

## **Becoming Firm Leader:** How Difficult A Job It Can Actually Be

The very concept of leadership is elusive and tricky. Every business-book author coins a new "type" which is then sold as the latest elixir to problems. We see these everywhere: authentic leadership, transformational leadership, charismatic leadership and other faddish titles. It is hard to define leadership in a way that is satisfactory to everyone although most professionals tell me that they believe they know it, when they see it.

What these same professionals may not appreciate is how difficult the job of leading a firm can actually be. There are a number of truths that aren't identified in any guidebook; that experienced leaders only whisper about after having been in the role for some period of time and after having recognized that the *fine art* of leadership is always a work in progress.

Here are some truths that I know to be valid based upon anecdotal evidence gleaned from countless discussions and interviews with firm leaders, much wiser than I:

- **Be prepared to become unpopular**

Many professionals become leaders by virtue of the fact that they have some popularity amongst their peers. We take on leadership roles in the belief that we can make a difference and make our firms even better. Which most often means that we must make changes, hold people accountable and move forward with purpose and determination. We soon realize that making the changes and progress we were so excited about all comes with a price.

One of your important tasks in being an effective firm leader is to make decisions. To make any decision requires that you review numerous options toward finally putting aside various possibilities in order to select just one. Decide is an interesting word. The root word *decidere* means to "cut off." Thus, any leadership decision can be seen as cutting you off, separating you from all other possibilities as you select just one course of action.

And there are FEW easy decisions. The best understand which ones they can delegate and which they need to focus on, but ultimately you will need to decide certain things that will invariably go against the interests of certain of your partners. And every decision you make will serve to earn you the favor of some colleagues while simultaneously suffering the disfavor of others. Isn't that comforting? Each decision you make blesses one partner while alienating another partner.

Some of the best leaders I've met periodically engage in what I would call, "*purposeful deferment.*" They operate on the principle of never making a decision today that can reasonably be put off until tomorrow. And I'm not being uncomplimentary. Whenever

requested to make a decision they would first ask, “*How much time do I have?*” In other words, is it essential that the decision be made now, in a day, next week or within the year? These leaders have wisely discerned that if a particular decision can be reasonably delayed for a short while, than circumstances may change – an adversary may leave the firm, a competitor stumble, or an advantageous new development emerge.

Strategic decisions, budgetary decisions, compensation decisions, all involve the distribution of finite resources that are seldom distributed equally. Thus, every decision you make is “*like surgery.*” It is an intervention into a body politic that carries with it the risk of “**shock**” to the system. To be a great leader, you need to have a strong will and an even stronger stomach.

Nevertheless, at the end of the day, you need to remind yourself that your job isn't to make everyone happy or even satisfy the interests of certain power partners, but rather to progress the best interests of the firm as a whole. So eventually you will say no to many of your partners. It is to be expected that any good leader will make enough decisions to eventually . . . disappoint *everyone* at some point in time!

And as it is impossible to lead partners who doubt or despise you, your constant anxiety will be in making those decisions that are the least offensive to the greatest number. As Harry Trueheart, an old friend and now former Chairman of Nixon Peabody once told me, “*You know your time is up, once you have had to say no to enough of your partners.*”

Thus, your job is to make decisions until eventually the decision is made – to get rid of you.

### • **Be prepared to be afraid**

Most leaders will go out of their way to hide their fears. In fact, there is a common myth that suggests that to be a good leader, you must be fearless. But that is not what some of the best leaders would quietly tell you.

Any leader professing that they have no fear may well be someone who lacks sound judgment. Any leader who refuses to admit their fears may well be imbued with hubris and self-importance. Fear does not make us weak, nor does it mean that you have a lack of faith in your capabilities. Fear is necessary, cannot be eliminated, and is a natural part of being a leader. You do not have to *overcome* your fears; but rather you need to know precisely *what* you are afraid of.

Consider this perspective from widely regarded CEO Coach, Mike Myatt:

*“It has been my experience that the greatest fear most professionals struggle with is the fear of failure. In fact, it is often this fear of failure that governs how much risk they will take on, and in turn how successful (or not) they are likely to become. Everyone reading this has failed with respect to some undertaking in the past. Life will become much easier to navigate when you learn to accept failure*

*as healthy and normal. From my perspective, when my life is void of failures I'm not growing, developing, stretching, or pushing. Put simply, if I'm not failing then I'm not trying. I've experienced lots of failures and I'm better for them."*

Any leader who has ever launched a new initiative understands the inevitability of running into numerous hurdles over the lifecycle of their undertaking. The difference between those who succeed, and those who fall short, is their perspective on how to deal with those hurdles. As Mike says, fear of failure can be far more destructive than failure itself. It can paralyze any firm leader who holds the view that anything short of perfection is not even worth attempting. Over three decades of working with firms I have observed firsthand, firm leaders, who but for being obstructed by fear of failure, could likely have been enormously more successful.

Here's the thing – setbacks and difficulties are an inevitable part of leadership. If, as the firm leader, you don't ever fear that you are in way over your head, I would suggest you're not spending enough time in the water. It is HOW you learn to overcome your fears and manage risk that will determine how successful you will become.

- **Be prepared to always be on stage**

Imagine yourself projected on a 50-foot screen by a video camera. That is precisely what is happening right now for every firm leader. Every move you make, whether physical or virtual, is subject to discussion, review and interpretation. That includes how you relate to certain people (like who gets included on your email communiques), how you allocate your time, and how thoroughly you prepare for various meetings.

Meetings are an interesting example. Every firm leader holds numerous meetings, and every meeting has an agenda, whether written or unwritten. The cumulative content of your agendas clearly signals your priorities and concerns. The conscious management of your agenda, and your input into meeting agendas, is a powerful signaling device.

And your presence must always be present. Your microphone is always on and every message, verbal or non-verbal, is open to misinterpretation. A study conducted by Harvard professor Daniel Gilbert estimated that 46.9% of the mind is spent "wandering." Being present means simply having a moment-to-moment awareness of what's happening. It means paying attention to what's going on rather than being caught up in your thoughts. In the middle of a conversation, if your mind is somewhere else, your eyes will glaze over and you'll start making facial expressions not typical of a person really listening. It is guaranteed that your partners will notice.

Leadership is basically a people business. You can't let paperwork or deadlines create a barrier between you and the opportunity to touch your colleague's lives. So, here's the key: Never see your colleagues as interruptions. If your partners conclude that your day-to-day tasks are more important, they come to the conclusion that you don't care about them.

Finally, if you have ever whispered negatively about some aspect of your firm or about some partner you work with, you may have not realized how that can come back to bite you in the ass. People will not trust or build a meaningful relationship with anyone who gossips about others. Too often, leaders are oblivious to how quickly word of their conduct can spread throughout the firm. When it does, their partners will start wondering what's being said about them in private. Even if you don't initiate the conversation, if you take a passive role and laugh while others are talking, you are still guilty of participating. Beware of ever rolling your eyes while someone is talking or discussed some partner's personal life. Smile . . . someone is ALWAYS watching!

No matter what you are dealing with, no matter who you are talking to, no matter where you are, you must never let your guard down. The job of being the firm leader means always being under a microscope.

- **Be prepared to purposely mislead**

People frequently tell what might be called social lies. For example, in order to maintain a good working relationship with a fellow partner you pretend to be busy when he asks you for lunch rather than have to admit that you find this partner's company boring and would rather not spend time with him.

Of course, firm leaders need to set an example of honesty and integrity for their firms. But part of the art of leadership is knowing when untruths have to be told and being able to distinguish those deceptions —the ones created for unselfish reasons —from the purely self-serving kind. History is rich in stories of leaders who decided that spin, omission or outright lies, whatever it took to get people to do what had to be done, would serve their constituencies better than the truth.

As stated earlier, leadership is like a theatre and the firm leader must often behave as an actor on the stage. Thus "*being the face of the firm*" and the image presented to the outside world is not the true self but an edited version. This edited self takes into account how one wishes to be seen by others.

Quick show of hands: "*Who, then, wants to willingly reveal their inadequacies, errors or performance problems to the rest of the profession?*" So, while you endorse the belief that complete honesty is important, you will nevertheless conceal, deceive and exaggerate to make a positive impression on others. In fact, many firm leaders attend seminars and conferences secretly hoping to discover that every other firm is as they are.

There is "*spin*" — statements that arrange the facts to paint the rosier possible picture. "*The sin of exaggerating profitability here or puffing up firm statistics there will be outweighed by the great job I'll do when I finally get this all worked out.*" You will spin your stories to make your firm (and by extension, yourself) look to be performing far better than you might otherwise be. You will, of course, justify your actions on the basis of needing to have your firm appear appealing to clients and to attractive lateral candidates.

If social honor, damage control and survival all can justify deception, the central task for any firm leader is this: distinguishing the situations where those motives do justify falsehood, from those where deception would still be wrong.

- **Be prepared to be kept in the dark**

From the day you take on the role of firm leader you are flooded with information, from those partners wanting to meet with you to those who want to let you know “*how things really work around here*” – but reliable information . . . will be surprisingly scarce!

Much of the information that comes to you will be filtered, sometimes with good intentions, sometimes with not so pure intentions. As one managing partner phrased it for me, “*The issue is, after you become the firm leader, how do you get a good grasp of people’s candid views, when it seems like all of your partners and indeed the whole firm, is conspiring to tell you only what they think you want to hear?*”

Accessing reliable information becomes even more difficult when immediately after you are elected as firm leader, all of your prior relationships change. Well-meaning partners edit themselves your administrative staff are not naturally inclined to now disagree with you, and the truth becomes difficult to ferret out. Further, because you may be able to impact some partner’s compensation and their career, each partner’s agenda colors the way you perceive their truth.

Effective leaders tell me that you need to get out and about within your firms, hold (even virtual) informal gatherings to receive input, promote openness and show interest in your colleagues’ opinions, consciously promote diversity of opinion and be discrete in keeping the confidences of others. And reach out beyond just your partners. I will never forget one firm leader telling me about her monthly Birthday Lunch wherein anyone and everyone in the firm (could be done by office) who had a birthday in a specific month would gather together for a celebratory luncheon. She related how she would attend, sit there amongst the group, and stay just listen. She claimed she learned more about what was going on throughout the firm at those gatherings, than any other activity she engaged in.

Several other firm leaders pointed to important relationships they had with independent advisers who can tell them unvarnished truth and have license to criticize their thinking.

- **Be prepared to drive with your head out the window**

Time is your most precious resource. One mistake that some leaders make is spending far too much of their leadership time looking in the rearview mirror. You cannot obsess about what happened last year or over what actions your competitors have been taking. You need to look at the road ahead.

Look at the issues that are currently consuming your time. I often ask firm leaders a couple of questions that painfully illuminates where they spend their time. First: “*What proportion of your time is spent solving problems versus what proportion is spent on exploring new opportunities?*” After a rather awkward reflection period, the answer I usually elicit is about 80% solving problems and 20% on exploring opportunities.

I secretly suspect that it is really more like 95% on problems and 5% on opportunities, but let’s analyze what this division of time infers. This means that as the firm leader, you are spending 80% of your time and energy looking backwards and fixing things, while only 20% looking forward and creating things. Firms operating in this mode will never lead in their marketplace.

So why does this happen? Well, it should be obvious that most of us professionals are veteran problem solvers. We are trained to resolve the issues, put out the fire, correct the underperformance, and generally “fix” the problem. There is a powerful gravitational pull that unconsciously moves us toward fixing things instead of innovating; toward restoring instead of increasing and toward reacting rather than being proactive.

We need to understand that fixing things, however noble, simply restores the prior performance or condition, which is comfortable, but limits value. However, if your focus is on improving the condition, on inspiring entrepreneurial endeavors, on being innovative; then your intent is not on restoring the status quo, but on developing a level of performance that **exceeds** yesterday’s standards.

There is a follow-up question I then usually pose: “*Of the time you spend on exploring opportunities, (remember it was reported to be 20% of the total) how much of that time is directed toward pursuing billable production, winning the next big transaction or responding to a competitor, (the present) versus pursuing the development of entirely new skills, new services, new technologies, or new revenue streams (the future)?*”

Again, if I was generous in reporting what I’ve learned, the average firm leader spends about 60% of their (20%) time exploring present opportunities and 40% on future opportunities. That drives a point worth scrutiny: What kind of a future is likely to be created by a firm leader spending about 8% of his or her total leadership time and energy focused on that future? And this is in firms that have a full-time firm leader - someone who actually spends all of their available time on leadership and management matters. Those spending less than full-time usually have next to no time for the future . . . except of course, during that one-day, off-site annual planning retreat. (Is it any wonder why so many of these retreat-generated “strategic ideas and initiatives” are dead on arrival!)

Attention is your most powerful tool. So, if you want your partners to focus on innovation or business development or client service – nothing speaks louder about what is of bedrock importance than where and how you choose to spend your time. Where a firm leader spends their time is not a matter of chance. Choices are made daily about what to do and with whom.

The best firm leaders are compulsively attuned to their external environment and always looking to identify how, or how fast, the competitive game may be changing. They seem to have a sixth sense toward detecting trends, early warning signs and snippets of emerging opportunity. One firm leader I know gets his office managing partners together on a quarterly basis to discuss what's new and what's going on in their area of the country. They examine their world from multiple angles, look for unstoppable trends and share their best thinking on which signs of change may matter the most to the firm and how each could play out. This firm leader then goes to his monthly partners meeting and throws out a bunch of hand grenades to (as he phrased it) "*shake up his partner's thinking.*"

Favor the future over the past and focus on opportunities not problems.

- **Be prepared to dispense tough love**

I've heard all the various excuses: "*This isn't the right time.*" "*There's nothing I can do.*" But someone needs to decide, advocate, and take ownership. It isn't enough to simply ask for more data. It is usually obvious who needs to go and most of the time I see how firm leaders know it in their gut but are still reluctant to take remedial action.

Sometimes, being courageous requires that you have to confront friends, the ones who have furthered your career and know your secrets. It can be hard to admit that there is a problem when you have a long-term working relationship with a particular partner or think that if only you could spend some time coaching some administrative professional, everything could work out. The best leaders know that it is all about helping professionals take charge of their own careers. This can be orchestrated through encouragement, giving direction, and sometimes offering really tough advice. Candid advice is the best counsel you can give, as opposed to letting someone continue to operate in a rut.

Sometimes it can mean letting a top performer go – suggesting that some partner who has been a brute to his colleagues would be better suited finding another firm to take his practice to; or reducing the compensation of a star who doesn't share clients with her partners in the practice group.

It's damn hard. And yet if you are really the firm leader, this is one situation you cannot avoid. It requires courage.

- **Be prepared to be forgotten**

One of the tragedies of anyone in a leadership position is making some decision or taking a course of action based on a belief that this will be your legacy – you will be remembered by this brilliant initiative. Can an obsession with recognition and being memorialized cause one to focus on short-term gain at the expense of the longer-term?

Here's the **cold hard truth**: much of what you do will not be remembered a year after you step down from office . . . unless, perhaps, you really screw up!

Many years back, I received a gift from a managing partner for the strategy work I had done with his firm. The gift was an inscribed hard-covered book entitled *The History of Wilde Sapte*. This was from a very prestigious British law firm that could trace its ancestry back to 1785 when Thomas Wilde first founded the firm. And where is Wilde Sapte today? Someone who bothered to trace its history would find it was absorbed by a series of sequential mergers that has since become the global firm known as Dentons. And amongst all those mergers, which firm leader's legacy is remembered?

What will your legacy look like, a year from now? A decade from now? If you think it will be a physical book or something else that can be held, you are likely mistaken. If you think it may be a place or a plaque with your name on it, you may end up shocked to discover what happens as your firm merges, over time, with other firms.

I'm constantly reminded by those who have traveled this road already that – Leadership is **not about you**, your ego, your pride, or your personal legacy – it's about caring for and serving your partners.

I've learned that the best leaders believe that what really lasts is not the bricks and mortar or grand strategies, but rather what is intriguing to those of us that had the good fortune to come into contact with them. What lives beyond is likely to be your career-shaping ideas, inspiration, guidance, friendship and the character that stays with me after you have left the room? What of your influence and attitudes continues to shape my actions in small ways, even decades later? Hidden in tiny exchanges but profound in how it shaped people's lives. That is the real essence of a leadership legacy.

***So, what do you want to be remembered for?***

That all said, as one firm leader disclosed to me many years ago, "*You can NOT live in the short term, put off painful action; allow problems to fester; and pray the day of reckoning will arrive . . . after you have left!*"