

People, People and People...

By [Joseph B. Altonji](#) on March 12, 2014

It's been said that the three most important factors in real estate are "location, location and location." Our work with numerous firms over the last few years has driven home the point that the three most important factors in a law firm's success (or lack thereof) are people, people and people. This observation goes way beyond the concept of talent and the idea that a firm has "excellent lawyers." Everyone says they have those and most firms have at least their share – along with their share of average lawyers. The observation goes to the interpersonal skills and motivations of any collection of excellent (and other) lawyers and asks whether they are good people who belong together. There are some collections of good people that don't belong together practicing law.

Our recent work has clearly shown the importance of having the right people, in the right combinations, with the right leaders, together setting the right "culture." "Right" will be different from firm to firm, but for each firm there will be a right combination of people and people-driven factors. Get it right, and your firm can thrive. Get it wrong and simply surviving becomes an exhausting task, and even that is usually done in an unhealthy and unhappy work environment.

One can't help but be saddened by the demise of Dewey & LeBoeuf LLP. There were many excellent lawyers in that firm. There were also many good people in the firm, but the balance apparently wasn't right. Absent the right balance, which results in a positive environment and culture that itself has value to the lawyers, money becomes an increasingly vital element of the culture and acts as a "glue" that holds a firm together. The need for this glue/money at D&L apparently – per the recently released indictment – resulted in some presumptively good people making some catastrophically poor decisions, with tragic results, for the firm and for the individuals.

Most law firms describe this complicated balancing of skills, personalities, and quirks in terms of culture. Most firms actually have a "good culture," at least for their own firm, as seen from their own perspective. Sometimes culture, and the basic decency of most people who believe in helping others and dismiss behavioral challenges as immaterial, makes it very difficult to do the things the firm needs to do to preserve that culture. Lawyers are not interchangeable assets that can move easily from firm to firm or be forced together. Not everyone fits – and someone who doesn't fit can create a huge problem, no matter how large their client base or formidable their legal skills. Furthermore, not everyone who fits in the firm fits in the leadership role they have somehow attained (usually due to being a great lawyer and/or rainmaker).

We've been through many heart-wrenching, tear-soaked moments with our clients as they struggle with fundamental questions such as these. Furthermore, the frequency of these events is increasing as firms also wrestle with adjusting to the new business of law. We are proud of those who have found a way to make some very difficult decisions when making those decisions was the last thing they wanted to do.

People matter. Jim Collins, in his book [Good to Great](#), discussed the importance of "First Who... then What". You don't have to have all the "best lawyers" and you could never prove it if you did. However, if you have the right people and you can construct the right environment, you give yourself a fighting chance to thrive.