

Strategic Change is Hard...

By [Joseph B. Altonji](#) on October 30, 2012

In reading an excellent recent book on leadership, *The Next IQ* by Arin Reeves of [Nextions](#), I was reminded of an old quote from W. Edwards Deming, the famous statistician and management consultant, who said “It is not necessary to change. Survival is not mandatory.” Survival is not mandatory? Not a concept that often occurs to law firm partners, except from time to time when the next big disaster strikes the profession. Dewey? Howrey? Thelen... Brobeck... Finley Kumble...

Many others large and small, extending back over many years? So I guess maybe it occurs to law firm partners more often than one might guess. Or does it? Maybe they just say “Well of course they broke up, because of X, but that would never happen to us.”? And then they put the threats to survival aside and continue along as they always have, until the next big thing happens.

As Deming clearly articulated, survival implies change. Every enterprise that competes for talent and customers must continuously remake itself if it is going to remain relevant and vibrant. The more intense the competition, the faster that pace of change needs to be if the firm is going to stay ahead of the curve, and the legal industry today is an intensely competitive industry – far more so now than a few years ago. Most firms today are struggling to change, and some are succeeding better than others. But are they changing the right things? Or making modest adjustments with short term benefits that won’t be enough to carry the firm long term? Real change – strategic change – is hard for lawyers, and by extension their firms.

Why? Most lawyers are naturally change-averse under the best of circumstances. The good ones – the ones who have really driven the firm’s historical success – have little incentive to change anything. It’s working for them, after all! And those folks are not perceived as “the problem.” As a result, most firms concentrate their “change efforts” on the underperformers and marginal players, on the theory that if we turn underperformers into better performers, the whole firm will be better off. If it doesn’t work, you can always cut them in the next round of reductions. And if it does work, the firm actually is better off, at least in the short – medium run, on an economic basis. So it is good to make these efforts. But will they really change the firm? Not likely. Somewhat more profitable, yes. Different, no. In the long term this is not enough.

For the firm to achieve strategic change the people who really drive the firm’s success must change what they are doing – or the firm needs to find some different people to drive future success. Just as motivating or firing all the lazy stagecoach drivers couldn’t turn a stage coach company into a passenger railroad, simply accelerating the performance of the underperformers won’t turn your firm into a more nimble or more strategically successful law firm. (But it might help you buy time and money to make the harder changes, avoiding being law’s “next big thing.”) Achieving real strategic change will require leaders to actively challenge the assumptions and the behaviors of their most successful people, but these are the people with the greatest vested interest in the status quo. Beyond all of the restructuring, cost cutting and “efficiency” efforts the industry is currently undergoing, the real leadership challenge for the future may be in getting the firm’s very best people to think and act differently, in pursuit of something really different and better.

We invite your comments.

