

Merging to Fill Leadership Voids

By [Michael D. Short](#) on May 6, 2014

In March, I wrote about the [Less Than Strategic Reasons for Merger Discussions](#) that we are seeing within the many ongoing merger evaluations. During my travels and work subsequent to developing that initial list, which was intended to be all-inclusive, I have seen another one of the un-strategic rationales with sufficient consistency to merit moving it from the “B” list to the “A” list.

Here is the addendum - Some leaders have reached the painful conclusion that the future leaders, client relationship Partners, and/or business developers needed for their firms’ long-term viability are simply not within their firms right now. The cupboard is bare and cannot be restocked within a reasonable period of time...if ever.

This situation is most likely in two types of firms:

- One where the business is driven by a relatively small group of aging stars who surrounded themselves with “Service” Partners through the years in order to get the work done; or
- One where there are no stars and the firm’s once-strong institutional client base or market position has withered - often due to client consolidation and/or the encroachment of new competitors

Given the pride with which these firms speak of their legal skills and their Partners’ abilities to act as business advisors to clients, how can a partnership of talented and smart professionals (lawyers; accountants; consultants) reach a state where the resources needed for long-term success are simply not available?

Most Partnerships have, within their ranks, a fairly common set of role players/Partner types - none of which are supportive of long-term leadership planning. These characters include Partners who are a) hypocritical with respect to their advice to clients (“do as I say...but not as my firm does”), b) unaware of the myriad complexities associated with leading a Partnership or a key client relationship (“anyone here can do it...in fact, we should just rotate people through these positions”), c) lost in a sense of blissful entitlement (“my turn as leader [of the firm or a client relationship] is coming...I’ve paid my dues and waited patiently”), d) self-made and therefore unrealistic with respect to others’ abilities to self-make (“no one developed me...I figured it out on my own and so can they”), and e) spoiled and completely self-unaware (“while I have always been taken care of for many years, I could start leading or developing business. I simply haven’t had to yet”).

Common across all of these roles, per our parenthetical “quotes”, is an internally-focused perspective that steadily and consistently moves the firm toward a position of no options with respect to the future. It takes many years, if not decades, of these behaviors and attitudes to get to this point but it cannot be undone once achieved - absent a radical change.

We have seen a few partnerships go into the market or their alumni ranks and recruit leaders into the firm. This is a very challenging move because many self-unaware Partners feel “stepped-over”. Most firms cannot or will not adopt this solution and are better served by recognizing and acting upon this situation. Does your firm fit this profile? Are you headed toward a leadership stalemate...and an un-strategic yet necessary merger?

