

Practice, Practice, Practice: How do you build a successful group? One detail at a time.

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Law firms don't make it easy to run successful practice groups. Typically, the leaders have great responsibility and far less authority. They receive virtually no formal training or assessment; they know they're accountable but not always how. To help ameliorate these facts of firm life, we brought together in June a small faculty of outstanding group leaders to run a conference for practice heads. This was the first in a series of conferences jointly produced by American Lawyer Media and the Zeughauser Group. The lessons were powerful and we thought we'd share five of the best practices that surfaced during the sessions and five of the biggest challenges we see looming.

Best Practices

Set Goals, Stay Focused. Successful practice group leaders set and communicate a small number of goals (less than a half dozen) that, if achieved, will have a significant impact on the bottom line. These goals can be expressed as metrics; even law firms can measure what matters most to them. At regular group meetings, the group leaders underscore their goals and review progress. As the group meets the goals, the leaders publicly celebrate their successes and laud those who contributed to the cause. To repeat, a limited number of goals is the key. First, they're easier to meet. Second, they're easier to track. Third, they're all that's realistic for group leaders who also routinely carry 2,000-hour practices.

Blocking and Tackling. There's little that's glamorous about running a successful group. What the best leaders share is a taste and talent for executing the details. This can be high-level work: They consistently monitor a dashboard of key financial indicators and persistently tweak their leverage, synching it with economic cycles. Or it can be the functional equivalent of running a collection agency: They get their group members' time sheets in on time. This is not work for the shy. The leader of one of the largest practices in one of the world's leading firms told us that he will call a prominent member of his group and stay on the phone with him while and until he completes his tardy time sheets. At other top firms, leaders, with the aid

of executive committees, may dock a partner's draw or levy a six-figure fine on chronic offenders, but the point is, they get the bills out and the job done.

It's a Firm, Not a Fiefdom. Tempting as it may be, the best practice group leaders don't build isolated empires. While some may occasionally like to be addressed as sire and dress in ermine, most try to use their firm's platform as a trampoline or, better, a catapult. They seek help from the firm's best business developers. They vary the size of their groups to survive both peak demands and difficult slack periods. They borrow lawyers from troubled groups and then return them when the economic cycle shifts. For these leaders, it's not the size that matters but the performance. They spend time grooming talented lawyers-and leaders who can succeed them. And, most important, they try to build on existing client relationships.

Client Focus. The best group leaders regard the firm's best clients as their best prospects. Instead of spending inordinate amounts of time chasing innumerable hard-to-develop new relationships, they work to expand their firm's relationships through extensive cross-selling efforts. And they seek and act on client feedback. They interview key clients—either personally or with carefully chosen proxies. And then use the information to hone their relationships.

Play to Win. Successful leaders drive themselves and their groups towards excellence. This isn't just a Tom Peters slogan or an Oakland Raiders banner. These lawyers expect their groups to be among the handful of top practices that can be recognized in a highly-fragmented profession. Not everyone can get there; but no one gets there who doesn't push relentlessly toward that goal. In practice, there are two measures that matter: talent and clients. Both are transitory; that's the good news—and the bad.

Biggest Challenges

Managing the Matrix. Practice group leaders across the board are challenged by the complex matrix structure of practice group, industry, client, engagement, and office teams to which nearly all large firms have formally or informally devolved. Simply stated, group leaders are at best unclear about, or at worst confused by, their appropriate roles and responsibilities; lines of authority are uniformly unclear. This is not terribly surprising; in The American Lawyer's survey of practice group leaders, fewer than 25 percent reported having written job descriptions. Knowing law firms, it doesn't require a particularly wild imagination to posit that none of the other team leaders have job descriptions. This unforgivable management sin likely has its origins in the desire of firms to maintain collegiality (often equated with making sure nobody's feelings are offended), but at what price? Practices cannot achieve their full potential unless they master the matrix. And the group leaders can't master the matrix if they don't have a clear outline of their jobs.

Internal Focus. The advent of practice groups as separate operating entities has brought great management benefits to firms, including a strong emphasis on quality and the development of young lawyers into star

performers. But in the end, the practice group structure is primarily internally focused on the needs of the lawyers as opposed to the clients. For reasons that can only be explained by the profession's ingrained reluctance to change, only a handful of firms have identified the need to structure themselves around client teams, despite the fact that nearly every other service business reached new heights of success in doing so. A room full of the best and the brightest lawyers (or a half room full of litigators of whatever stature) can readily tell you why law firms can't be structured around clients—because the legal profession is "different." They're wrong. Successful client relationships—highly profitable and long-lasting client relationships—and talented client relationship managers are the most important assets any firm possesses; it is Darwinian that firms must evolve to a structure that recognizes their primacy. Practice group leaders will either be part of the solution or part of the problem.

Succession Planning. If firms have not evolved far on the path to client focus, they are still in the Stone Age when it comes to succession planning. Our benchmarking survey indicates that nearly 60 percent of practice group leaders are "volunteered" for their jobs. With an average term of just over six years, 40 percent don't know how long they are going to serve. Would lawyers advise their clients that this is a best practice for their business? We don't think so.

Management Training. When William Harrison merged JP Morgan into Chase Manhattan, one of his top priorities was to develop a GE-style management training program. He hired Jack Welch to help him. Imagine that. Less than 15 percent of practice group leaders indicate that they receive formal management training; over half receive no training at all. At least firms are consistent: Since few have paid much attention to the roles and responsibilities of their practice group leaders, how could they possibly develop training programs? Again: would lawyers advise their clients not to develop and train their managers?

Accountability and Authority. Firms often cite collegiality as the most prized of their cultural values, but it is all too often the bane of their existence. Wrapping collegiality around a horizontal organizational structure like a partnership is almost certain to doom any thought of vesting a partner with authority. On the other side of the coin, firms are too reticent to use their compensation systems to hold lawyer managers accountable for achieving group plans. Incredibly, nearly three-quarters of practice group leaders answering our survey report said that they never have their performance evaluated by firm management. It's an odd way to do business.