

Taking The Lead: Steering Your Firm through Uncharted Waters

By Karen MacKay

This article originally appeared in the March 2009 edition of Law Practice Magazine.

Managing partners have been called on to lead their firms through previous recessions, like the one in the early 1990s, for example. The current recession, however, appears to be unlike the others, both in depth and the likelihood that it will result in structural changes to the economy. As a leader, your job is to guide your firm through the impacts of these rough and unique waters.

Here are thoughts on how to stay resilient and walk the fine line between optimism and realism *and* between logic and values.

Maintaining Resilience

Every member of your firm is watching how you react to changes in the economic environment—and the decisions you make for the firm in response. They are looking to you, as the firm leader, to set the example in what you do, what you say and how you carry yourself. You will need to demonstrate resilience, which requires keeping your energy up in these tough times.

Knowing how and where you get your energy from is an important first step. More introverted types typically build energy with an appropriate amount of alone time and quiet space. If that

describes you, then you may need dedicated time to think things through and write out key messages instead of speaking “off the cuff,” so that you sound eloquent and confident. Extroverts, on the other hand, build energy by action, by variety, and by openly talking through their issues and challenges. If you’re the extroverted type, you could be well served by working with a coach external to the firm, providing you with a safe place to talk through challenges and ideas so you don’t end up editing your thoughts on key messages in front of firm members.

Resilience is also about keeping yourself in balance, in physical, mental, emotional and spiritual terms. Nutrition, exercise and sleep are critical to *physical* health. Staying connected with family and friends—the people who keep you anchored—is vital to *emotional* health. A sense of confidence in your skills as a leader is necessary for *mental* health. And lastly, aligning decisions with core values—as a person, as a leader and as a firm—will be necessary for your *spiritual* health. You are setting the example, remember, so you must make every effort to keep these four areas in balance.



Making and Communicating Decisions

Being a managing partner means setting direction for the firm, which requires making decisions. Three factors influence our decision-making preferences. The first is personality. In terms of this, here's a question to ask yourself: Do you make your economic decisions based on their bottom-line impact, or do you tend more to worry about the effects on the firm's people?

Logical decision makers can be viewed as cold and distant, but they may also be seen as having the entity's best interests in clear view. In comparison, leaders who make decisions based on guiding principles regarding the firm's people may appear too soft, but they may also have the firm's long-term best interests in clear view as they focus on the firm's only real asset—its people. Leaders whose decisions focus *both* on the economic impacts and the effects on people, particularly in tough times, set a personal example that is admired.

Two other factors that influence decision making are skills and competencies. So ask yourself: Where do you stand in terms of those? The leaders who know what they don't know and, in turn, reach out to develop their leadership skills and competencies will be the ones who grow and strengthen during difficult times. Those who already think they know it all set themselves up for failure.

Also, remember that at all levels of the firm your people will be hungry to know about the

decisions you are making to steer the firm through the recession. Generally, here's what most are thinking: "Tell us what we are going to do. Tell us what you considered and your rationale for it. Tell us when it will take effect and how it will impact me." Be aware that when you fail to give them the desired information, people have a natural tendency to fill the void, which can result in misinformation, disquiet and even fear spreading through the firm. So not only is your job to make good decisions, but also to communicate them effectively. Communicate, communicate, *communicate* — and give opportunities for some to talk it through, while giving others the space to reflect and think it through.

Walking the Optimist-vs.-Realist Line

Finally, when you think of this recession, do you see the sky falling, or can you find the silver lining? A managing partner who ignores the depth of the challenges facing the firm may be judged for having lost touch with reality. At the same time, one who is overly pessimistic may be seen as lacking a vision of the future that the firm's members can support. As Rahm Emanuel, the new White House Chief of Staff, once said, "You don't ever want to let a crisis go to waste: It's an opportunity to do important things that you would otherwise avoid." When law firms are busy everyone focuses on the next deadline, closing, client meeting or court date. Now that many (if not most) of your partners are less busy,



it's an ideal time to consider how to revamp the firm to adjust to the emerging new economy, by realigning practice areas, creating new practice groups and developing new marketing opportunities. It's also a time to change the way you work so you can add more value and drive down costs. So be sure you look for opportunities in pockets of the firm to create future capabilities—and also seek to involve clients in that work off the timesheet to grow their loyalty *and* their business in the down economy.

In sum, you need to be realistic with your partners while maintaining a vision for a successful future. Chart your course, communicate it clearly, and build consensus and alignment toward that direction. Work with practice groups that are slower in this economy to prepare for the recovery and position those groups to take advantage of the growth curve when it happens.

Work with your clients while retaining your talent—for example, you could establish programs where you loan your lawyers to clients for an extended time at a cost-recovery rate. Further, work with your people to retain them through flexible or reduced schedules and support opportunities to build their skills and your firm's capabilities while reducing costs. Lawyers have claimed for years that they would welcome reduced hours and reduced income to

balance their lives. Now might be the time to partner with your people and build trust through that process. When the recovery happens, preparation will meet opportunity and your firm will be positioned for success under your watch.

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