



## WHAT CONCERNS KEEP YOU AWAKE AT NIGHT?

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If the calls I get on the Pennsylvania Bar Association Hot Line are any indication, many of you out there are not getting a good night's sleep. You have concerns on your mind which you just can't shake — concerns about your firm and its future — and you fear the impact it will have on you in the coming years.

At the top of everyone's list is a recognition of the increasing competition from other law firms. This is especially troubling as institutional business clients increasingly off-shore essential operations, merge into fewer entities, pare back the list of approved law firms, and steadily decimate the "mom and pop" businesses which were the bread and butter of small and mid-size firms for decades. The ratio of lawyer to client is shrinking. So it becomes harder to achieve or sustain real growth, or sometimes even to hold on to market share of business clients.

Almost as serious a threat to the firm's viability is the inability to retain and attract talented lawyers. If you can find them, it seems you can't hold on to them. As a consequence, the ratio of partner to associate is shrinking. All but the largest firms seem to be ignoring the development and management of their associates; citing too little time, too few volunteers, and too many client demands as the cause. However, you may not realize that this failure is one of the top reasons associates depart firms. Many partners are working longer and harder hours than their predecessors because they have lost one form of leverage — associates — and have not yet discovered how to or chosen to use a different form of leverage — technology. Or, in order to hold onto associate talent, your firm may be elevating associates to partner status even if they don't meet the criteria for partnership. In many cases this so dilutes the profit pool, that income for partners suffers.

You may not be losing as much sleep over the perceived lack of leadership at your firm as from these other concerns, but it is definitely making your workday less enjoyable. It is a nagging irritant which is increasingly making you drag your feet on the way into the office. If you are one of the designated leaders at your firm, pay attention. Of course, you may already be critically aware of these concerns and not be able to address them adequately. But chances are you're too far into the forest to see these trees.

First, firms need strong leaders and visionaries more than ever before. (See *Leaders, Managers and Bullies* — originally published in the March 3, 2003 issue of the PA Bar News, and *Lawyers as Leaders* — originally published in the May 5, 2003 issue of the PA Bar News.) However, most firms are not developing the skills of their natural leaders, and are not providing leadership training for those willing to assume the mantle who are not “naturals” at it. Sometimes, to the misfortune of the firm, leaders are chosen more because they are willing and have the time than because they are talented in this area.

Lawyers are famous for being reactive instead of proactive, and this unfortunately often translates into management style as well. I call it the “ostrich head in the sand” approach to problem management. Now to be fair, part of the problem is that lawyers don’t often “allow” themselves to be led. Because of personality traits, they are resistant to becoming a cohesive part of the whole, are more than a little suspicious or wary of any strategy or change proposed, and tend to fail to follow through even when consensual agreement is reached. Yes, managing and leading lawyers is still more like herding cats than managing a business.

For mid-size and small firms, I find that fanning the flames of this lack of effective leadership is a “solo” mentality. What I too frequently find during my travels around the state are individual practitioners sharing a roof and overhead, rather than firms of individuals and/or practice groups with a common goal, cohesion, and concern for the firm itself over and above their own individual book of business. Perpetuating this further is a compensation system which is typically an objective formula-based system— essentially “eat what you kill”—not likely to produce behaviors which nurture the firm itself. Lawyers wind up jealously guarding clients in order to earn “credit” under their compensation formula. The most qualified person for the job is not given the work. Ultimately the client suffers along with the firm under this scenario.

Oh I know there are more concerns that keep you awake at night, or distract your thoughts during the day. I know a lot of you also worry about the apparent lack of an ability to “right-size”, that is, to have the right number of lawyers in the right practice groups. There are too many in some, and too few in others. And your firm and/or the individual lawyers are not willing to “re-tool” themselves to make a switch. Profits are lackluster at many firms, and that’s a concern. And your firm is probably focused inward instead of outward when it comes to marketing and distinguishing your firm from others.



What do you do? I wish I had an easy answer. We all do. I wish there *were* an easy answer. The reality is that there are a lot of obstacles to overcome and changes to implement. It's a slow process. And change is indeed a process, not an event. But as to where you start in order to turn things around, I can point you in the right direction.

The first step must be to recognize that your firm is a living breathing entity in and of itself, which must be nurtured and cultivated. Each lawyer and each staff member at your firm must see themselves as an essential part of the whole. Each must work toward making that entity strong. Each must continually work to align their own visions, goals and objectives with the other members of the firm, so that they are not sapping critical energy from the firm with conflicting efforts. Every attorney in your firm must increase their trust factor of firm leaders, and be more accepting of change. Each attorney in your firm must be *willing* to be led. Each attorney in your firm must accept that not all decisions can be made consensually, and each must be prepared to put ego aside and to occasionally compromise in order for the firm to remain strong, aligned, and to continue to make progress. In short, sometimes you have to get with the program, literally, or there can be no program at all.

So many attorneys I meet just don't "get it" that if the firm prospers, they will ultimately prosper. They continue to perpetuate habits, cultures and compensation systems which reward individual practitioners sharing a roof, rather than those which encourage development of the firm as a whole. They even fight like hell to protect those habits which are contrary to the betterment of the firm itself because they fear the short-term impact on their "column", or a change in the firm culture.

Once your firm's attorneys realize and accept that the starting point is to develop a firm-nurturing mentality, you can begin the real change process. Adjust compensation to reward the proper nurturing behaviors. Realign and right-size practice groups. Partner with local colleges to develop leadership training programs. Develop true mentoring and educational programs for your associates. Survey your clients and use the information to guide the firm's development to meet client expectations and needs, now and into the future. Determine how to truly differentiate your firm from others in order to stand out in a crowded marketplace. Effectively cross-market your practice areas.



As your firm makes progress — assuming you are one of the fortunate firms which is able to accept the proposition that your firm is a living, breathing entity which needs to be cared for and developed — you will begin to sleep easier, and drag your feet less on the way into the office.

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