

Simple is better.....

By [Joseph B. Altonji](#) on April 30, 2013

Things should be made as simple as possible, but not simpler.

Albert Einstein

I am frequently reminded of Albert Einstein's wise counsel when working with law firms. As surprising as it might seem, history's most famous physicist has a lot to offer law firms worldwide. I am constantly amazed at how good law firms are at making simple things complicated, sometimes to the point of complete incomprehensibility. The ability of smart lawyers to complicate things that should be simple, usually to address some perceived problem that may or may not exist, seems boundless.

Compensation systems are a common vector of complexity, particularly in firms with formulaic approaches (which remain common, particularly with smaller firms.) Such systems, which were usually intended to make things simple – or at least clear – rarely “get it right”. So firms address this failure by annually massaging the formula, the data, or both to the point where few really understand all the factors that go into compensation setting, even if the formula itself remains “simple.” Sometimes, the formula itself gets so complicated that no one understands what it does, and if some (specific) person in a cubicle somewhere happened to have a heart attack, no one would be paid for the next six months. Wouldn't it be simpler to let trusted leaders weigh all the data and reach appropriate, explainable, consistently-applied conclusions?

Another source of complexity is in rule-setting and policy development, much of which seem to get created to address specific instances of bad behavior. One or two individuals push the limit on what most people would accept as reasonable and prudent behaviors – spending for a client development lunch, for example – and everyone is subject to a whole new set of rules, approval processes, and advance justification. Wouldn't it have been easier for the Managing Partner to just sit down with the offending partner and lay out expectations? Or to use a more serious example, how many people have sat through sexual harassment training because of the behavior of one poorly behaving lawyer? Wouldn't it be simpler to fire him?

Another source of complexity lies in procedures and reporting. Why do we do things in such-and- such a way? And why do we continue to produce a report that no one has looked at in 10 years? In many cases there was once a good reason (or some important partner wanted it), but everyone has forgotten that reason. Add enough of that together and it adds significantly to the cost of doing business.

The second half of Einstein's advice is equally important: “... *but not simpler.*” Law firms often miss on this side as well, usually in their interpretation of an issue. Always anxious to “do something,” and generally desirous of avoiding really hard work (and non-billable time) on internal matters, law firms will jump to easy conclusions and simple solutions. *Why does our law firm have an associate attrition problem? We must be underpaying them.* It can't possibly be, for example, a lack of quality work? Or partner investment in the associates' careers? Or a bad work environment? Or poor practice management? Or lack of perceived opportunity? Or all of the above? Raising pay and going back to work is an easy thing to do – until it doesn't solve the problem. You can't solve a problem until it's properly and objectively analyzed and defined, and sometimes that's hard work.

Things should be made as simple as possible, but not simpler. Wise words for anyone managing a firm today.