



TOP 20 STRATEGIES FOR '21

THE MPF 2020 VIRTUAL CONFERENCE POINTS THE WAY TO LAW FIRM OF THE FUTURE

The likely path to a successful post-Covid law firm played out on a virtual stage on Thursday, October 1st, as 12 of the nation's leading experts on law firm management articulated a vision of returning prosperity for an audience of almost 200 managing partners of law firms from all over the U.S. and Canada.

At The Managing Partner Forum's first Virtual Leadership Conference, leaders of law firms absorbed advice from organizers John Remsen, Jr. and guest host Uri Gutfreund, along with 10 other thought leaders in law firm-focused marketing, technology, finance, and human resources.

"The traditional law firm is dead," Remsen said in his opening remarks to 194 law firm leaders listening intently online. "Your legacy will be determined by how you lead your firm through this challenging situation; we're here to learn how to be more effective in this very challenging role."

A mix of comment from the experts, interspersed with polling questions posed to the audience, revealed considerable confidence on the managing partners' part about their firm's current and future situations, with 92 percent, responding to a polling question, saying their firms have adjusted "much better" or "somewhat better" to the Covid pandemic than they anticipated.

Sixty-nine percent of the attendees polled said they were better positioned now, in October, than they were in the weeks right after the pandemic sent lawyers and staff home to work virtually. And 93 percent of the leaders said they were "doing great" in their leadership roles, or, more modestly, that they "have more good days than bad."

Remsen, President and CEO of The Managing Partner Forum since its founding in 2002, said the yearning of some managing partners to return to pre-Covid "normal" in the office was misplaced; "We don't think 'back to normal' is the right path," Remsen said. "Let's evolve, adapt, pivot forward, and become a stronger, leaner law firm as we move forward."

Remsen, who is also President of TheRemsenGroup, has counseled leaders of more than 425 law firms on strategic planning and management issues, speaking at law firm retreats, and assisted in Chief Operating Officer (COO) searches since he founded the group in 1997.

Six segments of about 20-30 minutes each yielded rich insight about how best for leaders to move forward, but here we have distilled the three-hour conference to 20 of its most salient points, as promised in the title, **"20 Top Strategies for '21."**

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1) Lean Forward; Now is the Time to Pivot.

Law firm leaders need to look to every possible tool to get beyond this slower period, and in some cases, move past layoffs and downturns in business to plan for a future that will look quite different—in some ways, changes we already understand, and which we have begun to implement. Leaders and partners need to lean into vigilance about all that is about to happen as restrictions on business and personal interaction begin to thaw as treatments and vaccines are ushered in to use.

2) Tune into People, Especially Your Young Partners.

“Your” lawyers have been under enormous stress, of course. But for some, the work-at-home era has been liberating, enabling them to better blend their careers and the rest of their lives. Your firm’s changes due to Covid may not be popular with everyone, but some of your partners have long harbored a desire to escape the commute and they experience no need for physical presence in an office. As you adapt to the New Normal, keep in mind that your younger partners and associates will be living with your decisions much longer than the partners who have spent more years on the planet. They should have the bigger vote for changes that affect their future more than yours.

3) Determine Your Firm’s Future Business Model; Come up with a Game Plan—Prioritize!

There’s a lot to do, and you can’t do it all, at least not right away. Where are your priorities? Secure excellent communications platforms for remote work? Build your associate corps to add leverage to your firm? Hunt down new bankruptcy work in the wake of Covid? Open your doors on a new practice or office? Identify your sweet spot for growth and rapid recovery, and focus there first.

4) Select and Monitor the Right KPI’s for your Firm; Every Firm is Different.

The type of firm you run will determine the Key Performance Indicators you should watch to determine your success. For some, it will be simple revenue; for others, net profit. American Lawyer posts Profits per Equity Partner as a significant measure, but that’s an easy statistic to manipulate. Realization of billing is another. Cash flow, non-fixed expenses, billable hours; the numbers that matter to you can and should vary depending on your chosen path to prosperity and how your firm does business. This is a good discussion to have with both partners and financial professionals to arrive at the right mix of stats to accommodate YOUR focus, while setting aside the ones that don’t really count for you.

5) Consider Non-Financial KPI’s.

Don’t be so number-crazy that you overlook factors that do not tie directly to dollars and cents. Consider questions like where new work is coming from. Existing clients? New clients? Are old matters still generating work? Who are the principal rainmakers? Do they get what they need to expand their effectiveness even more? Who’s giving back to the community in some way, and how does that come back to help the firm? What percentage of partners’ time is spent on various activities in marketing and rainmaking? How about attorney job satisfaction? Client satisfaction? Look at “human” measurements, not just financial ones. They matter, particularly in the long term.

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6) You're Not Having a Great Year if You're not Beating the Firm Next Door.

Your 3 percent growth may impress YOU, but it's less astounding if similarly situated firms are seeing 5 and 6 percent returns. Keep aware of the competition and their results to help you gauge your own benchmarks for success.

7) The Right Approach for End-of-Year Collections in 2020.

Seventy-three percent of our attendees said they plan to handle end-of-year collections the same as in an ordinary year. Only 15 percent said they would take it easier on their clients this year than they usually do. This is a delicate question, and undoubtedly fueled by the tenor of your existing relationships and the impact Covid had on them individually and collectively. You may know whether some of the virus' impact was absorbed by Paycheck Protection Program (PPP) loans, and that information is likely public and attainable. Do consider the financial and perhaps emotional pain your client is suffering, and tailor your approach to collections to the reality he or she is facing.

8) Get an Independent IT Audit.

Your technology may not be right for your firm, if it ever was. Have a qualified technology vendor in to evaluate your technology and systems to make sure you are getting the best bang out of your (considerable) buck. Virtually any law firm that has had a serious audit has benefited from better efficiencies and often, lower tech costs.

9) Stop Saying and Thinking "Working Remotely."

Morris Tabush, founder and president of Tabush Group, put it succinctly: "My partners used to say, 'I'm working remotely today,'" accepting the many limitations to their connectivity and the ability to interact on documents and collaborate on work with their partners. "Now, there's no more 'working remotely,'" Tabush said. "They say, 'I'm just working.'"

10) Eschew the Bright, Shiny Toys that Waste Money and Time.

Your IT audit may point to some subtler issues, but you may have an expensive elephant in the room you can easily spot. Irene Sinayskaya pointed by way of example to her firm's Client Relationship Management system, which was very expensive, and which none of the lawyers ever made use of, despite (and perhaps because of) its many bells and whistles.

11) Refocus Your Firm's Investment in Marketing and Business Development.

Many of the most common marketing tactics are untenable in the time of Covid; our panel agreed that there are two principal tools where firms should focus for the time being. The nimble use of LinkedIn, Twitter, and other social media platforms is one. The other is webinars and other client educational or social events, conducted online, of course. It takes some training and some patience to make virtual what had once been in-person, but if The Managing Partner Forum can make the transition, so can you.

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12) Innovate an Event or Program.

Your firm can make a splash with an idea that gets ahead of the curve on an important issue or initiative. For one of our Forum-active firms, one idea has both done good, and been good for the firm's results. John Harrity, managing partner of IP boutique Harrity & Harrity, LLP, told of his firm's minority firm incubator. Lawyers of diverse backgrounds will come into Harrity and work at the firm for three years. During the fourth year, the visiting lawyers leave to start their own firms alone or with partners. By then, Harrity says, "we have a client lined up to give them work when they open." The program is in its first year, and is expected to remain in place indefinitely. It has already brought success to both the new lawyer who took the first incubator opportunity, and also helped burnish the reputation of the parent firm.

13) Confront Underperformers and Toxic Personalities.

Turning to human relations issues, our panel of experts covered this area, which long predates the advent of Covid. Managing partners are often reluctant to take on the burden of addressing the work of lawyers who underperform, or those who misbehave. Neither can be tolerated, and the chief tactic we've found useful is intuitive: Be direct. The problem partners must hear your concern, directly from you, find out how they need to address it, and learn the possible consequences. Dancing around serious problem lawyers has often led to catastrophe.

14) Be Careful with Older Partners and Of Counsel.

Everyone tires of practicing law at a different time—and some never do—but when it comes time to move on, there may be an intermediate step. Is there some role for an older partner short of leaving? Maybe a specialty role as liaison to the business community she's been serving, or a role as spokesperson for the firm on a particular firm initiative or project? Innovation here may be good for the firm, and keep the older lawyers productive and happy.

15) We're Running a Business, not a Country Club.

Kind and humane leadership with the lawyers denoted above is in order, especially in this fraught time. But lawyers who are a drain on your firm cannot stay in place forever. When it's time for them to go, plan their departure, even ask them what would make the parting work best short of bankrupting the firm, and pick the day. You are running a business, and that entails some unpleasant choices and responsibilities.

16) Everyone is Accountable for Human Resources Problems.

"It's not my problem," a new associate or staffer may say of an H.R. issue. Oh, yes it is. Everyone at the firm should be aware of trouble spots among his or her colleagues, and point out those problems before they become crises.

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17) Stay Agile When You're Fragile.

This is the time to move rapidly to fill your own lawyers', employees', and particularly clients' needs. Stay alert and flexible to the changing needs with regard to their practice areas, technological and marketing needs, and management issues that may not even have surfaced yet. You need to respond quickly and adeptly to everything coming your way, including obstacles that you have not even imagined.

18) Reach out Now, and Often, to Your Clients.

Gerry Riskin, founding principal and chairman of Edge International, spoke of a client that reached out at an unusual time—around the Easter-Passover holiday season, in the first two weeks of April, when hardly any firm was sending communications about anything EXCEPT Covid. The firm sent personal notes to its top 100 clients, the gist of which was “This, too, shall pass.” Riskin was astounded by the response: “Literally 100 percent of the recipients responded, all positively, many of them within three hours. “Get your people out there, Riskin counsels. “Have virtual coffees, virtual lunches. Just reach out.”

19) It's Not About Selling; It's About Caring.

John Remsen, Jr. said this is not a time for the hard sell. Show clients you care, that you really want to know how they're doing, and how you can help. This very difficult time is exactly the right moment to shine as a human being first, and as a practitioner, second.

20) Communicate, Communicate, Communicate.

Talk to your lawyers; talk to your staff; talk to your clients. Tell them what's happening, how Covid has affected you, and what you are doing about it. Ask them what they need, what you can do, and how you can help them get where they want to go. Communicate.

In the concluding session, Riskin and Remsen observed that most law firm leaders they speak to and query still report they are doing fine handling and weathering the economic crisis. Not so fast; there may be a false sense of optimism and security in the face of what is truly unprecedented change. Stay humble and admit to partners that you don't know what you don't know; a suitable sense of humility will help you through to meet the challenges of 2021 and those beyond. Rely on your common sense, your partners' contributions to your wisdom, and your abiding commitment to the well-being of your firm and your community, and we will all get through.

NOTE: Interested law firm leaders who were unable to attend the virtual conference can still get access to the three hours of content. The Managing Partner Forum is offering a complete recording and the handout materials for \$195; they can be ordered by contacting us at 404.885.9100 or info@theremsengroup.com. We look forward to hosting the law firm community at our forthcoming regular virtual (and eventually, live) events.