

Three Ways to Foster Collaboration in Your Law Firm

By Susan Raridon Lambreth on April 2, 2024

At the College of Law Practice Management Futures Conference March 12 – 13, the theme was networks – collaborative, neural, professional, and more. There were many excellent presentations and the sharing in the breakout sessions was inspiring. That was due, in part, to the wonderful mix of diverse perspectives that reflect the College's fellowship. The attendees came from law firms, law departments and academia, and included consultants from many disciplines – marketing, technology, legal search, management and more.

While there was a head-spinning array of ideas, I was struck most by the discussions regarding the challenges of collaboration – or lack thereof – in law firms. One bold pronouncement in particular caught my attention:

"Organizations fail because they are structured to serve a world that no longer exists."

This is particularly relevant for law firms. For most of their history until past few decades, the success of firms didn't require much collaboration. That's not the current reality. There is a clear need for collaboration if law firms are to align with the evolving legal landscape. Firms that prioritize collaboration today will be better positioned for success tomorrow. Collaboration – of any kind – allows them to foresee and respond decisively to emerging opportunities.

In addition to being more adaptable, firms that foster collaboration simply provide better client service. Further, they utilize resources more effectively and manage timelines and budgets with greater ease. Working collaboratively, matter teams can mitigate risks and any potential liabilities the firm might face. And it's not just clients that are more satisfied. The firm is poised to attract and retain the best talent for the future, keeping the youngest generation motivated and engaged, and helping them deepen their professional capabilities.

Why is Collaboration So Difficult?

The lack of true collaboration occurs for a variety of reasons. Partners have traditionally kept their relationships close to the vest to retain the power of controlling the client. In many firms, control means greater compensation for the partner since firms tend to handsomely reward lawyers who have an impressive book of business. Even still, most lawyers acknowledge that in the long term, it is best to integrate their clients throughout the firm, thereby strengthening the entire organization. Some law firm compensation systems, and particularly the heavy emphasis on origination credits, can incentivize partners – directly or indirectly – to see one another as competitors for dollars, clients, and more, so that they are disincentivized to allow relationships to develop with other partners or cross-sell to other practices.

By all accounts at the College Futures Conference, it is the rare law firm that truly supports collaboration through the right compensation approach, the right metrics, and the right type of training. Compensation interviews don't often emphasize "who have you helped" or "who have you cross-sold." Compensation decisions are often heavily focused on the objective metrics, i.e., revenue generated, billable hours, business development, etc. However, they will lead to higher profitability, better retention of talent and more satisfied clients when they also include subjective measures, such as – you guessed it – collaboration, leadership, mentoring and professional development, to name a few.



How Collaboration Happens

Collaboration requires more than just a great office layout with team workspaces and a document management platform. It needs to be deliberately built into the firm's culture, structure and systems, as well as its daily operations. For example, as mentioned, a rewards and compensation system that relies on origination credits may not drive collaborative behaviors but rather incentivize partners to work independently. A good compensation system aligns objectives across a thoughtfully planned organizational structure (see Practice Groups, below), focuses on creating internal teamwork, and provides a fair and equitable process to reward the desired outcomes. However, repairing the compensation system isn't the only way a law firm can create a collaborative culture. Maybe it isn't even the best way because extrinsic motivators do not last like intrinsic ones but we don't want it to disincentivize collaboration (see a series my partner Mike Short wrote on teamwork and compensation starting with this <u>article</u>.

You can also foster a more collaborative culture through the following:

1. Empowered Practice Groups

Perhaps one of the most important elements needed to foster a collaborative environment is empowered practice groups. As these groups evolve from loose groups and just getting to know each other to developing common goals and building trust relationships, they can become high-performing practice groups. Whether they are organized by substantive practice, industry niche, or client segment, empowered practice groups can promote collaboration in the best possible way. Practice groups can optimize solutions and address sophisticated client challenges by sharing best practices and collectively leveraging the experiences of their members. The right structure facilitates relationship building, communication, knowledge transfer, talent development and retention, overall lawyer satisfaction – and no surprise, more engaged and satisfied clients as well.

A robust practice group structure is what your firm needs, not only to create a collaborative culture but also to compete. The right structure supports your firm's overall strategic objectives and creates the value that your most exacting clients demand. Practice groups are easy enough to set up. However, to make them effective requires clearly defined roles and responsibilities, careful attention and buy-in from the top – and throughout the organization. The results are well worth the effort to plan and execute well. For more information about setting the foundation for effective practice groups, click here and here.

2. Legal Project Management

Legal project management may be among the best collaboration approaches any law firm can deploy. LPM requires effective early-on planning to identify project objectives and scope and to ensure alignment among the relevant stakeholders. During planning, the team identifies risks and challenges so that they can devise mitigation strategies. LPM minimizes duplication of effort and conflicts that result from misunderstandings. Well-executed LPM strategies explicitly define roles and responsibilities and assign tasks based on strengths, expertise, and cost-effectiveness. Members feel more engaged and develop a sense of ownership. Each team member has a clear understanding of how their work contributes to the outcomes.

LPM provides processes that facilitate internal and external communication, increasing transparency and the open exchange of critical feedback between the matter team and the client. For example, teams may use regular meetings, reports, and status updates to share insights and ensure an inclusive decision-making process. Collaboration occurs when everyone works with a shared understanding and diverse perspectives are encouraged. Throughout the project, the client is informed and involved, engendering trust and strengthening the relationship.



3. Leadership Training

Some law schools have, in recent decades, recognized the importance of collaboration in their curriculum. For example, group projects that require students to work together and interdisciplinary coursework that partners students of different backgrounds, such as business or public policy, with law students to tackle legal issues. But even if they provide some training, law schools are not in the business of creating collaborative leaders. After all, they still evaluate students for their individual performance.

Yet training is imperative for most lawyers and professionals if they are to be effective collaborators. These leadership skills usually aren't born, they are learned. For most of us, that means outside of the formality of a university. Leadership training, including collaboration skills and understanding how to build high performing teams, generally occurs through proactive law firms investing – in workshops, online, or through on-the-job coaching. Law firm leaders can be taught to build strong teams. Good leadership is worth the investment of time and money. Leaders build trust relationships that set the foundation for effective collaboration. They inspire the lawyers and professionals who comprise the team by helping them to create a clear vision and a strategic eye on the future. Together, they develop a business plan and position the team to achieve its goals. They go beyond the team, however, contributing to the firm's overall success by building strong client relationships, grooming the next generation of leaders, promoting internal teamwork, and maximizing revenues – for the firm, not just for themselves. Good leaders are good collaborators.

When Teams Collaborate

It's very clear: In today's law firms, collaboration is not just a competitive advantage, it is a business imperative. When practice groups, client or matter teams or sector groups collaborate, they leverage resources more effectively, provide higher quality services, increase productivity, enhance professional development, mitigate risk, and identify opportunities to deepen the client relationship. Firms that collaborate best will maintain relevance even in a changing marketplace while continuing to attract and retain top talent, who want to work in that kind of team environment.