

Navigating your way through the 'perfect storm'

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Perfect Storm (def.) A weather pattern involving the collision of a northeaster, a large high pressure system, and unusually cold air pushing down plus moisture and warm air pushing up from a hurricane to the south to create a 'once-in-a-lifetime' storm.

"Perfect storm" seems an apt term to describe the current business environment of law firms. There is an aging partner population with little or no succession planning in place. The record number of lawyers exiting the profession leaves behind a shrinking talent pool and rising competition for talent – a sure formula for unprecedented increases in associate salaries. Clients are demanding more service and there is an increasing competition for clients as a result of on-line legal services, globalization, and growth in outsourcing. There is also the downturn in the US economy and what that means for Canada. Finally, there is a lack of willingness among firm leaders to acknowledge and adapt to these conditions.

Considered together, the challenges seem insurmountable. But the "perfect storm" needn't spell catastrophe.

With skillful navigation, your firm could get to the open water and find itself alone in a sea of opportunities. But time is of the essence. Those who are first to act in their respective markets will get to that open water first.

First, it will take firm leaders who understand the need to provide solutions for these challenges. Then it will take some visioning. And then, ultimately, some action.

Let's start with the vision. Here's what your firm can look like if it effectively addresses the issues outlined above.

Recruitment: You take full advantage of the training and expertise of your Human Resources department/staff to create a long-term succession plan for five to ten years out. You use sophisticated personality profiling to ensure you hire correctly, right from the start.

Talent Development: From the moment your talent walks in the door, you make available a development program that's sure to help them get off to a good start. Your program involves ongoing individual development initiatives. Not a one-size-fits-all approach, but an individualized, customized training program to address the individual needs and challenges of your associates.

Team Development: Your leaders receive on-going leadership and team development training. They are inspired to lead their teams, and their compensation model reflects that.

Business Development: When your associates are established, you begin to prepare them for partnership by providing ongoing business development and client service training.

Professional Development: You provide associates with access to practical, objective, non-judgmental and strategic advice from an independent business advisor too.

To survive in a tough business climate, be clear on what and who your firm is: its strengths, weaknesses, opportunities and threats. This comes from understanding your firm's value proposition and what differentiates it from your competition.



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Leadership Development: It can be lonely at the top. You provide your managing partner with access to practical, objective, non-judgmental and strategic advice from an independent business advisor.

Compensation: Your compensation plan acknowledges and rewards all of the various efforts required to take your firm to the next level (including roles in leadership and client service/satisfaction).

Governance: Your firm is governed in a way that allows it to react to and be proactive to client and market needs. This means the end of ruling by committees. Whether you choose to have a formal governance model (one that mirrors your most successful corporate clients), or a less formal one, you have an advisory board and one clear leader.

Taking action: Start with a plan. Be clear on what and who your firm is: its strengths, weaknesses, opportunities and threats. This comes from understanding your firm's value proposition and what differentiates it from your competition. It's about being realistic and true to the history and culture of your firm. And, throughout the planning stages, you engage all stakeholders.

Here's how that happens:

Planning phase: Ensure all C-Level staff are at the head table, co-creating the implementation plan with you. Seek outside counsel if needed.

Get 'buy-in' from lawyers and staff early; they need to understand your vision. And they need to be able to see themselves in it.

Drive behavioural change by identifying early adopters. Give them the support they need to succeed. Create pilot programs that will bring about results. Articulate those results as proof this new behaviour is successful.

Reward this new behaviour and address the changing and diverse needs of your team with a new compensation plan.

Let the world know and get ahead of your competition by making sure everyone knows, including lawyers and clients, about this 'new way'.

Sound like a pipe dream? It isn't, and it doesn't have to be complicated. It starts with aware-

ness of the need to change and a willingness on the part of your firm's leadership to bring about those changes.

Navigate your firm through the perfect storm, get to the open waters and make your competition irrelevant!

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