

Creating an Ownership Mindset Among Your Partners

This month's MPF Law Firm of the Future webinar focused on how to create and nurture an "ownership mindset" with partners and prospective partners at your firm. Equally as important is fostering young talent as they rise through the ranks toward partner, and helping them to feel like they have an ownership stake in the firm and dedicate themselves to its success alongside their own.

Younger lawyers focused on their career trajectory towards partnership have a growing desire for a clear understanding of the necessary steps to achieve this milestone. If a law firm fails to provide this clarity, these ambitious professionals are more than willing to seek opportunities elsewhere, where the path is more defined.

Panelists:

- [Sharon Abrahams](#), President of [Legal Talent Advisors LLC](#)
- [David Lackowitz](#), Partner Litigation Department Co-Chair at [Moses & Singer LLP](#)

Moderators:

- [John Remsen Jr.](#), President at [TheRemsenGroup](#), President and CEO at [Managing Partner Forum](#)
- [Uri Gutfreund](#), Senior Vice President and Managing Principal at [Ames & Gough](#)

Key Takeaways:

- These days, young attorneys want transparency in what the road to partnership may entail. This road may encompass many different steps, depending on your law firm.
- Creating an ownership mentality starts with communicating expectations of current and upcoming partners.
- Take the time to understand who your underperforming partners are and where they're falling short in order to help shift their mindsets.
- Offering training and development to potential leaders of the firm will set them up for success farther down the road.

Kicking off the webinar, Sharon Abrahams discussed an often-overlooked aspect of reaching partnership: it's not just about meeting the expected prerequisites. The interpersonal dynamic is just as important, that is, being well-regarded and able to collaborate effectively with colleagues. Beyond the qualifications and achievements, being able to "play nice in the sandbox" is essential for those aspiring to be voted in as partners.

The Path to Partnership

According to Sharon, the legal industry is undergoing a shift towards multi-tiered partnership structure in many firms. This approach motivates attorneys by offering a clear title change as a sign of progression, while signaling to clients the firm's investment in its rising stars. "It provides motivation to clients to want to work with the individuals and it's motivating to the attorneys to want that title change," she explained.

The conversation then turned to the concept of an "ownership mentality," which varies from one firm to another. John Remsen Jr. shared his preference for a two-tiered partnership structure, noting that becoming an owner sets a very high bar. "A lot of younger lawyers aren't ready for that level of leadership and are happy to sit at a different track," he observed.

David Lackowitz reflected on his own experience, recalling how the criteria for becoming a partner were initially presented as rigid but proved to be more adaptable in practice. "It used to be pegged to originations, and now it's much more fluid," he said, noting the introduction of a CEO at his firm tasked with clarifying these pathways to partnership.

Lackowitz pointed out that the ability to independently generate business is a key indicator of readiness for partnership, beyond just the dollar amounts involved. Sharon added an important perspective on diversity, stating that, "For women and diverse attorneys, it has to be origination more than a handoff from another attorney in order to generate the same level of respect and commitment."

Setting Clear Expectations

Sharon shed light on a common issue within law firms: partners' lack of understanding of the negative impact that opacity around financials and career progression can have. She pointed out that many partners, having not studied business, are ill-equipped to run a business effectively. "Law only moves forward because something pushes it," she remarked, emphasizing that lawyers often require external forces to change entrenched behaviors.

Echoing Sharon's sentiment, John referenced John Kotter's notion on change: "We don't change until we hurt." Change in any industry, not just law, is often reactive rather than proactive, occurring only when the pain of the status quo becomes too great to ignore.

Firm Culture & Ownership Matters

In this section of the webinar, John posed a fundamental question: "How do you make people want to care?," referring to the challenge of instilling a sense of responsibility for the firm's well-being among partners. David emphasized that it begins with clear expectations of what is required from partners, notably the importance of collaboration and professionalism. He pointed out that promoting individuals who exhibited problematic behaviors before partnership often

results in those behaviors persisting, underscoring the need for leadership programs to prepare future partners effectively.

Uri Gutfreund addressed the tolerance of bad behavior within the industry, noting that "problem partners" have become an expected, albeit unwelcome, aspect of law firm culture. This tolerance, coupled with a longstanding culture of seniority where challenging the status quo is frowned upon, hinders the development of an ownership mentality.

Sharon highlighted a gap in succession planning and mentoring, important elements for nurturing future leaders and instilling the right mindset from the outset. She also stressed the importance of transparency and data sharing to demonstrate the impact of actions on the firm's operations, illustrating cause and effect to foster a deeper understanding of ownership responsibilities.

David further discussed the challenge of addressing underperformance, noting the firm's approach to evaluating equity partners' contributions over a three-year period to distinguish between temporary lapses and consistent underperformance. He pointed to younger lawyers' awareness of who contributes meaningfully to the firm's success, emphasizing the importance of leading by example.

Uri and John both pointed out the implications of not addressing underperformance, indicating that it reflects poorly on management and the firm's culture. The partnership agreement, John suggested, could play a role in maintaining focus and accountability among partners.

The panelists concurred that cultivating an ownership mentality is not only about setting expectations and preparing individuals for leadership roles but also about creating an environment where transparency, mentorship, and accountability are valued.

Fostering Growth Through Training and Development

David highlighted the pivotal role of business development training in a law firm's growth trajectory. He pointed out a gap in traditional legal education, noting, "Without the business development piece, you can't grow." He stressed the importance of introducing these concepts early to young lawyers, who often don't encounter business aspects of law in school. However, he acknowledged a shift, with law schools beginning to offer seminars on the business of law, responding to student demand.

Sharon emphasized the eagerness among young lawyers for leadership training, suggesting that firms don't necessarily need to develop these programs in-house. "You can pay to send people out," she said, advocating for external training opportunities. Her mantra is, "invest in your people," especially at the partner level.

Echoing Sharon's sentiments, David discussed the long-term value of establishing comprehensive business development and leadership programs. He argued that while setting

up these programs might require time and resources initially, they ultimately cultivate more self-sufficient and versatile attorneys. "Training younger lawyers to generate business raises the boat for everyone," he said.

Uri addressed the challenges of incorporating leadership and development into the firm's culture, describing it as, "the hardest part of running a business that you hope to grow." He pointed out the common tendency to postpone addressing these challenges, emphasizing that neglect doesn't make the task any easier.

Invest Early and Often in an Ownership Mentality

Wrapping up the webinar, each presenter gave a final, brief word on the most important skills to cultivate in order to create and support an ownership mentality at your firm:

- Sharon: "Be bold, don't be afraid to take action."
- David: "Communication and transparency are key."
- John: "Transparency couldn't be more important; show people where they're going and how they're progressing along that trajectory."

The consensus among the panelists was clear: for law firms to thrive and adapt to the evolving legal landscape, investing in the training and development of young lawyers is indispensable. Not only does this prepare them for the complexities of running a legal business, but it also equips them with the leadership skills necessary for the firm's and their personal growth.
