

# Definitely Mabey

## Questions that should be asked and answered by partners

*Many firms are focused on internal issues at this time in an attempt to get their "house" in order for a myriad of reasons including client service; partner unrest; solidifying a base to move forward from; getting their financial affairs in order to be more attractive to potential merger partners; addressing legacy issues; compensation issues; etc.*



Stephen Mabey, CPA, CA  
Principal & Managing Director

To do this firms are seeking partners' input. Unfortunately, in many cases with limited success.

There is a threefold challenge to this exercise:

- To ask the right questions;
- To get a majority of partners to not only answer the questions but to do so with frank openness; and
- To act upon the answers.

This column will attempt to provide a sample of the types of questions that should be asked and suggest one means of seeking frank honest answers. Without knowing the answers it is neither possible nor appropriate to suggest ways to act upon the answers and in fact the solutions will vary from firm to firm.

### The Right Questions

To provide an easier read I have broken the questions down by topic area but please note that some questions can be seen to address a number of topic areas and it is the question and not the insertion under the proper topic area that is important, Also I would raise two clarifications:

1. The topics and questions are not listed in any particular order of importance; and
2. The questions you use need to reflect your firm so should be adapted prior to use.

### Client Service

- Do we meet or exceed our client expectations in terms of service?
- Do we meet or exceed client expectations in terms of results?
- Do we need to improve responsiveness on client matters?
- Are we maintaining /enhancing client relationships between matters?
- Do we reward for involving other lawyers in the firm in client relationships?
- Are our clients referring other clients to us?

**...*"client expectations"***

- Are our clients considered to be 'firm' clients?
- Are you aware of how others in the firm can provide solutions for your clients?
- Do you know where your work comes from and who directs it to the firm and you?

### Business Development

- Is the return on investment for the individual business development efforts appropriate?
- Should we spend more time and money on practice development activities?
- Should we focus more time on fewer opportunities?
- Should we devote more resources to generating new opportunities to present / propose / pitch?
- Should we be spending more time researching prospects and their business?
- Should we be developing new service offerings?
- Should we be cross-selling our partners' expertise to others in the firm and their clients?
- Should we reallocate more time to marketing to existing clients, and less on new prospects?
- Should the firm develop a plan to shift away from primarily billing by the hour?

### Vision

- Is the firm's vision clearly articulated to clients and lawyers alike?
- Is it meaningful to both groups?

### Strategy

- Do we have the complement in place to practice proficiently in all the areas of law we offer services to clients?
- Is our cost of service competitive in the geographical and topical markets the firm offers services in?
- What are the potential sources of new revenue for the firm?
- Should the firm merge with or acquire another firm?
- Should the firm open offices in other geographical areas?
- What are the three greatest challenges the firm faces today?
- What are the three greatest challenges the firm will face in 3 - 5 years' time?
- How active do you want to be in the firm's strategic planning process?
- Should the firm have a formal approach for dealing with underperforming lawyers?
- What are you willing to invest in time and dollars to make the firm more successful in the near to mid-term?
- What are the firm's three competitive advantages it has over its direct competitors?

### Compensation

***In a perfect world there would be no hesitancy about all partners being able to directly provide their answers to the above and other relevant questions.***

- Is it transparent to you how your compensation is set?
- Do we use the right criteria to set partners' compensation?
- Do we apply these criteria appropriately to all levels of seniority in the partnership?
- Do you think the current approach is the best way to value a partner's contribution to the firm?
- Should partners have to submit simple business plans as part of the compensation process which lay out their professional growth plans; practice development plans; client relationship plans; and personal growth plans for the forthcoming year?
- Is the right mix of partners involved in setting your compensation?
- What criteria should be the drivers of partners' compensation in the next 3 - 5 years?
- Are your contributions as a partner understood by those setting compensation?

- Is the level of compensation you receive commensurate with your contributions?

### **Succession / Retirement**

- Should the firm have a mandatory retirement age after which you can no longer be a partner?
- Should there be a cap on how many years a retired partner can be paid counsel to the firm?
- Should there be a definitive time frame (and age) in which the transitioning of client responsibility to other partners in the firm occurs?
- Should the client and partners not working on the clients' matters be directly involved in selecting successor client partners?
- Should there be a separate set of compensation criteria for partners entering the client succession phase of their career?
- Should the firm have any involvement in the retirement arrangements of the partners?

### **Profitability**

- What are the three realistic things the firm can do to improve its profitability?
- What are the key performance indicators (metrics) that you want to see that provide you with the best insight into how the firm is doing?
- Does the firm's approach to billing and collection make sense to your clients and you?
- Does the firm's complement enable you to deliver the desired level of client service?
- Does the firm have the depth of legal knowledge in the key areas of law required to service the clients?
- Does the manner in which the firm spends the partnership's monies contribute to its profitability?

### **Engagement**

- What are the three main reasons why you practice at the firm?
- What are the three challenges the firm faces in keeping you motivated to stay with the firm?
- Is the firm effectively supporting you in building a sustainable practice?
- Is the level of communication in the partnership acceptable to you?
- Do you know and understand the values that the firm places importance on adhering to by partners?

### **Honest Buy-in**

In a perfect world there would be no hesitancy about all partners being able to directly provide their answers to the above and other relevant questions. But I for one have not lived in a perfect world since the day I was born!

In law firms there are and will likely always be those partners who as a result of their book of business; temperament; physical size; willingness to be confrontational (so un-Canadian like I know); or whatever other endearing quality who intimidate their partners into silence and non-buy-in consent around the partnership table.

Anonymity however is the great equalizer and seems to allow partners to comfortably share their frank and honest thoughts.

While some naysayers will express disappointment and dislike for such an approach the key is not to be distracted from the real goal of obtaining and understanding what the partners are really thinking!

Whether a perception or reality of internal surveys, I have found externally supported surveys work the best. Because I am a technological Neanderthal I have found SurveyMonkey.com to be

as good as any service to work with. You have multiple options including retaining an external party to conduct and report on the results; develop your own survey and just use Survey Monkey as a vehicle to deliver the survey; or even use the consultants at Survey Monkey (very helpful and knowledgeable) to help design and conduct the survey.

The underlying premise for such an exercise is to educate yourselves on what your partners are really thinking and as Debasish Mridha pointed out

*"If you know the answer then you have knowledge, but if you know why the answer is right, how to find the answer and what is the implications of the answer, then you are educated."*

#### **Comments or Questions?**

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