

Sacrifice your sacred cows

Many firms can't or won't face up to underperforming partners, unprofitable business or out-of-date processes. But avoiding such issues will be damaging in the long run, says Peter Scott

Look through the windows of any office building. The staff seem to be working extremely hard but often, after observing them more closely, you discover that they are working simply to stand still and survive.

These firms are often doing work that seems to serve no purpose other than to lose money. When asked why they take on such work, they answer that it keeps people occupied, helps to pay some of the bills or they just enjoy doing it, irrespective of whether it makes or loses money.

Of course, at least some part of most firms' business will be profitable, otherwise they would not still be in business. But this profitable work is often the domain of one or two partners who will not share or delegate it even when retirement looms.

As a management consultant, I often have many firms telling me they have never even

tried to work out what contribution, if any, certain work makes to the firm – perhaps they prefer not to know.

The most worrying aspect is the extent to which firms cannot recognise that they have serious problems which, if not remedied, may ultimately destroy the business.

Environment of underachievement

In dealing with this environment of underachievement which seems to pervade large swathes of the professions, one of the questions I am most frequently asked is: What should we do? This can take a number of forms:

- Should we merge? (When asked why, they often don't know)
- Should we go into an area of work perceived to be highly profitable? (Even though the firm has no relevant expertise)

dictatorial senior partner and say: "You may have given great service to the firm over the years but it is now time for you to retire gracefully."

If firms are to progress, then first and foremost, they need to take a long, hard and realistic look at themselves.

What kind of firm do we want to be?

The above question is likely to throw up some fundamental issues which will have to be resolved sooner or later:

- Are we driven by the bottom line or are we comfortable and content as we are? This is one of the most basic issues to resolve because it reflects the culture and behaviour of partners. If there are unbridgeable differences in attitude to this, then perhaps divorce is the best course.

- Are we prepared to be managed?
- Do we have the best people in our firm?
- Can our partners prove to us why they should remain in their position?

Above all, professional firms need to face up to change. If they are to prosper and survive, they must force themselves to enter a zone of uncomfortable debate and confront head-on their "sacred cows", whether they be partners unwilling to be managed, underperforming partners, loss-making offices or areas of practice, or senior partners who are long past their sell-by date.

Many partners will be unwilling to change

firms must contain certain fundamentals in place: in particular, good people and good clients. But many lack an essential third ingredient: leadership.

Leadership fulfils a number of functions:

- it can challenge everything;
- it provides a clear vision of where the firm should be going, and the determination to get it there;
- it inspires people and gets the best out of them;
- it drives the firm forward – because a professional firm, like any other business, needs to be driven.

Many of the best leaders in professional firms tend to be those who relentlessly nurture a hunger to be the best and a culture that will not tolerate underperformance. However, many partners will not be able to accept this kind of leadership because it will mean they will be managed.

If your firm has today reached a crossroads, identify and face up to your problems. It will probably mean you will have to make some hard decisions and take tough actions, but this is likely to save you greater pain later.

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What should we do?

Focus on big issues

- Your ability to compete
- Your people
- Your clients



Decide your objectives

- What kind of firm do we want to be?
- How much do we realistically want to earn?



Enter zone of uncomfortable debate

- Face up to issues
- Shoot the sacred cows



Manage process of change

- Make decisions
- Implement decisions
- Bank progress – move on