

## Observations from the Inaugural MPF Leadership Academy

*In early October 2015, The Managing Partner Forum presented its inaugural MPF Leadership Academy in Chicago with future leaders of mid-size law firms from throughout the United States and Canada in attendance.*



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In early October 2015, The Managing Partner Forum presented its inaugural MPF Leadership Academy in Chicago with future leaders of mid-size law firms from throughout the United States and Canada in attendance.

As we know, change surrounds the legal industry and the pace of change is projected to accelerate dramatically in the years to come. Consider these long-term trends:

- The economy is globalizing,
- Technology is expanding and improving at breakneck speed,
- Clients are more demanding,
- Competition is more aggressive,
- BigLaw is getting even bigger,
- Disrupters will continue to proliferate,
- Record level of merger and acquisition activity, and
- Successful law firms must be run more like businesses.

Clearly, successful law firms of the future must embrace strategic planning and develop strong and effective firm leaders to remain viable and competitive.

At the MPF Leadership Academy, lawyers at various stages of law firm leadership came together to develop and refine their leadership skills and to apply new insights to shared challenges in their firms. As the Academy opened, we asked the participants what attracted

them to the program. Not surprisingly, their reasons fell into four common themes:

- Succession & Talent Management
- Firm Values & Culture
- Leading Change in the Law Firm
- Key Attributes of an Effective Firm Leader

The discussions that ensued over the day and a half Workshop were premised on the critical difference between “leadership” and “management.” We directed the participants to a 2001 article by John Kotter entitled “What Leaders Really Do,” which contains to this day the simplest but most effective observation that “leadership” was about coping with change and “management” was about coping with complexity.

### ***Succession & Talent Management***

The questions raised in regard to this topic included:

- How do we develop lawyers who will want to become firm owners?
- How do we replace our rainmakers?
- How do we create positions in our firm not all of which are partnership oriented?
- How do we balance the needs of older partners and younger lawyers?
- How do we deal with underperforming partners?
- How do we deal with client origination credit for life?

### ***Faculty Commentary***

*There is nothing that will impact the collective “mental health” of a group of partners than leadership’s inability to deal with underperformers. Our definition of underperforming was not just productivity focused, but included quality of service, not embracing firm values, and a lack of firm-first attitude and behavior.*

***“...leadership’s inability to deal with underperformers...”***

*We all recognize that over the life-cycle of a professional career, there will be ups and downs, and peaks and valleys. But a continuous presence in the underperforming category must be dealt with not only out of fairness to the firm, but also out of fairness to the individual. A reasonable compensation plan should neither over-compensate the peaks, nor over-penalize the valleys.*

*A number of strategies were raised, but the one garnering the greatest support was open communication. Whether it was communicating where each partner is trending when you communicate compensation; or communicating at a partners’ meeting how the leadership intended to implement and follow a process for dealing with underperforming partners.*

*At the end of the day, origination credit can still serve a valid function in today’s law firm, however without a “sunset time frame,” strength becomes a very divisive weakness! Whether it is three or five years, origination credit for life at the client level must end.*

### ***Values & Culture***

The questions raised in regard to this topic included:

- How do we develop a shared set of values?
- How do we shift from a culture of autonomous individuals to a culture of teamwork and “firm-first”?
- How do we maintain our culture as we grow?

- How do we retain our culture through this significant period of change?

### **Faculty Commentary**

*Nudging a firm's culture is one of the most difficult things for a leader to tackle. To be successful in the future, your colleagues must work more collaboratively than they ever have. Meaningful cross-selling, a shared client service commitment and a "firm-first" culture are all critical to future success. Firms that have the cult of the individual lawyer will not survive.*

*Values guide behaviour and collective behaviour creates your firm's culture. You can likely identify your values in words "excellence, integrity, service, and firm-first". But what do those words mean to you and to your colleagues? Ask them to define each of your values in terms of behaviour. For example, what exactly does "firm-first" mean? What do we do if we are behaving in a "firm-first" way? What do we not do? But all participants were cautioned that unless they were prepared to enforce the values with all partners, irrespective of the size of their books of business, it was not really a value!*

*One way to begin a dialogue about culture going forward is to ask your colleagues the following question: "If we were to publish an annual report on our firm at the end of this fiscal year, what would the headings be?" If you focus just on the headings, you can find out what is important to your partners. While core values are not likely to shift as your firm grows and prospers, what is important to the partners in other areas may, and leadership must be attuned to these changes to make sure the firm is headed in the desired direction. Again, the best way to do this is to ensure timely and effective communication at all times with the partners.*

### **Leading Change in the Law Firm**

The questions raised in regard to this topic included:

- How do we introduce change that is needed, while retaining the firm's strengths?
- How do we generate momentum to affect change?
- How do we break down silos between practice areas?
- How do we tweak compensation to reinforce behaviours required for future success?

### **Faculty Commentary**

*Attorneys have a real propensity for making the simple complex. Leadership is about how you deal (and communicate) with people. In particular, it is about:*

- *Aligning them to understand direction; to understand the vision; to influence the creation of teams and collaboration;*
- *Motivating, mentoring and inspiring them by energizing people to act and overcome barriers (internally or externally created) to change; and*
- *Seeking consensus without resorting to consensus decision-making which stifles innovation.*

### **Key Attributes of an Effective Firm Leader**

The participants during the "hot seat" part of the session quizzed the Workshop Faculty as to what they saw as the key element that the best Leaders possessed.

### **Faculty Commentary**

*While a number of key traits were raised, the Faculty gravitated to "trust" and "credibility" as being the most critical traits that the firm leader must possess in order to be effective in the role. These are the fundamental underpinnings in a healthy and functional law firm.*

- *Trust in the leader to do the right thing.*
- *Trust in the leader to treat the firm and its populations fairly.*
- *Trust that the leader will put the firm first, always, and*
- *Trust in the leader's adherence to the highest standard of ethics and integrity.*

### Comments or Questions?

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