TIME TO MANAGE

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In my experience, most firms are woefully undermanaged. Everything imaginable is "learnable" if one wants to and has motivation to improve. But fundamental to beginning that process is realizing that improvement is necessary. And specifically, identifying what needs improvement.

Most lawyers are not known for being good business managers. Or even entrepreneurial in spirit. When coupled with a strong propensity to maintain control of everything they can, it's easy to understand how so many lawyers lose their way where managing a firm is concerned.

A poorly managed firm doesn't necessarily indicate that meetings aren't held. In fact, many firms devote entirely too many hours to meetings which are unproductive and often unnecessary. All while avoiding investment of time in meaningful discussion necessary for improving workflow, client service, market position, quality of life at the firm, and/or the bottom line.

Whether the management issues are regarding the growth of one's personal book of business, the firm's direction or growth, the bottom line, development of staff, or any number of other essential areas, firms are consistently devoting insufficient time to the right activities, and far too much time to the wrong activities.

For example, I consistently facilitate retreats for firms at which a significant percentage of stakeholders start the process thinking a monumental amount of time and money is about to be wasted. Their past experiences have usually been shining examples of a good business process done painfully wrong most of the time. When I conduct firm management audits, I almost always hear about lengthy and frequent meetings droning on about day-to-day management details, which create a feeling

for most that fingernails are scraping endlessly across a chalkboard. Or the opposite; the inability to get anyone to meet or provide input when significant decisions must be made, leaving the firm incapable of implementing meaningful change.

Some of you may be thinking, so what? We're no different from anyone else out there. We're all struggling. While that may be true of many firms, it is thankfully not true of all. I encounter firms of all sizes which are well managed. Firms where sufficient time is focused on the right areas of management, and all else is delegated.

Well-managed firms are more profitable. They enjoy greater market dominance. They are more successful at creating a positive work culture and attracting and retaining good talent. Problems do not tend to perpetuate year after year. Stress levels are lower. They usually provide greater work satisfaction.

Several studies indicate that the level of meeting effectiveness is the most powerful factor in job satisfaction. Surveys in the US indicate that 71% of employees feel their meetings aren't productive. If your firm has this issue, you are not spending your time wisely. And we know that time is your most precious asset.

You are probably thinking about a question I am frequently asked: what is the proper amount of time to devote to management, and how should the time be invested? The answer is always a lawyer-like "it depends" because so many factors are involved in arriving at the answer.

Let's start with determining the foundation of required management time and build from there. Every firm, regardless of size, should do a thorough self-evaluation— usually referred to as a self-audit— not less than every two years. Depending on the size of the firm, this may be done by the owners, or by a small committee at larger firms. Every part of the firm should be subjectively and/or objectively examined. The parts include such things as

- People: are there too many, too few, underperformers, sacred cows, killer bees, 900 lb gorillas, unrecognized superstars, turnover issues, infighting, lack of vision and alignment, no disaster or transition plans? Are their partners who have "secretly" retired without the courtesy of informing the firm? Is the firm making consistently poor hiring decisions? Who is managing this area, and is it being done adequately?

- Physical plant: in what condition is the building, furnishings, finishes, noise, equipment, air quality, temperature, room for expansion? Who is managing this area, and is it being done adequately?

- Technology: what is the state of the firm's technology in terms of performance and utilization, are people properly trained, is the firm leveraging and protecting its intellectual property? Is technology a key to meeting or exceeding client expectations, and delivering value-added service?

- Marketing: does the firm have a clear picture of its brand including desirable clients, practice areas , referral sources, and how it differentiates itself from the competition? Does each practice area, and each attorney within, have marketing plans with specific goals and objectives? Is sufficient money budgeted? Is client satisfaction being actively monitored? Who is managing this area, and is it being done adequately?

- Finances: does the firm know whether it is making a profit, and if so whether it is trending up or down? Is partner compensation fair and adequate? Is there a budget and accountability? Are good recordkeeping practices in place so that the firm has meaningful data to examine? Does the firm know which areas of practice and which clients are most and least profitable? Has the firm done any benchmarking to determine whether its rates are appropriate? Has the firm explored billing alternatives with clients? Has the firm implemented strategies to improve billing realization, collection realization, and the bottom line?

- Change management: Is the firm looking to the horizon and thinking strategically about recognizing and taking advantage of opportunities, shoring up weaknesses, and proactively defending its vulnerabilities? Depending on the size of the firm, is there thought and a game plan for exiting, transitioning to the next generation, bringing up the next generation of leadership?

Even a cursory examination of these areas will likely produce a significant list of issues and desired goals. These are the items that need management attention and time. The first question that every lawyer should ask at this point is whether the handling of any of these issues can be effectively delegated. This is an important question. Especially since an inability to effectively delegate is practically built into the DNA of lawyers.

Let me be very clear. Most of you are committing your time to doing things you are better off delegating. Choosing to delegate will free you up to do the stuff you *should* be doing, management-wise, but can't get to. And what you delegate will probably be done *better* than if you did it. Yes, you heard me right. I said better.

I was contacted by a law firm on the hot line recently, which was about to hire their first "real" office administrator. The firm had grown to about 17 attorneys, certainly more than large enough to justify a professional full-time manager. We talked about the job description. All agreed that the agreed-upon areas of responsibility were best performed by a management professional. I then asked a number of challenging "what would you do if" questions. I was not surprised that the answers revealed that although the firm was intellectually ready to delegate, it was not emotionally ready to let go in many areas.

No one can force an attorney to delegate management responsibilities. It's not just an intellectual decision; it's an emotional one as well. The emotional aspect is also amplified when delegating to a non-attorney, which is often the case. But make no mistake: for all but the smallest of firms, delegating the oversight for management of day-to-day operations to a talented business manager / law office administrator, will be a wise decision.

Using a professional manager doesn't mean that there are not policies and procedures in effect to ensure that the decisions of the owners are properly followed and implemented. Quite the contrary. A good professional manager will help the firm codify its policies and procedures.

Using a professional manager doesn't mean that proper reporting isn't required to provide assurance that what is delegated is being handled adequately. Again, to the contrary, a seasoned manager will create many time-saving reporting mechanisms to provide a level of comfort to the owners.

What hiring a professional manager does mean is that time investment of owners in operational oversight becomes minimized. For firms where typically little if any time is devoted to operation oversight, hiring of a business manager results in a real improvement in procedures and efficiency, and usually profitability too.

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The topic of how to define the business manager's role, or how to hire and orient the right manager, is not the topic of this article. PBA members who want assistance in this area are encouraged to contact me at LawPractice@PaBar.org or 1-800-932-0311 x2228. The remaining portion of this article will focus on is investing the right amount of time in the management areas which cannot be delegated to non-lawyers, or in some cases, non-owners, and how to invest that time to maximize results.

The self-audit process, along with issues which are brought to management's attention, or arise from time to time, will create a long list of issues to address. Delegation of day-to-day management doesn't mean no partner time is needed, it just means the focus is on more significant issues. These issues should be separated into categories:

- Those which can be delegated to the business manager with procedural or policy creation
- Those which can be delegated to a small committee to examine further. After a report and recommendations of the committee, it can be decided how to best implement solutions
- Those which require considerable input from one or more segments of the firm, as well as those which may require expertise outside the firm. Most often these issues require a plan to implement desired change or solutions over time, and with buy-in of stakeholders.

Aside from a frequent need to gather and digest relevant data pertaining to issues, whether that be vendor quotes, articles on topic, or internal analysis, the majority of your essential management time will be spent in individual or group meetings. Let's discuss how to make them as effective as possible.

1. Only meet when absolutely essential. Providing update or status information is best accomplished by email. Meetings are inappropriate venues for chastisement. That should be done privately. Management meetings are not the proper venue for building enthusiasm; retreats are more suitable settings.

2. Only invite those who are necessary, meaning those whose input is vital to the dialog or decision.

The meeting leader has to make sure that meetings are not dominated by one or two strongly opinionated individuals. The meeting leader is responsible to get input from everyone, and make sure all points of view are heard and vetted. Nudge the quiet ones. Rein in the outbursts. Force focus from tangential issues back to the main topic.

Use of a whiteboard to "park" tangential issues which arise is helpful. It allows people to refocus without fear that something else of importance will be permanently sidelined. These issues can be put onto future agendas.

3. Always have an agenda which is distributed in advance, along with relevant data needed to make a decision. Allow people to contribute to the agenda. Make sure the objective of the meeting is clearly stated, e.g. this meeting will discuss the proposed marketing plan, we will make final revisions, and a final plan will be approved.

   Many firms suffer from a lack of preparedness, meaning that people don't read the agenda or relevant materials in advance of the meeting. That wastes everyone's time. Use read-receipt on emails sending agendas and materials. Flag your copy for resending again in 24 hours.

   If necessary, leave a personal vmail for anyone who has not opened the email.

4. Prepare for all meetings. Most lawyers wouldn't think of going to court or a conference without proper preparation. Yet when it comes to the vital business of running their firm, they think they can "wing it".

   The meeting leader should adequately prepare by anticipating issues and questions which may arise. Clear roadblocks can be eliminated or at least minimized with some private meetings in advance with the right individuals.

   Sufficient information should be at hand in order to move past exploratory questions to a decision-making stage.

5. Always have a start time, and start *on* time. Those who arrive late will want to "restart" the meeting by requesting they be "caught up" on what they've missed. Don't. Continue your meeting. If you stick to this, people will learn to be considerate and arrive on time.

6. Have a target time to conclude the meeting. During the meeting, use a countdown timer which is clearly visible to all attending. Every iPad and iPhone has one. It will help keep people moving along and focused.

7. Don't include too many issues on the agenda. If there are too many, separate the issues and schedule a separate meeting. It's better to have more frequent, shorter, and more focused meetings. The odds of making decisions increase.

8. Consider using a collaborative tool for a meeting. For example, something like WorkLife (www.worklife.com) can be used to organize notes from all those at the meeting simultaneously. It can be used on a laptop, tablet or smartphone.

   Each participant sees the others' contributions in real time. It provides a countdown timer, and a parking lot for tangential issues.

   What is most important is what a tool like this provides following a meeting: a summary automatically sent to all invited to the meeting, including those who could not attend. A listing of all assignments sent, along with update status reports.

   Evernote is another tool which is increasingly utilized by law firms in working on projects and addressing issues collaboratively.

9. No meeting should conclude without an action plan. In fact the final third of the meeting should be spent summarizing what was agreed upon, how it will be done, by whom, and when. This summary plan should be distributed promptly (within 24 – 48 hours) to all who were invited to the meeting.

10. Any information which is on a whiteboard should be preserved. The easiest way is to use a phone's camera to capture the image. It can be quickly converted to PDF by using a variety of software apps, such as ScanR.

Lastly, consider periodically evaluating the effectiveness of your meetings. PBA members are encouraged to contact me for a sample meeting evaluation checklist.

The bottom line is simple. Time devoted to management is essential for any firm of any size. You want to minimize the time you spend managing what can be effectively delegated. You want to make sure you identify the important issues to manage, and then manage them in the most effective manner possible.

The next time someone suggests you hunker down at the conference table to review everyone's receivables in a group meeting, say no. Delegate receivable management. Instead, spend time thinking about how to get a let up on the competition. Or how to hold onto your associate talent.

Be open to reengineering your decision-making process, including how and where you invest your time. Making your firm more nimble and successful in a rapidly-changing marketplace requires you be able to effectively and continuously implement incremental improvements and changes. It requires that you increase the level of strategic thinking and planning. It requires time.

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