

# Planning Your Firm Retreat

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The rapid growth of professional service firms in the past decade has created some new and unique management difficulties. With firms' size, and the complexity of global legal practices, coordinating the availability of partners to perform any management function beyond routine meeting attendance is increasingly difficult. The problem of finding partners to assume leadership roles is compounded by the feeling of many partners in larger firms that they are functionally employees rather than owners. The values of the partnership model to which many firms aspire are becoming difficult to achieve in a modern professional service organization. The problem is further compounded in large multi-office firms where partners not only don't know their fellow partners from other offices well, they may not have even met each other.

One solution to these issues for many firms is a partner retreat. Typically held at a location away from the office, retreats offer professional service firm partners an opportunity to get to know one another and deal with some of the more complex issues of operating their firm, away from competing practice priorities.

The forms that firm retreats take are as varied as the firms themselves. Retreats range from little more than tax deductible vacations to cathartic events. One consistency, however, is that the clarity of purpose for the retreat and the quality of planning dictate the value achieved and the level of partner satisfaction about the time devoted to their attendance.

Edge International has participated in planning, facilitating and speaking at literally hundreds of law, accounting, engineering, consulting and other professional service firms' retreats. This paper represents our first formal attempt to debrief ourselves as to what makes for a successful retreat, what ideas work and which don't and how firms can get the most from the time and money expended in conducting a retreat.

## WHY PROFESSIONAL SERVICE FIRMS HOLD RETREATS

The motivation behind a retreat may differ among firms. In general, however, we find that the most successful retreats involve at least one of five basic purposes. The most common retreat objective involves an attempt to develop a consensus of the partners about a specific plan or activity. In some cases this will involve the approval of a strategic plan. In others it may be to discuss a potential merger. Sometimes it is simply the opportunity to gain agreement on the routine functions of getting time reports in and bills out. A second common reason is to create a strategic direction for the firm, often as a prelude to developing and implementing a strategic plan. Another reason is to hold, what is essentially, an expanded annual meeting and conduct the firm's internal business. A fourth purpose is often educational. This may range from self awareness issues about the firm's culture or the personality of its partners to opportunities to learn about each other's practices. Finally, one of the true benefits that many firms cite as the purpose of their retreat is to create an

opportunity for their partners to get to know one another in a relaxed setting.

In reality, many retreats represent a mixture of several of these purposes. And the purpose or mix of purposes may change from year to year as the firm evolves and new issues appear. What is important; however is that there is an understanding among, at least the retreat's planners, about the retreat objectives. This will help maintain a focus for the program and, hopefully, create a benchmark for measuring the retreat's success.

## **CONSENSUS BUILDING RETREATS**

Most firms consider themselves to be operating as a democracy. This requires partners to approve most important issues that come before the firm. While this may or may not require a formal vote, in most firms it is a function of leadership to gain consensus by presenting information to the partners and giving them an opportunity to discuss and consider it. In a large firm this can be problematical. For national and international firms this process could take months and then a partner can participate only if he or she is available on the day that the leadership comes to their office. The debate is also isolated on an office by office basis with little cross germination of thoughts.

In a retreat setting, all of the partners obtain information at the same time and in the same format. They all have an opportunity to provide their input and gain from the insights of their partners. Perhaps most importantly, it gives partners the feeling of inclusion in the decision making of their firm. It makes them feel like an owner.

The need for consensus building is especially important with highly subjective decisions. Subjects considered at client's recent retreats have involved internal governance changes, consideration of mergers, opening new offices, creating new practice areas, reorganizing into industry based groups and the creation of ancillary businesses, strategic alliances and joint ventures.

The process that is used to build consensus is important to the overall success of the retreat.

Advance Material. Professionals are accustomed to dealing with the written word. Therefore, the distribution of written background material and factual information in advance of the retreat can be an important first step in gaining consensus. The best format is as a briefing paper providing summarized information using charts and graphs to present financial concepts. The length of the advance material differs from firm to firm and with the complexity of the issue. In most cases, the fact that the information is available in advance carries as much weight with partners as the information in the material itself. It is not necessary that the background material present a recommendation or a point of view. The purpose is solely to permit those partners who are interested to get themselves up to speed before the retreat begins.

Frame the Issues. In our experience, it is likely that more than half of a firm's partners will not have reviewed the preliminary material in advance of the retreat. Therefore, it is advisable for the Managing Partner or the partner spearheading the issue to present a background report early in the retreat. It is important in that presentation to frame the issues. For example, if a retreat is about the firm's growth, one of the issues may be to consider whether mergers are a viable means of achieving growth and if so, under what circumstances. The

issue is not whether the firm should or should not merge, but, rather, to give preliminary consideration of whether mergers are valid options.

**Facilitated Session.** Giving partners an opportunity to discuss the issue using a skilled facilitator enhances the constructive consensus building.

**Breakout Groups.** With large retreats, breakout sessions are often more effective than participation in a full firm meeting. With complex issues, each group can be given a different aspect to consider and report back to the group as a whole. The facilitator then leads discussion on the results of the breakouts.

**Voting Machines.** A number of companies provide wireless voting machine by which partners can express their opinion about an issue with near instantaneous tabulation and display. These can be extremely effective because they allow partners to participate in a highly objective format without the delay of a written ballot and without the time required for every partner to speak.

**Follow-up and Summary.** It is important that some member of the firm or the facilitator have responsibility for recording the results of the consensus process and distributing it to all partners promptly after the retreat. While this seems like a simplistic step, it is amazing how quickly memories fade as to what was decided.

## **DEVELOPING STRATEGIC DIRECTION**

Strategic direction sets out the goals and the basic means of achieving those goals. Strategic planning requires a significant amount of soul searching about the future of the firm which is hard to do at a two or three day retreat. In fact, strategic direction is a leadership function and cannot effectively be determined by the partnership as a whole. It is possible, however, for a firm to use a retreat as a catalyst for strategy by developing issues to be considered and setting the stage for a strategic planning function.

**Preparing for a Strategic Directions Retreat.** The success of a retreat can be enhanced by doing some preparatory work prior to the retreat on the issues the partnership feels are important.

One way to do this preparation is to obtain partner input about relevant issues. The value of seeking partner (or partner and employee) input is not only the feeling of inclusion it provides the participants, but the insight it provides permits the firms leaders to focus on the most important issues at the retreat. It often also helps save the leadership from pursuing strategic issues that are "blind alleys" with little chance of success. Presenting the results of partner input at the beginning of a retreat also serves to gain partner's attention and focus them on the importance and relevance of the issues to be considered. There are a number of ways of getting input:

- **Partner Surveys.** Many firms find it useful to ask partners to complete a survey prior to the retreat dealing with directional issues. Not only does this provide useful input that can be analyzed at the retreat, it gives the partners the feeling of involvement in the process. Most importantly, surveys tend to focus the partnership's interest and thought process toward the driving issues facing the firm in its market place rather

- than a rehashing of the internal issues that partners will often find more interesting, if left to their own devices. We have found that the survey format that is most likely to draw a strong partner response is web based. Most good consulting firms are able to set up a web based survey instrument quickly and for a relatively low cost.\_
- . Focus Groups. An alternative to surveys is to get together groups of partners, associates, staff members and clients to consider where the firm is and should be in the marketplace. Assuming that the partners have been chosen in a manner to be representative of the partnership, focus groups can be extremely accurate. In fact, if well performed they can be more active than surveys because focus groups provide the ability to inquire to clarify responses, observe body language and use group interaction to test the depth of opinions. To be effective, of course, required that the groups be well planned and lead by experienced facilitators.\_
  - . Partner Interviews. Individual partner interviews provide an opportunity to intensively understand the level of partner's opinions, emotions and preferences. The only limiting factors in the interview process are time, the selection of interviewees and cost. The combination of conducting an interview and creating a record of the results typically takes 45 to 60 minutes per person. This means that a skilled interviewer can only meet with, at most 10 partners per day. The process can be accelerated by meeting with groups of two or three partners at a time, however, there are risks that individuals may be reluctant to express true opinions in the presence of another person or that the resulting interview can be dominated by one person. Indeed, experience demonstrates that focus groups of six to eight people are usually more accurate and effective than small groups of two or three. There is also a statistical risk with interviews because, typically, partners select themselves for interview by signing up or agreeing to a time. The results are, therefore, somewhat flawed because information is not obtained from those too disgruntled, disinterested or intimidated from failing to participate.

Another method of preparation is to prepare briefings for participants in advance of the retreat. Many firms find the "whitepaper" to be a valuable way of disseminating information. Whitepapers are briefings on a single topic that present all relevant background information and discuss potential courses of action. Because professionals respond so well to the written word, a series of well prepared, concise white papers be much more effective in preparing the partnership for considering strategic issues than oral presentations at the retreat.

Obtaining Partner Input at the Retreat. If a firm prefers not to obtain partner input prior to the retreat or the timing of the retreat does not make this possible, there are still means of systematically collecting partner input at the retreat. One of the most effective methods is, what we have come to call, the Growth Aspirations Survey®. The Growth Aspirations Survey can be used in a number of ways, however, one of the most successful is as a homework assignment on the first night of the retreat. This survey seeks partners "gut" intuitional reactions to growth and strategic issues. Therefore, when performed away from the institutional settings of the office with a limited response time in which to ponder the issues, the survey can provide a quick but highly accurate insight into partner's personal reactions to the issues that confront the firm. The Growth Aspirations Survey also works extremely well using voting machines.

Breakout Sessions. Dealing with strategic issues in a large group can be unwieldy. We have experienced great success in using breakout sessions at retreats. Groups, as large as 25

people, can function effectively and accomplish a great deal in a short period of time. There are four keys to successful breakouts:

1. The group must reflect either a random selection of participants or a pre-selection designed to incorporate a reflective mix of offices, practice areas and demographics. One popular way of doing this is to have each partner select a breakout group number from a fishbowl upon entering the first retreat session.
2. There must be a highly focused agenda and express expectations. Asking a breakout group to talk about an issue will yield little of value. Instead, asking a group to "come up with three ways we can increase our name recognition among venture capital companies" provides a focus and expectation.
3. Participants in the groups must be briefed on the techniques of brainstorming. The concept of drawing out ideas is contrary to the mindset of many professionals. However, given a few rules, anyone can adapt very successfully to creative discussions.
4. There must be a skilled facilitator. Since there are too many breakout groups for the use of consultants as facilitators, it is necessary that selected partners fill that role in each group. To be effective, however, facilitators must be trained in facilitation techniques. Typically this can occur in about 90 minutes the morning of or the night before the retreat.

**Facilitated Sessions.** The power of a retreat is the facilitated sessions. These are sessions at which the partnership as a whole decides the firm's strategic direction using the partner opinions solicited either before or during the retreat, and the decisions made in the breakout groups. The strength of these sessions is the sense of consensus that occurs as the partners draw together and jointly make decisions about the firm's future.

The best facilitated sessions occur in a carefully planned rhythm with the breakout sessions. Often this involves a plenary session where an overview of a topic is presented and breakout instructions are given. The breakout group meets with each group having a secretary who records the results. At the beginning of the next general session the secretaries present their reports and the facilitator draw a consensus of the entire firm.

**Follow-up and Reporting.** Although everyone was at the same retreat and experienced precisely the same presentations and discussions, it is amazing how recollections of what happened can change over even a short period of time. A partner, or the firm's principal administrator, should be responsible for recording a brief, one or two page record of the results of the retreat which is promptly distributed to all partners shortly after they return to the office.

It also makes sense to schedule a follow-up meeting within two weeks after the retreat. A great way to wrap up a consensus building retreat is to identify two or three action agenda items to be addressed between the retreat and the follow-up meeting.

## **EXPANDED ANNUAL MEETING**

Many firm's partnership agreements require an annual meeting for the election of member of management, selection of new partners, approval of compensation and other similar

issues. These are important issues, not only because they concern day-to-day operating concerns but because they go to the fabric of what it means to be a partnership and the concept of being the owner of a business.

A retreat, of course, presents a convenient time to hold the annual meeting. Partners are assembled in one place, it emphasizes the business nature of the retreat and, some would suggest, conducting an annual meeting at the retreat legitimizes the event as a tax deductible expense. The issue of legitimacy extends beyond tax questions. Annually meetings are important events in the governance structure of all businesses. Combining them with a retreat brings a serious functionality to a retreat and provides an additional reason for partners to attend.

There can be some downsides to including the annual meeting at the retreat. Many partnership agreements dictate either specifically or in general the time of year during which the annual meeting is held. This may or may not be a good date for partners to attend or timing for the other issues to be discussed at the retreat.

The schedule of the business meeting during the retreat can also be an issue. Business meetings scheduled at the beginning of a retreat can be open ended. Discussions can expand to fill the time available and we know one firm where discussions of a controversial pension amendment scheduled for less than an hour, took up the entire three day retreat. Conversely, business meetings scheduled at the end of a retreat can result in knee-jerk decision about important issues discussed during the retreat.

On balance, if the timing of the retreat coincides with a partnership business, holding a business meeting at retreat makes sense but the ground rules should be laid that the meeting will last a maximum of a certain amount of time and if, at the end of that time, the matter is not resolved, the business meeting will be adjourned until a specific date after the retreat is over.

## **INTERNAL EDUCATIONAL RETREATS**

For many firms a primary retreat objective is to convey information within the partnership. The scope of this form of retreat can be very broad. The information may involve making sure partners are aware of what various practice groups do or the latest industry groups that have been created. Topics may involve insights into the firm's culture and values or the personality and motivations of individual partners. Programs could even take on the form of continuing education or the teaching of skills not directly tied to the firm's core practice but involved in providing appropriate professional services.

**Practice Information.** As many firms focus their marketing efforts on cross selling, knowledge about the firm's capabilities become critical. This extends beyond basic practice information to the special skills of individual partners and even their industry or client contacts that could be of value to the entire firm.

To provide practice information some firms carve out brief sessions in the program for practice group leaders to discuss what their group does and is capable of doing. The key to these sessions is highly little known information about the practice rather than to be all inclusive. It would come as no surprise to a room full of partners that their litigation

department "tries complex commercial and other civil cases." But, it could be valuable for them to know that the firm has "been involved in more machine tool product liability cases than virtually any other law firm." It is equally important that these sessions be very brief (five to ten minutes maximum) and spaced throughout the retreat. The simple rule is that if the partners are bored, they won't pay attention, and if they don't pay attention there is no sense in wasting time with the presentations.

Another way to convey practice information is through "practice group fairs." Schedule for an hour during the retreat, a particular department of the firm has a series of tables with displays of their available brochures, newsletters, articles and other marketing materials. The "booths" are manned by member of each practice group within the department. This allows partners in other sections of the firm to wander the fair and understand what the strength of the firm is in each area. The best fairs have a large number of booths on highly specialized areas of practice which may fall within practice groups. It is not necessary that booths only be for established practice groups and this is a great method for making the firm aware of a capability in a hot emerging area of practice.

It is also possible that their can be a mixture of booths. One very large law firm devoted a portion of a retreat to the litigation practice and, in addition to the practice group booths, asked several outside companies to bring displays on imaging services, animated court room exhibits and forensic accounting. A major accounting firm rotates the focus of its retreat among the audit, tax and consulting practices.

Both the presentations and the fair can be adapted for use with industry groups.

**Skills Training.** One of the most popular retreat topics continues to be "how to" sessions on a variety of skills. The advantage of using a portion of the retreat for training is that it allows the firm to have virtually all of its partners receive precisely the same training, free of day-to-day practice distractions.

While there are a variety of training possibilities, by far the most popular is marketing, specifically sales and cross selling. For some professionals the necessity of these skills is viewed as being demeaning to the entire profession. Others are shy or embarrassed at their need for the skills. Presenting the training to an entire practice group or the entire firm often increases individual attorney participation and receptiveness to training.

Another area of skills training that some firms have used retreats for is computer skills. Most conclude, however, that the expense of shipping equipment and setting up training facilities off site exceeds to benefits of the training.

**Culture and Value.** A common area of concern in many firms is the importance of understanding and maintaining the firm's culture. Culture is the defining feature of most professional service firms and, not surprising, firm members are eager to talk about cultural issues. This is especially true in firms that have experienced recent growth or participated in a merger.

Typically the cultural segment of a retreat involves the use of a cultural inventory in which partners participate in prior to the retreat by logging into a special web site and answering a brief questionnaire. The results describe the firm's culture and the anticipated manifestations

of that culture in the way the firm operates. The results can be stratified in a variety of ways including by office, practice group, seniority, partners vs. associates vs. managers, and by gender. The combination of cultural detail is presented to the partners. They can then, through the use of facilitated sessions and breakout groups, determine the aspects of their culture deemed to be important and the actions the firm can take to maintain the culture and inculcate it in new associates and laterals. At the same time the partnership may observe aspect of the culture that are not desirable and may want to consider ways of downplaying or changing that aspect of the culture.

While culture may sound "touchy feely" to some partners, there is a significant body of research showing a direct tie between aspects of a firm's culture and profitability. In a retreat setting, this tie permits a discussion of profitability issues in the context of the firm's culture.

Core Values have always been an important issue to professional service firms but, since the Enron and WorldCom scandals, value systems have been an important retreat topic. Values are somewhat a self fulfilling prophecy and they values of a firm tend to become what the firm announces it values. Accordingly, the actions of partners and employees tend to follow the stated values of the firm. There are number of values exercises that stimulate thought and discussion and permit a firm to develop a strong understanding and statement of its values in a relatively short period of time at a retreat.

It is also possible to combine cultural and core value issues with an understanding of individual partner traits through the use of psychological tools such as Meyers Briggs. Individual assessment tool are a marvelous way to inculcate lateral attorneys or develop a better understanding among recent merger partners.

## **INTER-FIRM RELATIONSHIP BUILDING**

For many firms, the most valuable feature of a retreat is the opportunity to have partners from various offices and practice groups get to know one another. This occurs naturally when you get a group of people together but there are techniques that can enhance the speed and depth of relationship building.

Breakout Group. It is one thing to know a partner as a person - who his spouse and children are, what avocations he or she pursues. While this information is important, having the opportunity to know the person as a professional is extremely valuable in functionally getting firm members to work together across office and practice lines. One extraordinary way to do this is through the use of practice groups. Regardless of the of the group and its function, participating in a breakout group permits members to observe each other and work together in ways that would not have been possible in the normal practice or may have taken years to occur. The management of breakout group assignments is, therefore, important and retreat planners should be almost Machiavellian in their design.

Recreational Activities. Recreational activities can be excellent for developing acquaintanceships and even friendships but have some limitations. Almost every firm retreat involves some element of golf. Spending four hours together with someone in a golf cart can create a relatively high degree of intimacy, particularly in that golf can tend to bring out the worst in some people. But while the depth of the relationship building may be good, it is

limited to the person in your cart or perhaps your foursome. Tennis can be even worse. Many firms find that unusually activities such as fishing excursions, hot air balloon rides or even nature hikes can create equally valuable relationship with a larger number of people for the same investment of time. At issue is the desire to create relationships among the most people (six to eight seems to be the effective maximum) with the greatest depth (a golfer will probably remember little about the round at last years retreat but will always remember who they white water rafted with).

Team building is a popular concept in recreational activities at retreats. A number of firms have created scavenger hunt teams with each team getting a different colored firm tee shirt. Other firms have used an Olympics theme with different strange events. These events work well for extraverts. They are introverts worst nightmare. Many firms find that late night card games do as much to build relationships as virtually any other activity.

Social Activities. Social settings such as meals and cocktail parties are valuable if the interaction is forced. People have a tendency to gravitate to people they know. Some firms use assigned seats at meals to mix people up. Some large firms who use name tags at the retreat make each office or practice area be a different color and encourage "rainbow" tables. There are, of course, a host of ice breakers that can be used at cocktail gatherings.

## **MIXED PURPOSE RETREATS**

Depending on the length of a retreat, it is sometimes advantageous to combine several objectives in a single retreat. This is especially true for firms having experienced several previous retreats or where there is not a driving issues or question to be resolved.

Multiple objective retreats are engaging because they meet the needs of a wider variety of partners. A partner who would not show up for a three day retreat devoted exclusively to strategic planning will come if there is also marketing training, an important vote at a business meeting and an opportunity to play golf.

The downside is the risk that too many objectives can cause a loss of focus and intensity. If every issue is deemed to have been handled superficially because there is not enough time, the partners will be as dissatisfied as if they were bored with a single issue.

A good way of planning a mixed objective retreat is to select the most important objective in holding the retreat, determine the total number of hours available at the retreat, and designate the number of hours for each objective as one would allocate assets in an investment portfolio. A common allocation is one-third Consensus Building, one-third Education and one-third Relationship Building.

## **SPECIAL ISSUES**

There are some special issues involved in professional service firm retreats that are worthy of consideration.

Facilitation. The quality of the facilitation will make or break the retreat. Facilitation is a skill that takes training and experience and facilitation of professionals is an art unto itself. It is almost impossible for someone from within the organization to successfully facilitate a

retreat. A good facilitator must be able to do three things:

1. Control the group in a way that permits everyone to participate, does not allow any individual to dominate the discussion and summarize comments so the process is constantly moving forward;
2. Bring knowledge to the proceedings by being able to serve as an immediate source of expertise, e.g., when a partner makes a claim about "what other firms do" the facilitator must be able to speak with credibility about what, in fact, is going on in the legal marketplace; and
3. Guide the discussion to make sure the group does not become side tracked or miss important areas completely.

A good retreat facilitator is knowledgeable about the professional service sector, is experienced in facilitating a significant number of firm retreats, is articulate and has a good sense of humor and is someone who will get along well with your partners.

**Speakers.** In a mixed objective retreat, speakers can be an excellent addition to the program. Authors of pertinent business books, motivational speakers, consultants, celebrities and a variety of other speakers can add interest to the retreat. If they are a published author, it is also possible to order discount quantities of their book as a giveaway to the partners.

Too many speakers, each speaking for a relatively short time can give a fragmented appearance to the retreat. It is also expensive since, with travel, each speaker ends up charging for virtually a whole day even if they only speak for an hour. Another concern is that people have a limited attention span. Listening to a podium speech of an excellent speaker that lasts more than half an hour is difficult (an average church sermon is 20 minutes). Before booking a speaker, consider the audience, their attention span and to what they react well. A morning long interactive session that involves a lot of audience participation may be more enjoyable than an hour long speech.

**Partner vs. All Professional Retreats.** As issues of associate retention become increasingly important, a number of firms are moving toward inviting all professional to, at least, a portion of the retreat. Inviting associates is a function of two issues:

1. The purpose of the retreat. If the purpose of the retreat is to build consensus or establish a strategic direction, it is probably best to have only partners. But, if the primary purpose is education and relationship building, having all associates or just senior associates is a nice gesture.
2. The size of the firm and the retreat budget. For a firm with more than 500 professionals, it is almost logistically impossible to have an all attorney retreat and the cost of bring attorneys in from a widely dispersed firm can be prohibitive.

There is also the risk of not being able to get the genie back into the bottle. As nice a gesture as having all professionals may be, once the firm stages an all professional retreat, it is extremely difficult to go back to an all partner retreat, should that be desired.

**Spouses.** The number one controversy is whether spouse should be invited to a firm retreat.

Proponents cite the advantages of using spouses to build a bond between them and the firm through their friendship with other partners' spouses. Such friendships could be supportive in keeping a partner who might otherwise consider changing firms. The disadvantage of spouses is that it removes focus from the retreat. Partners must pay attention to their spouses. The effect is to reduce the amount of relationship building time available. Of course, like associates, bringing spouse represents a genie that is hard to get back in the bottle.

If the purpose of the retreat is primarily social, bringing spouses is great. If the primary purpose is business, leave spouses at home.

## **CONCLUSION**

Retreats can be an important and powerful tool for professional firm leaders and managers. The keys to their success are clearly defined objectives, a skilled facilitator and a great deal of advanced planning.

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