

10 Questions That Need Answers for a Successful 2017 (and Beyond)

By [Michael D. Short](#) on January 6, 2017

At about this time last year, I wrote a blog about [10 Projects That Can Produce Big Results in 2016](#). My goal was to get each reader's firm to focus on one signature project from a "menu" of options that would have a positive influence on the firm. (By the way, it's still a valid list.)

Well...it's time for another year-beginning list but this time I am offering a checklist of questions/discussions that require answers in order to protect the firm's strategic interests – both short-term and long-term.

Please remember that honesty and candor are required to produce realistic answers and viable options for the future. If these types of discussions result in platitudes or the conclusion that "we've always been fine and we'll always be fine," please stop right here and continue to hope for the best...while strategic firms with strong messages lure away your top producers, clients, and young stars.

This year's list is the result of observing and prioritizing issues based on 2016 client work combined with our trend-watching and predictions about the future. The rationale for each question is included to help frame your discussions. Selectivity is not an option – deal with all of them.

1) What happens if any of your top 5 revenue producing Partners wins the lottery and leaves the firm suddenly? (This is intended to be a positive spin on the oft-used "hit by a bus" scenario.)

Clients are generally tied to a firm via an individual, a highly functioning team, or the firm as a whole (a very rare scenario). Instances where the main point of connection remains an individual are never in the best interests of the firm or the client's long-term needs. While there are never any guarantees on transition outcomes, multiple points of team-based contact greatly improve your odds of retention.

It is perfectly fair to pose this scenario to each Partner with a large book of business and then work to increase the "glue" between the client and the firm via a client team approach that involves multiple practices, offices, generations, etc.

2) What does your Partner compensation system really incentivize Partners to do?

The Partner compensation system is often the primary hindrance to the teamwork referenced in the prior point because compensation committees tend to look at individual statistics. You get what you reward and any over-emphasis begets a negative reaction. Too much focus on personal production begets hours hoarding and idle associates. Too much focus on originations begets client responsibility battles, awkward credit sharing discussions, and data in the financial system that is disconnected from the reality of the client relationship.

It is absolutely possible to use the Partner compensation system to help drive teamwork, but doing so requires the ability to have difficult honest, discussions in order to define team-based roles, manage Partners into these roles, and evaluate contributions in relation to these roles at year end.

This point leads to our next question.

3) How good is your partnership with having difficult discussions?

Since these conversations are required for success with the prior point, we need to include it in our list. We still see far too many firms that are unable to deal with internal conflicts and choose to ignore the participants/issues in hopes that they go away or don't recur. This behavior is often justified as being part of the firm's culture.

All strategic, forward-looking, team-oriented businesses experience internal conflicts because a true strategy is based on difficult decisions about the future. Inevitably, such decisions will not please everyone. Similarly, within a team, there can only be 1 leader and accountability to the team is required.

This is a "learnable" skill as a group. Pick this up, with the assistance of a trained professional facilitator, if your Partnership is deficient in this area.

4) Do you avoid important and justified changes because some feel that "it will change our culture"?

Just as culture can be used to justify poor behaviors (per the prior point), it can also be used to hinder needed changes. We see it often when we are presenting a fact-based business case for a needed change. Those who want to fight the change and see that a fact-based counter-argument won't work will try to divert the discussion into an emotional battleground by claiming that the proposal will change the firm's culture. Recognize what these words mean when you hear them and try to keep change-averse emotions out of your decision-making process.

For some reason, many Partners view their firm's cultures as permanent. Cultures evolve regularly and are influenced heavily by new strategic directions, mergers, acquisitions, changes in the business model, new people or departures of others, and transitions in leadership.

Speaking of transitions in leadership...

5) Who will be the next leader of the firm?

When we ask this question of clients, we hope to hear that either the next leader is clearly apparent to all or there is a pool of viable candidates being carefully developed. Unfortunately, what we hear far too often is, "there really isn't anyone." This is an unacceptable response.

A key responsibility for each law firm leader (at all positions within the firm...not just the Managing Partner) is to develop future leaders. This involves creating opportunities and working with the relatively small pool of Partners who have demonstrable leadership characteristics. Every year wherein future leaders are not developed further complicates the actual year of transition. Rushed transitions rarely go well.

Some firms conclude, with validity, that their next leader is not currently in the firm. This scenario also requires time to address and time marches on at a deliberate and permanent pace.

6) What happens if the leadership/ownership of any of your top 5 clients shifts to a younger generation?

While time marches on for firm leaders (per the prior point), it also marches on for all relationship Partners. In fact, it is increasingly common for us to find respected Senior Partners who have suddenly lost their clients because

transition/succession occurred within the clients' organizations. Once this happens, the Senior Partner finds that their younger client contacts want generational peers as points of contact.

The answers from questions 1 through 3 will certainly help with this issue but there are also important hiring, retention, and professional development aspects to be considered. A senior Partner who is a trusted advisor to a client nearing transition faces several difficult decisions, including:

- Will I personally/financially be harmed by letting this client go?
- Have I properly trained someone to come along behind me?
- Who does the client want?
- What is my responsibility to the firm if I sincerely do not see someone in the firm I could recommend?

You may find that the solution to this challenge lies (for example) at the intersection of Partner Compensation, practice management, professional development, and a client team structure.

7) Why did the last 5 lawyers who left the firm really leave?

Many Partners are quick to dismiss departed lawyers as "not good enough to be here" or "disloyal," but right before announcing their plans to leave these same people were "future stars" or "great fits."

In order to keep others from leaving, the Partners need to understand why lawyers at all levels have already left the firm. Departing lawyers typically don't go without discussing their issues with peers so knowledge of the reasons/catalysts likely remains within the firm. Those who leave and go to other law firms are also encouraged by their new firm to identify others from the prior firm who may come along. Defend your firm.

8) Why did the last 5 lawyers who joined the firm choose your firm?

Most strategies contemplate strategic growth and all firms are open to opportunistic growth. That said, the competition for legal talent is very high and most lawyers who are speaking with you are also exploring other options. In order to close these deals, you need to know what is so special about your firm.

All firms claim to be collegial, respectful, top-notch, intolerant of jerks. The basic language is the same but some firms have figured out how to connect well with the lateral marketplace while others muddle along and make excuses. Be successful by going back to recent laterals and have them describe the interview process, the interviewers, the key messages, and the characteristic that sealed the deal. This information will beget future successes.

9) What do clients say is special/unique/different about your firm?

As we have said many times in our blogs, it's a time of [winners and losers \(of market share\)](#) in the legal marketplace. In our experiences, winners tend to have a special characteristic that clients regularly notice, appreciate, and tell others about. Examples include a deep understanding of a business or industry, a go-to legal ability in a market, true and seamless teamwork, a unique approach to handling all client relationships, or an efficient work-style with commoditized matters. Of course, there are many others.

Here's the key to answering this question – opinions *within* the law firm do not matter. The answer to this question must come from clients' mouths. While many Partners think they know what their clients are thinking, Partners' responses tend to fall into categories that are very convenient for the Partners and support the status quo.

10) Why was/wasn't your last strategy implemented?

An unimplemented strategy not only reflects a failed project, it also harms the planning process because expectations and enthusiasm for future plans are always influenced by past results.

One simple answer here is that there was no detailed implementation plan associated with the strategy. Without assignments, dates and expectations, implementation tasks can easily fall to the bottom of daily to-do lists. Other reasons may include a failure of leadership to lead, a disconnection between the strategic goals and the Partner compensation system, or creating a plan that is truly unimplementable because it is just a collection of aspirations that do not differentiate the firm. (All firms want to have the clients in their markets that will pay for sophisticated legal services. This is a statement of fact...not a strategy.)

Carefully review and understand what went well and what went poorly the last time. Apply the lessons learned because a key characteristic of those firms winning market share is a strong, implemented strategy

Leading a multi-million-dollar law firm is never easy, but it need not be reactive. The first quarter of the year tends to be relatively slow (once the Partner compensation process is done) so please set aside some time to address this list of questions. This will be time very well spent for 2017 and beyond.