



Are You Ready for Practice Group Leaders?

by

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One of the most common requests I receive is to run a training program to help practice managers (who lead offices, discipline groups or industry practices) become more effective. Although the subject is one I care about passionately, I frequently decline to get involved.

This is because all too often the conditions necessary for effective implementation of practice management are missing. The way many firms are run ensures that effective practice management is close to impossible.

The problem that most practice leaders have is not primarily a lack of training. Rather, they are asked to fulfill a poorly specified role, with unclear objectives and responsibilities and with ambiguous authority. What is more, they are often selected for the role on the basis of skills and accomplishments that have nothing to do with the tasks they face.

In a wide spectrum of professions, professionals are loosely grouped into practices, departments or operating units, and the role of the practice head is primarily administrative, not managerial. They are expected to monitor short-term financials such as utilization, billing

discipline and receivables, but have little or no authority to supervise the activities of other (senior) professionals in the group.

Senior professionals jealously guard their autonomy to use their own time (billable or nonbillable) as they see fit, and cede no authority to anyone on such things as how they will staff their own jobs or what practice development activities they will conduct.

There is no expectation (and certainly no requirement) that group members will act collectively and make joint decisions (with mutual responsibility to each other) on such things as practice development, development of junior staff, or building tools and templates of benefit to everyone in the group.

Since in this traditional model the practice head's freedom to act is severely circumscribed, it is also typical that the practice head is given no extra time to fulfill the group leadership function. They are expected to be as chargeable as any other senior professional in the group, to have the same responsibilities in revenue generation and are appraised based on their personal accomplishments as a professional rather than their success as a group leader.

This implied rejection of management by so many professional firms is based on a resistance to one or both of two common caricatures that many

professionals associate with the word “management.” Either it is viewed as an administrative burden (adding no value) and best left to “bean counters,” or else it is viewed as a heavy-handed, corporate-style bossiness, with the practice manager playing cop, overseer or (as my wife, who attended parochial schools, once described it) the “nun with the ruler.”

Professionals are quite correct to reject these caricatures. However, what they often fail to consider is a third alternative: the practice head as coach of the team. (I shall use the term “practice coach” henceforth in this article to distinguish what I am discussing from the traditional “administrator” role.)

This approach has a number of implications, the first being that the group is prepared to accept that it *is* a team with common purposes and mutual obligations, not just an administrative unit.

Second, the practice coach system implies that the coach must be chosen for his or her skills in coaching (rather than excellence in business getting or technical expertise) and be willing to focus efforts on helping the team succeed rather than focusing primarily on his or her own personal success.

Why Have Groups?

The transition from practice leader as administrator to practice leader as coach requires a cultural revolution—a small change for some firms but a major one for others. However, there is more than a little evidence that most, if not all, professional firms will have to go through this cultural revolution if they have not done so already.

The historical model of many professions, which places an almost

exclusive emphasis on individual initiative, individual performance metrics and individual performance-based rewards, cannot create all the capabilities needed to succeed in today’s marketplace. Many of today’s clients (particularly big, attractive ones) actively seek out firms that have well-coordinated practice teams so that they can get the benefit of depth from their service providers and not be excessively dependent on a single individual professional.

Similarly, in today’s tough competition for talent, a superior ability to attract, develop and retain professionals (senior and junior) is a key economic and competitive issue. Loosely organized individuals, accountable only for their own performance, are less likely to succeed in this area than would a well-managed team engaging in collective activities with collective responsibilities.

A well-coached, coordinated team would be able to achieve any (or all) of the following possible benefits:

- 1) More effective practice development efforts through pooling and coordination of individual efforts
- 2) Better utilization and development of junior professionals through collective decisions on staffing of client work, allocation of resources and mentoring
- 3) Collective development of tools, templates, databases and other practice aids to benefit everyone
- 4) More rapid and effective dissemination of expertise and skills among the group
- 5) Better client service through greater ability to put the right people on the right job

- 6) Better market image through development of a collective reputation, not just the sum of individual reputations
- 7) Comfort of “belonging” to a small group rather than being “lost” as one member of a very large group of professionals (something that applies to the successful retention of both senior and junior professionals)
- 8) Informal coaching on a “one-on-one” basis acting as a source of help for personal growth rather than relying on firmwide, annual, bureaucratic performance appraisals
- 9) Improved profitability from focusing as a group on ways to enhance billing rates and leverage
- 10) Critical mass of time and resources created to develop innovative service offerings, which no individual could afford to do alone

The essential first step in capturing these benefits is that the members of the group must decide whether they are truly prepared to act as a team and not as a loosely affiliated group of independent practitioners. They must make an informed, conscious decision to give up a few degrees of autonomy in exchange for the benefits listed above.

To make this a really informed decision, there must be a clearly articulated policy statement as to why practice groups are important and what specific benefits (perhaps selected from the list given above) the group expects to obtain from acting as a coordinated team. It is surprising to learn how many firms across all professions still have not thought this through.

A firm does not need to seek all the benefits listed above from its groups, and there are many other benefits not

described here. However, I hope the message is clear: To obtain the benefits of operating as a coordinated group, everyone, including the group’s professionals, firm management and practice coach needs to have a clear, unambiguous understanding of what practice groups are seeking to accomplish. They all have roles to play in making the practice group work, and they must all be part of the decision to establish the “rules of engagement.”

In some firms there is a “general understanding” of the group’s purpose, but this is insufficient. All too often practice groups meet and sit around asking, “What are we supposed to be doing at this meeting? Why are we here?” This is, of course, a disastrous waste of everybody’s time. The goals and specific target benefits of each practice group must be discussed, resolved and written down.

There is no requirement that each and every practice group in a firm selects the same set of objectives, since different groups may be at different stages of development and have different priorities. However, each group’s objectives must be clear.

Clear Enunciation of the Practice Coach Role

No team can succeed without a leader. Not only must the goals of the practice group be written down and agreed on, but so must the roles, responsibilities, accountabilities and performance measures for the practice coach. It is remarkable how infrequently this is done.

Naturally, the precise role of the practice coach will derive directly from the objectives chosen for the group. However, there are certain key choices

that must be made in any circumstance. For example, is the practice coach expected to do any or all of the following?

- 1) Spend time with individual professionals (senior or junior), serving as coach to help them develop themselves and their practice
- 2) Be knowledgeable about the development of junior professionals and intervene (delicately) to “suggest” reassignments between projects in order to build skills and advance their careers
- 3) Be in touch with clients of other professionals in the group to help the professional to grow the relationship, to monitor client satisfaction and to act as a “conscience” so everyone can excel at client satisfaction
- 4) Monitor the profitability of assignments conducted by members of the group and discuss the results with them
- 5) Devise methodologies to capture and share knowledge acquired while serving clients both within the group and across the firm
- 6) Spend time recruiting and interviewing potential new staff (junior and senior)
- 7) Spend time following up and actively helping members of the group execute their planned activities
- 8) Initiate and run regular meetings of practice group members to collectively plan the group’s activities and initiatives for the coming quarter
- 9) Conduct performance appraisals of other (senior) professionals in the team for purposes of compensation

- 10) Conduct counseling sessions with professionals on the basis of these performance appraisals

A practice coach does not have to do all the items on this list. There are many versions of practice coaching. However, only by precisely specifying which items are the responsibility of the practice coach can a firm then proceed to empower the practice coach and, equally important, define the rights and responsibilities that team members owe to the group and to each other.

Then, and only then, will it be possible to address the following key questions:

- a) What key skills are needed for the role as we have defined it?
- b) How much time will it take to perform the role we have defined?
- c) Which benefits should we expect to see, given the role definition and the time allowed?
- d) What powers or authority will the coach require to perform this role?
- e) How can we measure the success of the practice coach?
- f) On what basis should we consider rewarding the practice coach for these activities?
- g) What training, if any, is needed to perform the role as we have defined it?

Since so many professional firms do not have a history of “activist” practice coaches, it is essential that the precise answers to these questions (summarized in a written statement of the practice coach’s role, responsibilities, accountabilities and authority) be discussed between the practice coach and firm management and also be widely disseminated and discussed with the team members.

Practice coaches cannot and must not attempt to impose their own view of their role on others; this will doom them to failure. Professionals must grant permission to be coached, and this can only be done if the role and its limits are agreed on in advance.

Naturally, the same role definition does not have to be imposed firmwide. Different groups may choose different versions of practice coaching, at least initially. This is understandable and acceptable.

However, there probably will be a core set of responsibilities (or a minimum set of practice group activities) that the firm has a right to expect of all groups and all team leaders.

Valuing Nonbillable Time

The next essential component of the practice coach revolution is that firms must credibly convey to their professionals that activities conducted during nonbillable time are valued, monitored and considered an essential part of their performance appraisal.

Much of what practice groups do, and what practice coaches try to get their team members to do, involves investment of nonbillable time in activities that build the future of the practice. Obvious examples include various kinds of marketing activities, development of tools, conducting training programs and so on.

Unfortunately, what happens in too many firms is this: The team meets and lays out a wonderful plan for marketing, training and tool development. Then the practice coach comes round a few weeks later and says, "Hey, Fred. How's that article going that you promised to write?" And Fred replies, "Well, I've got some more billable work to do, so I'm

too busy to write it. Billable work trumps everything else, right? At least that's what the compensation committee believes, and I've got to protect myself. Sorry, coach!"

So the article never gets written, all the other team members reason the same way and the planning meeting might just as well have never happened. They might just as well not be a group. They might just as well not have a practice coach.

As I have written elsewhere (see my book, *True Professionalism*), the point here is not about working more hours, since nonbillable time is already being spent by every professional. The point is that the essence of having practice groups is the willingness of individuals to contribute (at least a portion of) their nonbillable time to the group effort and their agreement to be held strictly accountable to the group for what is promised. You don't have to promise a lot, but what you promise you must do.

Note that the obligation and accountability are not primarily to the practice coach or to firm management. Your obligation is to keep your promises to your team. The role of the practice coach (and firm management) is to be the conscience: monitoring and helping people keep their promises.

Among the best groups there is recognition that if each individual commits to investing roughly equal amounts of nonbillable time, then no member is doing more than the others or is left feeling that they are being taken advantage of. A skilled coach ensures that there is a minimum of "assigning" tasks to people, relying as much as possible on people volunteering for tasks they are enthusiastic about.

It is also at times necessary for the coach to manage down the size or scope of a task that someone wants to take on. Since it is important to establish the principle that you must keep your promises, the coach should never accept an undertaking on the basis of “try to get this done.” As the character Yoda said in the film *The Empire Strikes Back*, “Do, or do not. There is no try!”

Practice Coaches Chosen for Their Attitude

The next requirement to make practice teams work is that the practice coaches must be selected for their attitude, not their accomplishments.

The job of a practice coach is to help his or her colleagues, the team, win. Accordingly, the most important attribute of a successful practice coach is a willingness to focus primarily on helping other people with their professional practices and secondarily to focus on the success of their own practice.

However, most professionals have been asked to spend their whole working lives focusing on their own success, and the transition to helping others is a difficult one for many to make. There are issues of both attitude (willingness to focus on others) and skill (ability to influence others without being domineering). Skills can be taught; attitudes are harder to change.

Given historical approaches to practice leadership, it is not unusual for a firm to have very few people already skilled as coaches since the firm has never before asked people to play this role. This is not necessarily a problem. If someone wants to learn, you can teach them anything. The real issue is whether the firm has enough people willing to accept

the role and learn the skills. If the attitude is favorable, there is no problem because the skills can be acquired.

Traditionally, practice coaches were chosen for their accomplishments, but this is often disastrous. A person may be very successful at business development but have no ability to help others learn how to do it. Similarly, someone may be very energetic and dynamic but have few skills in bringing out energy and dynamism in others. Accordingly, a firm's best practitioners or best business developers could make the worst practice coaches.

As a result of this historical (and sometimes political) reality, some firms have found it necessary to appoint two people to lead a practice. One (perhaps called the “practice chair”) is the luminary, someone well known in the marketplace, whose primary focus is representing the group to the marketplace. This person bears no coaching responsibilities but is backed up by the “real” practice coach who does the coordinating and counseling and effectively runs the practice.

Time to Do the Job

Probably the single biggest source of failure in practice group coaching is the failure to give the practice coach the time to do the job. In many firms, practice coaches are expected to be as fully chargeable as anyone else in the practice.

As a result, they continue to view their own individual practice as job number one and their coaching responsibilities as a secondary, lesser responsibility that they carry out when time allows. Not surprisingly, since most professionals live busy work lives, something always has to give and that “something” is

almost always their practice coach responsibilities.

As one practice coach said, “I’m doing this job on faith—the faith that at the end of the year someone is going to remember all the time I have put into doing this job and the faith that I’m not going to get screwed at compensation time because I don’t have the numbers I would have had if I’d practiced full time.”

The real problem here is not the practice coaches, but firm management. When asked if management is prepared to give assurances to the practice coaches that if they spend time on the role and do it well they won’t be penalized for any drop-off in billable hours or revenue generation, too many firm management groups reply (publicly and privately) that while they buy the concept of practice group leadership, they are not prepared to take any risks with the firm’s economics. They will give no assurances to practice coaches that any drop in the leader’s production won’t be taken as adverse.

In a previous article (“How Practice Leaders Add Value,” *Managing the Professional Service Firm*, 1993) I showed how easy it is to prove that the firm would make more money from having well-managed groups than from realizing the incremental billable hours of the practice coach. Accordingly, best practice is to align the incentives for the practice coach with the best interests of the firm.

This is simply done. You tell practice coaches that they are measured and appraised by how well their group has done, with their own personal statistics being deemed irrelevant. They are still expected to practice and generate revenues (as much as they like) but

personal accomplishments no longer count in their appraisal. Only improving the group’s success represents a fulfillment of the role.

If they can help the group to succeed while still carrying a full book of business so much the better. But if they cannot do both, then it is clear which job is their number one priority—the group!

For a variety of reasons, this simple solution is not yet possible at many firms since there is a profound mistrust of any partner who is not carrying his or her “full load,” something that is always defined in terms of production (because production is the only valued activity in these firms).

Such firms will need to experiment with interim solutions such as reducing the target production levels (billable hours) of the practice coach below the level required of other partners in order to free up the required time to coach. Without doing this, all other efforts to create functioning practice teams will fail.

However, even this step alone is insufficient. The firm needs to be credible in the eyes of each practice coach in that his or her performance appraisal will give significant weight to performance as a coach. This is necessary not only to keep the coach’s eye on the ball but to be credible to all other partners that the coach is not getting a “free ride” through reduced production hours.

The reluctance to allow any one practice coach to reduce his or her production hours by too great a sum usually implies introducing a practice coaching system that has a larger number of coaches, each spending a small amount of time with a small team. This has the merit that you are more likely to get group teamwork

and cooperation started in smaller groups (of five to ten partners, for example).

Larger practice groups can and do succeed, but they almost always require significant practice coaching time. A good case can be made that because coaching skills are scarce, the better long-term solution is to have fewer people playing the coach role, each spending more personal time guiding larger groups. However, few firms have the courage to begin with this step.

Input to Compensation Decisions

One final element is necessary to get a practice group coaching system off the ground. Practice coaches must have a formal role in providing input to the firm's performance appraisal and compensation system.

The irreducible core of a practice coach's activities is getting the team to plan its activities and then to follow up with each team member to ensure that agreed-on activities are indeed executed. Hopefully, the coach will rely primarily on personal charm, interpersonal influence and inspirational charisma to ensure that all team members pull their weight.

However, it would be naïve to believe that the practice coach will not occasionally have to deal with severe degrees of noncompliance such as refusing to show up for group meetings or failure to deliver on promises made to the team.

What, then, should the practice coach do? The best solution is to require each coach to provide formal input to the firm's performance appraisal and compensation system. The coach does not determine compensation and is not the sole source of performance appraisal.

However, he or she does have the opportunity to comment on how well each team member has contributed to the collective effort.

Conclusion

It is fascinating to observe the extremes of philosophy that exist with respect to practice groups and practice group coaching. In many firms, practice group coaching is well entrenched and has been so for years, if not decades. In other firms, even those in the same profession, the very concept of practice group coaching challenges deeply held beliefs.

Based on my observation of professional firms around the world, there is no doubt in my mind that the firms with team-based, well-coached practice groups are increasingly able to use coordinated, collective efforts to win clients and staff from the uncoordinated, individualistic firms.

Practice group coaching is undeniably powerful, but it is equally a radical change of mindset for many firms. Done properly, it can bring not only greater economic success but also change the culture of a firm, enhancing collegiality and mutual support.

However, these benefits will not be brought about by dabbling. If partners don't want to be coached, if firm management doesn't want to make the formal changes it requires and if practice coaches would rather practice than coach, then you'll be wasting your time.

As one firm's chairman said, "What you're saying is that there's no point training someone for a role that no one wants them to perform, one that they themselves don't want to do and one for which there is no reward." Exactly right!

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