

Change: Lessons for law firm leaders from the legendary Jack Welch

By [Jim Cranston](#) on September 15, 2016

In order to meet or exceed anticipated profits per partner in a rapidly changing legal industry, many firms still have a way to go to upgrade or simply modernize their systems and processes. So today's post is about change. Not only accepting it and embracing it, but also (perhaps) considering change as a strategic advantage.

Jack Welch, the legendary former CEO of General Electric, (and a student of Harvard's Kotter who believes leadership is about leading change) viewed change as a catalyst for progress, evolution and improvement. He famously preached the following at GE:

"Face reality as it is, not as it was or as you wish it to be"

"Control your own destiny or someone else will"

"If the rate of change on the outside exceeds the rate of change on the inside, the end is near"

"Change before you have to"

The notion of change for many of us feels like doom and gloom. But viewed strategically, change can be an invigorating initiative. As Jack Welch said "willingness to change is a strength, even if it means plunging part of the company into total confusion for a while ..."

Perhaps look at your own firm and pose the following questions:

- Are we "best in class" in a specific function, process or task?
- If I were to ask our internal customer (those that utilize the service), would we get a favorable score or positive feedback?
- Do we have trouble attracting or keeping talented people in these areas?
- Is the function a strategic advantage to the firm?
- Could I sell the same function to other firms?

If you answered no to any of the questions above, perhaps a fresh look at the systems, processes and talent necessary to properly support your lawyers and clients is warranted. According to Michael Bryant, Co-Founder and CEO of [nSource](#), "With a focus on driving more profits to the bottom line and the need to streamline efforts to focus on delivering the highest levels of service to clients, law firms have historically studied their back/middle office operations for one of two reasons: 1) As part of a broad-based cost savings/optimization effort or 2) Attorney-driven demand for service improvement due to dissatisfaction with quality, availability of services.

He goes on to add, "With rising labor and real estate costs, law firm leaders are far more interested in striking a balance

between service and cost. The good news is that when leaders embrace the need to change, this balance is achievable. Across each of the law firm business functions; Administration, Marketing, IT, HR, Accounting, Risk, etc., there are tactical workflows that are subject to automation and centralization. Also, when firms break down the work silos that have formed in law firm operations they realize the economies of scale that drive service enhancement and savings.”

Keeping Welch’s advice in mind, those willing to reengineer non-strategic, back-office work will see that excellent service and cost savings will be part of the results.