

Lessons from Jim Collins . . .

Developing the “Great” Law Firm

One of the biggest questions asked by leaders in any profession is: “What organizational principles should I implement that will help my firm improve its performance?” Management theories abound, claiming to cure the ills of any organization. Although there is no shortage of supposed answers, the challenge facing leaders is to sift through all the choices and pick an approach that will work for them. Fortunately, a book that does indeed provide some guidance has recently seized the attention of the business world.

Making the move from good to great requires an honest look at the current reality.

It seems by now that everyone has read or heard about *Good to Great*, written by Jim Collins, and they all seem to agree that his conclusions are visionary for a variety of businesses. The problem is, however, many superb books, such as Collins’, lack explicit instruction on how to implement these powerful ideas within specific industries.

We all know the legal industry is unique, so, while we might agree that his principles have profound ramifications for law firms, what we need is a more definitive roadmap, one that acknowledges and accounts for the particular issues faced by our profession. This article is my attempt to fill that gap.

First, let’s talk about the book itself for those of you have not been catechized in this particular gospel.

Good to Great Companies

Collins started with 1,435 companies and conducted exhaustive research to find 11 companies that exhibited superior results over a sustainable 15-year period. He then studied those companies to find common characteristics that distinguished them from others and found that they all went through three stages:

1. They found disciplined people.
2. They engaged in disciplined thinking.
3. They took disciplined action.

On the surface we seem to have confronted the blinding flash of the obvious; however, the devil is, as always, in the details. Let’s take a closer look at these three stages before talking specifically about how to make them work in a law firm.

Disciplined People

Collins uses the analogy of a bus and states that great companies first need to get the right people on the bus in the right seats and the wrong people off. He also tells us that these companies have what he calls Level 5 leaders, people who possess a rare mix of personal humility and a strong desire to help the organization succeed.

These are individuals who have strong ambition, not for themselves but for the organization. His advice is to place people who exhibit these qualities in leadership positions and move the other folks out.

Disciplined Thought

Making the move from good to great also requires an honest look at the current reality. Collins tells us that great companies all engaged in a process of confronting the brutal facts and engaging in vigorous debate to gain shared insights. These companies all had a standing body, the council, that engaged in these discussions and developed a simple, unifying strategy around which the company could rally.

Disciplined Action

Collins goes back to his prior principles and states that, if you find disciplined people who engage in disciplined thinking, you will get disciplined action. He says the great companies create a stop-doing list of things that are not in alignment with the overall goals, and they focus only on those activities that support their simple, unifying strategies.

The key is to make a series of incremental changes, not radical ones, in order to build momentum and thus get the organizational flywheel moving. Collins observed that, under the right conditions, the problems of alignment, commitment, motivation, and change dissipate, which in turn gets the flywheel moving even faster.

The Reality Inside Law Firms

As I mentioned earlier, we need to translate these basic principles so that they can be applied in the legal industry. Let's now describe some of the initiatives you can undertake that can get these dynamics in play in your firms.

Disciplined People: Choose New Leaders

Collins shows us that great companies first have the right people in the right places. In many law firms, however, the wrong people occupy the seats of power. Practice group leaders often are given their jobs because of seniority or their books of business, not because of their skills as leaders and managers. The answer is simple; find the right people with the right leadership traits and put them in the right positions.

What is not so simple are the hurt feelings and political maneuvering that will result. However, strong visionary leaders understand that these short-term problems are necessary growing pains. Leaders also have to keep the pipeline of future leaders full, which means recruiting and developing people who have the requisite skills, while also

providing ongoing opportunities to hone their leadership abilities.

Disciplined Thought: Develop a Highly Functional Leadership Team and Aligned Planning

Right thinking usually requires a process, a system that (1) establishes an environment that allows for good decision making and (2) takes the decisions and applies them to all levels of the firm. Unfortunately, many leadership teams can't get an effective process started because of counter-productive dynamics, such as internal politics, infighting, power struggles, turf battles, and egos.

As a leader, your job is to reduce the influence of these factors so that you can get to the truth and make decisions that are in the best interests of the firm as a whole. Skilled facilitation can get a group focused on the big picture and establish an environment in which these negative influences are reduced and a new dynamic for positive, productive interaction becomes the norm.

It takes more than just a leadership team coming together to form a unifying strategy to get the ball rolling. Everyone in the firm must understand his or her role in making the strategy a reality. The best process I've seen is a series of aligned planning sessions, starting with the firmwide perspective, followed by the practice groups, then shared services, and then staff. You get the flywheel moving when you get everyone pushing, and aligned planning makes sure everyone is pushing in the right direction.

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Disciplined Action: Training and Coaching

Collins' research revealed that disciplined action is a result of disciplined people doing disciplined thinking. Realistically, most firms need

Implementing a Good to Great Process		
Good to Great Principles	How to Implement the Principles	Timelines
	DISCIPLINED PEOPLE	
Find Level 5 Leaders	• Succession planning	Ongoing
First Who, Then What • Right people on the bus • Right people in right seats • Wrong people off the bus	• Change leaders where needed • Recruitment — find the right people who possess Level 5 leadership skills	Ongoing
	DISCIPLINED THOUGHT	
Confront The Brutal Facts	• Internal survey of all lawyers and staff • Client surveys • Market research	Month 1
The Council • Vigorous debate • Range of perspectives • Group dialogue • Determine the truth • Shared insights	• Regular meetings between key department and practice group leaders, board members, key management, and/or opinion leaders	Month 1 +
The Hedgehog Concept • Best in the world • Find economic drivers • Deep passion • Search for the best answers • Fully unify behind a decision • The “stop-doing” list • Focus on excellence • Build on opportunities	• Collaborative strategic planning sessions — Overall firm planning — Cascade to aligned practice group plans — Cascade to support services plans — Cascade to staff plans — Supportive budgeting	Month 2 Month 3 Month 4 Month 5 Tied to plans
	DISCIPLINED ACTION	
Technology Accelerators	• Fund supportive technologies identified in planning process	As needed
Get the Flywheel Moving • Create the conditions to drive commitment, alignment, motivation, and change • Manage in a way that does not demotivate • Create an integrated whole that is much more powerful than the sum of its parts	• Individual action plans aligned with practice group plans • Skills development — Leadership and management skills — Other skills (e.g., business development)	Month 6 Month 1 +
A Culture of Discipline • Manage the system, not people concept	• Coaching and mentoring	Month 2 +
Continue the Momentum • Compensation system designed to get and keep the right people	• Reward behaviors that support Hedgehog	Ongoing

additional support to make this “magical alchemy” manifest itself in superior results. The dual challenges of achieving billable quotas and a lack of crucial business skills make another layer of intervention necessary.

Most firms provide training on how to become a technically good lawyer. Glaringly absent is education on how to become a good businessperson. These skills are usually learned through trial and error, and the outcome is a patchwork of often-conflicting opinions on running a firm. The solution is to provide a uniform set of best practices that your leaders can follow that will drive the success of the firm.

Leadership Training

Using the human body as a metaphor, if strategic planning represents the head and implementation is the feet of an organization, then leadership is the gut. Take an honest look at your organizational anatomy. Is it strong and tight, with a strong connection from head to toe, or is it flabby and out of shape, giving no support to the supportive spine of your firm? As a leader, it is your role to develop a clear line of sight connection from top to bottom, and your group leaders are the ones who make that happen.

A well-designed training program will incorporate specific needs and provide a unified approach to addressing the major management/leadership issues facing the firm. I also suggest incorporating the ideas of the participants in order to remove the not-invented-here dynamic that gets in the way of full acceptance and implementation of the training.

Coaching

While training is important, studies have shown that most people forget a significant portion of what they’ve learned within a few days of receiving training. Therefore, firms need to incorporate a process that will transform information into life-long skills. That process is coaching. With coaching, information stays top of mind, people keep practicing what they’ve learned, and bottom line, things get done. Therefore, to keep the flywheel moving, a system of coaching and mentoring should be instituted immediately after a training session in order to engrain the skills and encourage implementation.

Conclusion

So who doesn’t want to be great? We all want to be winners, to be part of a winning team, and your role as a leader is to provide the infrastructure that allows that to happen. By utilizing these approaches, you can build momentum in the right direction. It might just be the most rewarding professional experience of your life.

—David Freeman

David H. Freeman, J.D., founder and President of Whetstone Consulting LLC, helps leaders design and implement systems that get people acting in alignment with overall strategic goals. He has nearly twenty years of experience in law, business, and management consulting, and his work links three critically interconnected areas in law firms—planning, leading, and implementing. He specializes in merger integration, collaborative strategic planning, retreat facilitation, leadership training, sales training, and coaching. He can be reached at david.freeman@whetstoneconsulting.com or 303.448.0757.

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