OF COUNSEL
The Legal Practice and Management Report
ASPEN PUBLISHERS
Vol. 27 • No. 4 • April 2008

Taking Charge . . .

New Managing Partners Face Time-Management, Hiring, Financial, and Other Can't-Sleep-at-Night Concerns

On the last day of 2007—the eve of his term as firm leader of New Hampshire-based McLane, Graf, Raulerson & Middleton—attorney Barry Needleman came home with a huge bouquet of flowers for his wife and plenty of candy for his kids.

"I sat them down and said, 'Next year is going to be very different from anything that we've experienced,'" Needleman recalls that he said in preparing his family for his new weighty responsibilities. "'You're just going to have to bear with me. And I'm sorry in advance for the events I won't be able to attend.'"

Smart move, Barry.

It was prudent because one of the stark realities that new managing partners must come to grips with is that their time is, well, no longer theirs.

"In this role, your partners, your colleagues, all your people, they all want your time," says Thomas Froehle, who became chief executive partner of Indianapolis's Baker & Daniels on January 1. "I thought that I got a lot of email before I took office, but the email, the calls, the people who stop by are really significant. Now, it's all fun and interesting to communicate with people, but it's hard to carve out enough time to get everything done. And, it's important to me, as it probably is for most people in this seat, especially early on, to be accessible."

That's a refrain echoed by all four of the attorneys who recently became managing partners interviewed by *Of Counsel* for this article. (It's worth noting that, in this day and age, the tried and tested title of "managing partner" has often been replaced by other terms, such as "presiding partner" or "managing director" or "president" or, in Needleman's case, "director.")

Effective time management is important to anyone who takes the reins of a law firm, especially when many managing partners are also expected to continue to serve their clients. Even Needleman, who prepped his family about his new demands, didn't anticipate the extent of the challenge. "I've been on the management committee and had a front-row seat [to the activity of the firm's leaders]," he says. "But it's one thing to see someone in this position or hear people talk about it; it's another to actually live the position yourself and maintain your practice."

Consultant Patrick McKenna, a principal with Edge International, works hard to warn new leaders of the time drain. "One of the issues that new managing partners always talk about is that they never anticipated the amount of interruptions that they get," he says. "They just get swamped in a very short period of time."

McKenna knows a thing or two about such concerns. He's written a book about law firm leadership transition. In addition, for the last two years, he's conducted seminars based in part on the book to prepare incoming leaders about what they should expect of their new roles and how they might best meet those demands. Needleman attended McKenna's "First 100 Days: Master Class for the New Managing Partner" this past January in New York, and Froehle participated in it in February 2007 at the University of Chicago.

Taking Small Steps

Partly because new leaders must adjust to the time commitments, McKenna's "Master Class" advises managing partners to take it slow; set goals but don't make them too lofty or seek to reach them too quickly.

"Patrick talked about the need to be careful about doing too much, too soon," says Ira Kaplan, who recently took the helm from the successful Jim Hill as the leader of Cleveland's Benesch, Friedlander, Coplan & Aronoff and who attended the course in 2007.

Kaplan took this incremental-approach advice to heart. "Fortunately, we've come off the best year that we've ever had," he says. "Jim's done a great job running the firm. So I told my partners that what I want to do is more evolutionary than revolutionary. Patrick also said to put yourself in a position to do things that you can be successful at. Build trust. Then, if there are more significant things to do, you'll be better positioned to do them."

Of course, that doesn't mean a new leader should simply sit tight. And Kaplan didn't. He helped draft and push through a core-values statement and is starting a process to update, gradually, the firm's strategic plan; two important, albeit "evolutionary," accomplishments early in his tenure. That's key because, just like a presidential candidate needs an election victory in Iowa or New Hampshire, a managing partner needs some success early in his or her term.

"One thing that I got from the course is that it's a good tactic, a good idea, to get what you might characterize as an 'early win' or two," says David Baca, who became the managing partner of Seattle's Davis Wright Tremaine in April 2007 and attended McKenna's class two months before that. "It need not be on something world-beating or mind-changing, but you want some achievements to establish that you know how to accomplish things that are positive."

For Baca, his "early wins" came in the form of a brief but meaningful statement of the firm's goals and a description of Davis Wright's various market positions and where and how it might expect to grow. The next, and more arduous, phase will be the execution of those goals.

At Baker & Daniels, Froehle is taking it slow, too. "They told us at the seminar [McKenna's course] that the last thing a new managing partner should do in the first six months is embark on a new strategic plan," he says. "So we're not doing that. But we are going to emphasize a strategic expansion in terms of growing more practices."

"Can't Sleep, Bed's on Fire"

Perhaps it's just the nature of the 21st century human condition to wake up in the middle of the night and feel like a "real live wire," as the song writer David Byrne once wrote. When that happens, our angst-filled minds race, our pulses quicken, and a tidal wave of worry floods our souls.

All right, that may be a bit heavy-handed. But clearly most of us have those 4:00 a.m. concerns, and new managing partners may have more than their fair share. So what do they lie awake at night worrying about? Ira Kaplan, who's known for his candor with the press, doesn't hesitate for a second when asked this question.

"I worry about the economy," he says. "I worry about meeting our plan for 2008. People want to see that we react the right way to external factors. After two months, things look OK. I worry that the firm has enough depth in the various areas and that we are taking advantage of a good place in our market."

He also says that he thinks a lot about ways to enhance Benesch's ability to hire top-tier lateral attorneys so that the firm will have the "bench strength" to an improve the quality of its client base and level of sophistication of its practice.

And, he considers the profession's decade-long trend of market consolidation. "In that regard, I think about what our role should be," he says. "We have a good thing here and don't want to be sold. But we want to grow in active, vibrant markets. We'd like to be in Minneapolis, and as with most Midwest firms, we want to look at Chicago. We're looking at our geographic footprint."

In New Hampshire, Needleman spends a plenty of time pondering two things: keeping the firm on track as it continues to operate smoothly and profitably and communication. "I don't want to be the one who stumbles," he says, "so I think a lot—every day—about what we need to be doing to ensure that we do as well as we've been doing.

"I also think a lot about how many of the leaders of the firm who came before me were exceptional communicators," he says. "We communicate well across the spectrum, associates and staff people. I want to continue doing that."

To help on that front, Needleman holds state-of-the-firm meetings for staff and associates at least twice a year, during which he presents as much information as he can about the firm, its goals, and directions. Those in attendance can ask questions, or they can submit anonymous ones before the meetings.

He also makes it a point to talk with his partners, associates, and staff in personal, one-on-one conversations. "What I've heard in these seminars [such as McKenna's] are warnings about relying too much on technology in communication," he says. "They tell you to get out there and talk to them face to face, and I try hard to do that."

Like Benesch's Kaplan, and probably 90 percent of law firm leaders, Baca's concerned about filling Davis Wright's ranks with enough top-shelf attorneys to serve client needs. "The labor market in the legal profession that we all face is not different from the labor market that all of the American economy faces, declining numbers of high-quality workers across the board," he says. "So it's going to be a continuing, long-term issue, and therefore, not something you have an easy answer to. It's something you put processes and approaches in place to address continually."

Baca says that, while hiring is his number one concern, a relatively recent financial transformation comes in as a close second. "Many large clients are shifting, in a fundamental way, away from the comfortable billable-hour model that all law firms have prospered by for a number of years," he says. "I spend a lot of my waking time thinking about how we should approach [this change]."

Finally, more generally speaking, managing partners must confront the ever-tightening competition within their profession. "Like most people in this chair, I worry about the increased competition for us from our local competitors but also from national and international competitors," Froehle says. "This industry is changing faster and faster. You can't stand still or you're going to get passed by. So we're constantly trying to figure out how we stay up with and ahead of the curve."

Help Is on the Way

The bad news for these and all other new managing partners is that often they have no one to whom they can turn to discuss ways to deal with these and other challenges.

"One of the things that we've learned, and perhaps might have known instinctively, is that there's no outlet, no conduit, no resource for a managing partner to go to in order to get advice," McKenna says. "They may belong to networks, but as a managing partner do you go into one of those meetings and say: 'Uh guys, I'm a new managing partner, and I'm wet behind the ears, and I've got an 800-pound-gorilla partner I have to deal with. What do you think I should do?' You don't, because that would be embarrassing."

Theoretically, a managing partner might have a friend who holds the same position at another law firm across town. After all, leaders do travel in the same circles. But you're not exactly going to air your dirty laundry to her. If you turn to a partner, you may get sound advice, but you may also be talking to a person who has his own agenda.

The good news is this: McKenna and Brian Burke, the former chair of Baker & Daniels whom Froehle succeeded, are putting together something that they are calling "The Managing Partner LAB (Leadership Advisory Board)." The group will comprise current or retired managing partners from across the country who have "a minimum of 10 years of experience and some recognition within the profession," McKenna explains.

The idea is that the group will offer objective counsel to new law firm leaders. The LAB is already off to a good start, as two of the nation's premier law firm leaders—former chair of Dickstein Shapiro, Angelo Arcadipane, and current chair of Snell & Wilmer, John Bouma—have agreed to serve on the board. *Of Counsel* will follow this initiative as it develops and grows. ■

—Steven T. Taylor

Reprinted from *Of Counsel* April 2008, Volume 27, Number 4, pages 1-2,16-17,
with permission from Aspen Publishers, Inc., Wolters Kluwer Law & Business, New York, NY,
1-800-638-8437, www.aspenpublishers.com

Wolters Kluwer
Law & Business