

# LEADING LAWYERS

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Mark Beese

2017 Michigan Bar Leadership Forum

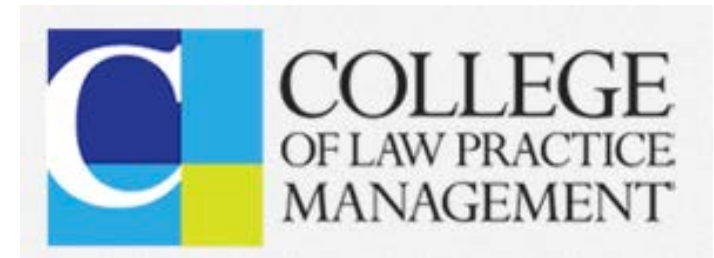
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**LEADERSHIP  
FOR LAWYERS<sub>LLC</sub>**

**SBM**  
STATE BAR OF MICHIGAN



# Mark Beese



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## LEADERSHIP FOR LAWYERS<sup>LLC</sup>



# New Normal

$T_{ds} \sim 1/R \sim \sqrt{\Lambda} \Rightarrow$  (Non Susy)  
 $S_{ds} \sim (MP)^2 \sim 1/\Lambda \Rightarrow$  Quantum system w/ FFINITE # of STATES  
 Particles & BHs  
 Unstable in dS  
 Global coord.  $S \rightarrow$  Compact  
 $\rightarrow$  Total  $Q = 0$   
 Static Patch  $\rightarrow$  Cosmological Horizon  
 $\rightarrow$  Screen Image  
 P: only approximate charge  $\rightarrow$  Total charge  $Q =$   
 excitations of dS space  
 Nonlocal Mechanism dS Adjusts itself

① Zoom into the vicin al.  
 Derive BKL Take:  
 $N < N_*$   
 1-expansion  
 $N_*$

② Exactly  $N =$  finite system  
 $\rightarrow$  Recursive Solns? Wormholes?

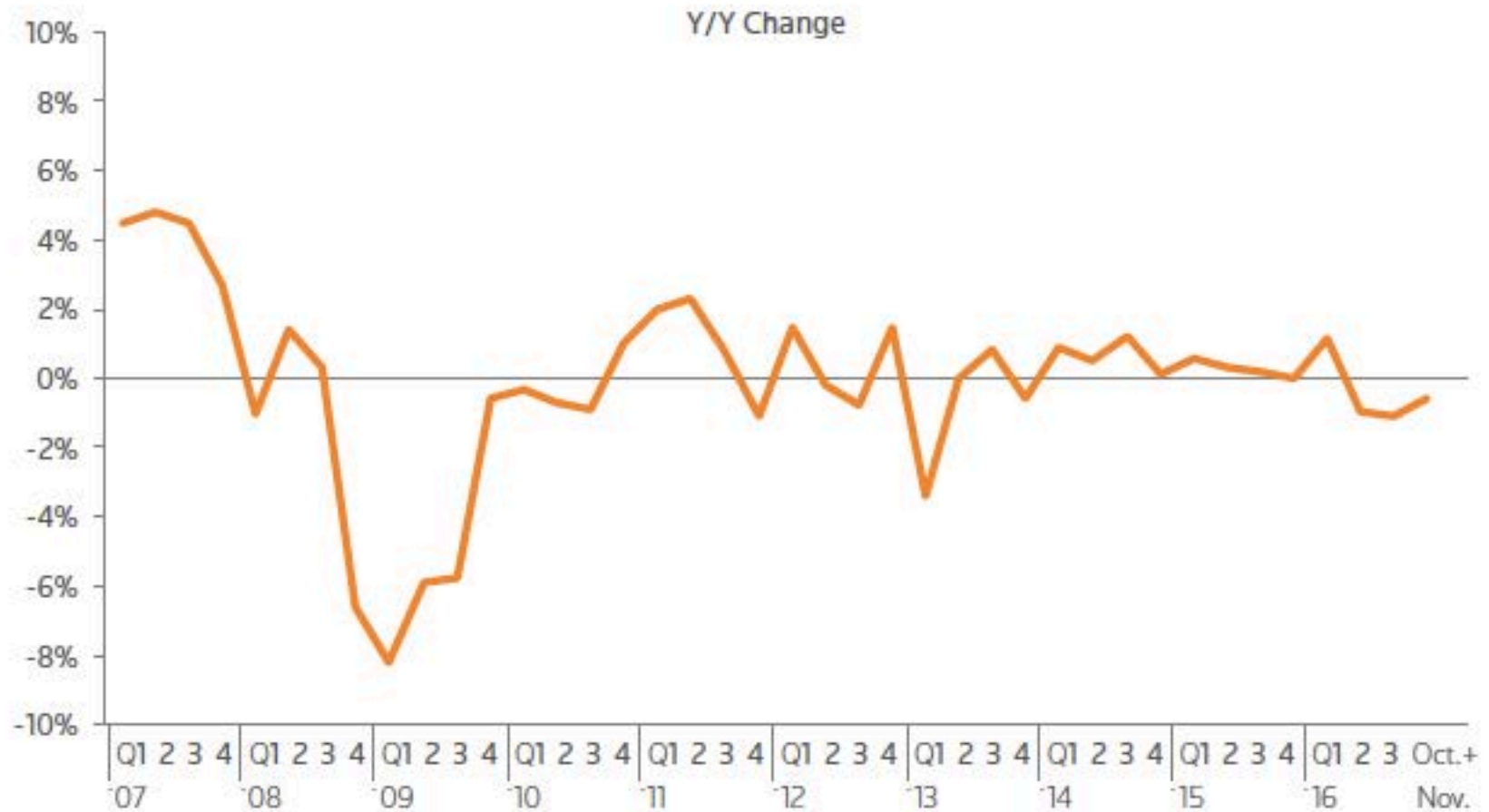
C.D. Universeness  
 Consistency of Overlapping Observers  
 FUSION  
 The Finiteness of Quantum Universe  
 Holography  
 F.L.C  
 R  
 t  
 Gaussian  
 $\Delta = H \cdot S$   
 $M = H_0 \sqrt{M}$   
 $R_s = G M = \frac{1}{2} H_0 M$   
 $\Rightarrow R_s = \frac{1}{2} H_0 M$   
 $\Rightarrow R_s = \frac{1}{2} H_0 M$



While the demand for traditional law firm services has remained relatively soft, the supply of legal service providers has increased, creating a hyper-competitive<sup>2</sup> market, and forcing law firms to rethink how they deliver legal services. The firms that outperform the rest of the industry will likely be those that successfully pursue dual strategies of growth and operational efficiency, while at all times staying attuned to the changing needs of their clients and broader target market. Firms also recognize that they will need to adapt their culture to respond to client demands and to retain key talent.

We expect overall industry revenue and profitability<sup>3</sup> growth rates in both 2015 and 2016 to be in line with the low single-digit growth rates of 2010 – 13, with continued dispersion and volatility.<sup>4</sup>

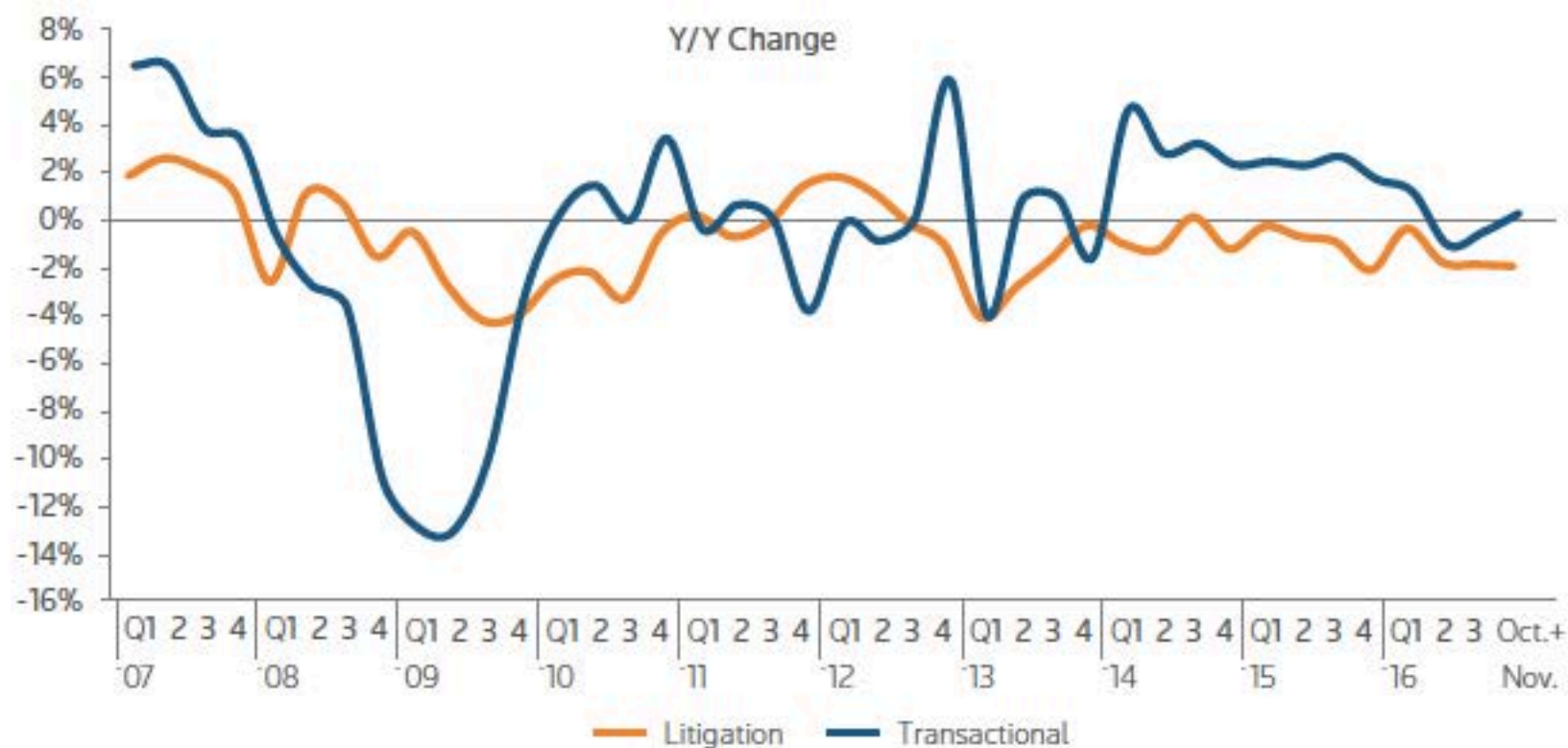
Chart 1 – Growth in Demand for Law Firm Services



Source: Thomson Reuters Peer Monitor

All timekeepers  
Billable time type; non-contingent matters

## Chart 2 – Demand Growth for Transactional vs Litigation Services



Source: Thomson Reuters Peer Monitor

All timekeepers  
Billable time type; non-contingent matters

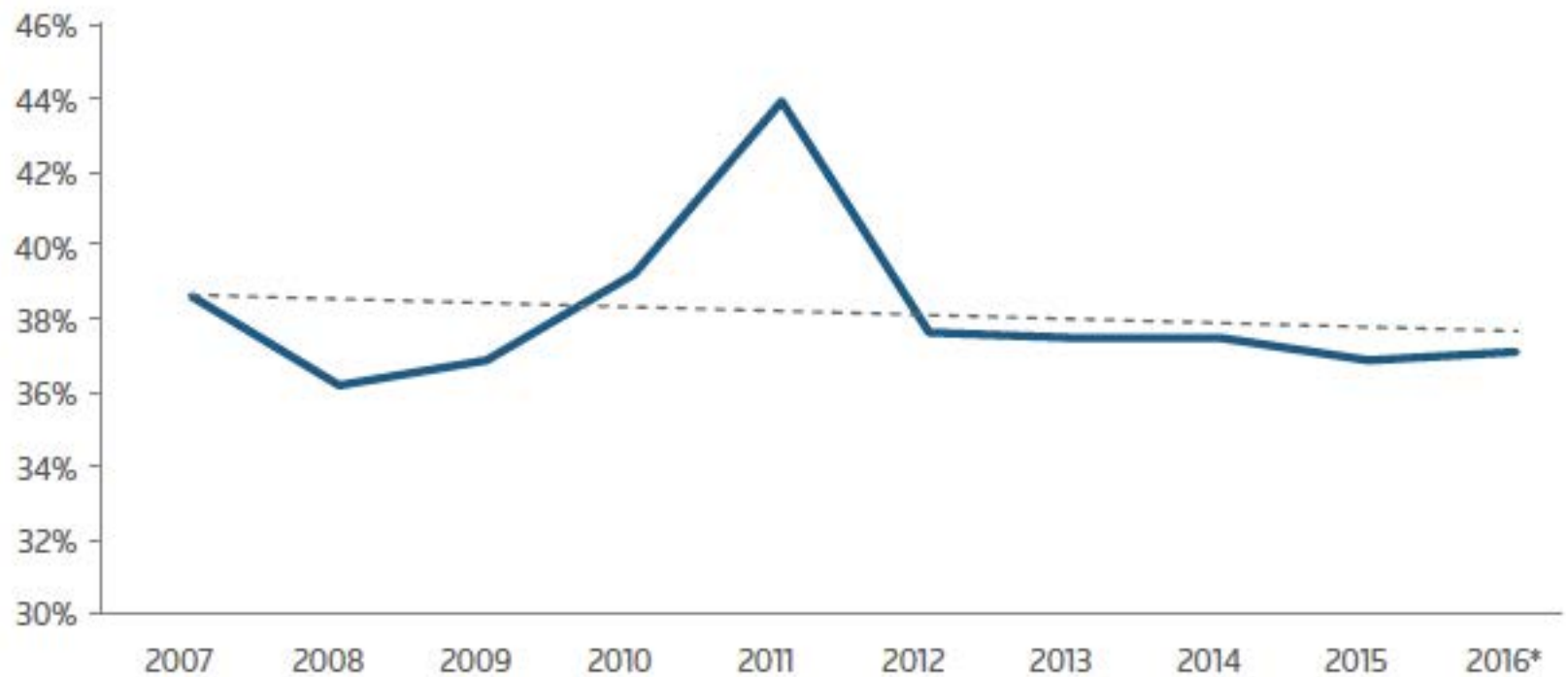
# Chart 6 – Collection Realization against Standard Rates



Source: Thomson Reuters Peer Monitor

Lawyers  
Billable time type; non-contingent matters

Chart 11 – Profit Margin Stagnation





# Generation

In 63% of law firms, partners aged 60 or older control at least 25% of total firm revenue.

But only 31% of firms have a formal successful planning process.



# Unrealistic Partner Expectations

Over the past 25 years...

- Total gross revenue for the 100 firms has gone up more than tenfold, from \$ 7 billion to \$ 71 billion, a Compound Annual Growth Rate of 9.71%
- Average PPP has more than quadrupled, from \$ 324,500 to about \$ 1.4 million, 6.02% CAGR
- Average AmLaw 100 partner's earnings have gone from 11.3 times the average American employee's compensation to 23.4 times that benchmark in 2010
- YET....58% of partners believe they should be better paid
- MacEwen, Bruce Growth is Dead.

## CLO Survey

40%

Of law departments plan to **decrease** their spending on outside counsel this year.

# CLO Survey

76%

Will **send the work** to their in-house staff.



## CLO Survey

49%

Decreased their outside spend because they **eliminated work they no longer need to do** (up from 29% last year).

# CLO Survey

# 50%

Of CLOs **want greater cost reduction** through budget forecasting, non-hourly pricing, project management, and matching work to legal risk levels (staffing).

# Change...

- Baby Boom retirement/New Millennials
- Client expectations
- Client buying power
- Flat demand
- Globalization
- Increased Competition
- New Competition
- Innovation and redesign
- Reluctance to change



The rate of *change* is not going to  
slow down anytime soon.

If anything, *competition* in most industries will  
probably *speed up* even more in  
the next few decades.

- John Kotter



**In a learning organization, leaders are  
*designers, stewards, and teachers.***

They are responsible for building organizations where  
people continually expand their capabilities to  
understand complexity, clarify vision, and improve  
shared mental models

– that is, they are responsible for learning.

- Peter Senge



**We need to learn to lead**

Complex and Dynamic Market

Multigenerational Teams

Across Boundaries

Change

People

Clients

# **We need to learn**

Faster

Effectively

Efficiently





**Leadership in  
the New  
Normal**

# Leadership Activity

Think of a leader that had an impact on you

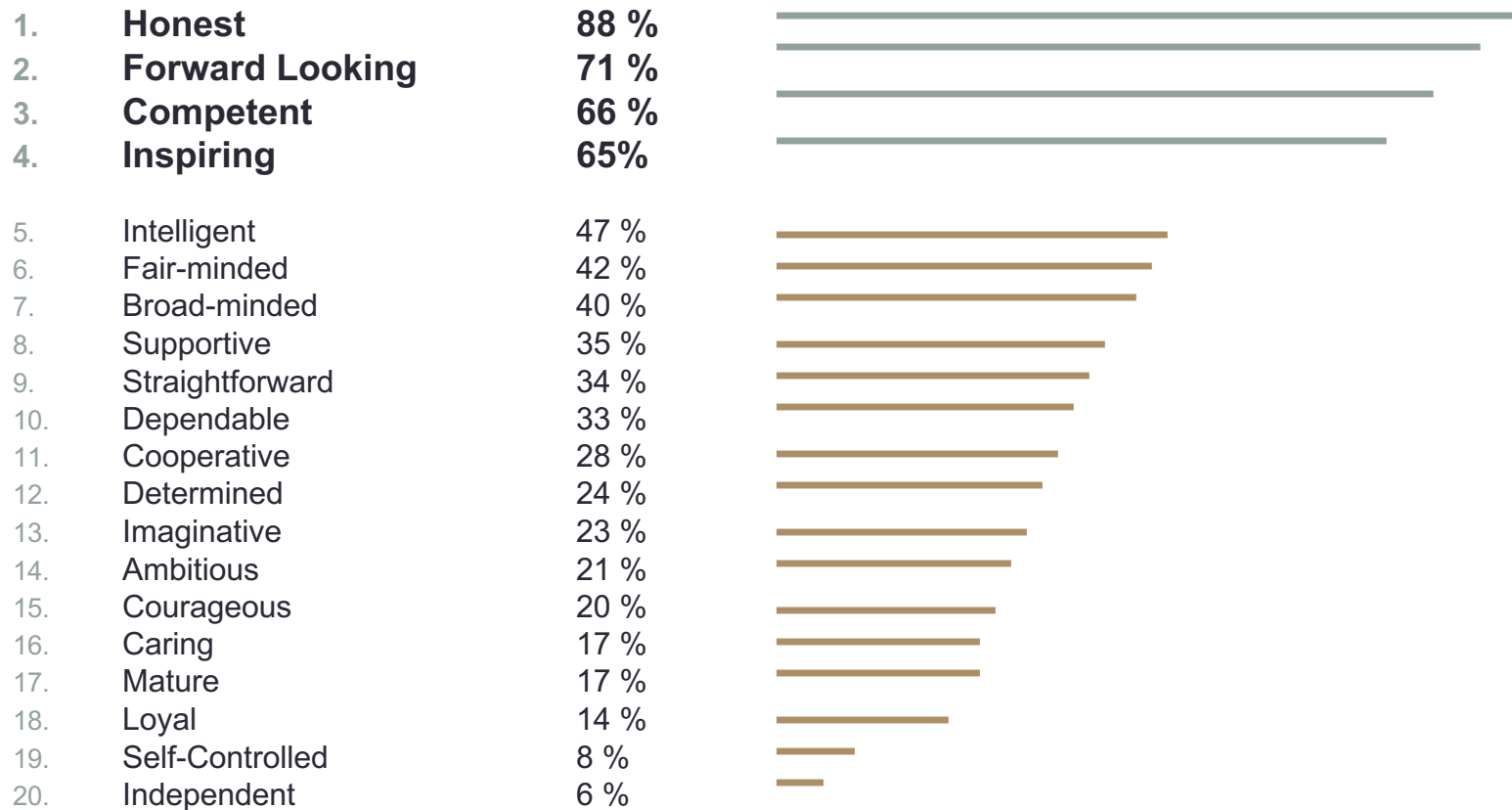
Think of an event or circumstance that illustrated their leadership

What three words or phrases characterizes her/his leadership?

Share with one person your story.

# Qualities of a Leader

*What do you most look for and admire in a leader, someone whose direction they would willingly follow?*





# Is Leading Lawyers Impossible?

- Difficult Personalities
- Difficult Structure
- Weak Precedent for Leadership
- Behavior Change is Painful



# Requires Leadership

“Only three things happen naturally in organizations: friction, confusion and underperformance.

Everything else requires leadership.”

- Peter Drucker

# Law Firms ‘Unmanageable’

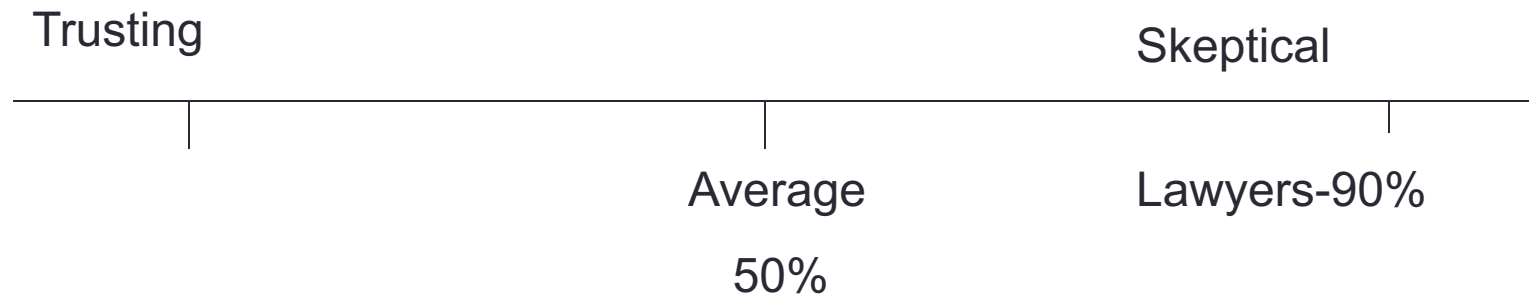
“After spending 25 years saying that all professions are similar and can learn from each other, I’m now ready to make a concession: Law firms are different. The ways of thinking and behaving that help lawyers excel in their profession may be the very things that limit what they can achieve as firms. Management challenges occur not in spite of lawyers’ intelligence and training, but because of them.

Among the ways that legal training and practice keep lawyers from effectively functioning in groups are:

- **problems with trust;**
- **difficulties with ideology, values, and principles;**
- **professional detachment; and**
- **unusual approaches to decision making.**

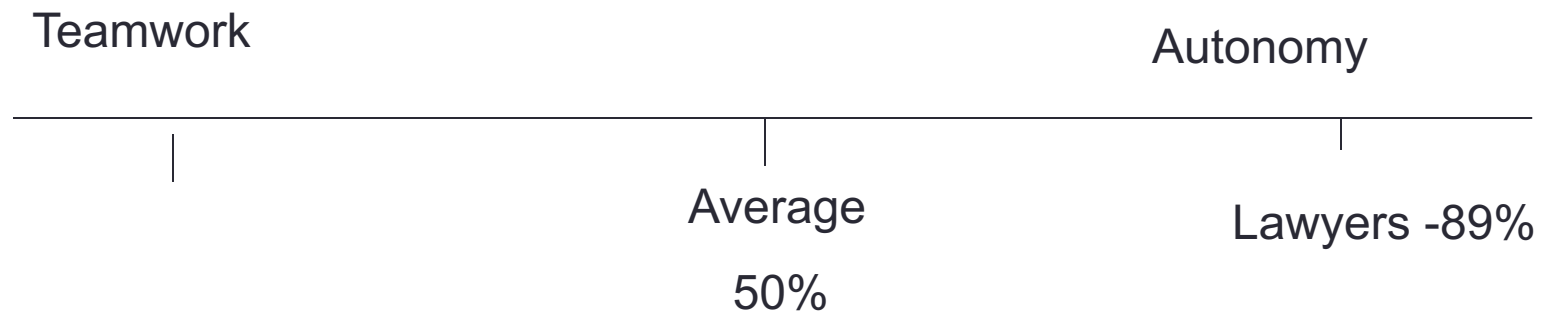
If firms cannot overcome these inherent tendencies, they may not be able to deliver on the goals” – David Maister

# Skepticism



Source: Larry Richards, Hildebrandt Institute MPF

# Autonomy



# Socialbility

Not-so-Social

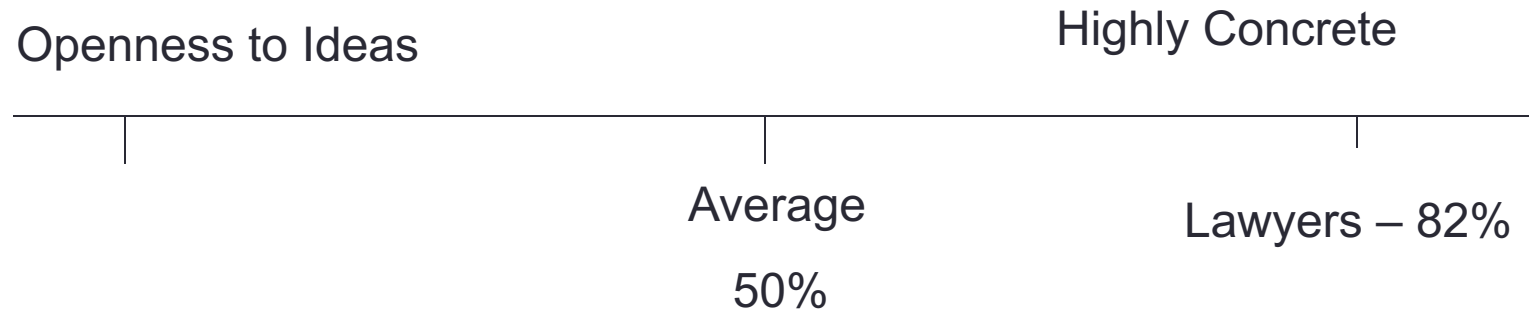
Social

Lawyers - 8%

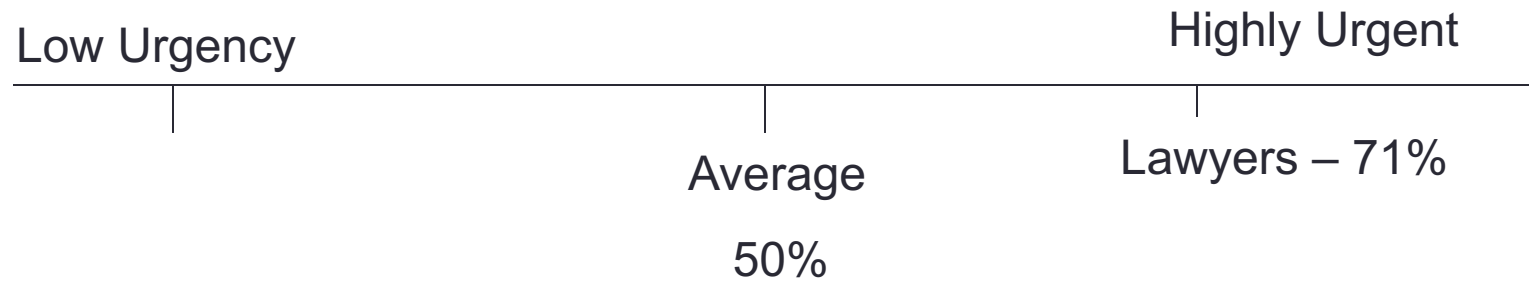
Average  
50%



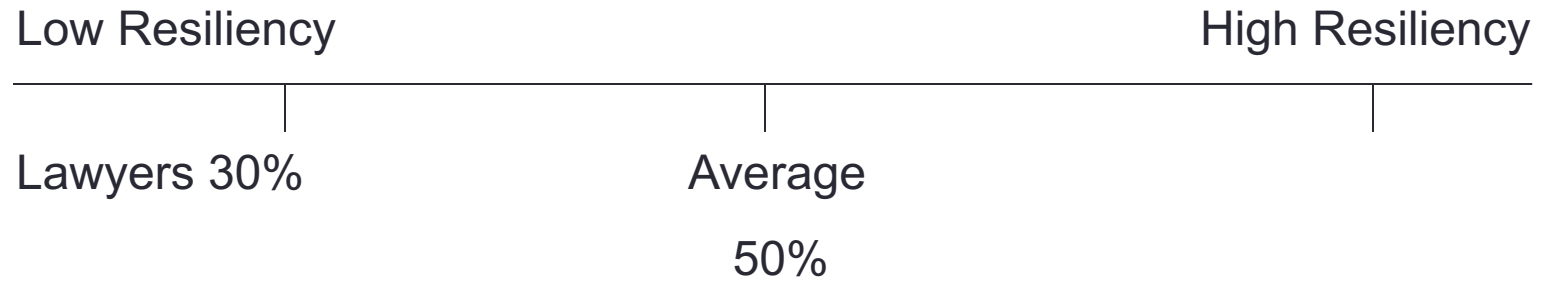
# Abstract Reasoning – Problem Solving



# Urgency



# Resilience





# Leadership Challenges

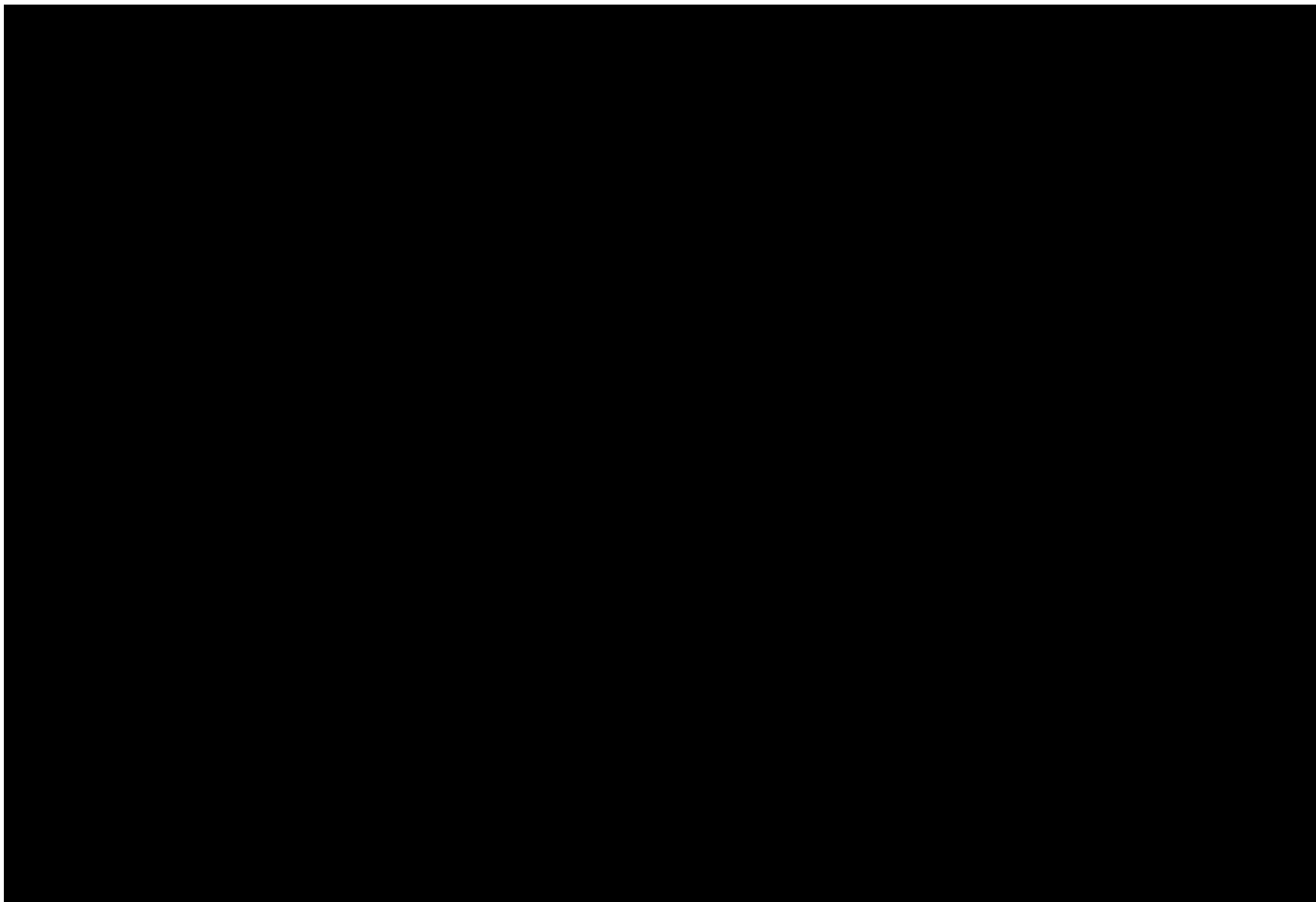
Survey of law firm leaders illustrated top leadership challenges in law firms to be:

- Building Strategic Leadership Skills
- Managing Talent and Promoting Sustainability
- Making Decisions and Setting Strategic Direction
- Retaining Clients and Promoting Client Satisfaction
- Managing Growth
- Developing New and Existing Markets and Practice Areas

# Leadership Challenges

Survey of 350 leaders of major organizations

- 93% believe that the challenges they face are more complex than those five years ago
- 85% believe the definition of “effective leadership” has changed
- 97% said collaboration is essential for success, but only 47% believe their leaders are skilled collaborators.
- Complex challenges take more than 2 years to solve.



TO *LEAD*:

TO GO,

TO GUIDE,  
TO TRAVEL

# Change

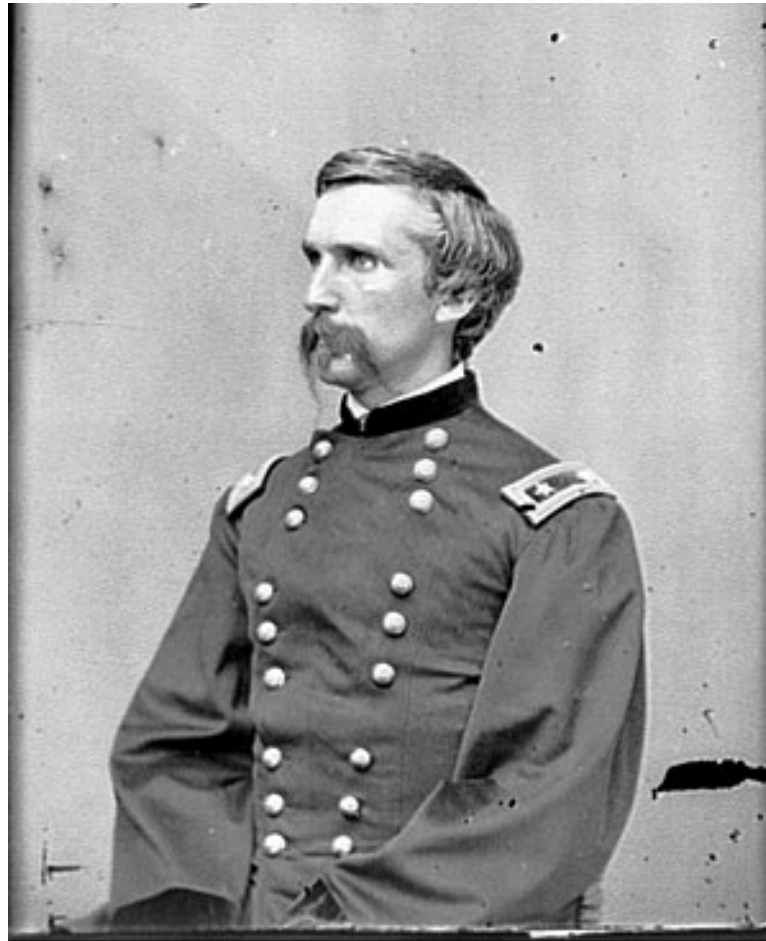


# Leadership Competencies

- Adaptability
- Building and mending relationships
- Building effective teams
- Change leadership
- Coaching
- Collaboration (working across boundaries)
- Credibility
- Decisiveness
- Driving innovation
- Influence
- Leveraging differences

\* CCL Study, Roland Smith

# Identity



Col. Joshua Lawrence Chamberlain  
20<sup>th</sup> Maine Infantry and  
Bowdoin College Prof.

# Identity: Model the Way

*“Be the change you want to see in the world”*

• *Ghandi*

- Find your voice
- Affirm shared values
- Set the example – walk the talk
- Build credibility for you and your team



# Identity

*Leadership is Everybody's Business*

When you wake up in the morning, do you think of yourself primarily as a leader?

# Inspire a shared vision



# Vision

*A unique and ideal image of the future for the common good.*

# Inspire a shared vision

- Vision
  - Compelling
  - Clear
  - Challenging
- Enlisting other in a common vision
  - Alignment of interests
  - Understand WIIFM
  - Often a negotiation
  - One on one conversations

# Vision

What is your vision for your group and what are you doing to enlist others?

# Innovation

Forget everything  
you thought  
you knew about  
legal services.

[WHAT WE DO ▶](#)

More than a few  
(hundred) pretty  
faces.

[WHO WE ARE ▶](#)

Be counted among  
the converted.

[CAREERS ▶](#)

The big idea.

[WATCH ▶](#)

This changes  
everything.

[WATCH ▶](#)

They said it.

[NEWS ▶](#)

Hello.

[CONTACT US ▶](#)

Axiom in the NYT

[READ ▶](#)





Davis Wright Tremaine named "Innovative Law Firm of the Year"

The ways in which clients purchase and use legal services has changed irrevocably. We see that – and we have responded.

Through DWT De Novo, the research and development arm of **Davis Wright Tremaine**, we're re-imagining legal services. By applying people, process, and technology in new ways, our firm is delivering more efficient, transparent, and cost-effective legal services, enabling corporate counsel and other executives to add more value to their business and more easily manage their workloads.





A distinctive client service model that provides a different way of thinking about and delivering legal services.

## What's tangling up your legal team?

At Seyfarth, we are continuously looking for ways to meet our clients' needs for value and efficiency while maintaining the high quality of our services.

That's why we created SeyfarthLean®, our proprietary, value-driven client service model, which combines the core principles of Lean Six Sigma process improvement with project management and tailored technology solutions. For almost ten years, SeyfarthLean has been unique to the legal profession and a contemporary approach to providing, delivering and managing client and legal services.

For clients, SeyfarthLean creates tangible results, including:

- More consistent, high-quality legal services
- Increased efficiency
- Improved communication and collaboration
- Right-sized staffing approaches
- Committed, transparent pricing
- Reduction in overall cost of services

# Innovation

Leaders ...

- challenge the status quo process
- experiment and take risks
- learn from experience
- look outside of their profession for ideas and inspiration
- build team spirit and engagement through innovation, but..
- Innovation can get you into trouble...

# What' s Next?

“The focus of a leader' s attention should be less on the routine operations and much more on the untested and untried.

Leaders should always be asking...

What' s Next?

What' s New?

What' s Better?

That' s where the future is.”

- Jim Kouzes and Barry Posner

# Implementation



Maryland Governor Martin O' Malley

# Implementation

- Enable others to act by
  - Fostering collaboration and
  - Strengthening others
- You can't do it all yourself
- Beta test – refine, repeat
- Measure things that count

# Knowing - Doing Gap

- Why before the how: Philosophy is important.
- Knowing comes from doing, and teaching others how to do.
- Action counts more than elegant plans and concepts
  - Ready, Fire, Aim!
- There is no doing without mistakes.
  - How your firm deals with mistakes is critical.
- Fear fosters Knowing-Doing Gap. Drive out fear.
- Fight the competition, not each other.
- Measure what matters and what can help. Turn knowledge into action. Don't measure too much.
- What leaders do, matters. Lead by example even if you don't have authority.

Source: Knowing Doing Gap –Pfeffer and Sutton

# 12 Questions: Engagement

## Most powerful Questions

1. Do I know what is expected of me at work?
2. Do I have the materials & equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last 7 days, have I received recognition or praise for good work?
5. Does my supervisor or someone at work seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the purpose of my company make me feel like my work is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, have I talked with someone about my progress?
12. At work, have I had opportunities to learn and grow?



# Mountain Climbing

Yes to all  
12  
Questions

Questions  
11 to 12

Questions  
7 to 10

Questions  
3 to 6

Questions  
1 & 2

**Summit**

How can we  
all grow?

Do I belong here?

What do I give?

What do I get?



# Intimacy



Andy Cline and John Kanengieter of the National Outdoor Leadership School, help space shuttle Columbia astronauts Laurel Clark, Rick Husband and Ilan Ramon



# Intimacy

- Encouraging the heart by
  - Recognizing contributions
  - Celebrating values & victories
- Creating an environment of trust
- Giving and receiving feedback
- Care about other people

# Trust

- $$T = \frac{C+R+I}{S}$$

- T – Trust (Relationship)
- C – Credibility (Expert)
- R – Reliability  
(Client Service – doing what you say you will do)
- I – Intimacy (Knowing other person)
- S – Self Orientation (It's all about you vs. them)

# How do you build Trust?

- Begins with familiarity
- Vulnerability
- Keeping promises
- Integrity
- Shared values
- Trust is never complete and always needs to be maintained
- You need to model trust

# PRACTICES FOR LAWYER-LEADERS

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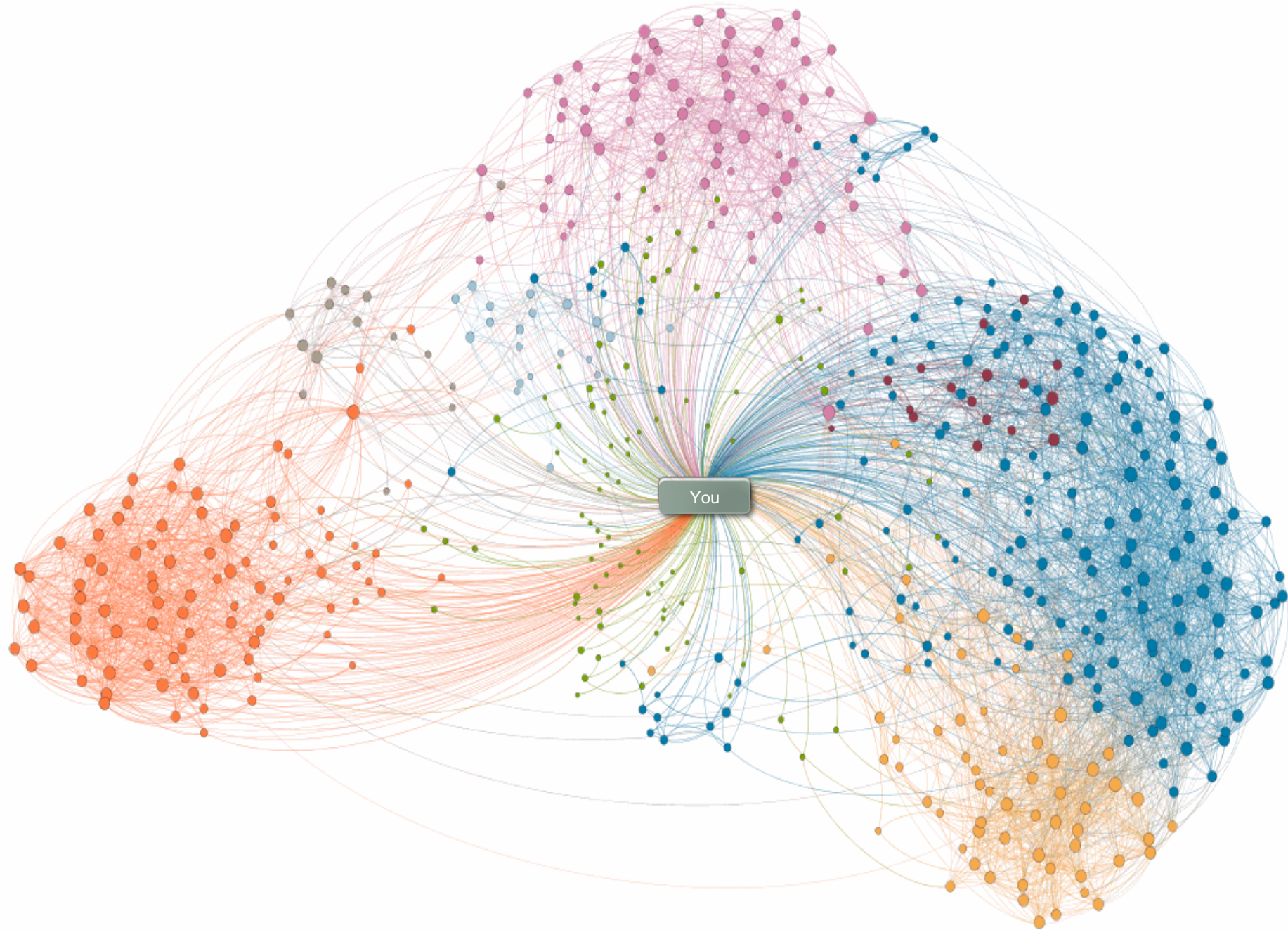
And everyone else...

# Situational Awareness



**F** O C U S









# Influence & Persuasion



These aren't the droids you're looking for.

# SCARF Model of Influence

Minimize Threat

Maximize Reward



Status



Certainty



Autonomy



Relatedness



Fairness









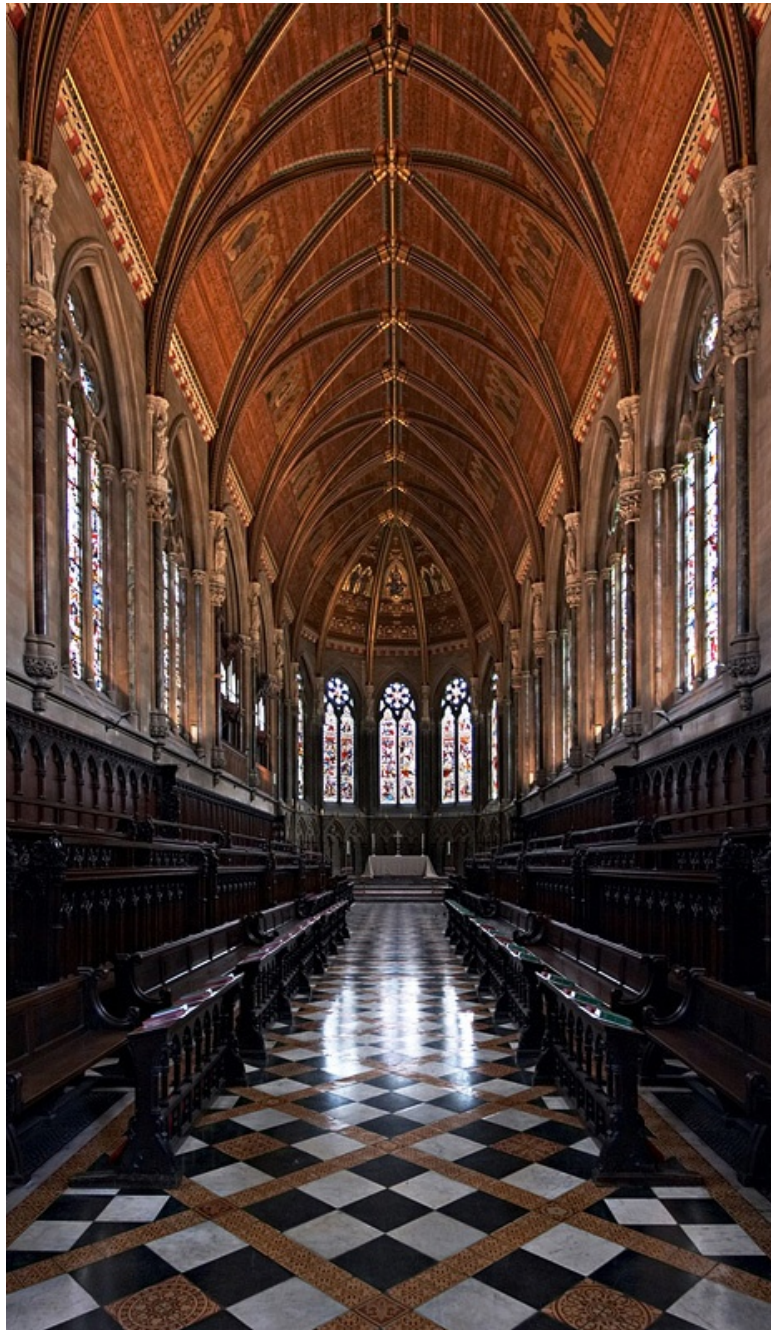
# Leadership Questions

- **Important** – How are you changing culture to positively affect change in your team and firm?
- **Identity** – Is your primary role one of leadership?
- **Inspire** – How do you inspire a shared and compelling vision?
- **Innovate** – How do you challenge the process and take risks?
- **Implementation** – How do you enable others to act and foster collaboration and engagement?
- **Intimacy** – How do you build trust, encourage and care for others?
- **Action**: Pick one. Now. Practice.



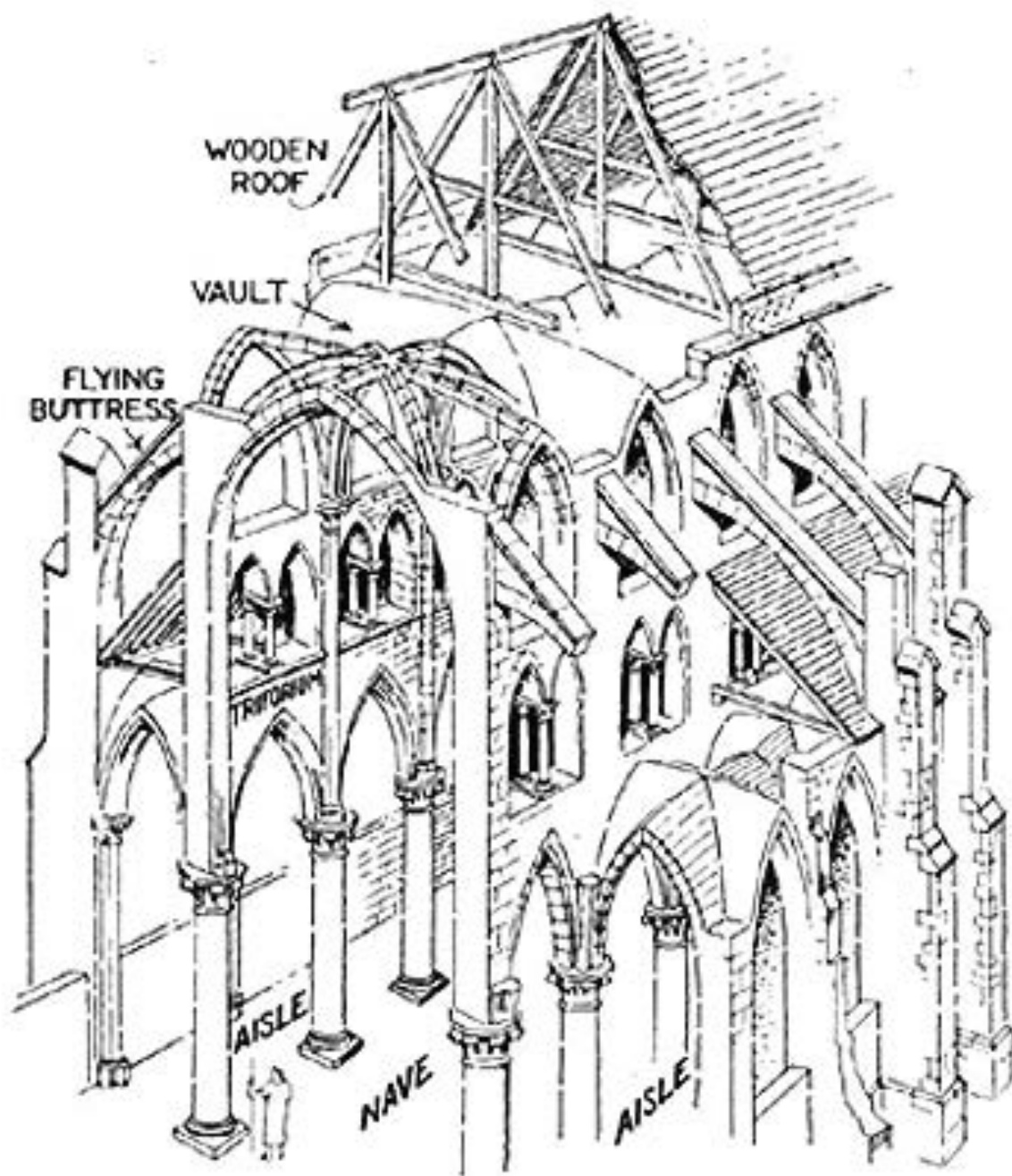
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Chapel at St. John's College, Oxford









# BUSINESS DEVELOPMENT MARKETING LEADERSHIP

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