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Works Well With Others: Building the Collaborative Law Firm

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By Charles A. Maddock

It's a simple fact of life that many lawyers like to work alone. Even when lawyers congregate in packs, one of their most prized values is autonomy, the ability to practice their craft with little outside supervision. Granted, this has not been an impediment to success: many firms with whom Altman Weil consulted in 2002 recorded their best year ever, even in a down economy. But could lawyers, who value hard work and high performance, do even better by working together?

Many law firms already realize the benefits of collaboration. The most successful firms have certain characteristics in common:

- They delegate strategic, big picture items to a management or executive committee and day-to-day tasks to an executive director, entrusting these critical functions to collaborative groups rather than a committee of the whole.
- They have established a practice management system that fosters delegation within groups and teamwork across groups.
- They appoint relationship managers to assure value of service and legal product across the entire client relationship, not just matter-by-matter.
- They set up industry-focused client service and marketing teams that focus on business as well as legal expertise.
- They have designed a compensation system that fosters and rewards group efforts as well as success.

Despite these efforts, many firms still have lone wolves that are difficult or impossible to make part of the program. Lone wolves can be characterized as lawyers who perform well and are highly valued by clients, but who either work alone or only grudgingly work with others. In many cases, they can be abrasive when asked to participate in firm activities that do not benefit them directly. Worse still, they often try to undermine firm strategies, such as planning, marketing and training that are not directly related to short-term revenue generation. Because they are typically rewarded for their annual collections and client retention, lone wolves' behavior can set a bad example for associates and even partners if the firm continues to send a message that their behavior is not just acceptable, it is valued.

Law firms are not the only place where lone wolves congregate. They can also be found at any organization that prizes and compensates individual contributions, such

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as investment banking, creative departments of ad agencies, sales forces and, surprise, consultancies. Since they perform well, they are usually left alone to do what they do best, especially in today's economy where billing and collections rule. But many of these organizations have taken steps to bring lone wolves into the fold.

How can law firms harness the power that lone wolves possess and encourage them to work well with others?

1. **Create a collaborative environment**. Much was made of knowledge management several years ago. Today it seems very 1990s. But sharing information across practices and among lawyers is an essential starting point for the collaborative firm. Law firm document management and client relationship software have come a long way in the past several years and many systems have become as easy to use as email. The software, however, is only good if there is content — and lone wolves hate to share. Practice managers should make sure that content from all partners and — equally critical — client relationship information is available in the firm's document management and CRM systems.

2. **Make a distinction between client ownership and relationship management**. Lone wolves believe they are indispensable to the client — and often do everything possible to block or marginalize participation by other lawyers. One-on-one relationships create portable business, limit growth across practice groups and put the firm at risk if the lawyer has an unfortunate encounter with that proverbial bus. Clients want a lawyer who understands their business and knows the breadth of matters being handled by the firm. To meet client expectations, firm governance should appoint relationship managers who can fulfill this role for the firm's top clients. These would be lawyers who can think strategically about the client and respond to inquiries about timing, staffing, billing and more. If a lone wolf can take a broader view and act in this capacity, terrific. If not, he or she will need to be accountable to the newly minted relationship manager.

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3. **Coordinate business development activities among practices.** Lawyers join law firms to specialize and hone their skills in a specific area. Ideally, this should result in skill-sharing, affording clients a higher degree of expertise as the firm matures and grows. Unfortunately, this can also result in internecine battles among practices as they vie for clients' business, especially in a down economy. Addressing this problem calls for teamwork and innovation. Many firms have adopted a technique pioneered by accounting firms years ago: linking practice areas into industry teams that offer clients multi-practice expertise, hardwired together by knowledge of the clients' business. This is a win-win for the firm and the client — clients are assured that the firm has industry expertise, and lawyers are required to work together in teams for the clients' benefit.

4. **Focus on marketing the firm, not individuals**. Popular wisdom says that clients hire lawyers, not law firms — and many lone wolves feel that this puts meat on the bone to support their position. Is it true? Well, yes, but much less true than it was in the past. According to surveys of law firm clients conducted by Altman Weil, selecting the law firm has become almost as important as selecting the lawyer. This fact underscores the impact that branding has had on the awareness and selection process and erodes the lone wolf's support for his or her position. Because this trend has accelerated so rapidly, it's likely that selecting the firm will become number one in the next year or so. Ask clients, share the results and focus on changing behavior.

5. **Find out what's important to clients**. Clients want team players, not *prima donnas*. Asking clients to evaluate performance can help evaluate lawyer problems before they become unfixable. More often, clients are pleased with the firm, the practice and the lawyers and will offer suggestions for expanding the firm's practice when asked by the firm. Conducting client surveys on a regular basis — at least every three years — and interviewing clients annually and formally can assure the firm that its lawyers are working in the best interest of the client and each other.

6. **Evaluate partner performance and provide feedback**. Although law firm *clients* evaluate their key personnel and managers on a regular basis, few law firms have adopted this process. It's easy to see why: partners are loath to critique each other's performance, often because they don't know what others do. Ironically, lawyers can quickly become experts in each other's business during compensation deliberations. There

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are literally scores of models for evaluating partner performance, many of which can serve firms well. Just as in evaluating associates, it's important to be consistent, fair and to communicate often, especially when there are signs of partner trouble or discontent.

7. **Make hard decisions when needed.** If all else fails, law firms need to determine whether the lone wolf is a net asset or net liability to the firm. Keep in mind that even profitable or very profitable partners can still be a liability if their practice, social skills or demands do not fit the firm profile. The usual management response to this problem, reducing compensation, can backfire, creating the worst of all possible worlds, an angry lone wolf. Set and apply standards often and fairly, evaluate regularly and encourage team play. If the partner still stands out as a current liability to the firm, the firm needs to decide whether it would function better if the partner — or even the partner and his or her practice — worked elsewhere.

Getting partners to work together is often the most difficult and recurring problem for law firm management — and one of the most important issues management must tackle. By organizing in the ways mentioned in this article, and by following the seven steps, management can be assured that its partners — even the lone wolves — will work well with others. ◆

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