

What Happened to 2016? (And Can We Still Accomplish Something?)

By [Joseph B. Altonji](#) on October 12, 2016

Can it really be Fall again? Some of us have hardly noticed, being more astonished by the Cubs in the playoffs, or perhaps dismayed by the upcoming US election. But law firm leaders know it. As we enter October, firms are gearing up their year-end efforts – budgeting, rate setting, collections, and starting the advance work on compensation. Except for collections, the 2016 business year is close to done, and most firms are beginning to think about next year’s agenda – while simultaneously focusing on what messages to deliver to partners as the year-end approaches. Business as usual, on an annual cycle.

But what did, or will, your firm accomplish this year? Going into 2016, my partner, Mike Short, suggested that you focus on accomplishing one or two major projects that would have a profound effect on your firm, and provided some suggestions for possible efforts ([10 Projects That Can Produce Big Results in 2016](#)). Did you take him up on this suggestion? And did you complete the efforts? If you did, you have the satisfaction of having moved your firm forward this year, but don’t stop there – target a couple of new efforts for 2017!

For those leaders out there who feel like you are ending 2016 in the same place you ended 2015, there may be some things you could still accomplish in 2016 that would move the needle for 2017 and beyond, and give you some positive momentum going into the New Year. Consider the following as they apply to you:

- **Get control of pricing.** Too many firms still give partners too much autonomy to set their own rates and their own pricing, with limited management control or even oversight. These firms usually end up underpricing their services. (Yes, we know the clients expect discounts!) The relatively modest step of reducing partner autonomy around pricing can by itself yield benefits, and could be coupled with a 2017 effort to build a comprehensive pricing strategy.
- **Examine and cull the client base.** How many clients does your firm work with and get paid by each year? For most firms, the answer is “too many.” Some small percentage of your clients likely accounts for the vast majority of your revenues – and another portion not only costs you money but also creates conflicts and strategic distraction. Use the year-end budgeting process to take a hard look at the firm’s client base, analyzing it from multiple perspectives, and consider parting company with a small number of clients (it’s a start!) that produce neither profit nor long-term strategic opportunity. Transforming the firm’s client base will be a multi-year, strategically challenging project, but as the ancient Chinese proverb said, “A journey of a thousand miles begins with a single step.” Establishing the initial precedent – the first step – may be the hardest one of all, but need not take too much time.
- **Visit your top 5 clients.** If you have been regularly visiting your firm’s clients, not just your own, you know how important this is. Those of you who haven’t been probably know you should, but for whatever reason (time pressures, internal politics, whatever...) have been putting it off. Year-end is a good time to get out to see these key firm clients and get to know what they are thinking about as 2016 ends and 2017 approaches. Identify your firm’s top 5 clients (don’t pretend you will see 10, or 20 before year end – you won’t!), review the firm’s relationship with them, and get on a plane – personally. Don’t just send your CMO. It will be the most valuable time you spend in firm leadership. And it will establish the precedent to continue the process in 2017 and beyond.

- **Get to know your Millennials.** Most firms we work with are still dominated by baby-boomer partners who control most of the firm's business. And they continuously lament the perceived differences in the Millennial generation of lawyers, while making little effort to understand where they come from. You can begin to change that relatively quickly. Just sit down and talk with them – not about work per se, but about what they think, what they care about, and their life experiences. Maybe take a few of them to lunch each week. *Listen* to them, directly, without the filter of your Associates Committee. There is an increasing divide between the generation running law firms today and the generation making the buying decisions at your clients. Your time will be well spent, and your investment in your firm's future will be more secure.
- **Have a heart-to-heart with your biggest succession challenges.** Client relationship succession is one of the critical challenges faced by most firms today. And let's face it – most firms have two kinds of partners when it comes to actively working on succession: those who are personally secure and firm-minded enough to put their best efforts into achieving successful client transition, and those whose entire identity is threatened by the concept (whether they consciously know that or not.) It's not that the latter group doesn't understand that succession is important, and they may even believe they are trying their best (by introducing young associates to their 55 year old clients, for example.) But something about them prevents them from actually doing the things that will assure their client relationships are in good hands when they are gone. Firms do all sorts of things to make this happen: change the compensation approach, cajole, build plans, and spend endless time in EC sessions and the like. But relatively few take the time to build personal connections that may open the door for progress. Change that. Have a really great dinner with your two greatest "succession challenges" (separately) and start a more personal dialogue. If you can understand what's causing their resistance, and help them understand it, your ability to help them make change will increase.

There may be other ideas that are more applicable to your firm, and if so by all means pursue those. But concentrate on one or two that can be completed relatively quickly (in between your normal year end demands) but that can also begin to impact the firm longer term. The ideas above are each intended to start a process – not in themselves be the end of one. Perhaps you can look back at Mike's list from last year, identify a critical need for your firm, and do *something material* in the remaining days of 2016 that will put the ball in motion for a continued effort into the future.

Although there may be little beyond a collections focus that will at this point materially change 2016's financial results, there is still time to take a few steps that will put the firm in a better place entering 2017 than your were entering 2016.

Carpe diem!