

RUPERT HAWKE LEGAL

GETTING THE RIGHT LEADER

This subject is considered from two aspects: firstly that of the partners / shareholders who are making a senior appointment, and secondly from the perspective of the manager themselves.

Everything that can make or break a legal firm filters down from the top. I have seen leaders who have little perspective of how their behaviour, decisions, and style have such a huge effect on the business. I call this the '100x effect'. One small decision or act can have ramifications that ripple out across the firm without the leader appreciating it. For example I know of one firm whose MD saw an opportunity to save £4,000 per year by cutting down on IT equipment used by fee-earners. No opinions were sought and it led to a backlash. Morale dropped as concerns were raised about the lack of consideration shown by the MD. The result? Apparently staff left who had to be replaced and productivity fell. The MD admitted to me that in having £4,000pa it had cost the business £120,000! Ouch.

Recruitment considerations

The most important decision the firms owners will make is the recruitment of a leader. It has to be a well-considered process perhaps with the input from a neutral source such as a consultant or non-executive director. The main issues in the decision are considered below.

THE BOARD / PARTNERS

Internal / External?

There are very few really good leaders in the market place. But they are out there and it is very likely you will struggle to find a good leader internally. Whatever the situation there are pros and cons to weigh up about whether to recruit from outside or from within.

From my experience, the small pool of potential leaders there might be within your firm means it is unlikely you will have the finished product waiting to take over the reins and lead the firm to the Promised Land. But on the other hand you will have someone who knows the business well in terms of operations and culture, and hopefully has the respect of the staff. If you are to recruit from within then it is recommended the new leader is provided with an 'elder' who is someone who can provide advice and chew over ideas and decisions with the MD but does not undermine or control (see Case Study below: MD vs owner).

An external appointment gives a law firm the opportunity for a fresh start with a new MD bringing their own experience and approach to the business. This can invigorate a business but can also destroy it. Due diligence in recruitment is essential and no stone should be left unturned in understanding how a perspective recruit ticks. The Board should ask themselves whether the staff will be able to work with the new incumbent and anticipate any possible fall-out. If the firm has a sound culture it

should be ascertained that the potential new MD has a personal set of core values that aligns with those of the firm.

A balanced leader

In my experience the best MD's are balanced in their approach. On one hand they promote a culture of consideration and development for the staff but the same time they hold everyone to account – with everyone knowing what is expected of them. The ultimate aim is to deliver the required profit and frankly everything else is a bi-product. But hitting budgets can (and should) be achieved by positive staff management – not a climate of fear (see chapter 8 – taking people with you). The balanced MD is a facilitator – encouraging people to achieve their goals that in turn will deliver the goals of the business.

Should your leader be a lawyer?

Often people have said to me 'lawyers don't make good managers'. This is something of a sweeping statement and not one I necessarily subscribe too. I know lawyers who are excellent managers who I have recruited into senior managerial roles. But most lawyers do shy away from management or if they do take a position try and maintain some fee-earning (often for the understandable reason of becoming de-skilled). They went into the law to be lawyers not managers. It is likely a lot of support and training would be required for some if they have demonstrated the raw materials to lead. Some firms oddly correlate success at fee-earning with being a good manager and then recruit that person into management, lose their fees and find they can't manage. A real lose-lose!

Another concern is that there is a danger lawyers who manage at a senior level might not be balanced enough in terms of approach and have a tendency to over concentrate on quality and non-financial issues. Again this goes back to career path and training and is food for thought.

There is also a cultural problem in more traditional firms that truly astonishes me. This is the practice of having fixed term managing partners who have to do their 'duty' for a few years before handing on 'the dreaded baton' to the next poor soul. Such practices treat the leader's role as an occupational hazard that has to be endured with the incumbent desperate to get back to the comfort of fee-earning work (and perhaps even sneaking in a bit of fee-earning whilst 'on watch'). It's short sighted nonsense that I urge any firm to cease. Let your partners do what they are good at and earn fees and bring in a professional manager in to drive the firm forward. Experience and longevity will then prevail!

Change

It should not be underappreciated as to how destabilising change in leadership can be in a firm if not managed properly. The process is vital and quickly getting the new incumbent among the troops and showing Board support will make a positive difference. My experience is that by taking the time to speak to everyone in an organisation immediately after appointment is a great way to find out what the scene is. The fact you are doing this makes people feel included and they also know you are not the Big Bad Wolf! The new leader should get some easy wins early – make promises to the staff they know can be delivered and then ensure they are!

Space

The Board need to give their appointed MD space to find their feet and get established. A considerate Board will provide 100 days for the MD to get to know the firm, identify the challenges, and set the strategy. Once this honeymoon is over the Board needs to hold the MD to account but be supportive too. The phrase I have always encouraged 'We are all on the same side' rings true.

CASE STUDY:

The Hands On Chairman

A common danger for a law firm (or any business) is when a founding owner can't let go and insists on full involvement on all decisions and operations despite having people in place to lead for them. It means the firm can be suffocated by a lack of leadership and often withers and dies.

An ex-colleague of mine landed the job of managing director at a mid-size law firm a few years ago. Let's call our subject Peter for the sake of anonymity:

"I had previous experience of management at another law firm" Peter started the interview telling me.

"The role of MD I saw advertised excited me as it was a step up but something I felt I could excel at. The interview went well with the charismatic Chairman telling me he was wanting to take a step back and wanted 'new blood' to drive the business forward. He offered me the job the next day and I accepted."

It was not long before Pete knew he had a problem.

"Within a week I sensed I had made a mistake in joining. Far from stepping back, the Chairman wanted to be involved in everything. He was patently a control freak – insisting on checking all my mail that went out, undertaking all the interviews for potential staff, insisting on meeting with me every other day, and approaching my staff to overturn directions I had given."

"The Chairman was such a powerful and overbearing character the other staff just did what they were told. They were frightened of him. It ended up with me protecting the staff from him and fending him away so they could get on with their jobs. The last straw came when he insisted on seeing all my emails so 'he could add value'. I resigned the next day even though I had no job to go to." To my knowledge the business has now shrunk and is struggling to survive. It's a shame as the staff respected me and I could of really got it moving with the help of the team I had."

This story is not uncommon. Owner founders can be very protective of their 'baby' and hence difficult to work for, particularly in a managerial position. Owners need to learn to trust. Managers need to anticipate any potential issues before taking up a post. Happily Peter's skills were allowed to flourish elsewhere.

THE LEADER

Is the job really you?

You might have flown up the ladder as a fee-earner at your law firm and demonstrated high quality legal work, ability to attract work, smashed fee targets, and are respected throughout the business. You have come to the attention of the partners who want a leader and think you fit the bill.

But you have to be honest and ask whether the role is 'really you'.

Do you want to turn your back on legal work – something you probably love? What do you know about management, profit, ratios, economies of scale etc? It's a different world!

Do you have the skill set to lead a business? Forget the fact it's the legal game – a business is a business.

How will you cope with the inevitable change in the current relationship with your colleagues?

Have you the strength to make the tough decisions?

Is this good bye to my 'legal' career?

It's critical to be honest with yourself at this point. As previously discussed a good lawyer does not automatically mean a great manager.

Be honest with yourself but if you truly believe and want it then go for it.

Do you understand what the job really is?

The role is wide ranging and my recommendation is it should be light touch on the tiller – setting the course whilst guiding, advising, and mentoring those around you to deliver as required. You set the strategy and then ensure you are a facilitator – helping those around you achieve. The areas to overview are wide ranging – finance, marketing, compliance, quality, HR etc. Your job is to pick the team and play people in their positions of strength – and constantly having your hand on the tiller having set the destination (the strategy and vision).

Some new leaders fail to grasp this. They get dragged into operational matters and are unable to see the bigger picture. They don't understand that everything is ultimately their responsibility. They don't grasp how they are in a position to influence culture. They might not have a plan.

Before becoming a leader it is critical to know the ropes and keeping it simple and high level is probably the best advice.

CASE STUDY:

The Unprepared Leader

I once recruited a leader into a regional management role. In hindsight I screwed up (always admit your mistakes by the way!). I made the decision based on not wanting to rock the boat and loyalty. I was hopeful however that the appointment might work but sadly it didn't. Frankly I inadvertently set the chap up to fail. He was a lawyer who was popular, good in his field of expertise, and a sound decision maker. I kidded myself this would be enough but it wasn't. He was very hands on and operationally fixated and in that respect he sorted out the on-the-ground legal issues. But he was unable to see the bigger picture, set a course, and 'own' the region he was leading. Sadly we had to call it quits. I learned from my mistake but it was painful for everybody.

100 days & setting the rules

I mentioned the need for a Board to give a leader 100 days but a new leader should demand it anyway. Autonomy and freedom should be granted for the first 3 months or so to get established and make one's own mark. There should be no initial interference from the Board and this should be made clear. The firm needs to know that you're in charge.