

More Strategic Thought Provokers



Further to my earlier article, here are the final six snippets. This is not intended to be some serious academic tome, but rather a collection of quirky and provocative thought starters to clear out the cobwebs, perhaps jump start your creative thinking and get you energized to take some action.

7. Approach Strategy by “BackCasting” – Moving From the Future Back

The usual present-forward, strategic approach which involves lengthy discussions and debates over attracting lateral stars, augmenting an existing service offering or pursuing some merger candidates so as to appear to be growing, do not adequately address the opportunities and necessary change required to create the most relevant and vibrant firm for the future.

Given the rapidly changing landscape especially since the advent of this pandemic, your firm need to take a future-back approach to strategy innovation – one which contemplates the future business landscape (including new client expectations, all new competitors, and technology disruptors) and potential models that keep the practice relevant.

For example, do the partners in your firm have a shared point-of-view about the technology, regulatory, or market disruptions you might want to leverage? How is the advent of truly multi-disciplinary practices, the offering of legal subscription services, advanced technological programs that allow the client to do their legal work without necessarily needing a lawyer, or virtual law offices likely to present a different potential future?

What about how client needs are going to change as their industry is being disrupted by the augmented human experience, purposeful dissemination of disinformation, redefinition of work models, regulatory focus on corporate sustainability, or as climate mitigation technologies really begin to impact their operations. And do you have any idea what I’m talking about here?

Don’t start “from how things are today” and then try to determine your ideal goals and logical next steps moving forward. But rather start “from how the future is likely to look in five years” and create a point of view as to what it is going to take for your firm to get out in front of the emerging opportunities for your kind of services. Research has shown that people who use the current situation and project in a linear fashion tend to be overly optimistic. Instead, to help us think a little bit differently it’s better to start in the future, in the unknown, and work backwards.

“Backcasting” is used as a deliberate process to challenge the status quo, rethink the way things are done and help come up with fresh ideas to add value in your firm. This method also helps you to identify potential growth opportunities that can ensure long-term differentiation in the future. If you haven’t done it, start now.

8. Beware the Obstacles to Executing Your Best Intentions

To effectively transform your best intentions into executed initiatives, there are several common hurdles that you need to overcome. Thinking through the following can help you make the leap.

Strategizing and implementing are interdependent. In many firms the process of formulating your plan and then implementing it are separated. Logically, implementation needs to follow formulation since you cannot implement anything until the plan exists. But, not involving those of your partners who formulated the strategy in having responsibility for also executing that same strategy or waiting for months until your strategy document is methodically finalized – threatens knowledge transfer, commitment to sought-after outcomes, and the entire implementation process.

Planning is not doing. Unfortunately, some partners believe that implementing the strategy and “getting their hands dirty” is beneath them. They act as if implementation is something best left to the non-lawyer professionals in the firm. This view holds that one group does the innovative work (planning), and then “hands the ball” off to lower-levels for execution. If things go awry, the problem is placed squarely at the feet of the “doers,” who somehow couldn’t implement a “perfectly sound” plan.

Effective implementation involves many hands. Implementation always involves far more of your professionals than the initial planning did. This presents problems. Communication throughout the firm or across different business units becomes a challenge. And linking strategic objectives with the day-to-day objectives at different offices and groups becomes a demanding task.

Implementation requires enormous time. Make no mistake, to successfully execute takes even more time than that invested in developing the plan. This can be extraordinarily taxing to the billable time expectations and client obligations of those partners who were initially involved.

9. Where Do You Spend Your Management Time?

I often ask of firm leaders: *What proportion of your management time is spent solving problems versus exploring new opportunities?* After some reflection the answer I usually elicit is about 80% solving problems, 20% exploring opportunities.

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.

Why does this happen? Most professionals are veteran problem solvers. We are trained to resolve the issues, put out the fires, 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 reacting rather than being proactive. We need to understand that fixing things, while however noble, simply restores the prior performance or condition, which is comfortable, but limits value.

There is a follow-up question: *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 revenue streams, or new technologies (the future)?*

I have learned that the average firm leader spends about 60% of their 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 ONLY about 8% of his or her total management time and energy focused on that future?

10. Quantify and Communicate Real Value

Clients need and want you to identify what adds value (as ***they perceive*** value), deliver that value, and equally important – then demonstrate that you have done so. Your mission is to communicate to your client what has been accomplished or achieved as a direct result of their retaining you and how the outcome more than offsets the cost of the services.

Wherever possible, ***quantify your outcome*** in a meaningful framework such as potential revenue generated; better terms obtained; value of brand image or intellectual property protected; investigations, fines or litigation avoided; quicker speed in closing transactions; time or money saved; importance toward helping the company achieve its corporate goals; etc.

Here are a couple of examples:

- Filing for both permits now, before deciding on the project specifications enables you to be operational months sooner. An early opening could generate about \$500,000 in additional revenue and certainly justify the cost of the two applications.
- This settlement will save you up to \$1 million in protracted litigation expenses and preserve your company’s reputation by keeping you out of the press.
- We have reorganized the transaction to ensure that the royalty rights remain in your hands. This change should yield up to \$ 75,000 in licensing fees, annually.
- Selling these assets will reduce your onerous debt. While seemingly drastic, the improvement in cash flow should protect you from having to declare bankruptcy.

At the end of every matter and to truly satisfy clients, your job involves identifying a specific value outcome for each legal service you deliver.

11. What Is Your Succession Strategy?

Do you know that today, every seven seconds, someone is turning sixty? Indeed, it is expected that 40% of lawyers will be retiring soon, leaving not a hole in many law firms, but a sizable cavity!

It is very likely that someone important to your firm's future is getting closer to retirement. When that professional leaves, so too will valuable knowledge and key access to many of your firm's most valuable clients. Do you know that there is a competitive firm out there right now that is targeting the clients of your soon-to- retire partners? They are gambling that you will not get your succession matters in order and that client will soon be up for grabs.

There is also a concurrent gap in leadership being created as baby boomers retire . . . but we ignore all these warning signs until it is too late. Is your firm ready? Ask yourselves these questions:

- * How many of our partners will be retiring over the next 5 years?
- * What is the impact to our firm if we lose the knowledge those individuals possess?
- * What is the impact to our firm if we lose the client contacts those individuals enjoy?
- * What specific action plan do we have in place to ensure the next generation of leaders are in the pipeline?

Your current state of busyness can distract you to the point that, the next time you look up, it may be far too late to act. Develop your succession plan now!

12. Create A Sense of Urgency

Change usually proceeds from a perception of immediate necessity. But when business is brisk and the firm is doing well, your partners don't see any reason to change. So, how do you create any sense of urgency?

Define the situation that needs attention.

For example, what happens to your firm when the senior partners (baby-boomers) start retiring in mass and haven't handed over the care and custody of some of the firm's premier clients?

- Form a task force comprised of partners willing to define the scope / capabilities / parameters / requirements that an "ideal" system / approach should have.
- Invite all of the partners to assess how well the firm is currently performing.
- Ask how partners would suggest the firm meet any identified shortcomings.

Help people see the consequences.

- Identify the resulting problems and possible consequences of not taking action or making changes.

Make the business case for your initiative in irrefutable terms and communicate it

repeatedly.

- Express the peril facing your firm and/or the firm's ability to serve clients.
- Continually repeat your message for the need to change through every communication and educational channel available.
- Invite outside experts to come in for brown-bag (virtual) lunches to talk about related new trends and developments.
- Have firm or practice leaders from affiliated firms or from related professions speak peer-to-peer with partners.

Your challenge is to help people see what changes need to take place and then let them figure out for themselves how those changes can best be implemented.

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