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SURVIVING THE SWITCH

HOW TO THRIVE DURING a CHANGE IN FIRM LEADERSHIP

As a law firm executive director/COO, it almost goes without saying that part of your job is to help make your firm leader or managing partner successful. That calls for the kind of individual who can work tirelessly in the best interests of their firm, who can effectively support a strategy (even if you may not completely agree with it) and who is not overly concerned with who gets the credit and kudos.

Your tenure will likely span a period involving multiple firm leaders. The key to your success is your ability to be savvy and adapt to each new managing partner's idiosyncrasies. That said, we have seen numerous instances where a COO did not survive a change in firm leadership. We believe this to be a critical issue – nicely articulated by Gene Holderness, COO at Leonard Street & Deinar in Minneapolis, Minnesota:

"It is likely that you have been through a managing partner transition before and can be a value add to the newly minted leader. Further, as COO, you are totally dependent on the new firm leader for your job security, performance review and compensation. You may have done well with the predecessor, but there may be uncertainty as to how things will play out with this new individual."

What may not be obvious was confirmed back in November 2010, when article co-author Patrick McKenna surveyed firm leaders on issues related to their first taking charge. One of the questions was about whether the newbies received any mentoring or assistance as they assumed their new roles and who they received it from. Not one of 92 respondents mentioned their COO/executive director. And in an identical survey in July 2004, only 3 percent credited the firm's executive director as a source of guidance. Alarming, the most common response given was "no one."





QUESTIONS A NEW FIRM LEADER HAS ABOUT YOU

In many instances, the managing partner fully expects that their executive directors will have their backs. Therefore, they want some comfort that they have an individual working with them who they can count on. Here is a selection of questions that new firm leaders tell us they will often ask themselves about their COOs/executive directors when they first assume office:

- **Do I have enough evidence or exposure to this COO to know whether I can trust this individual's judgment?**
- **Has this individual's decision making been tested in situations of great complexity and uncertainty?**
- **Is this individual stronger in initiating innovative ideas or in executing the ideas originated by others?**
- **How effectively does our COO deal with and respond to sensitive, high-stakes interpersonal situations?**
- **Does this COO have a track-record for creating an environment where people feel motivated and for building a team?**
- **Does this individual set high standards and have a track record for holding their people accountable when someone fails to deliver the agreed-upon results?**
- **Have I seen evidence that this individual can successfully navigate their way through highly politicized partner situations?**
- **Does this COO demonstrate the intellectual flexibility to adapt his/her thinking and views based on the input of others?**

In most cases, taking over as the new firm leader is a sink or swim endeavor. Many firms operate under the false assumption that if some talented individual has been a successful lawyer, and has perhaps served on the board or as a practice group leader, they should know what to do and how to do it. This suggests a huge opportunity for the adept COOs to take a lead role in orientating, assisting and guiding their new firm leaders, while also making themselves an indispensable part of the new leadership team.

Every COO plays an important role in day-to-day firm operations and implementing the strategies and directions developed by the firm's leadership. A foundational element to ensure that this symbiosis works is a trusting relationship between you and your managing partner. That trust must be based on competence and personal integrity, and must commence from day one of any new leader assuming responsibility. What we have endeavored to do here is identify:

1. How you can guide new firm leaders in helping you to better execute your responsibilities.
2. How you can work effectively with new firm leaders to orientate them into their new roles. This might be worth sharing with any new managing partner – even before he or she assumes office.

I. WHAT DOES THE NEW FIRM LEADER NEED TO DO TO HELP THE CURRENT COO?

There are some basic precepts here – many of which can be addressed by simple direct questions that can get to the core of the matter and help establish frank communication.

- **Be clear on the new leader's specific goals.** While it should not be expected that a firm leader would assume office with some grandiose vision, it is highly likely that this individual will have definite goals and objectives that they wish to pursue and the COO needs to be aware of and understand. *You might ask: Do you have any short or long-term goals that you are looking to achieve?*
- **Be honest and candid in identifying those areas that the managing partner may regard as a weakness.** It is not unusual for a highly capable attorney to be less than comfortable with a financial statement or the inner workings of the firm's technology systems. In most cases the COO is expected to, and in their own interest should, supplement and fill in any shortcomings in the managing partner's knowledge, experience and interpersonal style. The new incumbent needs to honestly inform the COO of the specific areas where they need support with

ENSURING A HEALTHY CLIMATE FOR DISAGREEMENT

It is inevitable that there will come a time when you will, in good conscience, disagree with the direction or actions that your firm leader is contemplating. In one instance, we were told by a wise managing partner how he encouraged his executive director (ED) to constructively confront him if the ED thought that he was about to do the wrong thing. To make it interesting, he gave the ED two playing cards – one was a Joker (the imagination card) and the other the Ace of Hearts (the trump card).

He told the ED to play the imagination card if “this is something that I know you are not really going to be that fond of, but I really want to do,” and the trump card “to trump something that I am set on doing, but where you strongly feel that I would be making a mistake.”

He then reported that he informed his ED to use those two cards very wisely, because while he would conform to both card’s intentions, if things did not go well, the ED would not be getting that card back to replay at another time.

complementary skills and abilities that they themselves may not possess. *You might ask the MP: Are there any areas of responsibility that you feel some discomfort in addressing?*

- **Sort out the reporting relationships.** Many COOs have responsibility for managing all of the other C-level professionals (CMO, HR, IT, etc.) within the firm. In other firms the MP may have certain professionals report to him or her directly. For example, one firm comes to mind that recruited a high-level chief strategy officer under the explicit understanding that the individual would report directly to the managing partner. A new firm leader might wish to alter that arrangement. Whatever the situation, the new managing partner and the COO need to discuss these reporting relationships and be clear about communicating those throughout the firm. *You might ask: Who is going to be reporting to whom?*

- **Determine boundaries and division of responsibility.** Our review of COO responsibilities shows great diversity among firms concerning their authority – areas of decision making, budgetary authority and so forth. COOs need to invest the time to come to agreement about responsibilities: what the MP will take on as primary responsibilities and what responsibilities the COO will take on.

Identify projects, issues or items that will involve shared responsibility. For example, executing the firm’s strategic plan. This requires a fine balance of egos and how both positions will share responsibilities with a keen understanding of where one’s job begins and the other’s ends. Figure out who is going to be doing what and who needs to check with whom on key decisions – including instances where the decision is sensitive enough that both parties will want to discuss the best course of action. This delineation needs to be agreed to early in the relationship. *You might say: Let’s discuss our roles and who is going to do what.*

- **Identify expectations and the specific behaviors you want to see.** Both the COO and the managing partner must understand each other’s working styles. If unable to establish a sense of trust, or if there are inconsistencies in behaviors and actions, the result will be a quick derailment of the working relationship. It is helpful to articulate precisely how you wish certain things to be handled, such as:
 - How you define “urgent?”
 - What response time do you expect from emails or voicemails?
 - What are preferred communication modes? In person, in writing, by email?
 - What should be included in a weekly status update and when should it be sent?
 - What behaviors are absolutely essential?

You might also ask: How do we distinguish the important from the urgent?

- **Determine your preferred communications protocols.** Jointly determine how to keep each other informed of activities and views of what is going on around the firm. This may involve:
 - Physically locating the COO and managing partner offices next to each other, which facilitates regular face-to-face communication and symbolically conveys the two positions are a team
 - Utilizing a shared administrative assistant
 - Deliberately carving out blocks of time for one-on-one weekly meetings
 - Habitually (blind) copying one another on correspondence as a way of keeping each other informed on firm matters.

Discuss how to manage ongoing communications with each other so they are open, honest, frequent and allow for alignment on issues of importance. *You might ask: How do we keep our communications seamless?*

- **The COO needs to know how to best read and interact with the managing partner.** In a “First 100 Days: MasterClass for New Managing Partners,” participants work through a specific “How to Handle Me” guide, which is a draft memo to COOs and other professional staff on their various likes, dislikes, personal preferences and admitted idiosyncrasies. As a partial example, here’s an excerpt from one such draft:

You need to know that: I have a gifted grasp for numbers and can at a glance tell you precisely how the firm is doing in any particular area. But I don’t like budgets, despise projections and loathe filling in expense reports. People think I’m an unmade bed as a manager and they are right. I’m not bragging or being self-deprecating – it’s the truth.

Don’t misinterpret my: relaxed laissez-faire personality. The more hectic things get, the calmer I get. That is my peculiar reflex to pressure. I care a lot so don’t think that my cool demeanor is any sign of indifference.

In talking to the new MP, you might ask: What triggers does someone need to know to stay on your good side?

- **Determine how you need to operate in order not to undermine each other.** Many MPs pride themselves on having an open door policy – which can allow for any attorney or staff member to gain access and ultimately look for ways to divide-and-conquer, playing the two parents against one another. Here, pose some scenarios that both of you can talk through and predetermine how to best handle them. For example, attorneys and staff may try to go around the COO to get a favorable audience with the managing partner on some issue that they suspect will not fly with the COO.

Prevent that from happening. Never do anything to undermine each other and always back each other’s decisions in public. The MP must refrain from making any decisions, second-guessing decisions or countering those decisions that should be made by the COO. You should also set aside time to specifically answer this important question: “What do we need to do to ensure that each of us knows that the other has our back?” *Also be sure to ask: How do we keep from stepping on each other’s toes?*

II. WHAT DOES THE COO NEED TO DO TO HELP ORIENTATE THE NEW FIRM LEADER?

- **Work to establish credibility with the new leader.** A COO can take major steps to establishing credibility and a trusting relationship with the managing partner by being committed and working diligently to support the MP’s aspirations and goals. Having an agenda is sometimes viewed pejoratively, but every new firm leader wishes to accomplish something during his/her tenure. In that sense, it’s not a bad thing to have an agenda. Effective COOs serve as mentors or guides, teaching and coaching the new MP in areas where they will need to develop the skills necessary to promote that agenda.

For example, experienced, involved COOs understand how to plant an idea with one or more power partners, how to nurture the idea to help it grow and how to allow those power partners to begin to view the ideas as their own. New firm leaders will not only have ideas about changes that they would like to advance, but are in need of demonstrating some success. The extent to which a COO can assist the leader with an agenda and secure some small, quick successes will be enormously helpful.

- **Give guidance to the new leader by sharing insights and experiences gained while serving as COO.** You have a wealth of know-how on the inner-workings of your firm – including sometimes sensitive, in-the-trenches knowledge that most of the firm’s lawyers may be oblivious to. Provide the new leader with a thorough, confidential, behind-the-scenes briefing on issues like:
 - **Finances:** What key indicator reports should be reviewed daily, weekly or monthly?
 - **Strategy:** What are the private discussions behind the “public” strategic plan?
 - **Individual partners and associates:** Which professionals have a history of acting out?
 - **Culture:** Many lawyers and, thus, new managing partners have an “assumed” knowledge of the firm’s culture – often developed through their own small viewing lens. Long-tenured COOs usually have a broader grounding and perspective.

Push back on the leader (privately) when proposed decisions may not be in the best interests of the firm or the leader’s perceived credibility. (See sidebar, “Ensuring a Healthy Climate for Disagreement.”)

- **Provide honest and constructive feedback and help the leader identify and take corrective action with**

any perceived blind spots. Many lawyers have little idea of what a managing partner really does. And when becoming MP they bring that baggage to what is essentially a new position and new responsibilities they have not previously experienced, along with the sudden need to act with due regard to a number of constituencies. As MP they now have primary responsibilities for things like simultaneously preserving and developing firm culture, obtaining and building consensus, and coaching and inspiring others. The COO can be a huge resource in identifying these and other responsibilities and roles, and in pointing the new MP in the direction of good professional management literature, programs and courses.

BOTTOM LINE

The cut-above managing partners surveyed and interviewed for the ALA book, *The Extraordinary Managing Partner: Reaching the Pinnacle of Law Firm Management*, shared many common characteristics of success – very prominently including not only the existence of a strong relationship with their firms' COOs but their clear understanding of the importance of those relationships to their success. In other words, one key ingredient of being an extraordinary managing partner is a highly effective MP-COO relationship. And obviously the strength of that working relationship is also a key to the happiness, success and tenure of the COO.

Given that new managing partners often said nobody provided mentoring, guidance or assistance when they assumed their new role, there is – in every firm – an

enormous opportunity for the COO to take the lead in building the long-term relationship and mutual success by playing a key role in orientating and guiding that process. As a result, a successful lawyer will develop into an equally successful firm leader. ■

About the authors



Patrick J. McKenna is an internationally recognized authority on law practice management and strategy. He is co-author of *First Among Equals* and *Serving at the Pleasure of My Partners: Advice to the NEW Firm Leader*.

He co-leads a bi-annual program: "First 100 Days: MasterClass for New Managing Partners," usually held at the University of Chicago. Learn more at www.patrickmckenna.com.



John J. Michalik had a 37-year career in the management of legal, academic and association organizations, having served as Executive Director and CEO at the Washington State Bar Association and Executive Director at the Association of Legal Administrators – publisher of his book, *The Extraordinary Managing Partner: Reaching the Pinnacle of Law Firm Management*. Michalik's "retirement" activities have included law firm benefit program development and consulting, and management consulting to associations and academic institutions.

WHEN STYLE DIFFERENCES CAUSE FRICTION

When two people first begin working closely together, they will usually make every effort to put forth their best face; but with a little stress and job pressure, two strong personalities can soon lock horns. Friction between individuals sharing responsibility is not uncommon. We have witnessed first-hand a number of instances where disputes over management style have ultimately caused the COO/Executive Director to seek employment with some other law firm. What can you do if you find yourself experiencing increasing tension with your new firm leader?

Determine whether it is an issue of role clarity – you're not clear on your respective divisions of labor and find yourself stepping on the managing partner's toes – or whether it is a personality clash and you have toxic working styles. When tensions first emerge, take steps to see the situation from your firm leader's perspective and understand that there is often more than one right way of approaching a problem and achieving a result. One of the toughest challenges with a new leader is adapting your own management style from how it was with a predecessor. Consider utilizing the services of an experienced coach to determine how to best manage your working relationship and determine how those with different styles can best collaborate together.

If the relationship between a COO and managing partner is strained beyond repair, then it may be wise for the COO to leave the firm. It is best to depart with as positive an attitude as you can muster, ensuring that you don't bad-mouth any former colleagues and securing references to leverage your prior track record.