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Leadership Determines Practice Group Effectiveness
by John Sterling and John Remsen, Jr.

Our February 2014 Leadership Matters topic examines practice group management. Specifically, are there particular responsibilities practice group leaders should be taking on in order to drive effective practice management? In addition, what kinds of base level support are firms providing to practice leaders (e.g., job descriptions clarifying the role, training for leaders, etc.)? We found that firms experiencing higher levels of success with practice group management have different (and higher) expectations for their practice leaders. The results of our survey of 81 managing partners are covered in the following sections.

BASELINE INFORMATION

As a starting point, let’s examine what firms are asking their practice leaders to do. You will see that in general firms expect their practice leaders to drive activity in three areas:

- Marketing and business development for and by the practice group;
- Strategy development and strategic leadership for the group;
- Coordination and management of people – their development, their work loads, and their ability to work productively together.
Conversely, firms are not looking to their practice leaders to engage substantially in things that are generally managed more centrally within the firm. Thus, there isn’t a strong expectation at most firms for practice leaders to manage vendors (even those directly serving a practice), to drive firm level strategy, or to drive financial planning or profit management.

Only 27% of the firms surveyed have formal job descriptions for practice leaders. Nearly a third (32%) of all firms provide some type of training for practice group leaders.

On an overall basis, roughly half the firms surveyed consider their practice groups to be effective. About 20% rate their practice groups to be largely ineffective. There are important differences between the firms with the most and the least effective practice groups – both in terms of the expectations they have for their leaders and for the level of support they provide. Those differences are discussed in the next section.
EFFECTIVE PRACTICE GROUP MANAGEMENT IS A FUNCTION OF HAVING HIGHER EXPECTATIONS

The primary finding emerging from this survey can be summarized simply. Firms that report having more effective practice groups expect more from their practice group leaders – and they provide more support (at least on the margins).

Firms with the most effective practice groups are more likely to ask their leaders to carry-out nearly every responsibility listed in a “check all responsibilities that apply” question. The top five responsibilities practice leaders are expected to fulfill at the most successful firms are:

- Strategic planning for the group;
- Work flow management (right people on the right matters at the right time);
- Coordination and encouragement of teamwork, esprit and morale;
- Coordinating and encouraging marketing to new clients;
- Coordinating and encouraging professional development and training.
Meanwhile, there were only two categories where less than 40% of the most successful firms expected their practice leaders to take on an important role:

- Integration of new practice support vendors (e.g., legal processing outsourcing vendors);
- Direct involvement in partner compensation decisions.
Conversely, practice groups at the least effective firms exist primarily to plan and coordinate marketing. We are strong advocates for involving practice leaders in marketing, but if that is the only reason you have practice groups, it is no wonder they are less effective on an overall basis. Coordinating marketing directed toward new clients was the only category in which practice leaders at the least effective firms had higher expectations than their counterparts at the more effective firms. The top five responsibilities for practice leaders at less effective firms are:

- Coordinating and encouraging marketing to new clients;
- Marketing planning/business development planning;
- Coordinating and encouraging professional development and training;
- Coordinating and encouraging cross marketing (inbound to the group and outbound to others);
- Strategic planning for the group (but, far below the level of expectations at the most effective firms).

There were a number of categories in which a third or fewer of the less effective firms held any expectations for practice leaders. That included two categories in which only 20% of the firms expected their practice leaders to be engaged:

- Involvement in firm level strategic planning;
- Financial planning/profit management.
Firms with the most effective practice groups are twice as likely to provide training and nearly twice as likely to have written job descriptions for practice group leaders. However, it should be noted that firms are not providing extensive support – even in the most effective settings. Only about a third of the most effective firms have formal job descriptions for their practice leaders and only about 37% provide training.

It is worth noting that firm size was not a factor in determining whether practice groups worked effectively. Firms in the 26-50 attorney category were narrowly less effective than very small (<25 attorneys) or larger mid-size (i.e., over 50 attorney) firms. But, generally, size does not matter.

To summarize, the most effective groups exist first and foremost to think strategically, to manage people effectively (work flow, professional development, and esprit de corps), and to encourage and coordinate marketing. Marketing is an important element, but that flows from strategy and people. Viewed more broadly, firms with the most effective practice groups expect practice leaders to do more.
MPF RECOMMENDATIONS TO FIRM LEADERS

Approaches for organizing practice groups vary across firms. Some focus primarily on substantive legal capabilities, some focus on industries, some have a hybrid of legal and industry groups. There is no single right answer for how to organize your groups. However, there are a number of generalizable recommendations we can offer.

Put Strategy at the Center
Practice groups (and administrative departments) are ideally positioned to put your firm’s strategy into action – and to connect that strategy to what individuals are doing in a meaningful way. You should expect your practice groups and your practice leaders to play an integral role in strategy. The strategy can and should connect and cascade across all levels (firm – group – individual).

Appoint the Right Leaders
Many firms appoint the senior lawyers and/or lawyers with big books of business to these important roles...and they may or may not be the right people to lead. We recommend that firms appoint strong, passionate and committed individuals to leadership roles. Individuals who will lead by example, embody a “firm-first” mindset and attitude, and have a track record of getting things done.
Provide Training to Your Group Leaders
Leading and managing lawyers is no easy task. Set expectations, provide leadership training, and reward effective group leaders. Also, consider providing ongoing coaching resources to selected practice leaders – it can help them maintain focus and managerial discipline.

Involv Practice Leaders in Leading and Managing People
Practice leaders are closer to the day-to-day activity of individual timekeepers. It is entirely reasonable to ask them to coordinate professional development, to help clear bottlenecks in work flow, and to promote positive communication within the group – in the process building esprit and morale.

Expect Financial Literacy
If your firm has a solid administrative infrastructure, you probably should not burden practice leaders with chasing individuals for timesheets, expense reconciliations, or invoicing (sending or collecting) – your finance team can do that. However, practice leaders should be financially literate and should play a role in the annual budget process. They need to know what kind of work is profitable, how the practice can improve realization via effective staffing, and other basics of profit management.

Experiment with Industry Groups
Even if you only use industry groups for marketing purposes, do organize industry focused groups where your firm has genuine credentials that cross legal specialty. Having a hybrid system of practices and industry groups does not add excessive complexity and clients appreciate lawyers who understand their business and their industry.

ABOUT THE SURVEY METHODOLOGY
The survey was hosted online and all responses were anonymous and confidential. Only managing partners (and like titled law firm leaders) were invited to participate. Invitations were sent via the Managing Partner Forum. The survey was open from February 11, 2014 through February 27, 2014. In total 81 completed responses were received. The sample was roughly one-third small firms (<25 lawyers), one-third firms in the 26-50 attorney range, and one-third larger mid-size firms.
ABOUT THE AUTHORS

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