Be ORIGINAL Rather Than Imitating Competitors

Ask a group of firm leaders to identify those business CEOs that they most admired, living or dead, and they would probably list a small group of highly entrepreneurial names that could include Elon Musk, Richard Branson, Coco Chanel, or Steve Jobs. Now ask why they admired these particular individuals, and you would probably hear about the individual's self-confidence, decisive boldness, the originality of their strategic direction, and contrarian beliefs. If you then inquire into what strategies these same leaders were themselves advocating in their own firms, the answers you would receive would be depressingly unlike those of the leaders they admire.

To make this point even stronger, imagine the following scenario. All of your peer competitors are invited to share and read each other's strategic plans, without knowing which plans belonged to which firms. As these leaders mull over and examine each competitor's future strategies, they are required to put a check mark next to the actions that their firm is also following; and an X next to those that are drastically different. What is the likelihood that there will be exceedingly more check marks than crosses on all plans? And if my thesis is valid, then I suppose the implication is that confidentiality of strategic plans is a wasted effort!

Many view other competitors, their strategies, their performance and experience as the benchmark from which to set standards for their own firm. That kind of competitive comparison may make sense, especially as your firm's performance is often defined by what your peer firms are doing. Where this approach becomes an obstruction is when the logic behind what works for some other firm, why it works and what might work for you, is not assiduously examined and thereby results in firms engaging in nothing but mindless imitation.

Some actions can render your casual imitation not only ineffective, but in some cases, downright dangerous. Consider these examples drawn from my observations and experiences:

• You imitate the EFFECTS of success rather than the cause.

Most theories of high-performance rest on the assumption that there is a "*right way*" to do things. The popularity of notions such as "excellence," "competence," and "best practices" testifies to the hold this theory has on those that manage and lead professional firms.

When we are not quite sure what the future holds and what the best course of actions is, firms look around them and then do what others are doing. The reasoning is: "*they can't all be wrong*." For example, over the last few years we have observed the various mating rituals going on amongst various firms in their quest to increase their firm's size. I've heard a number of firms rationalize those decisions as a desire to be elevated into the AmLaw 200 list or become large enough so as to move up into the AmLaw 100 ranking. And it is true that many larger firms are more successful.

However, imitating some decision to engage in multiple mergers to make yourself larger is not necessarily going to make you more successful. You need to understand that it was good performance in selecting the right practices and industries to dominate and super satisfying your clients as they grew, that made these firms bigger, rather than the other way around. In other words, successful firms grow and make themselves big, but simply making yourself bigger does not guarantee competitive success.

This phenomena is known as 'reverse causality.' Imitating some successful competitor can lead to imitating the effects of their success, rather than the precise cause of their success. Remember that "association is not causation." Simply because some successful firms are associated with having a strong culture does not mean that this is what caused their success. Importantly, trying to replicate these symptoms of success may actually prevent you from attaining it.

We are all inclined to pay attention to those we perceive to be high performers. It is then very tempting to imitate the actions of these firms that stand out as successful, even when it is clear those same actions are really NOT the singular cause of some particular firm's success.

• You believe and subsequently copy things you read and hear that other firms are SUPPOSEDLY doing.

"*It's not what you don't know that will kill you—it's what you know that ain't really so*," quipped Will Rogers.

Many years back I attended a meeting of Managing Partners that all belonged to the same network. These leaders came from different regions, did not directly compete with each other and gathered together twice yearly to openly share experiences and challenges. I was slated to speak to the group, but before proceeding to the podium, I had the opportunity to listen to one managing partner disclose his experience with launching and operating a couple of ancillary businesses. He proudly told his colleagues how he started three different enterprises, how they served to bring the legal practice closer to clients; how they even served as a conduit to getting new clients in the door; and how well these subsidiaries were performing.

At these things happen and by the sheerest of coincidences, fast forward nine months and I'm called in to work with this same firm to help resolve some painful internal conflicts. A couple of their Executive Committee members, "*without disclosing the core issues to risk tainting my mindset*" asked that I spend a couple of days in their offices, interviewing a number of their power partners. By noon of the first day and following only a handful of brief meetings, I'd quickly discerned that the level of dissatisfaction could not be more extreme and that the substance of partner discontent was such that it could lead to an exodus of some key talent. What was the troublesome issue here? Every partner I spoke with told me about the huge amount of firm money they personally observed "*being **squandered** . . . on three disastrously unprofitable ancillary business operation*s!"

So, did this managing partner knowingly lie and deceive his fellow colleagues? Did he perceive his role as being 'the Chief Cheerleader' to such a degree as required impressing the others with his firm's success? Did he feel an overwhelming need to be admired and make himself look good to his colleagues? Or was he in some state of sociopathic denial? I'm frankly not certain, as I've now seen this same or a similar situation unfold a number of times wherein some firm leader clearly distorts the truth in bragging to his or her fellow colleagues. And of course, the tragedy is how this message may have impacted the future behavior of any one of those colleagues, especially if they too made a decision to take a similar course of action within their own firms.

Perhaps equally notorious are the stories that appear in the legal press, where firm leaders are interviewed and asked specific questions about what they are doing in their firms. From over thirty years of working in the profession, I can attest, hand-on-heart, that far too much of what is conveyed and then published is absolute FICTION! From leadership development efforts, to the results achieved from a particular marketing initiative, to some firm's actions to encourage innovation, the precise representations made are way too frequently aspirational, at best. To often there is little factual basis to what is being reported; and yet I will subsequently hear from other firms who are using some firm's anecdotal evidence as the justification for their blindly following in the same footsteps as their competitor.

• You duplicate the most VISIBLE action you see competitors initiating.

You look to the people you respect for advice, but the loudest voice is the roar of the crowd and whatever bandwagon everyone jumps on seems to be the right one. But while following the herd may be the path of least resistance, being part of the crowd can come at the expense of achieving the kind of strategic success you were hoping for. And here's the kicker: Once you get on a particular bandwagon, it's hard to get off. Coming to terms with the fact that you don't want to be on the same path as everyone else is easy—

but coming to terms with the fact that you're going to have to break away to do your own thing, is not.

Take for example how today many firm dangle huge, guaranteed compensation packages to keep their young talent and to attract rainmakers. Over the years, buying revenue by acquiring rainmaker partners with supposedly portable books of business has thrown the majority of firms into a continued lateral hiring frenzy. In fact, nearly every law firm of any significant size, has likely identified "lateral hiring" as one of the top three initiatives in their most recent formal strategic plans. So, how is it working out for them?

I've always been struck by the empirical research of Harvard Business School's Boris Groysberg as reported in his book, *Chasing Stars: The Myth of Talent and the Portability of Performance*. Boris's work showed that too many top performers quickly fade when they change firms and often underestimate the degree to which their past success depended upon such firm-specific factors as long-term working relationships, quality of resources and support, and those valuable informal systems through which professionals obtain information and get work accomplished.

Meanwhile, the research results that a colleague in the United Kingdom shared, shows that nearly a third of lateral hires into law offices failed to meet initial expectations. The norm seems to be that about a third of the clients stay with their original firm, a third go with the lateral, and the final third choose to select an entirely different firm because of their work and prior relationship being disrupted.

Ironically any U.S. research that I've seen is fairly similar and shows that about 40 percent of firm leaders admit — lateral hiring usually is not anywhere near as lucrative as they had expected. Yet this strategy remains pervasive.

Why do more and more firms persist if this is a marginally profitable strategy? Because they do see clearly how it has worked for ***some*** of their competitors. Why has it worked for those select firms? My experience suggests, it is NOT the strategy you see that works (in this example, lateral recruitment) but more often the strategy that you don't see (exceptional, intense, and obsessive efforts and time invested in methodical integration) that makes the difference.

• You BLINDLY adopt the forms, practices or strategies someone brings along from another firm.

Have you noticed how some of your COOs, CMOs, CFOs, CHROs and other talented professionals, after a few years, may eventually move on to other law firms. Just as viruses spread by contact between people, certain supposed "best practices" often diffuse via third parties. Then, aiding and abetting competitive plagiarism is an eager group of external consultants offering you the same orthodoxies they have used to infect everyone else they worked with. Thus, your special challenge in developing any kind of meaningful differentiation increases with the number of people offering you their newest cutting edge technology programs; legal lean and process improvement; or management counsel that just may not fit with your culture.

At its most innocent . . . how many of you are using some written job description, practice group business planning template or some other form, checklist, policy or procedure brought to your firm by a recent recruit from some competitive firm?

I will never forget one Firm Leader sending me the job description that her new Director of Professional Development submitted to her, for my candid feedback. Now this job description outlined in excruciating detail what a Practice Group Leader needed to do – to conduct an internal assessment of their group; to conduct financial performance analysis; to engage in external market and trend explorations; to devise and execute a business plan; and so forth. Without a word of exaggeration, this document was 8 pages, 116 paragraphs long and itemized more duties, activities and responsibilities than any lawyer, holding the position, could possible implement . . . if they were doing this job **full time**! And where did this comprehensive job description originate? This individual graciously brought it with them from their former firm; and who knows *where* that firm got it from.

Looking at this from a broader perspective, there is a very common pattern here. If you think about it, replicating some other firm's innovation, approach to conducting their business, or successful management practice is a very difficult task, especially as those actions that actually provide some form of competitive advantage are often highly complex and shaped around some firm's particular culture. Such actions can involve aspects of firm management responsibility, commitment of their professionals, intrinsic motivation, cross-functional approaches, evidence-based decision making, or even special client relationships. In an attempt to replicate some supposed best practice, firms then end up transforming a fairly complex process, procedure, template or tool into something more streamlined, more ***efficient*** or much simpler. This simplified version, which is usually more alluring, and easy to copy, then gets transferred from one firm to another – most often eventually becoming less and less useful and perhaps . . . potentially harmful.

There is nothing wrong with learning from experience, preferably as long as we're learning from our own unique experience. Blindly copying some other firm's tools, templates, practices, perspectives and strategies assumes that those documents and precedents were developed with precision and can be easily applied in your firm's unique culture. After all, **your culture is unique, isn't it**? Then why would you be perverting it with some other firm's hand-me-downs!

What I'm trying to report is that I've seen numerous firms get themselves into serious trouble by importing or copying, without sufficient examination and thought, some other firm's rancid, unproven practices.

BLAME IT ON PERCEPTION BIAS

Have you ever considered how firm leaders, the members of their executive committees and their C-Suite professionals all spend time attending the same conferences and reading the same legal industry periodicals and listening to the same academics and pundits sharing their prognosis on where our industry's future is heading. I wish I would have catalogued all of the various article over the past ten years that warned in their titles: "*Change or Die*." Remember those?

We'd like to believe that each choice we make is based upon our independent assessment and best judgment. But, unfortunately, that's not always the case. According to a study in the *Journal of Consumer Research* entitled "Social Defaults: Observed Choices Become Choice Defaults" we're prone to being copycats. A series of experiments concluded that when people did not have a strong opinion about the choices presented to them, they simply mimicked the people around them. Rather than asking questions, or spending time learning about our various options, in an attempt to fit in with the crowd, we go along with the consensus.

The fundamental shortcoming to imitating some competitor's "perceived" action or strategy is that in your urge to copy you don't conduct the necessary due diligence to determine whether a specific course of action would actually work in your firm. Don't allow anyone else to tell you what you should think, feel, or do. Instead, be conscious of how other people are likely to influence your choices. Take time to evaluate whether or not the choices you're making are really *your* choices.

You are not going to get ahead by imitating what your competitors are doing – "***I'll have what she's having***," as a diner in the movie *Sleepless in Seattle* said to her waitress while watching Meg Ryan fake an orgasm. At best you are just going to maintain parity, and it may be parity of decline rather than advancement. When every firm chases the same strategies, they all slide inexorably into sameness and mediocrity.

The essence of developing an effective competitive strategy is daring to think for yourself, instead of following the herd . . . quite possibly over a cliff.

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