



## KEY LAW FIRM MANAGEMENT AREAS

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All law firms, large or small, need to effectively manage the business side of the firm. Well-managed firms are more profitable. They enjoy greater market dominance. They are more successful at creating a positive work culture and attracting and retaining good talent. Problems do not tend to perpetuate year after year. Stress levels are lower. They usually provide greater work satisfaction.

Time devoted to management is essential for any firm of any size. However, your firm should minimize the time lawyers spend managing areas which can be effectively delegated. Make sure your firm identifies the important issues to be managed directly by lawyers, and then learn to manage them in the most effective manner possible.

What makes for effective management? A number of things. First, let's assume that most lawyers do not intuitively possess key business management skills, or that whatever skills are possessed are only in particular areas. That means that the firm will benefit by providing content-relevant business training to lawyers who manage. Implicit in that is the ability to properly oversee work which has been delegated, without micromanaging. Second, training in analysis and the decision-making process is usually very helpful. And lastly, training in conducting and contributing to successful meetings is essential.

The latter topic was covered in some detail in an article entitled "*Time to Manage*" which originally appeared in the September/October 2015 issue of The Pennsylvania Lawyer. [Send an email request to [lawpractice@pabar.org](mailto:lawpractice@pabar.org) for a reprint.] In this article I want to focus on "what" to manage. While this may seem intuitive or relatively obvious to many readers, it is surprisingly not so obvious to a majority of attorneys.

You may think that solo or small firm attorneys know what the key management areas are in a law firm, because otherwise their firm would not survive. Not so. A majority of solo & small firms limp along in "Mom and Pop" mode, dealing only with issues which are mission critical, and only as they arise. Anything which can be ignored to make more time for performing client work is eagerly pushed aside.

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Well, what about large firm attorneys? Surely, you think, at these highly sophisticated and complex entities, good management abounds. Typically, large firms have in place good administrative teams which ensure that delegated tasks are well managed. However, my experience shows that attorneys who spend their careers at large firms often fail to develop any knowledge or sensitivity as to key management areas. This becomes woefully evident if they leave to start their own firm, or move to a smaller firm where a more “hands-on” approach is required.

My experience also shows a propensity for large firms to suffer from inadequate management in one or more key areas, because the attorney(s) charged with oversight of delegated key management areas do not know enough to know if their management team is performing well. It can take years for a firm to realize that a key management position is not handled as skillfully as it could be. My motto when serving as Director of Administration was that I didn't have to be the most brilliant manager in every key area. I only had to know how to hire brilliant people, and know enough about the key area to know if the manager was “blowing smoke” or slacking off with mediocre performance efforts.

It will not surprise most readers to learn that I have a resource which provides a detailed listing of key law firm management areas. If you want it, send an email request. There are 7 key areas of your firm which require care and feeding. Below are the main areas, with some breakdown to provide illustration. I have indicated those which lend themselves to delegation (“D”) to non-lawyers.

1. Communications and General Management
  - a. Among and between partners, associates, management and staff (some D)
  - b. Firm ethics and reputation (some D)
  - c. Leadership and succession planning
  - d. Risk management & professional liability issues (some D)
2. Financial Management (mostly D)
3. Compensation (least D)
4. Technology and Office Systems
  - a. Maintenance and upgrade to infrastructure (mostly D)
  - b. Information management (mostly D)



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- c. Security, policies and procedures (some D)
- d. Change implementation (mostly D)
- 5. Marketing, Client Development and Retention (half D)
- 6. Human Resources (mostly D)
- 7. Facilities (mostly D)

This is just a bare-bones outline of key management areas which require proactive oversight at your firm. What should you take away from this? Well, if you're an owner of a solo or small firm, you need to make sure that you have a method to address these management areas other than waiting until one starts to fester. You may need an independent mini-audit to determine if you are suffering the consequences for lack of oversight in any particular areas, and to obtain suggestions on how to improve where needed.

If you are at a midsize firm, you should consider, depending on your position, what area(s) interest you, and seek out opportunities to build expertise to assist in leading and managing the firm. I call it becoming a good citizen of the firm. In addition, all lawyers should be diligently tracking the time spent in firm management. When firms do so, it becomes very clear when it makes economic and good management sense to hire someone for the right number of hours to whom you can delegate specific tasks.

Finally, those at large firms may often blissfully go about their business of practicing law while not having to worry or invest time and energy in many of the key management areas. That's okay. For many of you, that's why you've chosen the environment you're in. However, it will help the firm if you at least understand the complexity of your environment, and all that has to happen behind the scenes day in and day out. Putting things in perspective helps avoid the tendency to blow issues out of proportion. It will hopefully lessen the natural tendency to fight the policies and procedures which have been established to keep the management mechanism greased and operating smoothly.

A version of this article originally appeared in the PA Bar News on July 11, 2016.

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