

‘Management is doing things right, leadership is doing the right things’

# FOLLOW THE LEADER



An effective leadership is indispensable in any firm, but what qualities does this require? For consultant Peter Scott,

a clarity of thought and vision is essential, and so is the capacity to earn the respect of the partners. An inspiring and inclusive approach is the key to making things happen

If you look around the legal profession today, it is not difficult to identify firms that are not only well managed but also, most importantly, well led. And conversely, it is possible to see firms that are neither well managed, nor well led. They are the firms going nowhere, unprofitable relative to their peers and losing partners and valuable staff. These firms will gradually slide into oblivion or be taken over, broken up and disappear. If you think this is a pessimistic view of the legal landscape, just take a look at the once reputable firms you knew which have gone down this route, or are on their way.

To be realistic about your prospects, and then do something about them, is the only viable way to survive in the law today. We are living in difficult times. The late 1990s led many firms to believe that the good times would last forever. However, the boom was short-lived and we are now facing a period of economic uncertainty which is going to test to the full the skills of law firm managements everywhere.

How many firms are now having to rethink the strategies they devised and implemented over the past five years, only to find that yesterday's strategy is today's folly?

Instead of rushing headlong into developing new strategies based on knee-jerk reactions to short-term events, it might be more sensible for firms to hold back for a moment and ask themselves whether they have the most important element of all in place – the leadership that can take the firm forward to achieve its goals. This is true whether these goals are at one extreme for the firm to survive, or at the other end of the spectrum to become the best in its chosen markets.

I often hear partners bemoaning the fact that their firm has no direction. What I think they are really trying to say is that they want someone to provide that direction for them – a leader. If leadership is about 'doing the right things' then what should firms be looking for in their leaders?

## AUTHORITY AND RESPONSIBILITY

We live in a turbulent time where the pace of change is becoming ever faster. A law firm needs to be fleet of foot if it is not to fall behind the rest of the pack. Lawyers, because of their training and professional experience, tend to be conservative and risk-averse. Many do take risks, but only because they haven't taken the trouble to obtain the knowledge-base necessary to enable them to weigh up the risks of their actions. Many are not used to, or detest the hurly-burly of, business life, and find it difficult to take decisions which may involve any degree of risk. Indeed, many lawyers I know prefer others to take responsibility for making decisions – someone they can then blame if things go wrong!

On the other hand, I often hear managing partners complaining that they do not have sufficient authority to take decisions to enable them to do what is needed. The true leader will earn whatever authority is needed, by his or her attitude and actions within the partnership.

Leadership is often discussed in terms of the 'vision thing'. In law firms today 'vision' is very much what is needed, because so many firms feel 'lost' and void of any sensible direction. Firms should not underestimate the desire by partners to be led. Ask partners what they want most from their firms and many will say that they want to be in a firm which knows where it is going and is determined to get there.

This requires leadership that can identify the issues – the big issues – affecting firms and arrive at innovative solutions to turn them into the highly competitive businesses they should be. However, 'thinking leadership' of this kind can be difficult to find within many firms and requires skills beyond the ordinary to persuade partners to follow visionary thinking which is outside their experience. And because it will involve change, leadership of this kind may create fear and insecurity in many partners. Managing this process of change is perhaps the greatest challenge today for leaders of law firms.

## KNOW YOUR PARTNERS

Contrary to their instincts, it is often not wise for managing partners to adopt a 'command and control' approach. They should lead the process of strategic thinking in such a way that the partners believe they have themselves found the answers, and 'own' the solutions. This should help with the process of implementation.

A good leader should not only have the 'vision thing' but will also need the determination to drive through agreed strategies. To do this successfully a leader will need to be 'a people person', able to identify what the partners want and what makes them tick. 'Know your partners' is the first rule of managing a partnership and is one reason why it is so difficult for an outsider to come into the closed world of a partnership and succeed. Reversing a long entrenched culture in the short-term is nearly impossible – as one managing partner said to me when I suggested that his firm would benefit from a merger: 'yes, you are right, but don't even suggest it to the partners – they have closed minds on the subject.'

Sometimes only when faced with disaster will that kind of partnership be forced to change, but in these circumstances change can be painful.

The good leader will challenge everything to gain a realistic appreciation of what the firm is (or is not), and then apply an inspirational vision of what the firm could make of itself:

- Why do we do things in this way?
- Why are we in this market?
- Why do we need this office?
- Why do we do this kind of work?
- Why do we have so many partners?

### LEADING FROM THE FRONT

Every part of the firm needs to be challenged continuously and this may be a painful process for some. The best law firm leaders will successfully take their partners through this process by being inspirational, and leading from the front, in order to bring out the best in their people and enable them to succeed in their individual goals.

Managing a law firm has often been said to be 'like herding cats'. It can be if the firm lacks leadership and direction, because the partners will feel free to do their own thing. It is often thought that leadership requires an authoritarian personality. Certainly strength of personality is required but authority, which will build respect and a willingness to be led, needs to be earned. However, law firm leadership is not about telling partners what to do: it is much more about taking partners with you. There will be times when rules are broken and discipline needs to be imposed. But a dictatorial authority is not the essence of building a successful law firm. Partners are more likely to be prepared to be led by someone who has earned their unwritten support, confidence and loyalty. Above all they need to believe in the person leading them.

Leadership should be about bringing out the best in people and then producing more leaders. Developing a 'Top Team' to take forward a firm should be a vital objective for any leader. Running a law firm can be a lonely job and success is more likely if a group of able partners can form a phalanx of strength to manage the upheavals change will cause. Leaders need courage to succeed because putting your head above the parapet may mean it is likely you will lose it. But leading from the front is necessary and having a loyal and able team with you can mean the difference between success and failure. Success tends to breed success, and partners like winners but will not tolerate failure. Having a strong and purposeful team around the leader will help build the consensus needed to bring about change and will reduce the risks and fall-out when failures occur, as they inevitably will from time to time.

If your firm needs to change, then you need leadership which:

- Will challenge everything your firm currently thinks it stands for
- Has a vision of what your firm can realistically become
- Has the determination to implement the changes needed to achieve such a vision

Do you have within your firm someone who can and is prepared to provide such leadership? If not, then what are you going to do?

*Peter Scott is a consultant at Horwath Clark Whitehill, a leading firm of accountants and business advisers. He specialises in advising law firms and other professional firms on strategic and management issues, focusing particularly on performance and change.*

