

**DEFINING THE ROLE AND
DEVELOPMENT OF A NEW MANAGING PARTNER**
by Joel A. Rose

A partner of a mid-sized Philadelphia-based law firm, recently elected to chair his firm's newly constituted management committee, called me to talk about how he may learn about his newly acquired job of managing his firm. "It is humbling and a privilege to be entrusted with the role of Managing Partner of our firm", said this partner. " Of course, initially it raised the existential question raised by the great philosopher (Groucho Marx), 'Do I really want to be Managing Partner of a firm that would have me as its Managing Partner?'

While the volume of available information about managing law offices is expanding, information is not readily available about what specifically should be the "hands-on approaches" that managing partners and members of management committees should embrace to coalesce their partners, associates and staff into a well managed and informed organization, with all of the professional and administrative personnel working together to achieve the firm's immediate and longer term objectives.

After years of analyzing the personal and professional styles of lawyer managers of successful (and not so successful) law firms, three inescapable conclusions have become readily apparent to me: (1) The authority of lawyer management is derived from the willingness of partners to be managed; (2) Partners in most law firms perceive themselves as being owners of the firm, having certain prerogatives and independence, not as employees to be "managed"; and (3) Law firms have their own personalities and cultures; and management techniques that may be effective in one firm may be marginally or not successful in another.

Following the above partner's telephone call, I spoke with the managing partners and members of management committees of several larger and mid-size law firms located in the Philadelphia area to obtain their perceptions about their roles, training and concerns about being lawyer managers.

Leadership Role:

A significant majority of those surveyed, agree that their greatest, and most frustrating challenge is the approach to follow to provide leadership to their firms. Central to this conflict is whether to lead by consensus or decree. All of the partners interviewed agreed that astute lawyer management must achieve the appropriate balance of building consensus among the partners versus managing as an autocrat. . . and which works best, under what conditions.

Most managing partners agree that in today's highly competitive environment, authority for managing their firm's administrative and substantive activities needs to be centralized in a managing partner and/or a management committee, to some extent. It is no longer feasible or desirable for attorneys to exercise their independence on virtually every issue. Partners must be willing to subordinate their prerogatives as owners of the firm for the "good" of the firm. This was referred to by one partner as "being a good citizen of the firm." To achieve this level of acceptance it is incumbent upon lawyer management to determine how the following will apply to their respective firms:

1. What specifically should be the role and responsibility of the partners, the managing partner and department heads for:
 - a. Policy determination and implementation
 - b. Long-range planning, including practice development
 - c. Recruiting and Training lawyers
 - d. Practice management and quality control
 - e. Confronting underachievers

2. How to improve the quality of communications between and among the partners and associates and staff for substantive and administrative matters, including:
 - a. The types of issues/matters partners and associates would like to be kept apprised of regularly
 - b. How these issues/matters should be brought to the attention of partners and associates, by whom and at what frequency.

3. What specifically should be the role and authority of department heads (coordinators) and individual partners for:
 - a. Accepting work from clients
 - b. Assigning work to other attorneys
 - c. Overseeing billing and collecting fees and disbursements
 - d. Developing plans for marketing legal services to existing and potential clients
 - e. Providing for an interdisciplinary approach for serving clients

Younger Partners in Management

More younger partners are involved in the management process today than a decade ago. These younger partners have been educated about firm economics in published surveys and have set high economic objectives for themselves and their partners. Hence, many of them are willing to make those difficult and oftentimes unpopular decisions which may be necessary for the well-being of the firm.

Major Concerns of Lawyer Managers

"Sacrificing client development", "making enemies among partners" and "the short memories of those partners not involved in the management process concerning the personal and professional sacrifices and contributions of lawyer managers" were identified as the major concerns confronting managing partners and members of management committees. Several lawyer managers are apprehensive about "remaining too long" in their management positions, in light of the "overemphasis placed by many partners on business development and revenue production when setting compensation percentages." Half the lawyer managers interviewed questioned the extent to which those partners not involved in firm or department management are willing to "pay" those partners who serve as managing partners, members of management committees or managers of substantive department managers or whether the lawyer managers are expected to manage the firm "on their own time" and also maintain a full client workload during the firm's usual business hours.

Time Devoted to Management and Learning to Manage

A majority of the managing partners interviewed, supported by an experienced law firm administrator, reported spending one-third to one-half of their time or more managing. Several managing partners suggested that their power base within the firm resulted from their work in business development, client maintenance and fee production rather than their management skills. However, each of these partners emphasized the importance of their interpersonal skills combined with their business sense and their ability to "do the right thing" as key elements contributing to their success as lawyer managers. Several of the managing partners believe it takes a year or longer for them to learn their job, even if they served previously as a member of the firm's management committee.

Virtually all of the managing partners learned their job while doing it. Several partners learned "what not to do" by observing the mistakes of their predecessors and listening to the comments and criticisms of other partners. Those few partners who obtained their positions by dint of their strong personalities confided to the author that they perform certain

management functions by decree and others, by consensus, "as long as they agree with the consensus." All of the partners interviewed subscribe to management publications. Most of them attend management seminars and informal, periodic meetings of managing partners. Others meet informally and exchange management ideas during bar association meetings, etc. Obviously, no one discusses their firm's "dirty laundry", however, the problems of other firms which may have been reported in the legal press and elsewhere are usually reviewed - usually in terms of how to prevent similar situations from occurring at your firm. Inherent in these discussions is the moral support that managing partners receive from one another. This sentiment was echoed by a partner from a large firm who said, "It may not be articulated openly, but it is comforting to learn that we are not the only firm experiencing these same kinds of problems."

Succession

Virtually all of the partners acknowledged that succession of management on the administrative as well as the substantive sides of the practice are sticky problems. Although all of the partners may benefit personally and professionally by serving in some lawyer management position, the importance of the management function in today's law firm business environment has placed a particular burden on those partners who have a business background and are perceived by other partners as being capable lawyer managers. No longer is it feasible for partners to "take turns" serving on the management committee as though the firm was a service organization. The most able individuals must be chosen to lead and manage their firms. From the firm's perspective, talented individuals who are chosen to serve as lawyer managers should be encouraged to remain in that position. Incentives suggested by managing partners include reduced obligations for generating or producing revenue - with more time to manage the firm, providing a stipend for managing the firm, in addition to their regular compensation, delegating sufficient authority to allow the managing partner to function independently on non-policy issues, etc. without being challenged at every turn. Two partners suggested that offering a sabbatical to the managing partner would enable that partner to "re-charge his/her batteries," however, the concept would be a difficult sell to most partners.

Most managing partners agreed that changing managing partners every two or three years, to share the management burden may, on the surface, appear to be fair. However, as reported by one half the partners interviewed, in the practical scheme of things, it doesn't make sense. As indicated above, it may take a managing partner a year or longer to learn what it takes to manage the firm. A few partners asked, "How many of our financially successful client corporations change their CEO's every two or three years?" Further, these partners said, "It may take more than one year

for a managing partner to formulate and begin to implement plans and ideas that begin to address the firm's immediate and longer term needs and priorities."

Changing Values Affect Management Styles

In concluding their interviews, several managing partners opined that as their law firms have evolved, the values and the culture of their partners also changed. Consequently, a majority of partners valued different factors as being important and necessary for their firm's development. Several partners described these evolving cultural changes from what was a fraternal relationship among the partners to what is now characterized as a business relationship.

Unless the managing partner is capable of "taking the partners' pulse" and keeping in touch with the other partners, the firm will experience serious difficulties, regardless of how much money the partners earn. It was stated by the managing partner of an 85 lawyer firm, "For each year we continue to exist and partners achieve their personal and professional goals within the broader firm context, those of us on the executive committee feel that we have accomplished some sort of miracle."