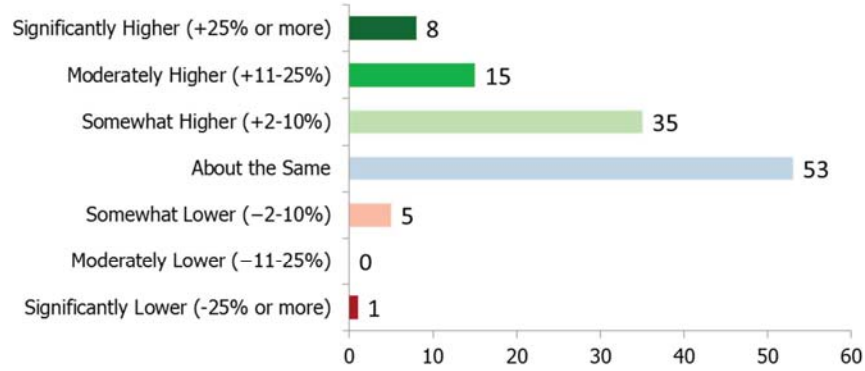
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WEBSITE & INTERNET MARKETING

(Total Investment 2016 vs. 2015)



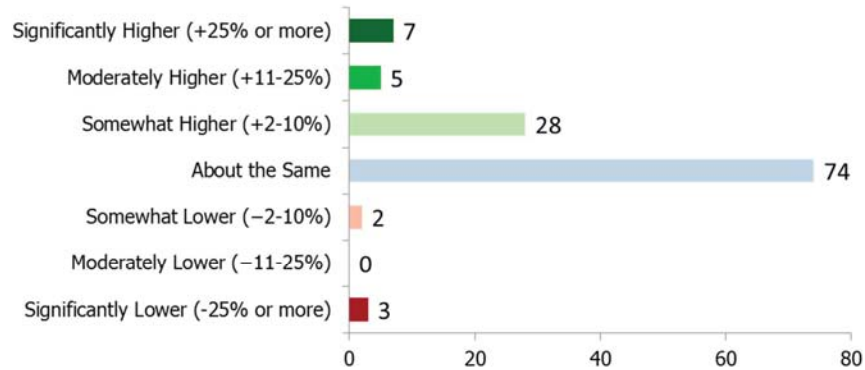
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CRM & DATABASE

(Total Investment 2016 vs. 2015)



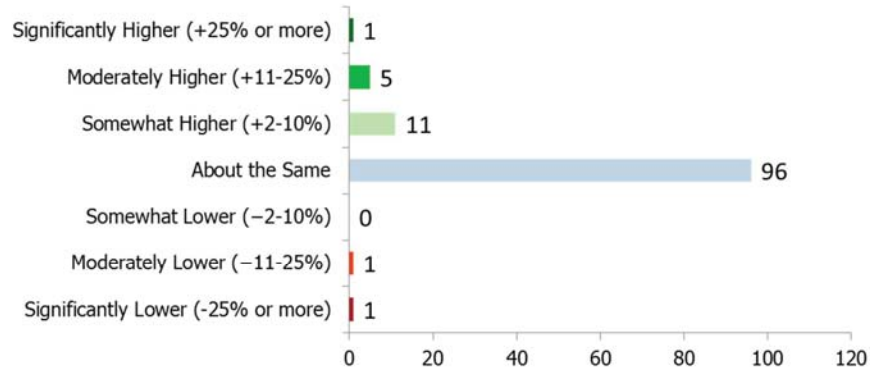
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COMPETITIVE INTELLIGENCE

(Total Investment 2016 vs. 2015)



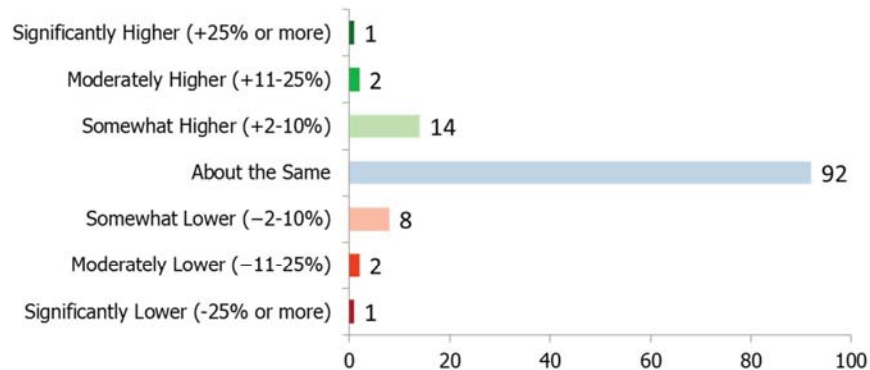
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LEGAL RESEARCH

(Total Investment 2016 vs. 2015)

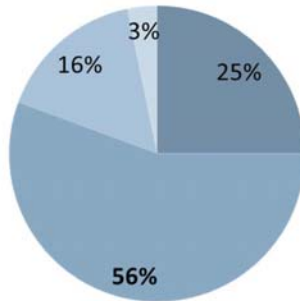


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HOW DO YOU FEEL ABOUT YOUR FIRM'S FUTURE?



- Highly Optimistic
- Somewhat Optimistic
- Not Sure. Work to Do.
- Somewhat Pessimistic

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CONTACT US

John Remsen, Jr.

404.885.9100

JRemsen@TheRemsenGroup.com

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A blue wireframe structure of a building, resembling a 3D architectural model, is the background for the entire page. The structure is composed of a grid of white lines on a dark blue background, creating a sense of depth and perspective. The building is shown from a low angle, looking up, and is partially obscured by the text and logo on the right side.

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your people and your law firm

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ADVANCING THE BUSINESS OF LAW



Audience Polling Technology

- 86 managing partners and firm leaders
- Firms ranging in size from 6-600 lawyers
- From 28 states (USA), Canada, Nicaragua and USVI
- 40% have participated before

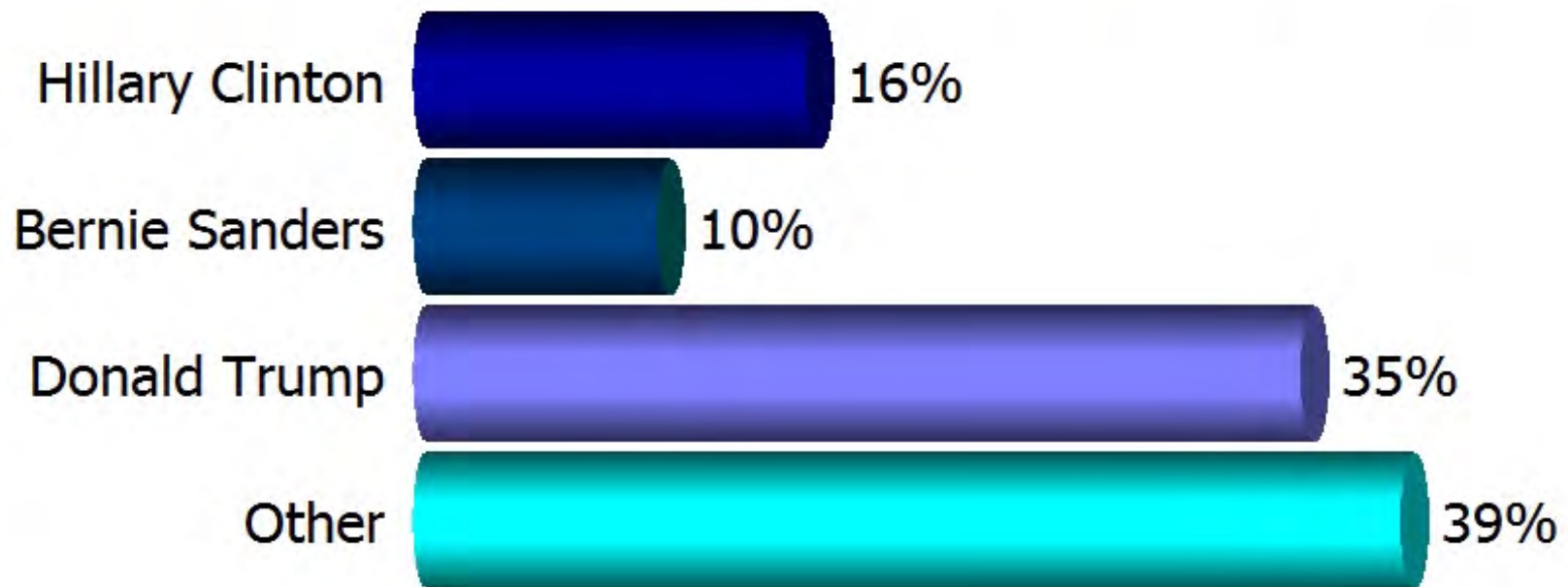


Panel Discussion

- *Moderators*
Terry M. Isner, Jaffe
John Remsen, Jr., TheRemsenGroup
- *Panelists*
Sherry Cushman, Cushman & Wakefield
Dr. Larry Richard, LawyerBrain LLC
Gerry Riskin, Edge International
Brent Turner, Thomson Reuters
Robert A. Young, Esq., English Lucas Priest Owsley, LLP

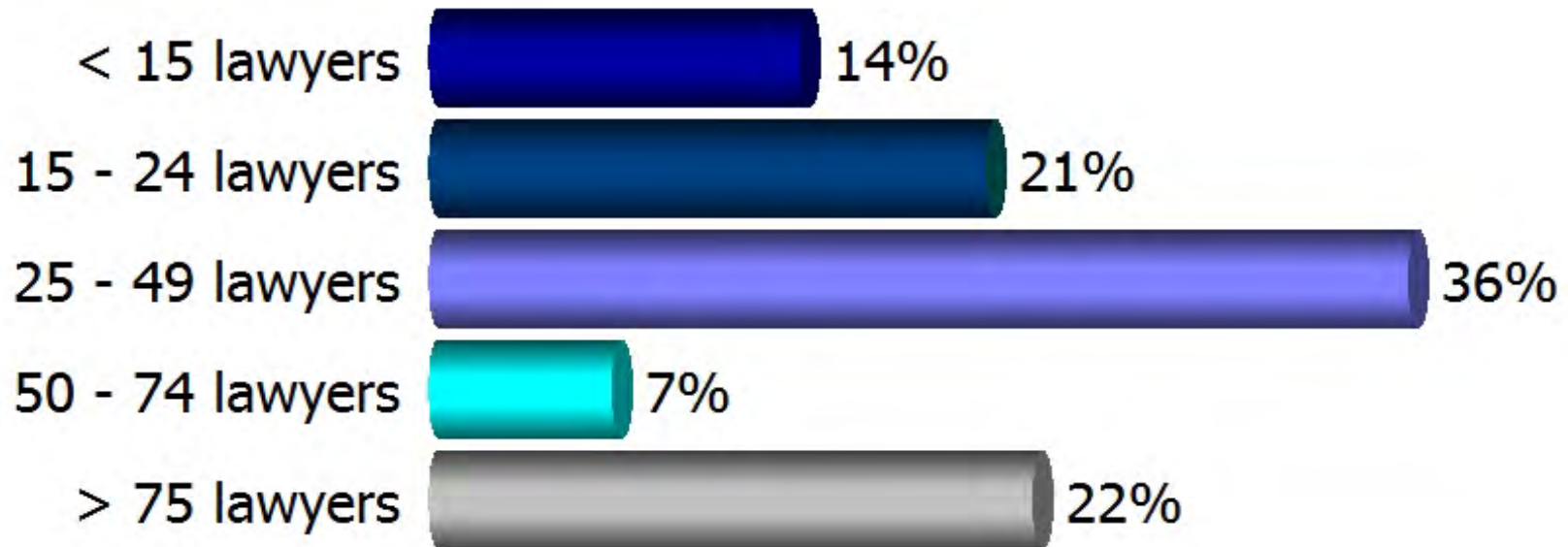


Who do you support for President of the United States?



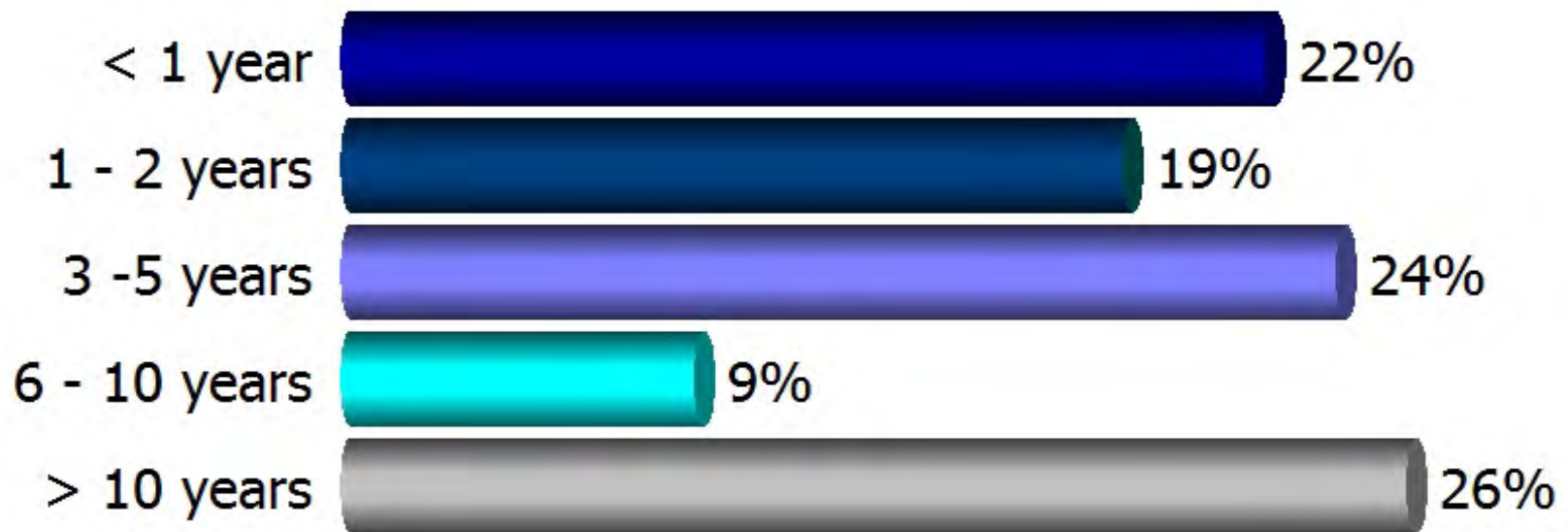


How many lawyers do you have at your firm?



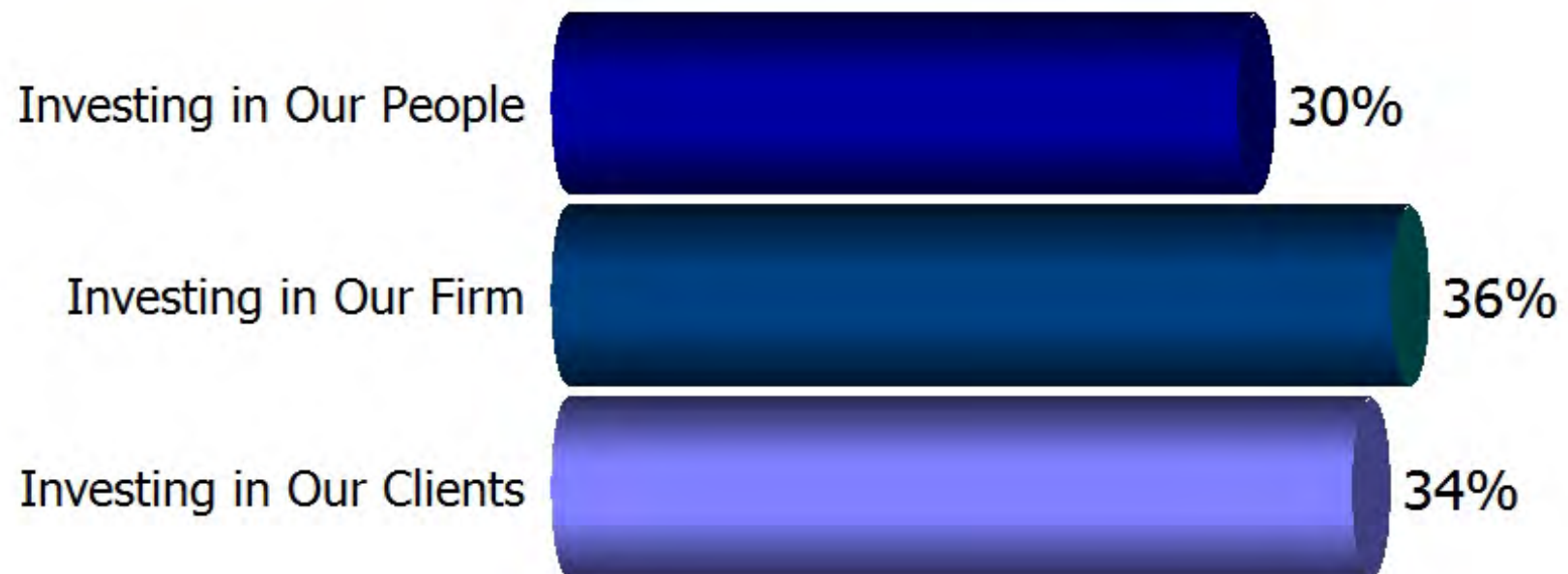


How long have you served as your firm's managing partner?



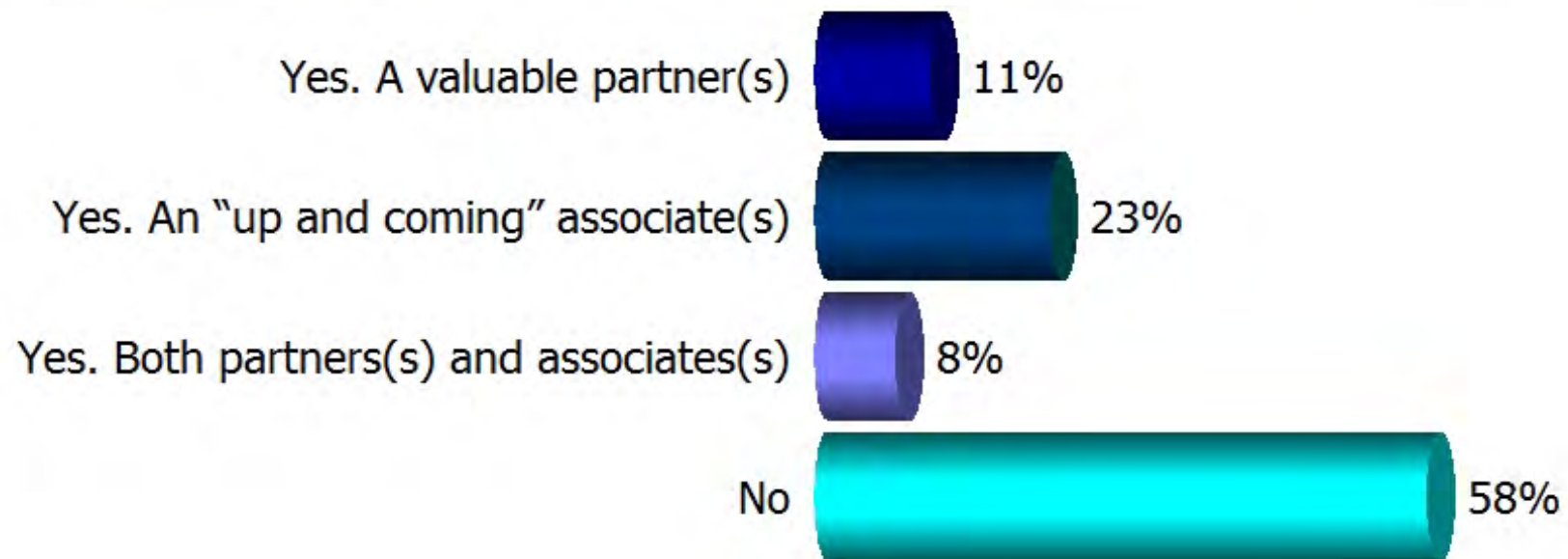


In which area are your firm's most significant challenges?



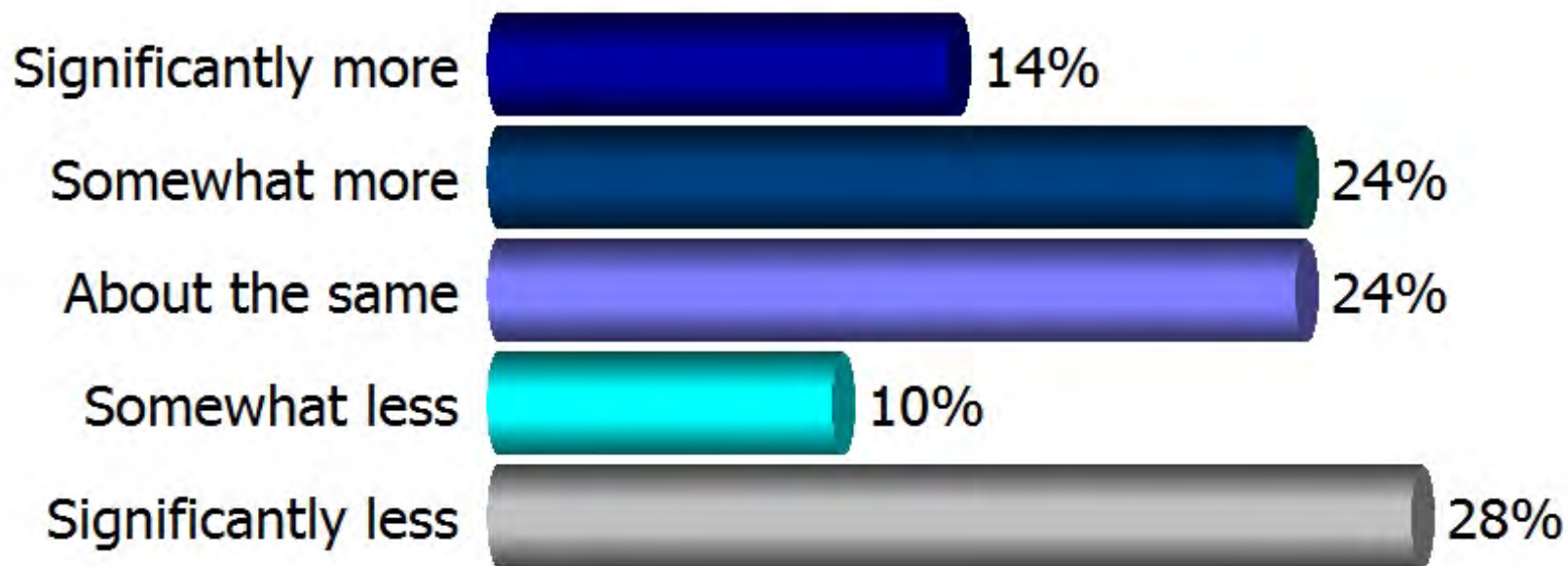


Has your firm lost a partner or associate that you're sorry to see go in the last six months?





Compared to five years ago, what is the likelihood that your best lawyers may leave the firm?



Mean: 3.1

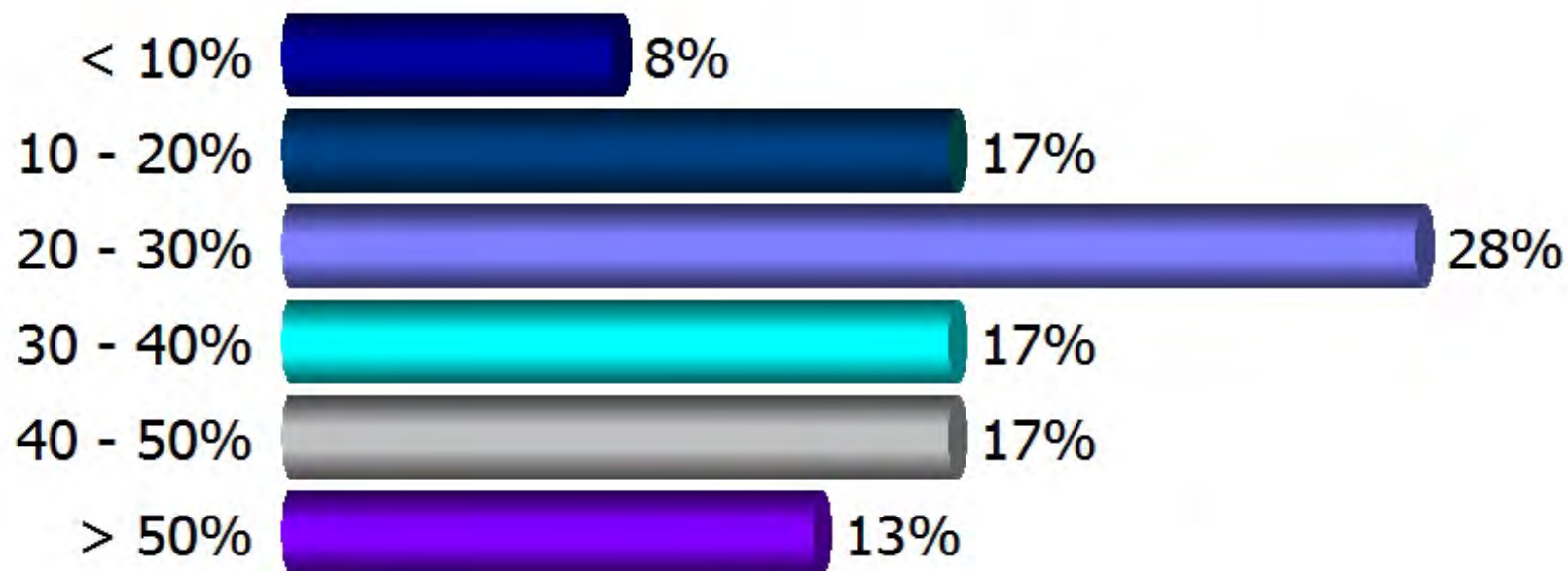


Does your firm use psychological assessment tools as part of its hiring and recruiting process?



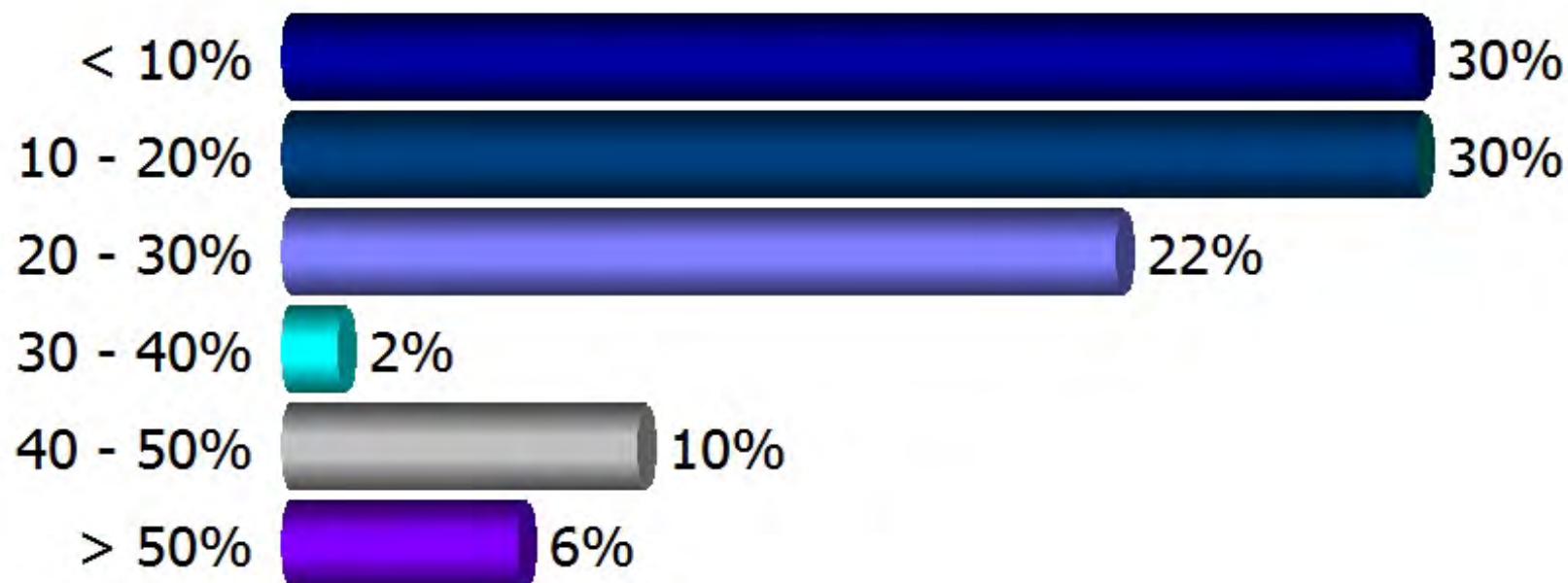


What percentage of your firm's lawyers are women?





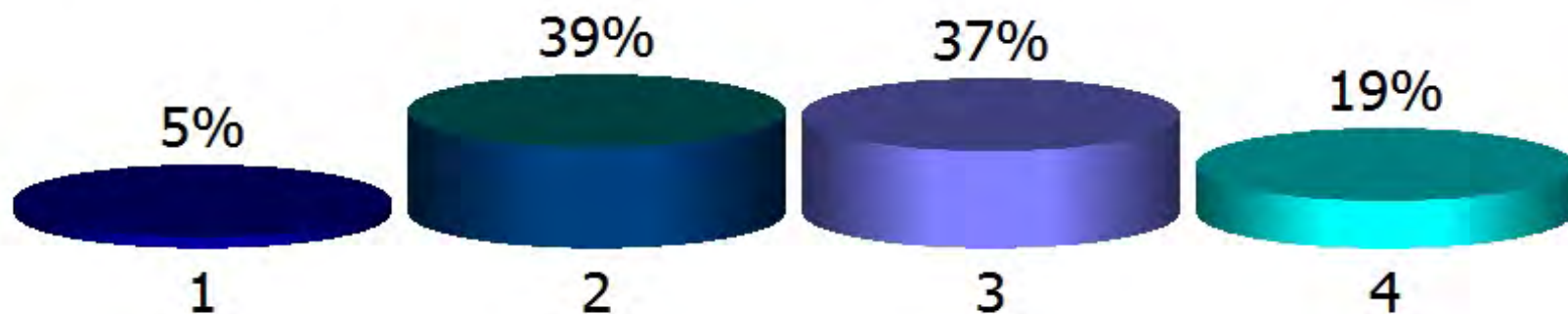
What percentage of your firm's equity partners are women?





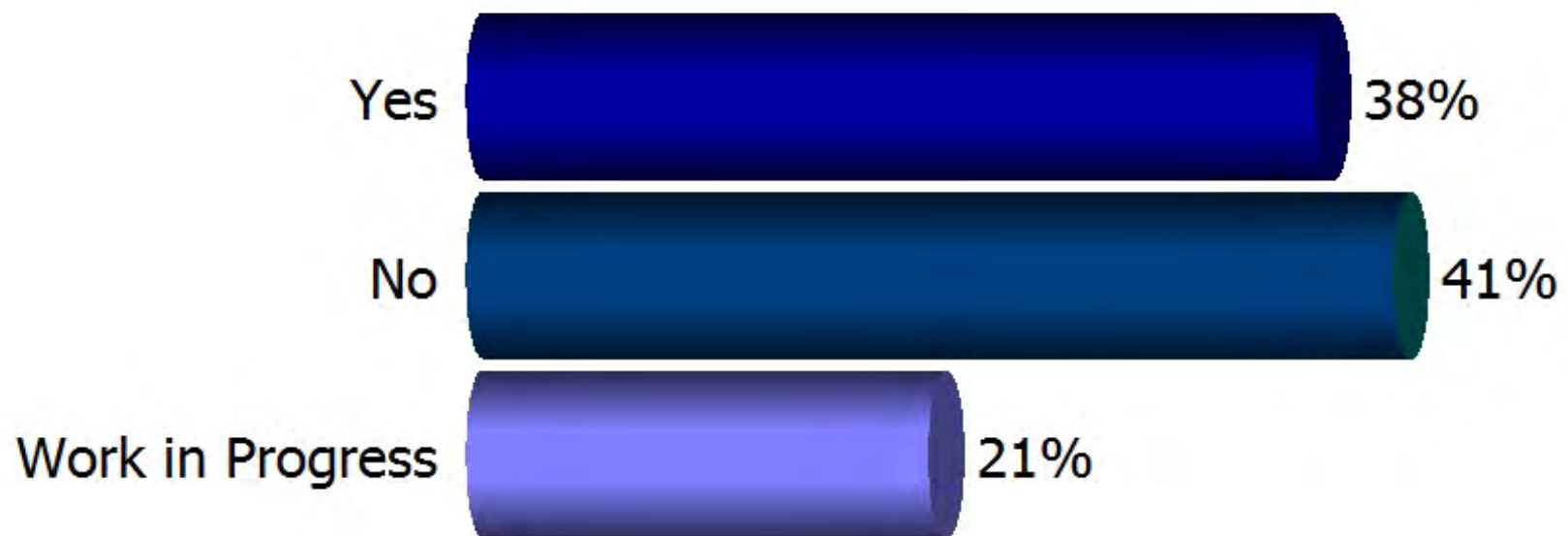
Which statement best describes the challenges your firm has experienced attracting and retaining Gen X, Y and Millennials?

1. We've had significant challenges in this area
2. We've had moderate challenges in this area, but we're doing OK
3. We've had few challenges attracting and retaining young lawyers
4. We've enjoyed great success in this area and we're committed to building a firm for the future



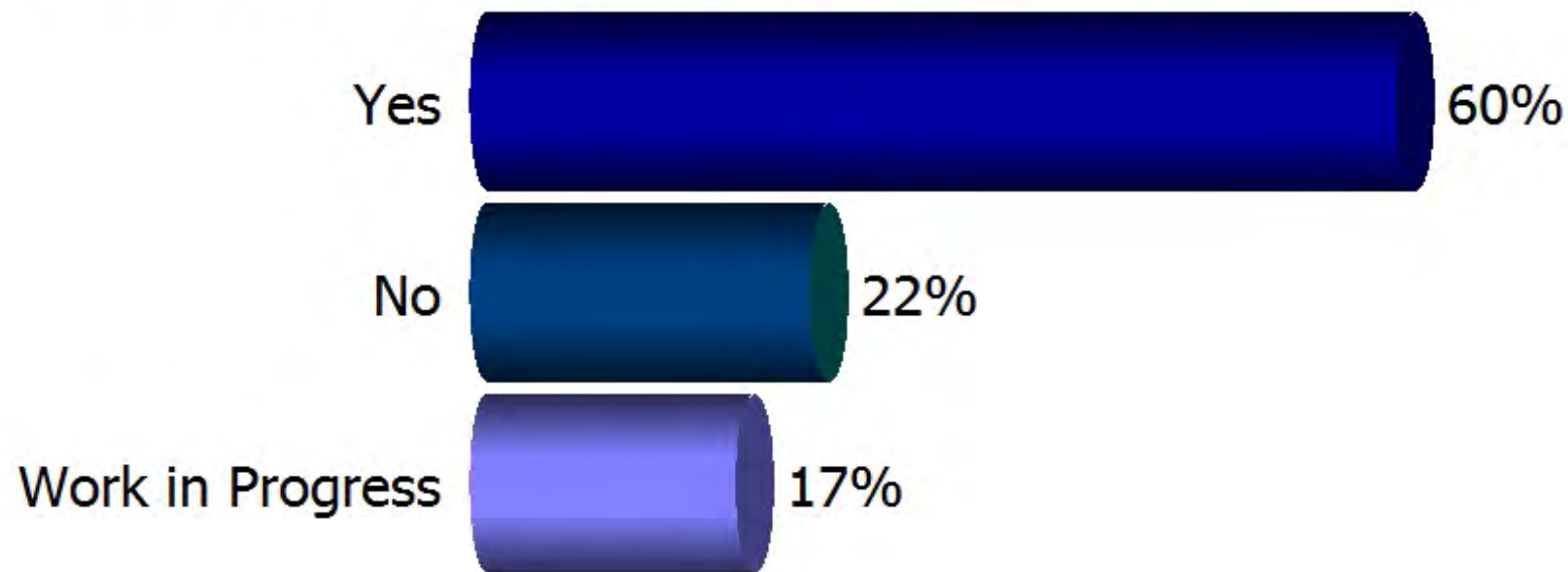


Is your firm providing leadership training and development for its junior partners and associates?



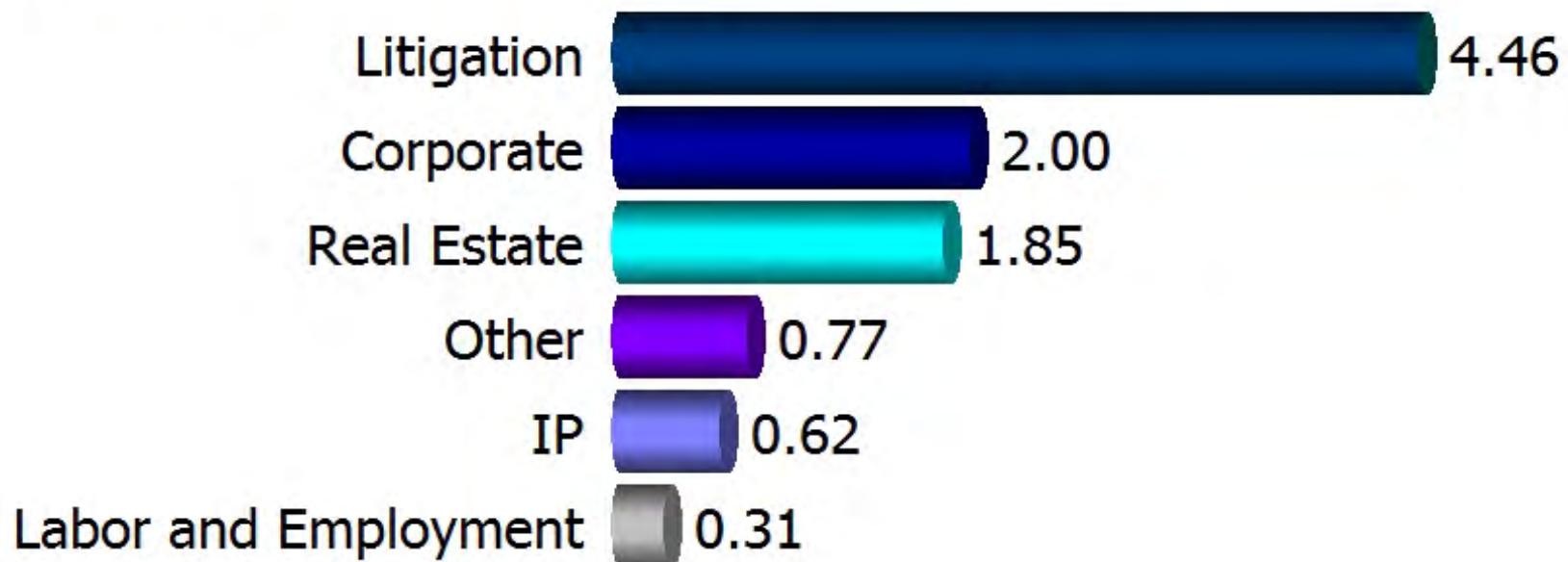


Is your firm providing marketing and business development training for its junior partners and associates?



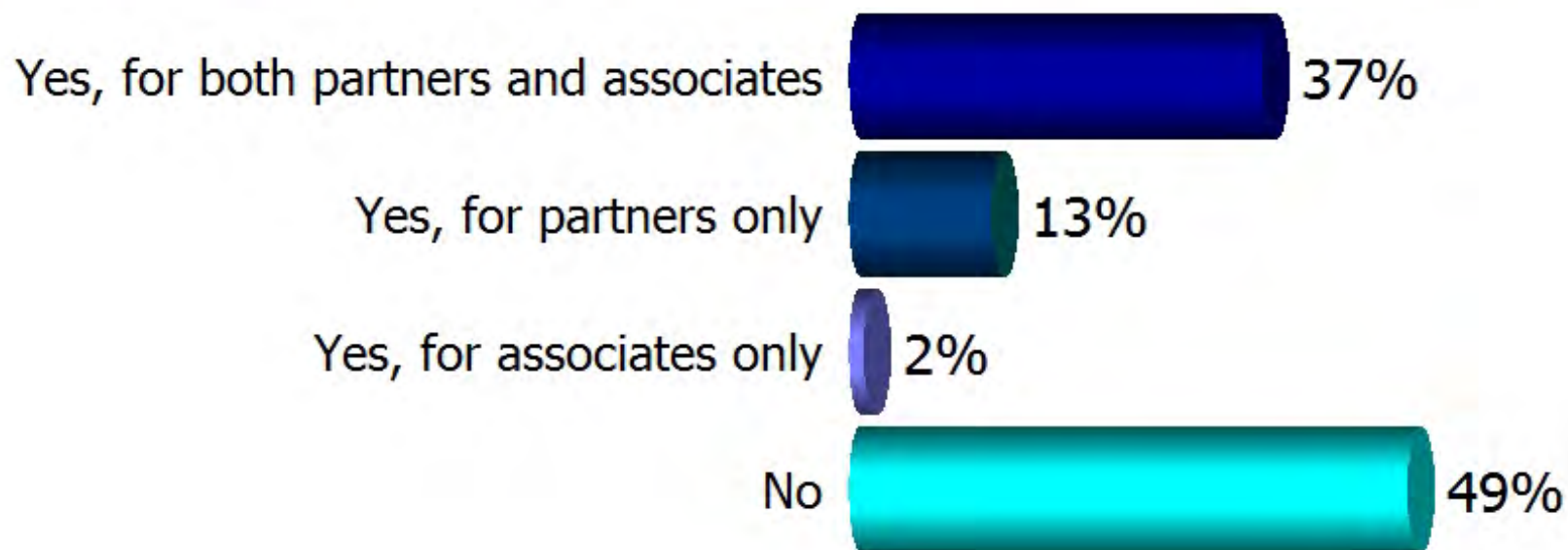


What do you believe will be your firm's top performing practice areas in the next year?



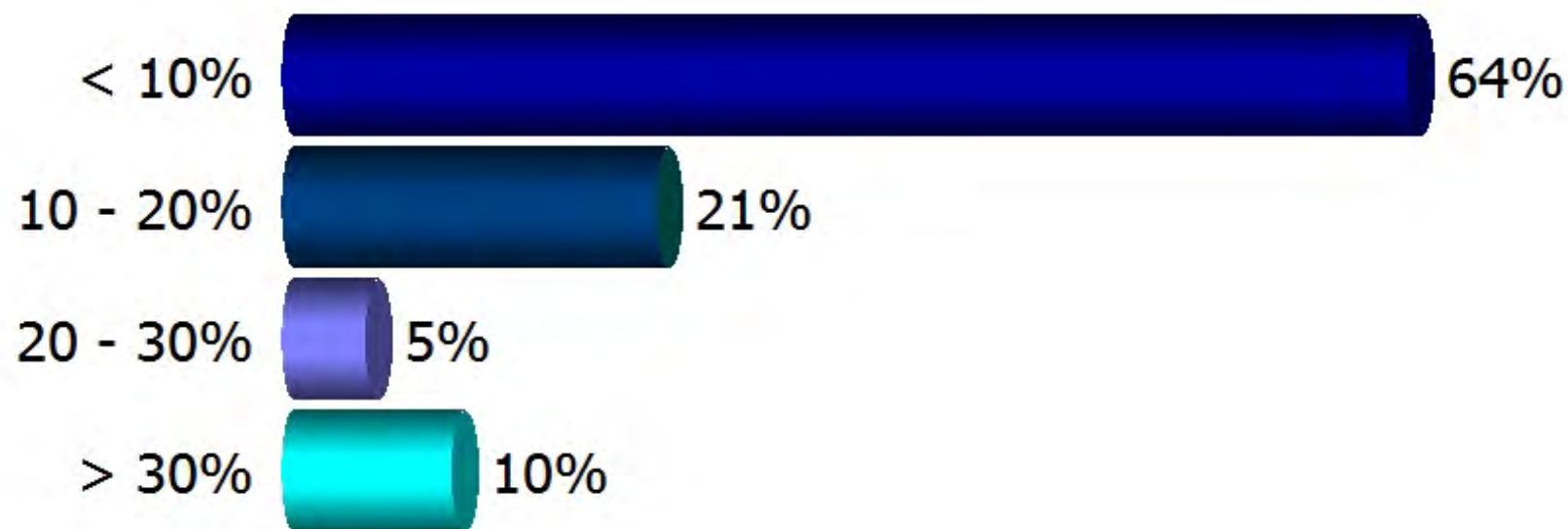


Does your firm have individual marketing plans that excite and motivate your lawyers?



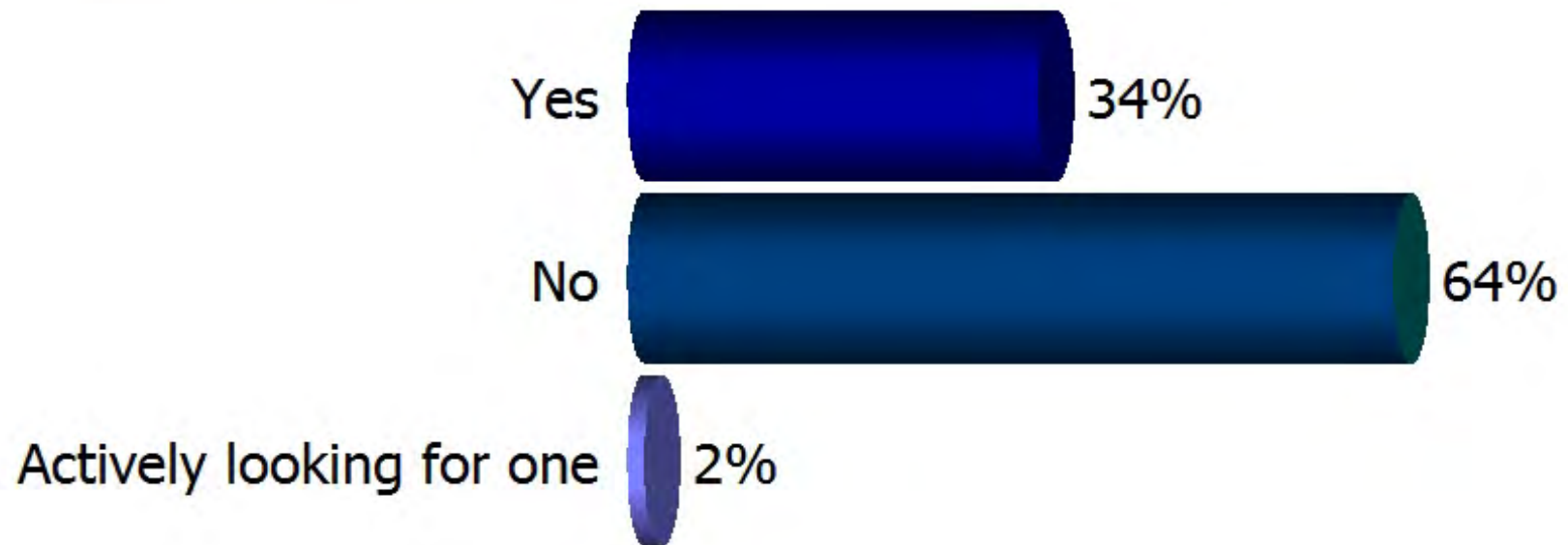


What percentage of your firm's total revenue is derived through alternative fee agreements? (discounted hourly rates don't count)





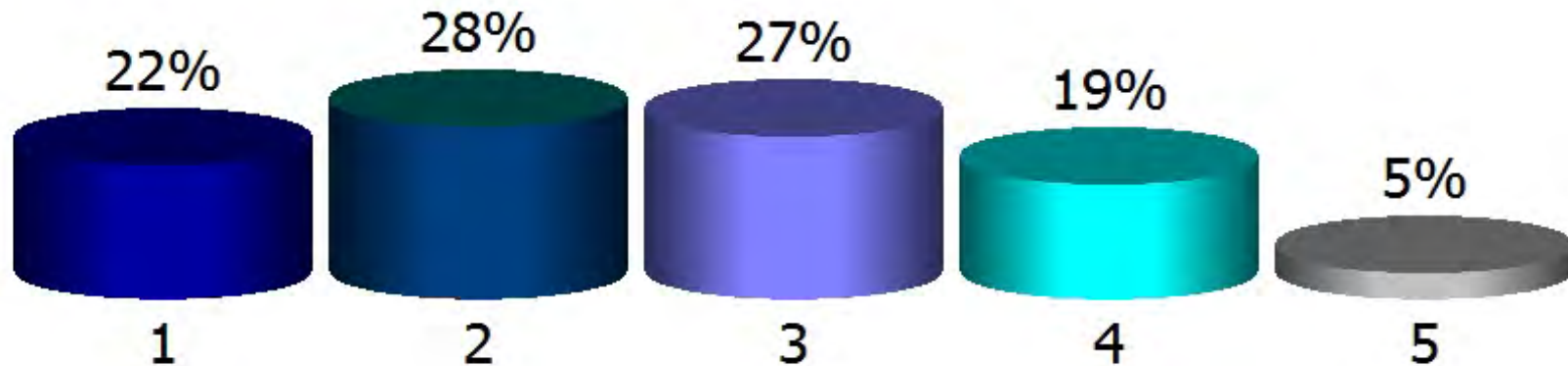
Is your firm a member of a law firm network?





How has your firm performed financially so far in 2016?

- 1. Much better than expected. We've had a very good year so far.
- 2. Somewhat better than expected. A solid, relatively good year.
- 3. About what we expected. We're doing OK.
- 4. Somewhat disappointing. Not where we want to be.
- 5. Very disappointing. Not good at all.



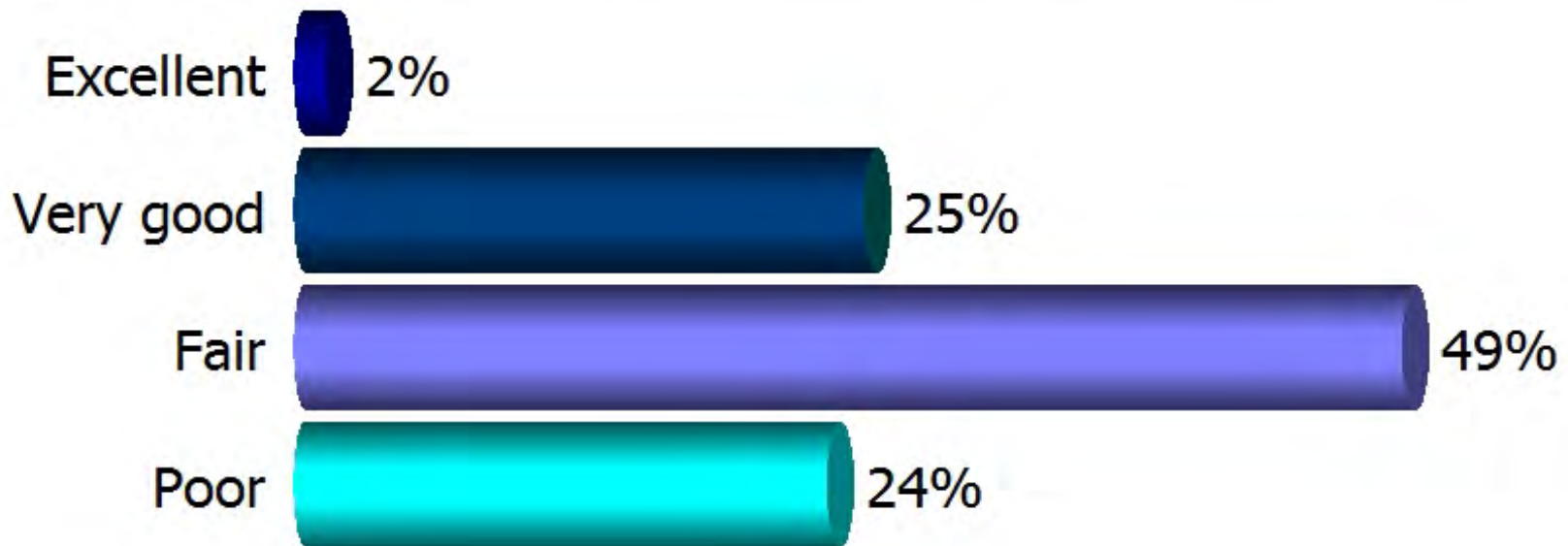


Does your firm track the non-billable time its lawyers invest in firm-building activities?



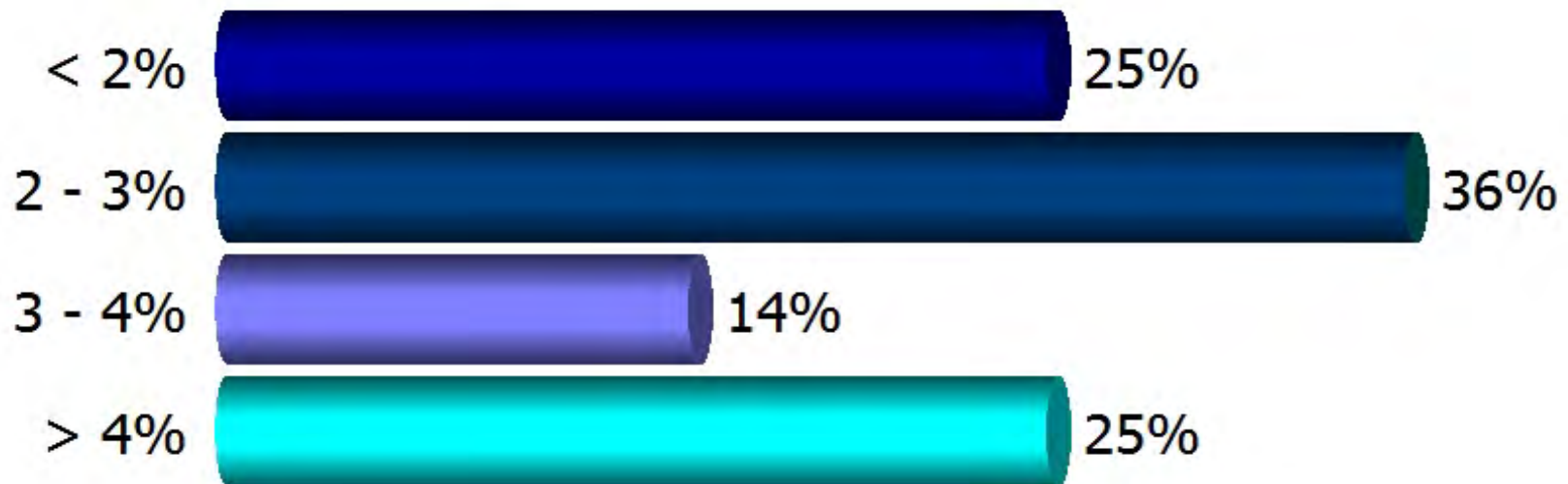


Generally, is your firm doing a good job identifying and grooming its future leaders?



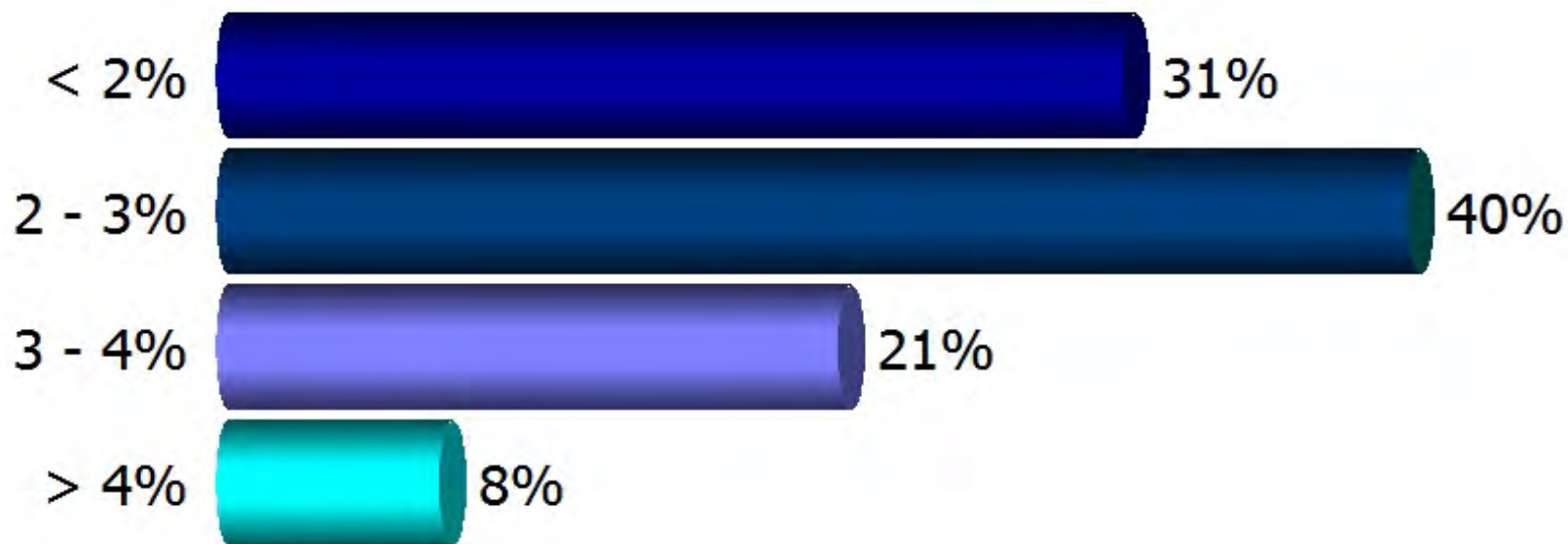


What percentage of revenue does your firm invest in its marketing and business development program (not including salaries)?



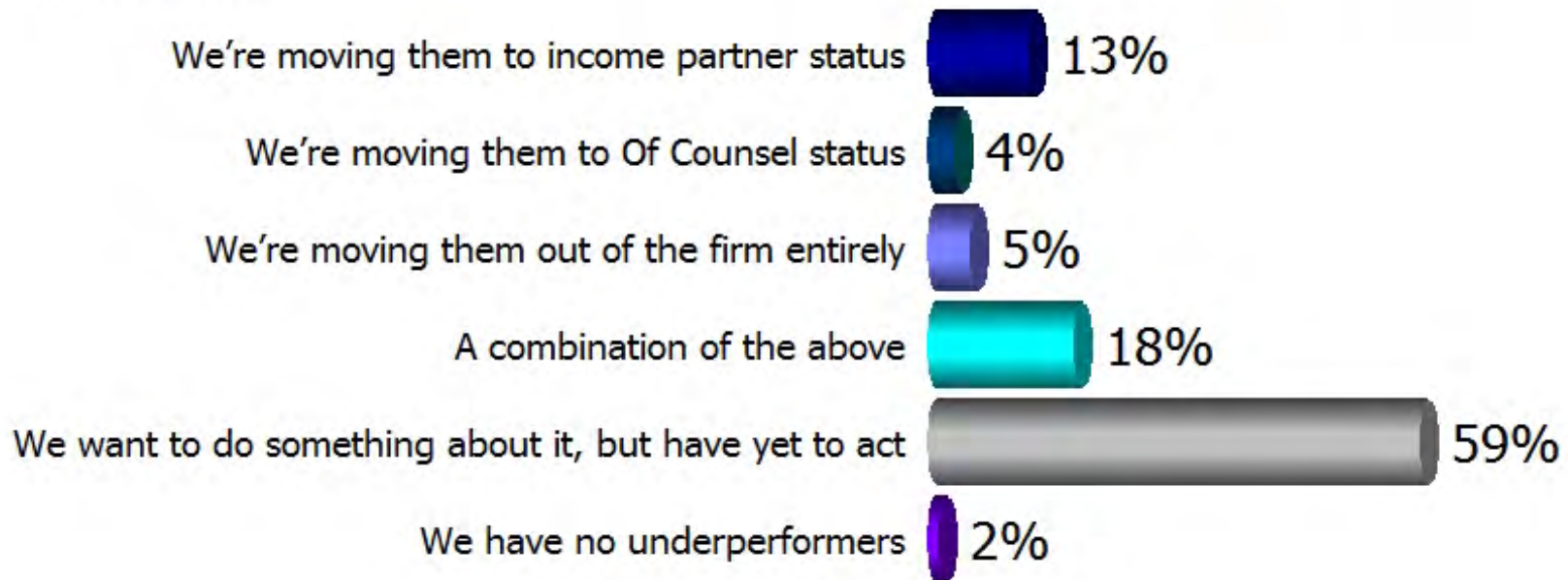


What percentage of revenue does your firm invest in its IT capabilities (not including salaries)?



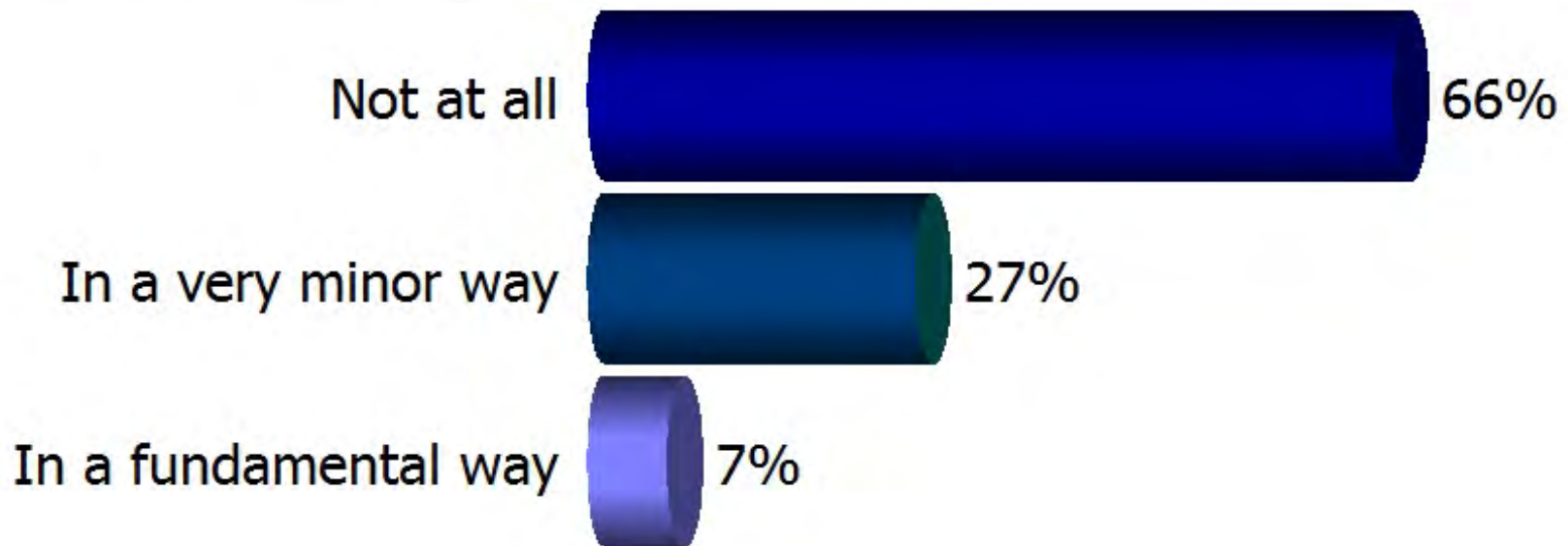


How has your firm addressed underperforming equity partners?



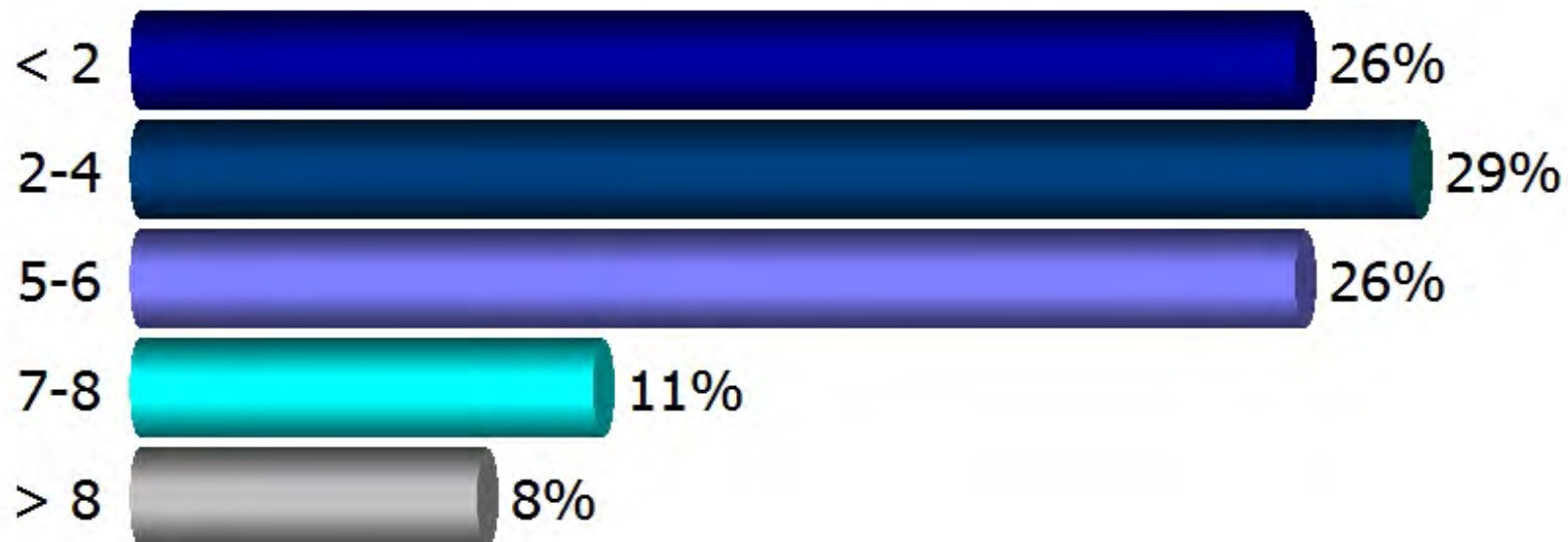


To what extent has your firms strategy changed in light of disruptive changes going on within the legal profession?





In your firm, what is the multiple in compensation between the lowest and highest paid equity partner?



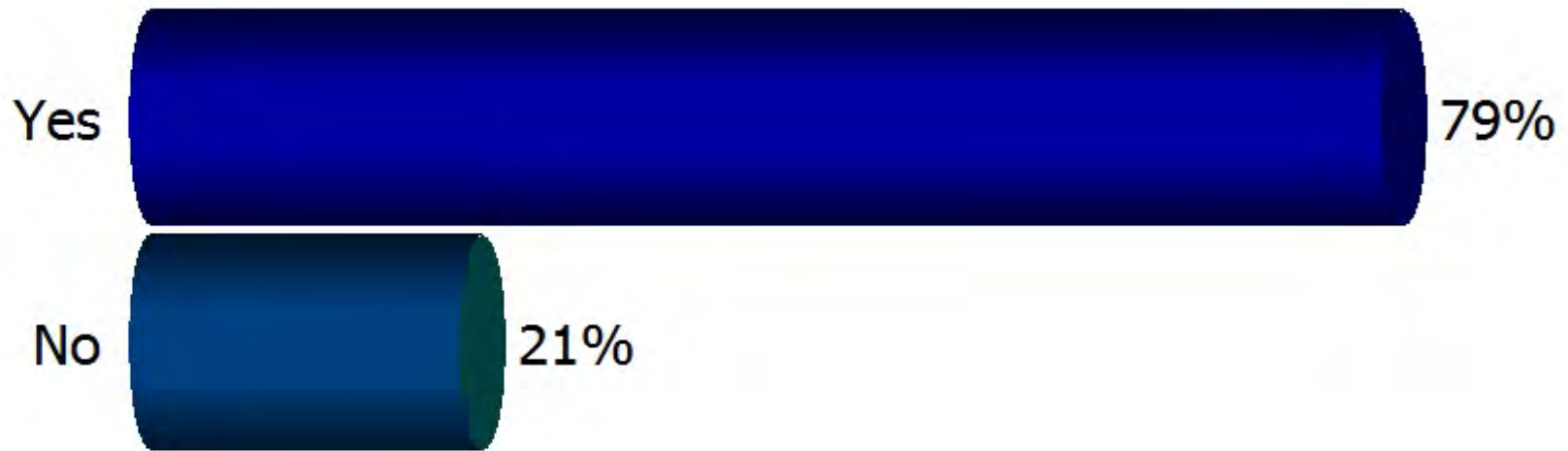


In which direction has this multiple been trending over the past 5 years?





Does your firm have equity partners who have not developed a book of business?





Do you provide a financial retirement benefit for retiring partners?

