

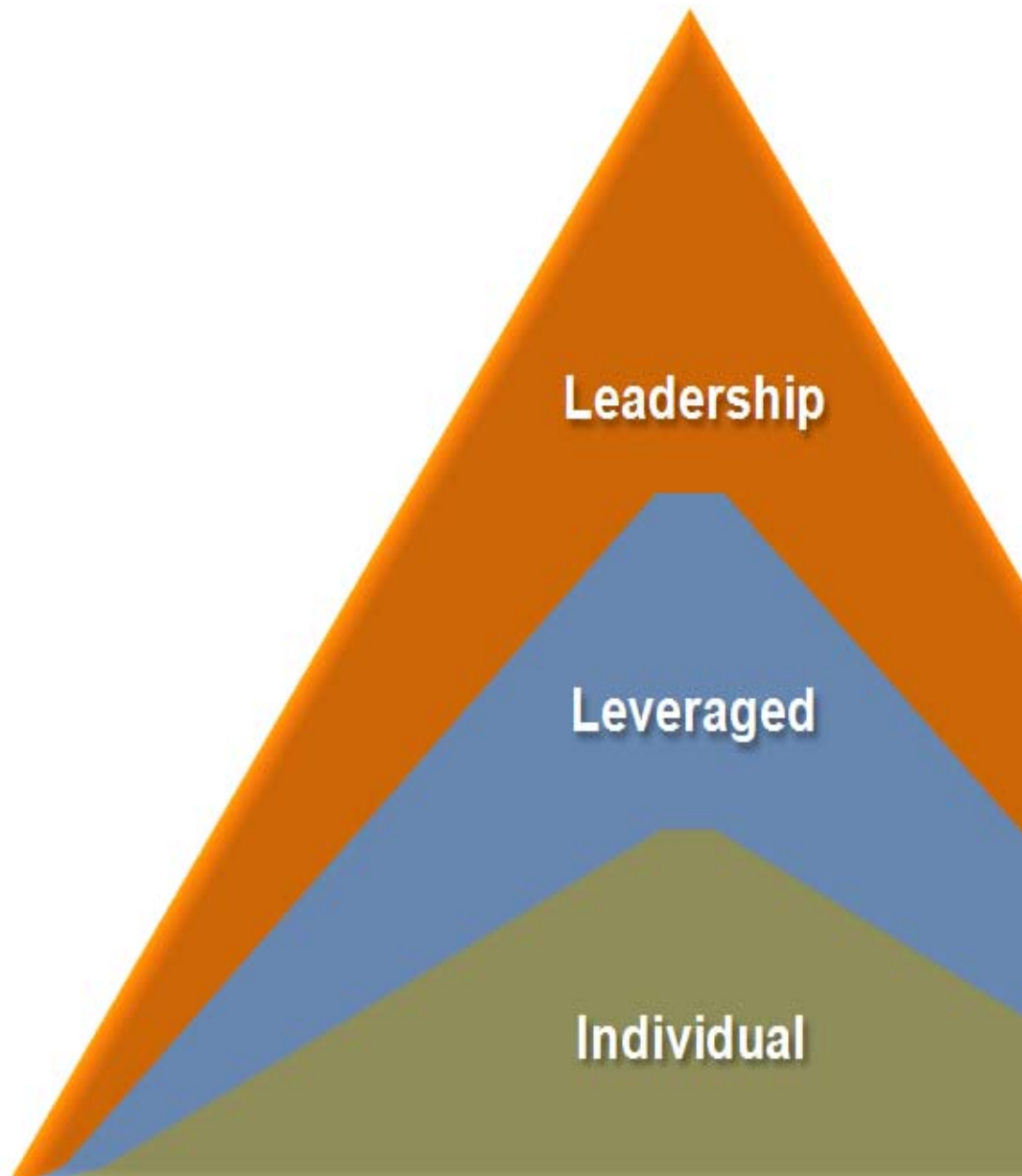
Firm Leader

Partner Development Survey

Executive Summary

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I. Executive Summary

As the business of law has become more competitive, law firms have been asking more from their partners as business developers, managers and leaders – roles that do not come naturally to many of them. In this challenging world, it is far from safe to assume that, once lawyers become partners, they should be left entirely on their own to build their practices and their careers. This survey was designed to help firms determine how best to support and accelerate their partners' development.

Forty-four law firms participated in this study. Each firm identified **successful** partners at four stages: Newly Admitted Partners, Established Junior Partners, Leveraged Contributors, and Senior Leaders (please see the Sidebar – Stages of Partner Development & Contribution). 507 partners completed the survey, representing 89% of those invited to do so.

The firm's lack of a formalized system for cultivating business development and/or leadership skills makes it challenging for anyone to develop those skills. ... as I move into new stages in my career, I find myself adrift in trying to continue developing those skills.

The survey rested on a hypothesis that the results supported: to succeed over their careers, most partners must develop new skills, priorities, and attitudes. Excluding Newly Admitted Partners, approximately two-thirds of those responding reported that their approach to business development had changed significantly while they were partners. More than half – and 73% of Senior Leaders – said they had also made a significant transition in their approach to management and leadership.

These transitions form a clear pattern. After successful partners establish their individual practices, they must develop the management and business development skills that enable them to leverage those practices, thus generating more opportunities than they can manage directly. Then, in order to broaden their contributions beyond their own practices, they must develop the leadership and collaborative business development skills that enable them to contribute to the success of others and the firm. In the framework of this survey, those transitions move partners from Stage 1 to Stage 4.

Each transition involves significant – and difficult – changes. As a result, not all partners make all of the transitions, or make them to the same extent. Nor would a firm necessarily expect them to: Some specialists, for example, may always be most valuable because of their individual contributions. But the firm that can help more of its partners accelerate through these transitions stands to gain a lasting competitive advantage.

Our current system facilitates "natural selection" [among partners]... but I believe there are other lawyers who would be successful ... with more attention at an earlier career stage.

Many partners at all stages suggested that their firms provide this support more systematically and frequently. In their narrative responses to some of the survey's questions, partners demonstrated a strong consensus that such support would benefit them individually and their firms more generally.

Stages of Partner Development & Contribution

The authors have noted in their work with law firms over many years that successful partners, as their careers progress, tend to rise through three levels of contributions to their firms. Each requires them to make significant transitions in their skills, perspectives, and priorities. The three levels of contribution are:

Individual - Newly admitted partners move from being dependent on others for work to establishing their own practices, in which they are generating opportunities for themselves and others with whom they work on a regular basis.

Leveraged - Partners begin to “leverage” their practices by generating more work and opportunities than they can manage directly.

Leadership - Partners broaden their focus beyond the success of their own practices and devote more of their time and attention to helping others and the firm succeed.

These three levels of contribution are not mutually exclusive; indeed, many successful partners contribute at all three levels in varying proportions.

The firms participating in the survey were asked to identify successful partners at the following four stages so that we could look for patterns and differences in skills, perspectives and priorities across the stages.

Stage 1 **Newly Admitted Partners** – Partners admitted in the last year (or two) at the lowest entry level, which, in many firms, is a non-equity role. Partners who joined a firm laterally as partners were not eligible for this category.

Stage 2 **Established Junior Partners** – Partners who have made the transition to partnership successfully by establishing vibrant practices. Often these junior partners are seen as “rising stars.”

Stage 3 **Leveraged Contributors** – Partners who are generating and managing opportunities that involve many other lawyers. These partners are seen as leaders in their practices, managing large “books of business.”

Stage 4 **Senior Leaders** – Partners who are widely regarded as leaders because of the broad contributions they are making to the overall success of the firm, often across practices and regions. Partners who spend the majority of their time in management roles, as opposed to practicing, were not eligible for this category.

How can this survey help your firm to accelerate its partners' development?

First, the results provide clear guidance about:

- the skills that partners believe have been or will be most important to their success;
- the skills in which they believe they are most and least proficient; and
- the forms of support they find most useful.

Additionally, however, the results show that:

- junior partners may not fully appreciate the business development skills on which they should focus as they build their careers; and
- partners at all levels may not give enough priority to some skills – especially collaborative skills – that would benefit the firm as a whole, not only each of them individually.

To make the best use of these findings, therefore, a firm should not only be guided by what partners say is most important to their futures. It should also decide whether its partners' perceptions are aligned with the skills that are truly most important to the firm, given its strategy, culture and position in the marketplace.

The survey was organized in four parts and the results are presented in corresponding sections of this report: business development (Section II); management and leadership (Section III); the ways in which firms support the development of their partners (Section IV); and the demographics of the participating firms and partners (Section V). The detailed survey data for each question are contained in the Appendix.

Our key findings are summarized below.

1. A high proportion of partners at all stages attribute their success to the same “foundation” skills.

The survey addressed 12 business development skills and 12 management and leadership skills (please see Figures 1 & 2). In each category, partners were asked to choose the three skills that have been most important to their success as partners. At all stages, a high percentage of partners chose the same business development skills and the same management and leadership skills. Accordingly, these skills might be characterized as “foundation” skills for success as a partner.

For business development, the foundation skills, in the order in which they were most frequently chosen, are:

1. Meeting my clients' expectations for service (chosen by 74%)
2. Establishing strong one-on-one relationships with clients (60%)
3. Building my reputation and profile inside the firm (48%)(more frequently chosen at Stages 1 & 2)
4. Building my reputation and profile outside the firm (47%) (more frequently chosen at Stages 3 & 4)

For management and leadership:

1. Motivating others to deliver their best work and highest commitment (55%)
2. Building a team to service client demands in my practice (52%)
3. Planning and organizing matters to maximize efficiency (38%) (more frequently chosen at Stages 1 & 2)
4. Delegating work in a manner that develops others (36%) (more frequently chosen at Stages 3 & 4)

Although there was less consensus about the most important management skills than about business development skills, #3 and #4 above were still chosen significantly more often than any of the remaining skills.

When partners were asked to rate their proficiency in all 24 skills, a high percentage also reported that these core skills are the ones in which they are most proficient. Not surprisingly, partners believe that what they are good at today is what has brought them success in their careers.

***Our conclusion:** Because most successful partners have found the foundation skills so important to their success, firms should ensure – through training, coaching, competency models, and evaluations – that they are developing those skills even before lawyers become partners. Firms should also reinforce the skills throughout partnership, notwithstanding that partners may believe they are already proficient in them. The firm that is able to accelerate the development of the foundation skills among all its lawyers stands to gain a competitive advantage.*

2. Junior partners may not fully appreciate the business development skills required to transition from an individual practice to a leveraged practice.

The transition to a leveraged practice (Stage 3) is particularly important from a firm's perspective as well as a partner's. As written comments make clear, this transition requires a much-intensified focus on building client teams and handing off work to others. That new emphasis was reflected in a substantial jump between Stages 2 and 3 in partners' self-assessed proficiency in management and leadership skills, particularly the skills of building teams and improving the delivery of services to clients.

Junior partners may not fully appreciate, however, the business development skills that are most important to making this transition. When asked to choose three business development skills they want to develop in the next two years, a significant proportion of Newly Admitted and Established Junior Partners chose the same four skills:

1. Building my reputation and profile outside the firm (chosen by 50%)
2. Expanding and cultivating my professional network (40%)
3. Making successful first contact with prospective clients and referral sources (34%)
4. Anticipating where our practice needs to be in 3 to 5 years and marshalling resources to build necessary capabilities (35%)

No other skill was chosen by more than a quarter of those responding.

All four skills have a common theme: They require partners to move outside the comfort zone of being first-rate lawyers, and to reach out to those they may not encounter in their day-to-day work. The last three skills require them to reach out to individuals, not merely to an impersonal audience for an article or speech. For that reason, we clustered those three (along with cross-selling) under the label of “Building Networks.” (Figure 1 lists all three clusters of business development skills.)

The skills in the cluster of Building Networks are also the ones in which junior partners believe themselves least proficient, so their desire to improve these skills is understandable. But, as junior partners become senior, are they likely to look back and attribute their success to these networking skills?

The survey results suggest not. For example, less than 7% of partners at Stages 3 and 4 selected “making successful first contact with prospective clients” when asked to choose the skills that had been most important to their success. So what might be a better choice for skill development by junior partners? Senior partners chose “managing client teams to expand and institutionalize key client relationships” as most important to their success, after the foundation skills noted above. This result is not surprising, since managing client teams is critical to making the transition to leveraging one’s practice. Strikingly, however, only 6% of Newly Admitted Partners and 17% of Established Junior Partners chose that skill as one of their top three priorities for improving their business development abilities.

Our conclusions:

Although many firms focus their partner-level training on new partners, an equally critical point occurs several years later, when partners who have established their individual practices will need to develop new attitudes and skills if they are to make a leveraged contribution. Firms would benefit from focusing on this transition point.

In addition to focusing on the foundation skills, firms should offer development programs for junior partners that focus on managing key client relationships, including programs that focus on team leadership and project management skills. While networking skills are important, especially the core skill of expanding and cultivating one’s professional network, firms may need to persuade junior partners that it is important to continue to develop their skills in managing teams and client relationships, skills in which many think they are already proficient.

3. Senior partners (Stages 3 & 4) want to develop group leadership skills.

Senior partners understand that, to have credibility as leaders, they must first have shown that they can establish a strong and respected practice. At that point, however, they believe they must develop their skills for leading groups in order to move to the next level in their contributions as partners. Among management and leadership skills, four of the five development priorities most often chosen by partners at both Stages 3 and 4 were the four skills in the cluster of Managing Groups/Firm (please see Figure 2).

Figure 1 - Business Development Skills

The survey addressed 12 business development skills, clustered below in three areas of competency (the skills were not clustered in the actual survey). In each cluster, the list of skills represents a rough progression in complexity.

Cluster	Skill
Cultivating Clients	1a Meeting my client’s expectations for service
	1b Establishing strong one-on-one relationships with clients
	1c Conversing with clients to uncover and pursue their unmet needs
	1d Managing client teams to expand and “institutionalize” key client relationships
Profiling Expertise	2a Building my reputation and profile inside the firm
	2b Building my reputation and profile outside the firm
	2c Collaborating with colleagues to build the profile of our practice group
	2d Collaborating with colleagues to sell the services of the firm (e.g., proactive pitches, RFPs)
Building Networks	3a Expanding and cultivating my professional network
	3b Making successful first contact with prospective clients and referral sources
	3c Cross-selling the services of partners in other practice areas
	3d Anticipating where our practice needs to be in 3 to 5 years and marshalling resources to build necessary capabilities

Figure 2 - Management and Leadership Skills

The survey addressed 12 management and leadership skills, clustered below in three areas of competency (the skills were not clustered in the actual survey). In each cluster, the list of skills represents a rough progression in complexity

Cluster	Skill
Managing Individuals	1a Motivating others to deliver their best work and highest commitment
	1b Providing enough constructive feedback
	1c Delegating work in a manner that develops others
	1d Mentoring colleagues to help them make career transitions
Managing Projects & Teams	2a Planning and organizing matters to maximize efficiency
	2b Creating and using budgets to manage matters cost-effectively
	2c Building a team to service client demands in my practice
	2d Improving the delivery of our services to maximize client service and profitability
Managing Groups/Firm	3a Building our practice/firm by actively recruiting, integrating, and developing top performers
	3b Aligning people across practices to create and pursue opportunities
	3c Marshalling colleagues to plan and execute our strategy
	3d Communicating a vision for the future direction and success of our practice/ firm

The skill chosen most often was “communicating a vision for the future direction and success of our practice/ firm.” This top priority complements the top priority of senior partners for business development skills: “anticipating where our practice needs to be in 3 to 5 years and marshalling resources to build necessary capabilities.”

After the top four priorities, the fifth reflected the respective roles of partners at Stage 3 and 4. More Leveraged Contributors (Stage 3) gave priority to “improving the delivery of our services to maximize client service and profitability,” and more Senior Leaders (Stage 4) gave priority to “motivating others to deliver their best work and highest commitment.”

***Our conclusion:** Firms should support their senior partners in the development of group leadership skills, not only because many senior partners want to improve those skills, but also because the skills are critical for the success of collaborative business development initiatives and to ensure that groups and offices have effective leadership.*

4. Partners give low priority to certain skills that, for many firms, are important to business development and to partners’ roles in developing other lawyers.

Budgeting client matters. Among all 24 skills surveyed, the skill receiving the lowest average proficiency score was “creating and using budgets to manage matters cost-effectively.” As well, less than 20% of partners chose it as one of their three development priorities among management skills. That response is noteworthy, given increasing pressure from clients on fees and renewed interest in alternative-fee arrangements. Especially for firms moving further into the world of capped, fixed-fee or budgeted matters, the need to improve budgeting proficiency is a clear message in the survey results.

Cross-selling. The business development skill notable for low ratings is “cross-selling the services of partners in other practice areas.” Partners do not think they are very good at cross-selling (ranking it 9th in proficiency), and less than 5% of partners chose it as one of the top three skills that have contributed to their success. And, although most partners thought it important to develop the other skills in the Building Networks cluster, less than 15% chose cross-selling as one of their top three development priorities. The low interest in this networking skill is consistent with the relatively low priority given to collaborative skills generally, as discussed in finding #5 below.

Feedback and mentoring. These skills also garnered low scores. Both skills (“providing enough constructive feedback” and “mentoring colleagues to help them make career transitions”) ranked in the middle of the 12 management skills for proficiency, although the average ratings were less than 7. Senior Leaders (Stage 4) scored feedback second-last for proficiency. While partners recognize they have room to improve, they obviously do not see the skills as important to their success. Less than 10% of partners chose either skill as one of the top three that has contributed to their success or as one of their three development priorities for the future.

Our conclusions:

As firms build their partners' ability to manage alternative fee arrangements, they should focus on budgeting skills as well as the broader array of project-management and client-relationship skills.

Firms have been harping on "cross-selling" for the last 20 years to little avail. They may benefit more by improving collaboration among partners in the context of managing client relationships and building a practice group's profile. That foundation may then lead naturally to more cross-selling.

Feedback and mentoring are key components of several broader leadership skills. As such, we recommend that firms focus on developing these skills – partner-to-partner, not only partner-to-associate – in spite of the apparent lack of interest among partners.

5. Most partners favor individual achievement over collaboration.

The 24 skills surveyed included both skills that partners can exercise on their own ("individual" skills), and skills that they must exercise jointly with their colleagues ("collaborative" skills). (Please see Figures 13 and 25, in Sections II and III, for the distinctions.) As Figure 3 shows, partners at every stage believe they are more proficient in individual skills than collaborative skills.

This finding is not surprising, given that individual achievement is the lifeblood of any professional services firm. The performance management systems of law firms are geared to focus on individual metrics and individual performance, beginning with evaluations for associates and continuing with compensation for partners

While the proficiency gap is not dramatic, based on our experience in firms we suspect that most partners over-estimate their collaborative skills – especially the skills that involve actively reaching out to collaborate over an extended period, rather than getting together for a short-term project such as a client pitch.

The gap between individual achievement and collaboration overlaps with another gap, one between business development skills and management and leadership skills. As shown in Figure 4, partners believe they are more proficient in business development than in management and leadership. While Newly Admitted Partners (Stage 1) scored themselves equally (and low) in both skill areas, a gap opens between the two skill-sets for partners at Stages 2 through 4.

These two gaps reinforce each other. Between business development skills and management and leadership skills, there is a critical synergy that requires collaboration. For example, a key "advanced" business development skill is "anticipating where our practice needs to be in 3 to 5 years and marshalling resources to build necessary capabilities." That skill will come to nothing, however, if a partner lacks the collaborative leadership skills that will persuade others to move in the same direction.

Figure 3 - Average Self-Assessment Scores for Individual and Collaborative Skills

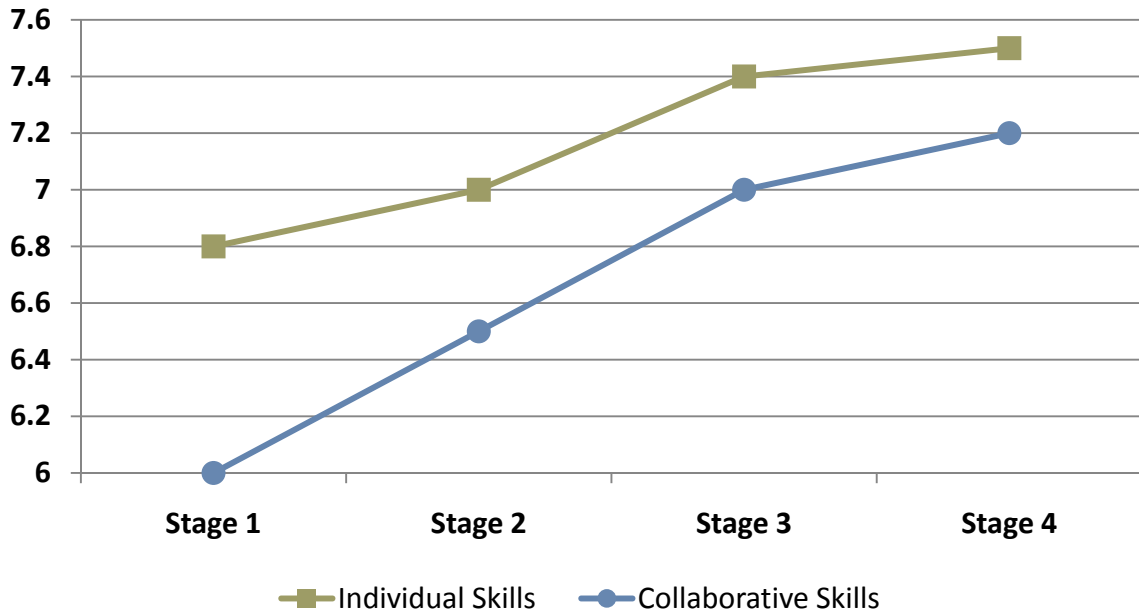
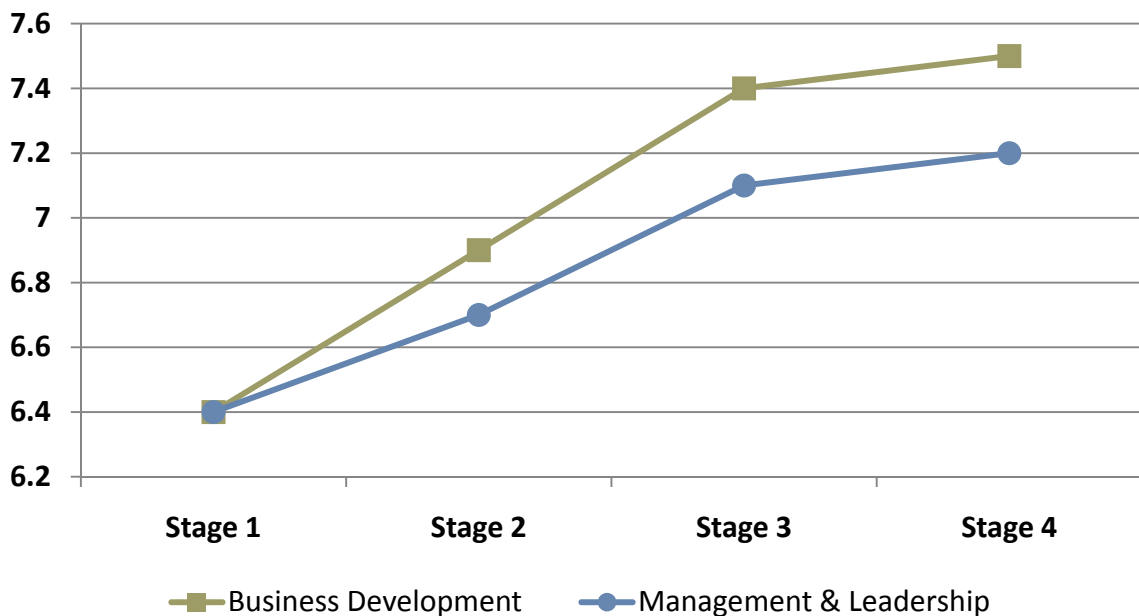


Figure 4 - Average Self-Assessment Scores by Stage



For firms that exhort their partners to collaborate on business development in order to compete for the most sophisticated work from major clients, the tradition of individual achievement that is often enshrined in compensation systems and culture may also be having unintended consequences, as we will see in the next key finding.

Our conclusion: *Whether these proficiency gaps matter depends on a firm's decision about the skills that are most important to its culture and strategy. Indeed, if a firm is trying to drive more individual entrepreneurialism in its business development, then the gaps may be good rather than bad news. The results should be more worrisome, however, if a firm's strategy rests on skills that are typically less developed; for example, if the firm emphasizes a coordinated approach to clients and business development across offices and practices, or if it needs to build a cadre of effective leaders for practice groups and client teams. In that situation, a gap represents an opportunity to be seized.*

6. In many firms, partners believe the compensation system discourages collaboration and impedes their ability to achieve their full potential.

One factor that may encourage partners to value individual achievement over collaboration is a firm's compensation system. A disconcertingly large proportion of experienced partners (42%, excluding Newly Admitted Partners) believe that their firm's culture or systems in general impede them from developing fully as business developers or leaders. Their narrative explanations pointed most often to compensation systems that reward individual achievement to the detriment of collaboration, because the systems focus too heavily on origination credits or personal billings. Representative comments:

Because there is such weight given to originations in compensation, everyone fights to originate new clients and there is not much more than lip service to the notion that we are all in this together and ought to be supporting one another.
(Stage 3)

Tracking origination credit in a big firm is very difficult to do with any accuracy, but when you start crossing practice group lines it's even more difficult. So, it's just easier (less confrontational) to originate work that you know is "yours" and you don't have to worry about fair allocations with other partners. I have no idea how to fix this, but I have no doubt it is our biggest impediment to fully marketing our entire firm's services to clients and [fixing it] would lead to exponential growth in business for the entire firm. (Stage 4)

The narrative comments were corroborated by the survey's data. Partners were asked if their firms tracked origination credits (almost all do) and, if so, how significant compensation credits are for compensation purposes. They were also asked to estimate the proportion of their time spent on collaborative versus individual business development activities. ***The results show that, the more a firm emphasizes origination credits in determining compensation, the less collaborative business development activity it is likely to see.*** (For details, please see Section II under the heading, Individual Achievement vs. Collaboration.)

As the written comments make clear, the compensation criteria affect more than the willingness of peers to collaborate on business development. They also affect the willingness of senior partners to bring other partners into a client relationship and to help junior partners build independent practices.

Our conclusion: We recognize that firms use origination credits to encourage business development; however, compensation systems that give too much weight to one measure (origination credits or personal billings) can create dynamics that impede the very behaviors they are trying to encourage. Firms for which collaborative business development is critical should review their compensation system to ensure that it is not perpetuating a culture that is holding back partners from achieving their full potential.

7. Partners generally agree about the forms of support and training that are most effective

There was substantial consensus about the kinds of support partners would like to see. Among the specifics that will be discussed in Section IV, three themes stood out:

- Although less than half of those responding have received formal training in business development or management and leadership, and less than a quarter have received external coaching, the good news is that much of the training and coaching has helped. Among the minority who have been trained or coached, most – 60% of those trained, 78% of those coached – said the programs had significantly influenced their development. In the written comments, the most praise was reserved for “intensive” programs that led partners to create individualized, practical goals, and then helped them – often through an extended period of coaching – to develop the discipline to move toward those goals.
- Partners praised the usefulness of assessments and coaching that helped them to identify their strengths and weaknesses, and to understand how their “styles” interacted with the styles of others.
- Partners emphasized the importance of learning from their seniors through coaching and observation, and the importance of mentors to their careers after they became partners. Judging by the written comments, especially those from laterals, firms vary significantly in senior partners’ willingness to provide this support.

Demographics of Respondents

Total number of partners completing survey: 507					
	All	Stage 1	Stage 2	Stage 3	Stage 4
Number of respondents	507	118	130	140	119
Average years as partner	15 yrs	2 yr	8 yrs	18 yrs	23 yrs
% Men	69%	64%	62%	69%	79%
% Women	31%	36%	38%	31%	21%
% Corporate/ Transactional	38%	36%	36%	38%	43%
% Litigation	36%	43%	42%	31%	31%
% Specialty Other	26%	21%	22%	31%	26%
% Joined as lateral partner	22%	2%	18%	33%	32%
% Promoted from within the firm	78%	98%	82%	67%	68%

Demographics of Participating Firms

	Firm	#
Size	More than 650 lawyers	16
	250 to 650 lawyers	21
	Fewer than 250 lawyers	7
Revenue	AmLaw 100	21
	AmLaw 200	8
	Other U.S. firms	5
	Canadian	10
Total number of participating firms:		44

The Authors

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Steve Armstrong has led professional development and talent-management programs at major law firms for more than 20 years. During that time, he has guided firms to think strategically about managing their talent, has taught programs on managerial and leadership skills, and has designed and implemented a wide range of programs and policies, including leadership and other development programs for partners. Most recently, Steve has been Director of Career Development for WilmerHale. Previously, he was the Director of Professional Development at Paul, Weiss, Rifkind, Wharton & Garrison and at Shearman & Sterling.

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