



HOW TO WORK THE UNWRITTEN RULES AND LEAD CHANGE

BY ARTHUR G. GREENE

If you want to transform your law firm, you need to start by understanding that leading change is tough, especially when the firm's culture is the biggest roadblock. In his upcoming book **The Lawyer's Guide to Law Firm Governance**, Arthur Greene points to the critical steps you can take to move past a lawyer-focused culture to a "firm-first" or institutional culture. You can upgrade the quality of lawyer and staff hires, for example, and shore up your firm's structure with a revamped partnership agreement and compensation system. But none of that will matter if you ignore the following unwritten rules for leading a stronger firm, based on what Greene says are the overarching factors commonly found in successful firms with positive cultures.



RULE 1

ELIMINATE INTERNAL COMPETITION

Too many firms exhibit excessive internal competition, often owing to the workings of the partner compensation system. As a leader, you need to examine the extent of internal competition among your lawyers and evaluate the harmful consequences. In most cases, you'll find that internal competition is consuming time and energy that should be spent competing in the marketplace. Focus lawyers on making the firm successful as an institution, instead of on outdoing each other.

RULE 2

VALUE THE TEAM PLAYER

In a profession where egos can be large and lawyers seek to promote individual successes, rewarding team players can be a challenge. Financial productivity has to be rewarded, of course—but team players provide the glue and commitment that hold the firm together. Successful firms find a way to value their contributions. **Make sure your compensation system recognizes team players' importance.**

RULE 3

CONFRONT THE SACRED COWS

Every firm has them: an activity, practice or person who gets away with ignoring firm policy or procedures. Often it's a senior partner, or someone associated with a senior partner or a strong performer. In the past, firms worked around such sacred cows. Managers promoted firm policy with some, while others violated policies without consequence. Sacred cows are unhealthy under the best of circumstances, but in a struggling firm they can be deadly. Stop ignoring them and take action.

RULE 4

EXPOSE SECRET AGENDAS

Secret agendas are the undisclosed motives of a partner whose positions in firm matters do not reveal the partner's real goal. When arguing head-to-head over an administrative issue, for example, other current disputes may be the true reason for inflexible positions on the issue at hand. Secret agendas undercut good governance. Expose them if you hope to have candid and productive discussions.

RULE 5

CLEANSE THE FIRM OF DISRUPTIVE PERSONALITIES

Almost every firm has a partner who is disruptive and difficult, but who is tolerated because of senior status or financial contribution. Beware: One person can be enough to prevent necessary change in your firm's culture. Many firms weigh the pros and cons of confronting the disrupter, and then end up compromising their standards. While some compromises may seem unavoidable, many firms remain troubled and stagnant because they avoid dealing with the issues. As a firm leader, you must face up to tough decisions or you will lose credibility in other areas.

RULE 6

PROMOTE SENIOR PARTNER GENEROSITY

The generosity of the most productive senior partners is typical in successful firms. Generosity can be shown in a variety of ways. Often it means quietly giving up dollars in the income allocation process to ensure that younger members of the firm—the high performers of tomorrow—are adequately compensated. Encourage it. If the partners at the top exhibit a generous spirit rather than fight for every last dollar, they will build a stronger firm and set a positive example.

RULE 7

GIVE CHANGE A CHANCE

The most successful law firms are those that implement changes in their practice methods to meet the challenges of the current legal marketplace. If your firm does not embrace change, the struggle for profitability will become harder with each passing year. For many firms, change comes only when the firm's very existence is threatened. For some, the revelation comes too late—don't let that be your firm. **LP**

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The Lawyer's Guide to Law Firm Governance

Arthur Greene's new book, available from the ABA Law Practice Management Section this fall, offers expert advice on the steps required to run a successful law firm in today's environment. Visit www.ababooks.org for more information and to order.