

Definitely Mabey

Leadership Inspired Agility

Much continues to be written about leadership: its importance; its characteristics, both good and bad; its style; examples from past and present; its applicability to various industries, even law firms; and so on.



Stephen Mabey, CA
Principal & Managing Director

Since the late 90's, the number of perceived or empirical discoveries regarding leadership appear to be decreasing and more of the reported "findings" seem focused on what "is" leadership instead of the how it works. In part this may be because it is much easier to write about than do!

So I thought in this column I would try a slightly different approach to the topic. But first let's get some basic tenets out of the way about leadership in successful law firms:

- Leadership is not relegated to just the managing partner, CEO, or executive committee. Everyone needs to and can demonstrate leadership;
- Leadership in a firm has a direct, measurable impact on its culture (although not always quantifiable in dollar terms for the overhead hawks);
- Culture in a law firm is composed of at least the following six characteristics (some firms will have more but all have the basic six):
 - **flexibility:** the degree to which members feel they can be creative without running afoul of the rules – written or otherwise;
 - **commitment:** the degree to which lawyers and staff feel that they owe or have some sense of obligation to the firm;
 - **standards:** the level of standards everyone and the firm have set for each other. These are not measured by words but by action (all firms have value statements, codes of conduct, according to their web sites anyways, but are all firms great places to work?);
 - **unity:** the degree to which lawyers and staff are committed to a common mission;
 - **communication:** the degree of clarity with which messages, good and bad, are presented to lawyers and staff alike including the firm's real mission; and
 - **rewards:** the degree to which lawyers and staff contributions to the firm are aptly rewarded;
- The absence of leadership is more often notice than its presence in law firms; and

- Good leadership has a direct bearing on the operational agility of the law firm.

Leadership is critical to the well-being of law firms any time, but in this current economy its importance is accentuated given the need for heightened operational agility.

A slight digression is needed. Being strategically agile is also very important but historically the legal industry has not suffered an inability to identify and document opportunities and issues to the nth degree. Where, as an industry, we have normally fallen down, is on executing on the solutions to these opportunities or issues.

For purposes of advancing this column, the best definition I have read of operational agility is “an organization’s ability to exploit both revenue-enhancing and cost-cutting opportunities within its core business”. Obviously, the more quickly, effectively, and consistently that a firm can do this not only speaks to the level or degree of a firm’s agility but, much more importantly, the likely longevity and level of financial rewards enjoyed by its partners. In consultant speak, a real competitive differentiation!

There are many factors that can go into determining the operational agility of a law firm – some good and some not so good - including the degree of:

- dictatorship;
- benevolence in decisions;
- consensus seeking decision making;
- full time management;
- client dependency; and
- demographic shift in the partners.

Perhaps due to the nature of partnerships in general, and law firms in particular, there are two key factors that determine operational agility. They are the ability of the firm’s leadership to boil the goals down into the two or three priorities that are both symbiotic and critical to the firm; and dedicate the firm’s efforts and focus to these priorities.

Some of the obstacles frequently encountered that prevent operational agility include:

- firm priorities hijacked by an individual partner;
- attempts to be all things to all people;
- willingness to “bell” the 800-pound gorillas and bullies;
- crisis du jour;
- preference given to short-term economics;
- communication style of leaders;
- change in leadership;
- cultural or productivity dysfunction; and
- unwillingness to make “business-like” decisions.

I don’t subscribe to the theory that partnerships are run like a business as then why call them partnerships but rather firms should strive to have processes in place to make “business-like” decisions.

So how, then, in the face of the above obstacles, can law firm leadership inspire the desired agility? By following a number of simple but not necessarily easy steps.

Being rooted in realism, both in its understanding of what is and is not possible and what the partners want.

Helping the governing body cut to the chase on establishing the “real” priorities of the firm.

Ensure the resulting actions undertaken to follow up on the priorities both address the partners’ concerns and are fully understood on a step by step basis.

Lastly, identify and react in a timely fashion to changing developments or patterns both within and outside the legal industry.

While there is much ado about the impact of the current economics on law firms and how they do business, the absolute necessity for operational agility existed before the impact of current times was felt and will long after everyone has forgotten the great depression of 2009-10.

And remember until the next column:

"Leadership is based on inspiration, not domination; on cooperation, not intimidation."

Comments or Questions?

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