

LAW FIRM GROWTH

# Finding Your Law Firm's Next Managing Partner

By Wendy Merrill

***It's common for law firms to ask their biggest rainmaker to be managing partner. But is that the right move? Wendy Merrill lays out the options and guidelines for choosing your next leader.***



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Managing a law firm, regardless of size, can feel like a Herculean task. The role requires solid leadership skills, objectivity, a willingness to make difficult decisions, and a deftness at managing strong and challenging personalities. Most of the law firm managing partners I've worked with had no formal leadership training or executive experience when they took on the job. Some of them "drew the short straw" and others were voted into the position. As the old adage says, "It's lonely at the top." All of them struggle with the stress and strain of being in charge.

## What Does It Take to Be a Law Firm Managing Partner?

It's common for law firms to appoint their biggest rainmaker as the managing partner, and it's a risky endeavor. Managing the successful administration of a firm and focusing on bringing in clients are two very different jobs with divergent responsibilities. While the roles share a common commitment to achieving success, the paths they take to get there are decidedly different.

Being a managing partner is a full-time job (or at least 75% of the workweek) and leaves little time for client work or individual origination. The most successful MPs transfer most of their clients to other attorneys when they accept the position, and in turn, the firm pays them a

salary for their administrative efforts. They can still be involved with client relationships, just at a surface level, and more in the spirit of firm ambassadorship. Compensation packages will often include a salary for MP duties, a salary for whatever client work they are still responsible for and, of course, incentive comp in the form of a bonus or distribution for their contributions as a partner and leader of the firm.

### **The best managing partners understand the importance of their role in steering the ship.**

They invest in developing the skill set and mentality of a CEO. They are also willing to take off their lawyer hat and proudly welcome their role as the head of accountability for the firm.

### **Rainmakers, on the other hand, are rewarded for the hunt.**

Bringing in new clients is vital for growing firms, and for seasoned rainmakers, it's both exciting and lucrative. Their responsibility to the firm is to create revenue opportunities and feed the matter machine. Firms usually support their best originators' efforts with marketing dollars and healthy compensation packages. They are incentivized to focus on their own efforts, not those of their colleagues, and the firm benefits from their appetite for new opportunities. Top originators are often competitive and fiercely protective of their individual compensation, with less of an interest in sharing credit for the business they bring in. This has always worked well for law firms as it drives revenue, even if it comes at the expense of some internal territorialism.

### **So, how can an attorney successfully balance managing partner duties with rainmaking responsibilities?**

It's a Sisyphean task.

In firms that expect the managing partner to own a dual role of running the firm as well as maintaining a large book of business, discord abounds. Jealousy, frustration, distrust and confusion plague the partner group, and the internal tug-of-war between self-interest and the firm's interests can alienate even the most well-intended MP.

## **Your Next Managing Partner: Options**

How can firms benefit from the undiluted leadership they need and continue to maintain a robust pipeline of new and recurring revenue? Here are options and guidelines for choosing your next managing partner.

### **Promoting a Partner to Managing Partner**

A partner who is diplomatic and pragmatic — and who understands that which is good for the firm is also good for them — must be identified and appointed or voted in.

- This partner must be willing to relinquish control of their clients to others in the firm, trusting that they will nurture them as the originating partner has.

- The firm is responsible for ensuring the newly minted MP is fairly compensated with a CEO-level salary, separate from partner bonuses.
- The other partners should create a job description and set measurable expectations for the MP position.
- Performance should be monitored twice a year, at the minimum.
- The firm should invest in leadership skills development for the new MP in the form of coaching, courses and other educational means.
- The partners must be willing to trust the new MP's decisions and respect their mutually agreed on authority.
- The partners should create a succession plan for the position along with a plan for managing conflict.

## **Hiring a CEO or Managing Director From Outside the Firm**

Sometimes, it is not possible to find the right candidate among the current partner group and the firm needs to bring in a qualified professional to lead the firm.

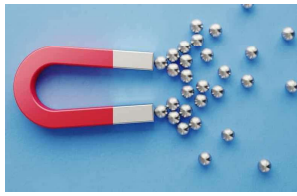
- The partners must agree on the responsibilities that will be assigned to the new CEO or Managing Director position and create a detailed job description.
- The interviewing process should include individual conversations with most, if not all, of the partners, with thoughtful questions designed to reveal opportunities and potential challenges.
- The CEO/Managing Director should go through a formal onboarding program and be partnered with various attorneys and staff to learn the firm's culture and dynamics.
- The partners should be prepared to manage and measure performance on a regular basis (quarterly initially, then every six months).
- The partners should consider the benefits of hiring a coach to support the new hire through the transition and provide them with the tools and tactics necessary to successfully lead the firm.
- The partners must be willing to empower the new leader to undertake tough decisions (even if they are unpopular among some of the partners), break ties and act autonomously when it comes to managing staff needs.

Growing and managing a successful law firm is rife with challenges, but when roles and expectations of leadership are clearly defined, the firm, its people, and the clients it serves will thrive.

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THE WAR FOR TALENT

# Stick Around: 4 Ideas to Keep Associates From Leaving Your Law Firm

By Wendy Merrill

***What can law firms do to solve the associate retention quandary and make their culture “stickier”? Four employee retention strategies to try.***

A few years ago, when I spoke with law firms about the importance of investing in the professional development and satisfaction of their associates, my comments were often met with eye rolls and jokes about work-life balance. Over time, I realized that firms across the country were hesitant to invest in younger attorneys' development due to fear of an attrition-driven mass exodus of clients. Training and coaching programs were seen as incredibly risky endeavors. After all, what was more dangerous to a firm's bottom line than a newly confident attorney capable of bringing in and managing clients — *on their own*?

Firms imagined their empowered associates as pied pipers leading clients out the door to another firm.

Ironically, this aversion to empowering the next generation of attorneys to advocate for themselves — to start thinking like partners before being invited to the table — was a driving factor behind the mass hemorrhaging of U.S. law firm talent over the past few years.

Fast-forward to 2022.

## Big Salaries Aren't a Sustainable Solution

The legal space has survived the pandemic and has shown record profits despite the Chicken Little echo chamber. In fact, most firms have more work than they can handle, hence the current staffing crisis.

On the daily, the legal press reports on how *this firm* is paying associates huge signing bonuses, and how *that firm* is footing the bill for luxury vacations for its hardworking attorneys. Younger lawyers who never dreamed of moving to New York City are now earning Manhattan salaries without leaving their Philadelphia apartments. Not only are these financial tactics unsustainable, they do little to make associates feel valued, recognized or part of something personally meaningful to their career.

Sure, the money helps to dig folks out of debt, but absent an inclusive culture or focus on professional development, big salaries are a fleeting solution to a larger staffing problem.

# Four Ways to Improve Associate Retention

The 2022 Thomson Reuters State of the Legal Market Report states that the “loyalty lawyers feel to their firms and their willingness to work hard is not simply, or even primarily, driven by compensation.” So, what can a firm do to solve the associate retention quandary and make their culture “stickier”? Here are four employee retention strategies.

## 1. Invest in People

The best way to engage associates and encourage them to stick around is to invest in their professional development. Law school does not teach leadership, client management or the business of law. Providing workshops, seminars and coaching programs are relatively inexpensive ways to invest in rising leaders. Developing “soft skills” is critical to becoming a successful lawyer, and your firm is in a unique position to provide your associates with the tools to become the firm’s future leaders.

The more confident and adept your people become, the more loyal they will be to the firm investing in them.

## 2. Buddy Up

In addition to professional development and soft skills training, your millennial and Gen Z associates need an internal champion to support them in their career paths at your firm. A champion is a partner who volunteers time to help the associate understand and identify their personal and professional goals and then supports them in their pursuits. This is a bit different from a mentor program because it is specifically focused on the associate’s path to success within the firm. A successful relationship will help the associate to feel more confident, become more focused and feel more supported within the firm.

If the younger lawyers feel like they have an advocate at the leadership level, they are more likely to feel invested in the firm. The more invested they are in the firm, the more likely they are to bring in clients ... and the less likely they are to leave.

## 3. Encourage Community

Everyone needs their “tribe” and lawyers are no different. Consider the dynamics at a bar association event; members love to mingle over cocktails and spend time with peers. There is a sense of calm that comes from surrounding oneself with others who face similar pressures. Lawyers need to feel this sense of belonging in their firms as well. Hosting regular lunches for staff to break bread with firm leadership, or sponsoring volunteer activities as an opportunity for the firm to bond as they “give back” to the community, are two ways your firm can foster a culture of connection.

One way your firm can do its part to address the high burnout, addiction and suicide rates in the legal profession as a whole is to create a supportive and safe environment in which your professional staff can thrive.

## 4. Make a Plan

If you ask most attorneys to name their goals, you are likely to be met with a blank stare and a shoulder shrug. Setting personal or professional goals and then designing a plan to reach their mapped-out objectives is a foreign concept to many lawyers. Young lawyers especially are accustomed to their firms dictating their rates, hourly requirements, origination expectations and work styles. The best way for attorneys to take more ownership of their roles as agents of growth within the firm is to define their own expectations and goals. Start by encouraging associates to write down their goals and share them with their supervisors and peers. Garnering support for meeting their own expectations — not just the firm's — and marking each milestone together helps create connection and can be highly motivating.

## Stick With It

The current state of the legal marketplace favors the professional mobility of associate attorneys. When you focus on giving young lawyers what they need to achieve their career goals, you can vastly improve your firm's associate retention rate — as well as the health and well-being of your lawyers. Earning a reputation as a firm that invests in its lawyers' development will complement your recruiting efforts as well.

### ***About Affinity Consulting Group***

*Affinity Consulting Group inspires, enables, and empowers legal teams of all sizes to work smarter, from anywhere. The company's holistic approach incorporates people, process, and technology. Affinity's passionate, well-connected industry experts work hand in hand with you to help you better understand and optimize your business—from software to growth strategy, and everything in between.*

TALENT

# Want to Reduce Turnover and Secure Your Law Firm's Legacy? Be More Transparent

By Wendy Merrill

***With a more transparent work environment — from the interview to the partnership path — you can keep young talent engaged and reduce turnover.***

The practice of law is not a profession known for its transparency. Once upon a time, aspiring law school grads would join firms, follow whatever protocols had been set for workflow, caseload and billable requirements, and look forward to the subjective and somewhat mysterious process of becoming a partner.

Those days are over.

Millennial and Gen Z lawyers want more from their firms. They want to feel engaged and important to the success of their firms. They want to understand why they bill out at \$350 an hour, what a profitable client looks like, and how they can best position themselves to be invited to the partnership table.

Attorneys born after 1981 were raised in an age of constant communication. With the universal adoption of smartphones and the internet, these folks are accustomed to a constant flow of information at their fingertips. There's not much they can't discover from a search or social media, and they expect the same level of accessibility and openness from their employers. They want a detailed road map of their career spelled out for them on day one, and they are looking to their firms to anticipate their need for information without having to advocate for themselves.

This may sound like a Sisyphean task for a firm, but it's really not. To create a more hospitable, nurturing environment for rising leaders and to reduce turnover, firms must be intentional, thoughtful and consistent about communication with and for their younger talent.

## Here Are Four Ways to Reduce Turnover With Transparency

### 1. The Interview Process

When interviewing candidates, be prepared to define the firm's mission for the interviewee. More specifically, paint a picture of the firm's narrative — *why* the organization exists and *how* the work makes a difference to clients and the community. Once you've shared the story, help



the candidates understand how they would be an impactful contributor to the firm's success. Ask them to think about the type of lawyer they want to be and the experience they want their clients to have in working with them and the firm. A thoughtful conversation during an interview is the first step toward creating a transparent work environment.

## 2. Onboarding

This is a critical step in the retention process, yet it is often overlooked and undervalued in law firms. Newly hired lawyers are excited about their prospects for success. The interview process stoked their enthusiasm, and the firm needs to keep that excitement going by making the new hire feel welcome. Sharing how the sausage is made — firm financials, workflow management, billing expectations, marketing requirements, navigating the various dynamics within the firm — provides valuable opportunities to secure buy-in and stave off buyer's remorse.

## 3. Supervision and Mentorship

The war for talent and the battle to reduce turnover has inspired many firms to embrace the concept of mentorship within their firms, which is significant progress. However, talking about a mentoring program and ensuring the success of such a program are two different things. To successfully implement a supportive and productive mentoring system, firms must address the following potential challenges:

- **Lawyers are busy. Really busy.**

The best-laid intentions ... Your senior attorneys may *want* to support the next generation of lawyers, but their ability to commit time and energy is an obstacle that must be accounted for and worked around.

- **Lawyers are not trained coaches or managers.**

Law school does not teach management or leadership, and the skill set that makes for a great lawyer does not mirror that of an effective coach. Those who volunteer to be mentors must be provided with training and guidance so they can effectively manage their responsibilities and provide their younger counterparts with the support they need. The best mentors understand how to create a nurturing environment for their mentees, and this takes effort. Even the kindest and most generous of lawyers may struggle with this because it seems counterintuitive to the traditional competitive and high-stress atmosphere found in most firms. To be supportive, older attorneys must learn to shake off much of the toxic cultural ethos they faced on their climb up the ladder.

## 4. The Path to Partnership

Your firm may define its requirements for entry into partnership in a document found somewhere on the organization's shared drive, but most associates with leadership aspirations need to be shepherded toward the specific path they must take to sit at the table. This path must expand beyond origination requirements and years of experience. The

subjective part of the process is what concerns younger attorneys. Oftentimes, a rainmaker personality coupled with business sense with some gravitas and executive presence sprinkled in is the recipe for success. The ambiguity of the partnership path may serve those who are most senior at the table, but it is a distinct disadvantage for the generation that needs clarity to thrive.

## **There is nothing to be gained by obscuring the inner workings, politics or recipes for success within a firm.**

The days of paying one's dues and making endless sacrifices only to live with the hope of being invited to become an owner of a firm are a thing of the past. You must meet tomorrow's most promising leaders where they are, and provide the information necessary to support their success.

### ***About Affinity Consulting Group***

*Affinity Consulting Group helps law firms to position themselves for sustainable success through the assessment and enhancement of their people, processes, technology, and growth strategy. Our seasoned and innovative team of legal industry experts are committed to providing clients with the knowledge and tools to future-proof their firms.*

## **Related Reading on Reducing Turnover:**

- “Stick Around: 4 Ideas to Keep Associates From Leaving Your Law Firm” by Wendy Merrill
- “What Motivates Millennials? Ways Law Firms are Reducing Turnover” by Jamie Spannhake
- “Confronting Lawyer Turnover” by Link Christin

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