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O U R 2 5 T H Y E A R

Creating Great Practice Groups

By Thomas S. Clay



Thomas S. Clay

Groups of people achieve extraordinary things. Meriwether Lewis and William Clark and their Corps of Discovery achieved perhaps one of the greatest feats of exploration mankind has witnessed. But it was far from luck that led to their success. The attributes that contributed to their success were:

A Compelling Goal — They had a clear and compelling goal — to find a navigable water passage from St. Louis to the Columbia River.

Leadership — The men of the Corps followed Lewis and Clark because they had unflinching confidence in their leaders' integrity, character and commitment to the entire group. It wasn't charisma, but behavior that set Lewis and Clark apart as leaders.

Talented Individuals Deployed Effectively — The Corps was a group of independent, highly motivated individuals who could work effectively as a group to accomplish seemingly insurmountable tasks such as portaging huge amounts of equipment to almost unheard of distances. Corps members could also be highly effective while operating autonomously, like being sent off alone to explore alternative routes of passage in dangerous and uncharted territory. These men were not unthinking automatons but highly capable individuals in their own right.

Clear Linkage Between Goals and Rewards — The goal and the rewards were clear. If the group was successful, each individual would receive rewards of money and land. In addition, and possibly more importantly, as Lewis and Clark often reminded the men, they would

be forever viewed as heroes, and held in the highest esteem by their countrymen. Some believe that this psychic reward may have been the most powerful incentive of all. The men of the Corps simply wanted to do something that no one else had done.

Warren Bennis, in his wonderful book, *Organizing Genius* postulates that great, seemingly impossible things are achieved by what he calls Great Groups. Examples include the scientists who worked on the Manhattan project, the political gurus who orchestrated the first election of President Clinton, and the wild engineers who created Apple's first computer. Bennis examined these Great Groups and others to find out why they were so successful. He concluded that although the groups had highly motivated leaders, it was the "power of the group" that caused them to be successful. No single individual could have accomplished what these groups accomplished. Bennis muses that perhaps our fascination with what he refers to as the Great Man can impede great achievement. As long as we look for a single

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great individual to take us somewhere we are relegated to narrow achievement.

What has all this to do with groups of lawyers in law firms? A great deal, I believe. I have made it one of my professional endeavors to study law firm practice groups and their operations. In this article, I will set forth what is necessary for practice groups to be highly effective and recommend initiatives firms should take to improve practice group operations.

I conducted an informal survey of managing partners, asking them if they could accomplish three things during their tenure as managing partner, what would those three things be? Sixteen out of eighteen partners listed getting practice groups to operate effectively as one of their key objectives. Clearly the leadership in law firms recognizes the need for more effective group operations. One managing partner lamented, "Why can't our service groups, which are composed of highly intelligent individuals with wonderful skills and talents work together effectively? Why is it such a struggle?" His is a common complaint. The answer is that they can, and here are ways to go about attaining this goal.

LEADERSHIP

I recently assisted a law firm in the development of a strategic plan. One of the goals was for each practice group to develop a strategic plan. One of the practice group leaders said he thought the goal was admirable but that he didn't think he could get anything done without "more authority." This particular practice group leader had been appointed by the Management Committee because he was underemployed as a lawyer. The feeling was that if he didn't have enough legal work to do, he could fill up his times as a practice group leader.

Two things are wrong here. First, it is unlikely that any practice group

leader will succeed in this role because a job description gives him or her authority. Members of the group will cede authority only if they perceive that an individual is qualified to lead. Therefore, our underemployed group leader's "fitness" as a lawyer is probably questioned (because he doesn't have enough to do), so it is likely that his fitness as a leader will be questioned. The practical reality is that being a good busy lawyer doesn't mean one will be a good leader. However, in the absence of some other yardstick, lawyers will use "lawyering" as a measure of leadership skills. That orientation needs to change.

Law firms lack significant leadership skills. Most firms that I have worked with admit to this deficiency, but do little, if anything, to rectify the problem.

Training

What should you do? First, stop hoping for evolution to solve the problem. Firms will have to develop leaders through training programs. Some firms have already begun the process, having developed internal leadership training programs and employing consultants, while others send current and prospective leaders to outside programs.

From my observations, no firm knows exactly how to develop leaders. That's okay, it will probably take a number of years of trial and error to figure out the best way(s). However, the need to get started is critical. In David Maister's excellent book, *Managing the Professional Service Firm*, he points out the value of good practice leaders. Unquestionably, the answer to the managing partner lament, mentioned previously, about effective practice groups is development of effective leadership.

Credibility

Gaining credibility is critical to effective leadership. Partners need a new gauge to judge a person's fitness for leadership other than good lawyer-

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ing, high fee generation, or success in development of business or seniority.

Lawyers respect specialized knowledge and credentials. How do we use this mind set to their advantage? Training programs that are viewed as high quality (more than a one day seminar) can be a means to enhance the perception of fitness to lead. Why not establish a comprehensive program (internally or externally) that is focused on, in a sense, awarding leadership degrees? This would go a long way toward legitimizing leadership positions in law firms.

Of course, training doesn't make the leader. Only, when the team recognizes and appreciates new capabilities and when members of the team believe that the leader is working in their best interests will the leadership mantle be conferred. Therefore, two things are required if we are to build effective leadership:

- Effective long-term professional training; and
- Patience

GOALS AND MOTIVATION

- Contented people are not necessarily motivated people.
- Groups and teams need emotional and intellectually compelling reasons to achieve great things.

Recently, I moderated a retreat for a law firm to consider revisions to the firm's compensation system. Many partners commented on the compensation system and its use as a motivational tool. Ultimately, one partner stood up and said, "Why don't we just admit it, we're all motivated by money first, and we should orient the compensation system accordingly." After a millisecond, several partners most vociferously and perhaps vehemently disagreed. So did I.

Motivation

My experience and the experience of other professionals who study motivation conclude that professionals, in particular, are motivated more by the work and achievement than by money. There are numerous bodies of study focusing on human and team motivation. Seldom, if ever, is monetary gain a significant motivator. Yes, there are those who seem to worship money, but in reality may do so only because it is the scorecard for success.

We observe partners moving from firm to firm with greater frequency, presumably for more money. We observe partners in law firms worshipping at the computer "scorecard" of hours, origination credits and fee receipts. Our ears are often assailed by partners focusing on the bottom line. Practice group leaders talk about pumping up the group's fee receipts.

Goals

Bennis, in concluding his book, set forth take-home lessons. Two of these lessons were "Great Groups think they are on a mission from God" and "Great Groups always have an enemy." These are two powerful concepts. The first means that there needs to be a compelling, perhaps overriding, emotional need to accomplish the group's goal(s), and secondly, the group will be more competitive if there is an outside adversary. But, these don't exist, at least not continually in the life of a law firm practice group. The task is to "make it so."

Certainly, it makes sense to have a compelling goal or mission. Can these be developed in practice groups? Yes, of course, they can.

Some of the examples are:

- A trust and estate planning group that set a goal to represent every high net worth individual in the County. Is that optimistic? Yes. Is it achievable? Maybe, maybe not, but it is certainly clear and compelling to them.

- A securities group that decided to have the most demonstrably useful work product retention and retrieval system of any firm in the city. The objective is to demonstrate superiority in service delivery and efficiency. Is it achievable? Probably, if they stay the course. Is it useful? Without a doubt, clients like demonstrated efficiency.
- A litigation group said that it would try and win more cases in one year than any of its competitors. Is this compelling? Certainly, especially to that group of litigators. Is it useful? Yes, if the clients believe this attitude is worthwhile. Does it require the group to act differently? Absolutely. It has to be highly organized, focused and collaborative to achieve this mission.

Goals don't have to be (and probably should not be) long-term, hard to measure objectives. Lawyers are highly motivated by problem solving and the achievement of a clear objective. If the objective is too far in the future, they will probably lose interest. If it is not emotionally compelling, they will probably not be very dedicated. Therefore, a leader must work at developing compelling goals if the lawyers are to be highly motivated. How do you do that?

Most firms have recognized that strategic planning at the group level is worthwhile, however, there are many impediments to effective planning and implementation. (See the author's article, "Making Practice Groups Work to Improve the Firm's Competitiveness," Altman Weil, RTLML, August 1996, Vol. 23, Number 11).

Ideally, the practice leader will lead his or her group through formal strategic planning and also will engage in "battlefield planning." The formal planning process is necessary to identify a vision, establish behavior norms and overall strategy. However, the

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leader should always be looking for opportunities to employ battlefield planning. This is where either a threat or an opportunity allows the group to conceptualize a shorter term, compelling goal. It could be a problem or issue that may be solved in a week or a few months.

A good leader will periodically, perhaps with the firm's managing partner and other leaders, try to develop compelling and worthwhile initiatives for consideration by the group. If the group deems them to be challenging and beneficial to spend time on, then they will probably get many things accomplished. Remember, professionals like the psychic income of achievement and compelling competition as long as the time frames are short enough. Nothing enervates a group like visible success.

The lessons are:

- Monetary incentives will not motivate most of your lawyers to great action.
- Leaders must work constantly to find compelling things for the group to do.

REWARDS AND GOAL CONGRUENCY

When there is a compelling goal, the rewards should be oriented toward achieving the goal. However, many law firms encourage lawyers to do "A" but pay them for "AB." The chart to the right was extracted from the Altman Weil, Inc. 1997 *Survey on Compensation Systems in Private Law Firms*. This chart depicts the compensable criteria and the weights used by law firms throughout the nation.

FORMAL COMPENSATION FACTORS

This data depicts where we are with respect to the compensation incentives that are being played out in the legal profession. For the most part, we are

encouraging lawyers to build credits on their individual scorecard. Lawyers are forced to focus on their own "numbers" and what is spit out by the computer rather than the good of the firm.

Collaboration

On the other hand most recognize the need to become more collaborative in order to compete. Lawyers need to collaborate in marketing, training and human resource development. They need to collaborate in development of systems to improve efficiency of legal services, etc. In essence what we are doing is asking lawyers to act or behave in a team-like, collaborative manner, which is a very good thing, but rewarding them for individual achievement under the scorecard which is probably not such a good thing. This creates a problem with goal congruency.

I suspect some managing partners feel a level of schizophrenia, on the one hand, imploring partners to work hard and market themselves, while on the other hand begging them to be collaborative in their efforts. Partners often feel the same way, evidenced by a remark at a recent partnership retreat wherein one partner said, "Just tell me what you want

me to do. Should I build up my hours, or should I spend time on things the team wants me to do? I'm confused."

Here is an example of the problem and a firm's attempt to deal with it. A managing partner called me and said that the firm had spent tens of thousands of dollars on a marketing training program. The trainer said that marketing should be done in teams, with which I concurred. However, when asked how to encourage team members to collaborate in their efforts, the trainer was at a loss. The managing partner asked me to design a compensation system calculated to encourage teams to focus on team-oriented marketing. After presentation of the recommended system, and lengthy discussions, the managing partner said that he felt that the proposed system was rational and met their objectives, but one that the firm could not implement. His rationale was that the potential results were not sufficiently "predictable" for the partners to change behavior and the level of overall trust in the firm was not high enough for the partners to allow the experiment to go forward. Both disappointing reasons, but not unique to that law firm.

FORMAL COMPENSATION FACTORS

CRITERIA	ALL FIRMS		1993 STUDY
	MEAN	MEDIAN	RANK
Business origination	2.9	2.0	2
Fees collected	3.1	2.0	1
Case responsibility	5.0	5.0	5
Client responsibility	5.8	5.0	4
Fees billed	6.3	6.0	8
Hours recorded	6.6	6.0	3
Legal expertise	6.7	7.0	7
Firm management	6.8	7.0	6
Relative ownership %	7.6	8.0	11
Seniority with firm	9.0	10.0	9
Cooperativeness	9.5	10.0	10
Community involvement	10.5	11.0	13
Seniority since bar admission	11.0	12.0	14
Professional involvement	11.1	11.5	12

Source: 1997 Altman Weil, Inc. Survey on Compensation Systems in Private Law Firms

What to Reward

How can we get lawyers to act like a collaborative team and not like a group of stockbrokers? First, stop worshipping the computer printouts and encouraging the scoreboard mentality. The advent of the computer and its ability to spit out all sorts of quantifiable data has probably done more to reduce trust and cooperativeness in a law firm than anything else. Where nothing else exists to measure or evaluate the contributions of a partner, partners will always turn to the scorecard. Tinker with the partner compensation system if you need to. It is a tool that can be used to manage behavior to a degree. You should ask, "Are we encouraging our partners in the right way, a way that makes them want to operate in a team-like manner, making their practice group, department, etc. as profitable, efficient, competitive as it might be? Or, do we have a problem with goal congruence?" Your answer will lead you to beginning to discover the solutions. It undoubtedly will be improving the level and quality of leaders within the group, assessing the compensation system and its aspects, and finally development of initiatives calculated to build teamwork and a team attitude.

Second, reward partners for discharging the full range of obligations of partners, both economic and non-economic (See author's article "What are The Obligations of Law Firm Partners?," *RTL*, Feb. 1997, Vol. 24, Number 5).

Third, agree that group performance in achieving objectives is important and that lawyers will contribute (their individual talents) in various ways. Reward the group's achievement.

Finally, don't allow (enable) non-productive behavior. Firms have to decide to stop being held hostage to hours and dollars bullies. Unfortunately, we now have too many partners who go throughout the firm commenting on the level of their hours, fee

receipts, origination receipts, etc. This behavior is antithetical to healthy group behavior. I have observed that many management committees and compensation committees are cowed by these individuals even to the point where partners are allowed to participate in aberrant behavior detrimental to the firm, the practice group, etc. Most of these people aren't necessarily bad or evil, they are simply able to get away with it and they do. Effective leadership can be immensely valuable in improving these individual's behavior.

The lessons are:

- Make collaboration a goal
- Reward the team's efforts in some way
- Don't tolerate jerks

Resource Allocation and Team Achievement

I once listened to a managing partner give a speech focused on motivating his partners. He was the prototypical superstar, the guy who billed and collected 2,300 hours in a year, brought in millions of dollars' worth of business and acted as the firm's managing partner. He had determined that if everyone would just "be like him," the firm would thrive and prosper. He ended his speech with a rousing admonition to go out and "be like me."

As I listened to this individual speak, I tried to conjure up any successful organization where everyone was a superstar. I couldn't. But my basic nature is to think out of the box, so I tried to determine whether or not this was possible, or even desirable. I quickly came to the conclusion, as most will, that it probably wasn't possible simply because of the various factors that affect individuals, including intrinsic motivation, personal values, personal skills and needs. I concluded that it probably wasn't even practical. If a superstar if truly a superstar then he or she needs enormous amounts of support to maintain that status.

(Sometimes they don't readily admit it.) People who play other roles in the group are vital for the group's overall effectiveness. Therefore, when asked by several of the managing partner's partners whether or not I thought his vision was appropriate, I gracefully said that, "Everyone can do better, and that's a good thing, but I doubted that everyone could or should try to "be like him."

If that managing partner's vision doesn't work, what does? Management is all about effective allocation of resources, be they economic, human, technological, etc. carried out in the best way to achieve the organization's goals. As I often hear partners state, "We are successful in spite of ourselves." That's unfortunate. Think how successful you would be if you employed the group's resources (i.e., individuals) in the best ways they can contribute.

Bennis says that "The myth of the triumphant individual is deeply ingrained in the American psyche ... we are a nation enamored of heroes — rugged self-starters who meet challenges and overcome adversity." Some leaders are selling this formula to their partners. Unfortunately, these solitary heroes often do little to facilitate the team's vision and in fact, can be a detriment. We need to recognize the management principle of resource evaluation and allocation, recognize the valuable contributions of all members of the team, and quit trying to make everyone into the mold of the hero or superstar. When this is done and when the practice groups' leaders can lead under these precepts, then groups can be great.

The lessons are:

- Evaluate talent well and use it well.
- Don't try to make everyone the same.

SUMMARY

What should you seize from what is going on in the profession with respect to groups, and what should you do to facilitate *Great Groups*?

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Quit talking about leadership and do something about it. Like management before, leadership is now being taught as a discipline. Leadership, however, cannot be learned by reading a book or attending one seminar. It is more complex than that. A firm needs to determine what its commitment to development of leadership will be and set up a program to develop its leaders.

Ensure that groups have compelling goals and motivation. Professionals are interesting and challenging people to motivate and manage. Firm management and leadership has to be dedicated to constantly setting a table of interesting, challenging and motivational goals for its teams. This will motivate professionals far better than dollars. Leadership has to comprehend this and be dedicated to constantly motivating the troops.

Make sure that you don't reward your partners for A while asking them to do B. Goal congruency is critical. Otherwise, you can expect high levels of frustration and marginally effective teamwork.

Recognize the worth and value of individuals. Learn how to employ individual's unique talents and skills. Stop trying to make everyone the same. Once

this is realized and accepted in the firm, then much of the distrust, disharmony, frustration and similar circumstances will begin to disappear.

Teams can be vibrant, creative and highly productive organisms. Teams are critical to competing in today's marketplace. Importantly, partners and associates alike can create strong emotional connections to the team. Individuals who have developed a high level of connection often will stay with the team even when they could make more money elsewhere. I have made this observation numerous times in the legal profession.

Effective teams are useful, they are healthy for the law firm and they make sense in the marketplace. I can think of no better way to spend a leader's energy than developing the internal teams of the law firm. ♦

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