



But We've Always Done It This Way ...

More so than many other types of businesses, law firms, and lawyers, are creatures of habit. Perhaps it is the reliance on precedent in the practice, or perhaps it is the relative conservatism of many law firms. Whatever the reason, we find that law firms are often resistant to change, whether it be for small items (font style, or logos, for example), or bigger ones (approach to partner compensation, or approach to firm leadership).

While tradition and adherence to the tried and true can be stabilizing and valuable, there are times when it can get in the way of progress. We find that some firms, and partners, are so rooted in those traditions that they lose sight of the original purpose and hold on to approaches that no longer work effectively for the firm. We aren't talking about big picture innovative ideas here but everyday processes and policies.

Of course, change for change's sake is not a reason to shake things up, but modernizing the firm, attracting and retaining talent, and serving clients more effectively can be a valid reason to consider change. People, and perhaps lawyers more than most, tend to dislike change. It disrupts the equilibrium and can be a distraction. However, the legal industry and the world around us is changing every day and as a result, many approaches which worked in the past are now under pressure – from hourly billing to associate compensation to technology and the list goes on. While there are certainly ways that law firms have evolved, and are innovating, there are many ways that they have not.

When Partners (and Others) Dig in Their Heels

In our work we see many examples of processes or policies that may no longer be serving the firm well but where inertia or commitment to an outdated norm creates resistance to change. For example, one firm was concerned about the lack of diversity in their leadership group but could not see a path forward because their norm was that only leading rainmakers could serve in those roles. This view significantly reduced their pool of diverse candidates. Despite the fact that rainmaking skills do not necessarily correlate with leadership skills, the firm remained very reluctant to change their norm in order to achieve their diversity goal.

In another firm, the approach to partner compensation and draw was causing the firm to be less attractive to laterals, and was an issue for the firm's younger partners as well. The policy made sense when the firm was small and revenue was uneven but as the firm grew and revenue patterns became much more predictable the policy was far more conservative than needed and didn't make economic sense for the firm or the partners. There was resistance to changing the policy not only because it was seen to be part of the firm's culture, but because some of the senior partners felt that if they had survived under the system others should be able to as well.

This theme of "we've always done it this way" translates into legal service delivery as well. The training and development model in most firms is dependent on senior lawyers training younger lawyers on many aspects of the service delivery process. As a result, traditional elements of the practice of law are passed on to the next generation. Of course, learning through past experience offers value. However, it can also lead to resistance to new ideas or approaches, or even just a lack of awareness. As a result, the pace of change can be glacial.

How to Break Through

Given the ever-increasing need for firms to be efficient and effective organizations, what can firms do to break down the barriers to change? A few ideas include:

- **Seek new ideas from other firms or clients.** Many managing partners participate in networks and roundtables.

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These can be useful forums for hearing about how other firms handle various aspects of running their firm. While another firm's approach may not be the ideal model, it can help you think about alternatives to your own approach and look at it with fresh eyes. And looking outside the practice of law can be particularly useful for breaking the mold. How do your clients approach their business?

- **Educate lawyers and staff.** Encourage the firm's lawyers and staff to participate in networks and attend conferences that will expose them to new ideas and thinking that they can bring back to the firm. Not only will the firm benefit from some of these ideas, but it creates an environment where lawyers and staff are willing to listen to new ideas proposed by the leadership team.
- **Encourage new ideas from the lawyers and staff.** Lawyers and staff, especially those new to the firm, often identify inefficiencies or opportunities for improvement but may not see a way to share their ideas with leaders. Whether it's a virtual suggestion box, an open door, or some other means, encourage people to bring new ideas forward. Take ideas seriously, try not to be defensive, and publicize success when a change results from someone coming forward to share an improvement opportunity.
- **Be proactive.** Instead of waiting for pain points to appear, be proactive about re-evaluating various firm processes and policies. This can be everything from how the firm selects a new leader, to how the firm accepts a new client or matter, to the billing process, to how the firm communicates with lawyers and staff. You can use formal process improvement techniques or you can informally break down the process and question the utility of each step.
- **Create a culture of change.** While you don't want to be changing the ground rules on a daily basis, firms which regularly embrace change around some of the small things find that it encourages new thinking about bigger items as well. It's hard to jump on the innovation bandwagon if the firm is clinging to the past. While the approaches above help to create that culture, messaging and role modeling from top leadership helps to reinforce a change culture. Leadership needs to not only encourage change but embrace change themselves.

Every firm likely has a sacred cow or two or three. The challenge, and the opportunity, is to make sure those sacred cows continue to serve the firm well over time. If a process or policy has outlived its usefulness, then it's time to make a change. Being adaptable about the small and medium changes can help to facilitate the more innovative ideas that will serve the firm well in the long run.

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