

# Radical Proactivity – Five Projects to Get Ahead of the Game

By Nick Jarrett-Kerr

At first sight, a recession may not seem the best time to take risks or to invest in long term development or in radically overhauling a law firm's strategy. It seems more intuitive to batten down the hatches, trim overheads, tighten up the operation and wait until the recessionary storm clouds recede before attempting anything which costs money. If, however, past recessions are anything to go by, this is just the moment for bold and agile firms to invest and plan in their longer term future.

There are five projects or initiatives which firms might like to start to think about to help place them ahead of the game. All involve both a little expense and a healthy amount of time and effort but should stand the firm in good stead as conditions start to improve.

## 1 Remodel the firm's infrastructure and platform

The recession gives firms an opportunity to ask the question 'how could we do things differently?' Imagine that you are starting a law firm from scratch and ask yourself what it would look like, what systems it would have, what internal infrastructure it might use and – above all – what behaviours people would need to exhibit. I have been saying for a while now that law firms have to

be run as proper businesses, with appropriate management, modern technology and efficient and consistent working practices which are focussed on excellent client service. Everybody nods in agreement but still nothing seems to happen. Few firms have galvanised themselves into radical restructuring. Inconsistency of service, poorly organised teams, and management indiscipline all still appear to be rife in many firms. When further questioned, law firm leaders often say that lack of time impedes or prevents action and implementation. Frankly, it is difficult to 'buy' that excuse now as many partners are still reporting relatively low levels of work. Hence, this seems to me a really good time to get stuck into projects to overhaul working practices, improve and harmonise services, automate document assembly, reorganise teams and improve the use of technology.

## 2 Rebuild Esprit de Corp

I am also hearing reports of low morale in law firms amongst partners and associates. It has been – and still is – a tough time for partners and fee-earners. Most people still feel uncertain about their personal future prospects and some are downright paranoid



even when they have no need to be. In short, we all need reassurance in uncertain times and this is particularly true during a recession or a downturn. Huge numbers of lawyers at every level have been laid off, and those who are left need special care and nurturing. At the same time, lay-offs and redundancy programmes have damaged trust, confidence and mood. A highly valuable internal project can help improve morale greatly. Alternatively, a number of firms are cautiously and cost effectively re-introducing off-site days, partner conferences and retreats and are finding that morale is improving as a result. There is not much room for the lavish three day event at an expensive location but the response ought to be to try to find a cost effective way of achieving the same objectives instead of canning all such investments. You don't of course lay on an offsite event just to engender a morale boost but it can be a great way to kickstart some of the necessary overhaul projects which I have mentioned. In addition, there is a whole heap of action planning and business development activities which can be created and developed if firm members take time out to sit down together and work as a group.

### 3 Cross-selling revisited – the ‘carrot and stick’ approach

We have probably all lost count of the number of cross-selling articles and books written, and internal projects uncompleted,

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over the last few years. And still, many firms rate themselves very badly on their cross-selling success rates. In difficult times, it is much easier to win new work from loyal existing clients, and hence the art of cross-selling becomes even more valuable during a recession. It is probably not radical to suggest a back-to-basics look at this topic, but what would be radical is if firms actually started to hold people to account for success or failure in their efforts. It is not rocket science to take a manageable group of the firm's best clients and to form a team to understand each client better, build relationships across wider practice areas and develop more or better business. Yet it is somewhat surprising to me not only that more firms simply do not engage in such activities but that firms who make some attempt to address the subject still seem in some cases to regard it as an optional hobby which nobody takes seriously and nobody polices. The carrot and stick works well however with cross-selling projects – the carrot of inspiration, motivation and reward being balanced by the stick of accountability and discipline.

### 4 Revitalise your core teams

Teamwork is a much neglected area of development in law firms. Projects are still managed in an amateurish manner and with little focus on the improvement and delivery of excellent client service. Delegation and feedback are all carried out sporadically and unsystematically. Team projects formed for the development of key account relationships with important clients quickly seem to run out of steam. Internal mentoring and skills building as important areas of specialism still seem to be the exception rather

than the rule. It is natural in hard times for law firm leaders to look for items of expenditure to cut and one of the early casualties in this recession has been the development and training budgets. Development and training seem to suffer whatever the market conditions. When things get hectic, lawyers are too busy to attend (or be released to attend) team building or training sessions. Conversely, training gets cut when everyone is quiet and has the time to undergo training. It's a natural reaction in both cases but I can't help feeling that each response tots up to be a mistake in the long run. Furthermore, the training budget is often not a huge overhead item compared to other areas of expenditure. Cuts in training budgets are easy to achieve but often result in little financial benefit, whilst being damaging in the long run. I am all in favour of cutting out the expensive 'vanity training' events aimed at senior lawyers, but feel that firms should spend time, effort and money on developing the core teams around them – arming them with the right skills, knowledge and competencies to take the firm forward even in times of uncertainty.

## 5 Make a radical strategic move

I am seeing an increasing number of go-ahead firms thinking seriously how they can make some strategic move now which can hopefully give them some sort of advantage over their competitors. There are a number of possible attacking moves which a firm might want to consider while times are still bad. In the first place, some firms may feel that their survival strategy is best served by going for further growth or by becoming part of a bigger enterprise where the advan-

tages of scale, critical mass, and deep teams will allow them to maintain or improve their financial and competitive positions. Firms which are effectively playing in the minor league can move up a tier by becoming part of a bigger firm. Equally, generalist firms can greatly benefit from adding teams and individuals who help supply a specialist edge in different sectors or practice areas. It is no surprise that merger activity and team acquisitions are therefore increasing as firms become proactive in these areas. Again, a thoroughly business-like approach is needed if partners are to swallow their prejudices, pride, fears and feelings of mistrust to become part of something bigger.

An alternative is to follow a 'niche' or 'boutique' strategy. Becoming a kind of 'Designer Label' allows the firm to avoid all the disadvantages of growth and to remain niche (or at least small) by competing with much larger firms in a restricted set of markets or services and specializations. This strategy is not as easy as it sounds as it may require the firm to discard irrelevant or unprofitable offices, departments and partners.

The point is that a recession does give firms the opportunity to carry out some quite drastic and radical restructuring or repositioning.

These attacking moves form examples of a number of strategies which have at their heart a desire to improve or change the firm's competitive positioning in the market-place, and which help firms get ahead of their rivals.

