

Building Confidence for a Successful 2025 and Beyond

By [Michael D. Short](#) on December 23, 2024

Well, 2024 flew by, didn't it? This was a year of sometimes very long days bundled together into fast weeks and even faster months for many. We now find ourselves ready to close another 12-month chapter, take a quick breather, empty the coffers, and start the whole crazy process over...with what feels like an ever-growing pile of pressures, anxieties, and concerns. Against this backdrop, our year-end message for you is that we at LawVision can, in the spirit of the season, confidently extend tidings of comfort and joy with respect to the future...provided you work very hard to build confidence in whatever part of the firm you hold leadership responsibility.

At its core, the law firm business model is surprisingly simple – cash basis (for most), fairly clean balance sheets (for most), built upon a basic supply (of lawyer expertise)-demand (for their services) relationship, all based on one key asset class – people. That last word is where the simplicity of the model comes to a screeching halt because each 'asset' is unique, has a unique personality, and expresses unique expectations and demands. The ongoing success of any law firm fully depends on the collective ability of firm leaders, at all levels, to maintain the confidence of its unique set of people in the institution – an incredibly tall yet achievable order.

So much of law firm leadership (and law firm consulting) is about instilling or boosting confidence in the institution. As a result, we hyper-scrutinize all decisions that impact this razor-thin line of confidence that is so easily blurred or so innocently crossed. Further complications come from the growing list of increasingly complex issues and influences that will carry forward into our 2025 crystal ball, such as:

- The ever-increasing/expensive/exhausting battle for talent, with little net growth at the end of the year despite herculean efforts.
- The need to continue pushing on rates while market conditions remain remarkably conducive.
- A steady, ongoing decline in productivity that is masked by rate increases ([see my prior blog on this topic](#)).
- Succession planning that has been delayed by raising retirement/out-of-Equity ages but never actually addressed.
- The frustratingly slow pace of development for truly useful profitability reporting.
- Two letters – AI (and while I dedicate very few words to this incredibly important topic in this blog, I am not minimizing its impact).

Any one of these pressures/influences/trends, if left unaddressed or mis-handled, can seriously stretch a 'collective confidence.' Handling a combination is exponentially more challenging and can lead to many sleepless nights.

We want you to sleep well in 2025. The comfort and joy that we extend to you comes from the fact that building and maintaining confidence is largely under your control. For example:

- Having a long-term vision and supporting implementation plan builds confidence. Being opportunistic and occasionally lucky does not.
- Accepting change (e.g., AI) and rapidly evolving with purpose builds confidence. Resisting change does not.

- Listening to younger lawyers and being as transparent as possible with them builds confidence. Telling them to be patient and pay their dues in a vacuum of information does not.
- Providing young lawyers with a career roadmap that has several viable endpoints in addition to 'Equity Partner' builds confidence. Telling them that everyone is hired as a future Equity Partner (with the implication that any other outcome is a failure) does not.
- Embedding the concept of innovation into the organization at the DNA/cultural level and encouraging asking questions for the betterment of systems and processes builds confidence. Doing *anything* a certain way because "we've always done it that way" does not.
- Managing client transitions and succession planning via a structured protocol that is tied to incentives builds confidence. Relying on the premise that "our Partners will do the right thing" does not.
- Having accountability, implemented and enforced via generally accepted rules/norms/expectations builds confidence. Allowing everyone to do whatever they want does not.

If, at this point, you sense a generational undertone in these statements then you have your finger on the pulse of a key confidence issue that merits much more focus, education, and care in 2025. Currently, most firms have four generations of timekeepers delivering client service in teams, and some have five. Each cohort has its own characteristics and expectations of work and life, with some being dramatically different from preceding groups. As the non-Boomers continue to rise in prominence, stature, and power within the partnership ranks and structure, they increasingly occupy leadership roles. If the transitions of people and, much more importantly, generational philosophies within key management groups are not carefully anticipated and managed, a confidence eroding event can occur with a resounding 'thud.' Scenarios to watch for include:

- As younger Partners take a majority of seats and voting control on the compensation committee, watch for basic philosophical shifts that can wreak havoc. Some specifics include a switch from slow-up/slow-down movements to dramatic swings (up and down) and/or an accelerated focus on profitability data that is out-of-step with the partnership's progress on properly using profitability data.
- The number of younger Partners growing within any partnership that features a true 'black box' compensation system and the desire/demand for information on relative weighting of factors or the underlying math growing, as will the pressure to give a peek into the black box and see some of the details.
- Generationally inconsistent messaging to laterals and law school students on the benefits of working at the firm.
- Younger Managing Partners elected on a clear and specific mandate for change, sometimes achieved via a younger Partners' voting bloc.
- No agreed-upon, unifying, market position defining vision or strategy.

Any of these and others can lead to diminished or lost confidence. Get ahead of the issue(s) to boost the faith and trust in your collective destiny.

Our wish for all of our clients and friends is to always maintain control of your destiny on your unique terms. Much of this responsibility remains under your control, which should be a source of seasonal and ongoing comfort and joy. We remain ready to assist you in any way that we can.

Be safe, healthy, and prosperous as you wind down 2024 and leap into 2025.

With our best regards, always – LawVision.

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