



The Fearless Leader's Advisory Board

By Patrick J. McKenna

There is an old saying that goes, it can be lonely at the top – especially if you are a busy law firm leader trying to maintain a modicum of a personal practice while also charting a course for your firm’s future growth.

However, you don’t always have to go it alone or rely only on the intuition of your fellow colleagues. A good number of other professional service firms, from accounting to consulting businesses, have found success by forming an external Advisory Board to counsel the firm’s leadership on various aspects of the business – everything from operations to planning for growth or enhancing client service.

Think about the last time you met with a group of business people and had an open discussion, sharing

ideas and concerns. An Advisory Board is a formal version of this process. Unlike a one-time event, you might think of an Advisory Board as your own special leadership think tank. Participants can serve as your personal sounding board or a source of ideas and expertise as well as give you honest and candid advice. If properly constituted, your Advisory Board will be comprised of people with no axe to grind, and who want to listen and impart their wisdom.

In fact, there are four primary ways that an Advisory Board can add value and help you be a fearless law firm leader:

1. Avoid Potential Problems

It is easy to miss the forest for the trees, especially if you spend much of your day-to-day activity in the woods. Such demands on firm leaders sometimes make it very easy to miss the problem that lies just ahead. The members of your Advisory Board have the experience and can provide the objectivity to help you anticipate and avoid potential problems before they happen.

2. Solve Existing Problems

Although it may seem like a new problem to you, 95% of the time someone else has experienced a similar problem in the past and overcame it. There is no point reinventing the wheel if someone else can provide you with the answer. Your Advisory Board can tap into its diverse experience and expertise of those who have the battle scars to prove they’ve been down this road before. These are the tested experts that can help you solve tough problems and identify those new opportunities.

3. Fine Tune Your Strategy

Many law firm leaders find themselves on the “I’m too busy” treadmill, unable to take the time necessary to pause and plan strategically. Your Advisory Board can serve as your personal conscience by providing the 30,000-foot view to ensure you are heading in the right direction and delivering on both short- and long-term objectives.

4. Increase Credibility

The best strategy in the world is only as good as the person or team behind it. Credibility is critical for securing partners’ commitment to achieve successful implementation. An Advisory Board can help secure that buy-in. Simply having this structure in place expands your reach into areas you alone could not penetrate, thus building your credibility.

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WHY ELSE MIGHT YOU WANT AN ADVISORY BOARD?

How about to help stimulate new and innovative ideas? Martin Ruef, a professor of entrepreneurship, surveyed Stanford Business School alumni who had started new businesses to find out what lights their fire. He based his study on data from 766 entrepreneurs from a target group of 1,786, including some foreign business starters.

The metrics for innovation included the introduction of new products or services; trademark or patenting activity; exploitation of a new market niche; new methods of production, distribution or marketing; and industry restructuring. Ruef concluded that entrepreneurs who spent more time with a diverse network of business advisors – including complete strangers – were three times more likely to innovate.

Meanwhile, if you are like many firm leaders, you likely belong to one or more peer organizations where you can network with fellow leaders just like yourself.

However, what I've learned is that most firm leaders may not feel comfortable sharing their most pressing management challenges or discussing competitive opportunities among those same peers. And they may not even trust some of the cheerleading they hear from their peers as to what they are really accomplishing in their respective firms.

Running a successful firm is always a challenge, even more so in these fast-paced, ever-changing and economically uncertain times. Too often we look inward for the answers we need. So what might be good advice for enhancing your profitability? Cut the umbilical cord to the folks within your firm with whom you normally communicate. Mix it up. Seek out ideas from people you don't ordinarily talk to and mingle more with other folks, even those from other professions. Broaden your horizons, and you just might come up with the next idea that sparks a boost in your firm's growth.

PRECONDITIONS TO SETTING UP AN ADVISORY BOARD

Let's be realistic. Having external business advisors makes good sense for some, but these boards may not be for everyone. So when might it make sense to consider an Advisory Board?

Anyone who's led a law firm knows there comes a time when it feels like something is missing. Whether it's renewed status, recognition or satisfaction, it doesn't matter – filling the void does.

Wanting more is the first precondition because it signifies your deep passion to create, renew and grow your firm. Fearless leaders who internalize this passion invariably work harder to exceed the status quo. They push for more and consequently require more expertise, knowledge and wisdom from others. Without the fundamental drive for more, people fall into a lifestyle satisfaction mode, or what strategists call harvesters – those who are content with what they've attained. Of course, there's nothing wrong with being satisfied and content with your current position; but, the need for an Advisory Board is less compelling in those circumstances.

A compelling **growth opportunity** is the second precondition. The urge for growth and the urge for an Advisory Board go together for a couple of specific reasons. One, growth opportunities are not

easy to define. Even experienced leaders are prone to unintentional bias regarding new ideas, which are tricky to sort through under the best circumstances. Growth also often means venturing into new areas. And two, fearless leaders have a clear picture of their firm's potential. They know, either intuitively or logically, where they want to go – the uncertainty may be in deciding on the best way to get there.

A **mature ego** is the third precondition, because with an advisory board in place, you can run but you can't hide – from objectivity or truth. Nor should you want to, because effective boards can help you think more deeply about your big ideas and actions. The input is precisely what's needed when investment dollars are on the table. However, without a mature ego to tolerate the scrutiny or to appreciate different strategic perspectives, there's neither a compelling nor worthwhile reason to form an Advisory Board.

Soliciting feedback and advice about your firm, its operations, prowess, image, etc., can be a scary thing. Truly listening to what others have to say about your firm takes fearlessness and courage. You must be willing to take criticism without becoming defensive; and you have to be open to evaluating what you hear, making changes when the advice makes sense, and trying out new ideas. You don't need to put every

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suggestion into effect, of course, but you do need to show the members of your Advisory Board that you're taking what they say seriously.

If you are not certain that you're willing to do all of that, don't assemble an Advisory Board. People who agree to invest their time and energy in one will have high expectations that you'll take action on at least some of their ideas. If you don't, or at least offer a good reason for not doing so, you'll only disappoint the members of your Advisory Board but possibly sour previously established relationships.

Remember, an Advisory Board's advice is always discretionary. Board members offer advice, not governance. Depending on your requirements, your Advisory Board members will bring divergent experiences and information to bear on addressing your challenges and identifying opportunities for your firm. They can offer experience and perspective on everything from how to deal with a sensitive interpersonal problem or how to restructure a problematic practice group, to how to target a niche market or even make introductions to an important industry thought-leader.

Your Advisory Board Benefits

- Shore up any shortcomings by using experts with complementary skills – the key is complementary, not a mirror image of your partners (e.g., a client-focus, from a client perspective, not a firm perspective)
- Receive objective outside advice and fresh insights from experienced business people and independent advisers
- Use these experts as a sounding board for your ideas – and let them use you as a sounding board for their ideas about your firm
- Obtain access to specialized people and resources
- Spice up your strategic plan with “team members” who impress your partners, yet who aren't afraid to “tell it like it is,” irrespective of whomever might not like it
- Improve your planning, organization, communication skills and networks. However, don't do it just to tap into wider networks in order to simply hand out more business cards – that's hardly innovative!

CHOOSING YOUR ADVISORY BOARD MEMBERS

I fully recognize that many firm leaders might not know how to begin, let alone how to keep an advisory board on track to achieve the anticipated benefits. However, if you take one step at a time with a determined commitment, the selection process will unfold in a methodical way and come together effectively.

The most important consideration in setting up your Advisory Board is developing the specific objectives that you want to accomplish. Approach it from an educational standpoint rather than as a business-development tool. You should not put people on

your board (like some General Counsel or CEO) just to market to them. Setting the objectives at the start then guides you in determining the candidates who would be good contributors. Communicate your objectives and a profile of the ideal Advisory Board candidate to your partners and consider asking for their recommendations of candidates.

Where, you might wonder, would you find the best candidates to be on your Advisory Board? Just look around you. Consider choosing: noncompeting professionals and those recognized for their track records in the fields of accounting, finance, technology,

marketing and management. There are many recently retired executives and managers who also may be good choices. Your Advisory Board members may also include academic professionals; people who hold other directorships or Advisory Board roles; professionals who are knowledgeable in issues affecting the profession; and presidents, entrepreneurs and business owners.

Avoid choosing people because you might get along well with them. Compatibility is great, but objective debaters who can explore and discuss issues and ideas without alienating their fellow Advisory Board members are best. Also, it is critical that you assemble an Advisory Board that complements, rather than duplicates, your particular knowledge and skills.

What Fearless Leaders Actually Talk About

While the discussions vary, I find that firm leaders ultimately wind up addressing a number of familiar topics:

- 1. Personal Isolation** – Many firm leaders feel alone at the top, so they share their feelings in meetings and find they're not the only ones experiencing a sense of isolation. Discussions will often cover different approaches for how the leader can be even more effective in their role, whether that role is full-time or has billable obligations attached.
- 2. Finance** – Participants often want to compare notes on setting financial controls, managing cash flow, understanding technology expenses and getting partner performance goals met.
- 3. Business Development** – The members of an Advisory Board can offer objective feedback and a productive exchange of ideas on how to develop and expand the firm's position in the marketplace.
- 4. Professional Morale** – All firms must devise systems to recruit, train and motivate their professionals. In Advisory Board meetings, firm leaders often share their challenges, acknowledge mistakes and seek counsel.
- 5. Operations** – Almost every firm leader wants to boost productivity. While specific steps may differ, members of your Advisory Board can share their experiences testing new ways to improve efficiency, cut costs and explore innovation.

HOW TO HOLD ADVISORY BOARD MEETINGS

At the kick-off meeting of your new Advisory Board, prepare the ground for what's to come. Because you'll be baring your firm's financial and business soul, get everyone to agree that whatever is heard in the room stays in the room. At this initial meeting, it's essential that you negotiate a confidentiality agreement for the group. That's the only way you'll feel comfortable speaking openly about your firm, and the only way group members will be honest about their own experiences.

Also, schedule meetings far in advance at a convenient time and location. Meetings should generally last no longer than two to three hours and should start and end on time. Schmoozing is great – but limit it to before and after the formal session.

Meeting topics should be developed to help the Board stay on track with those objectives you originally began with. Every meeting could have a different focus – one on marketing, one on profitability, and so forth. The meetings should be well planned. You don't just invite a few outsiders to your firm for a meeting. Your Advisory Board members should receive substantive materials to help them get to know your firm.

Provide an agenda, outline, and any required reading and make sure it is distributed at least three days before the meeting. Also, gather relevant materials beforehand; don't ask an assistant to start searching for some documents you want to review with the group right before your meeting begins.

Advisory Boards vary greatly in terms of frequency and tone of their meetings. These Board meetings are not retreats, nor high-level think tank sessions where you need a remote setting. Once a month is too frequent, because it won't give you enough time to consider and implement the new ideas from the group. Quarterly meetings allow Advisory Board members to become much more intimate with the firm. Board members get more data on a current basis, and the firm's partners get more timely feedback from the Board.

An Advisory Board offers you "guidance" versus the intent of your elected Executive Board, which provides "governance." By calling and chairing regularly scheduled Advisory Board meetings composed of hand-picked experts, you can quickly learn much about leading your firm – including its strengths and opportunities – and fearlessly move it to the next level.



ABOUT THE AUTHOR:

Patrick J. McKenna

Patrick J. McKenna is an internationally recognized author, lecturer, strategist and seasoned advisor to the leaders of premier law firms. He is the author of eight books, most notably his international best seller *First Among Equals*, and most recently, *Serving at the Pleasure of My Partners*.

His consulting expertise was acknowledged in 2008 when he was identified through independent research compiled and published by Lawdragon as "one of the most trusted names in legal consulting" and his three decades of experience led to his being the subject of a Harvard Law School Case Study entitled *Innovations in Legal Consulting* (2011). He can be reached at patrick@patrickmckenna.com.

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