

Briefing Note January 2020

Is your Top Team performing?

Law firms need to be agile if they are to successfully identify and respond quickly to threats to their businesses and to take advantage of opportunities. To be agile, law firms must focus strongly on change management, have quick response times to threats and strategic opportunities, have streamlined decision – making processes and above all have capable people (including lawyers and those in management) who are open minded, flexible and prepared to learn new skills and ways of operating.

The needs and ambitions of a law firm's people also at the same time need to be supported and facilitated by organisational structures designed to help and not hinder the development of a firm. However, well - designed management structures on their own will achieve little without the presence of great people. The two need to be aligned and operate in tandem if a firm is to successfully achieve its goals.

While every law firm is different and the manner in which one firm is structured and managed may not be appropriate for another firm, **the level of people performance within a Top Team** should constantly improve to achieve optimum effectiveness if a firm is to achieve its goals. Specifically, those managing any part of or any function within a firm should:

- 'Lift their heads from their desks' and think strategically about their roles, as well as just day to day operationally;
- Focus on the steps they will need to take in practice if they are to grow and lead their teams so as to build their competitive edge over rival firms;
- Prioritise their thinking around 'innovating' when planning how they work and use their people and the technology available to them, to steal a march on their rivals;
- Be encouraged to lead and to understand that it is **they** who must drive change if their firm is to stay ahead of the game;

- Step out of their comfort zones to drive out complacency and to encourage ambition;
- Understand and put into practice how to be 'accountable'; and
- In relation to all or any of the above, undertake whatever coaching, training or other development may be required on their part to enable them to better carry out their roles so as to add more value to the business.

To help you to review what you may need to do to more effectively structure and manage your firm, we set out some key questions in the following table.

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| <p>Your Top Team?</p> |
| <p>Do you currently have the management structures, the decision-making processes and the right people in place to:</p> <ul style="list-style-type: none"> - Identify the key issues and challenges you face? - Enable you to deal quickly and effectively with threats and opportunities? - Manage the changes which may be brought about by these challenges? |
| <p>Do you have a 'Top Team' in place, each member of which:</p> <ul style="list-style-type: none"> - Is the best person for the job? - Challenges every aspect of your firm's operations and every assumption on which its current plans are based? - Is developing a realistic, focussed and achievable business plan for each part of your firm? - Is building consensus throughout the firm that change may be necessary and taking steps to implement that change? - Has the ability to adequately manage projects such as an office move or a new office, a merger or acquisition of a new IT system? - Is achieving the financial targets set for them so as to provide the resource necessary for the future development of the firm? |
| <p>Departments and business functions</p> <p>In relation to each department and group within the firm, and the functions of finance, business development, training and development, IT, knowledge management and innovation, risk, compliance and HR, –</p> <ul style="list-style-type: none"> - How are they currently organised and managed? - Is each managed by the '<i>best person for the job</i>'? - How are these functions internally overseen and co-ordinated? - Are there more cost-effective ways to manage these? - Are any of these functions outsourced and if not, then should they be? - What learning and development needs on the part of each such person will need to be managed if the firm is to achieve its full potential? |

Future-proofing your Top Team

- What roles will have to be performed in the next stage of your firm's development? (roles are likely to need to change as a firm's needs develop)
- Will there be people in the firm capable of successfully carrying out those roles?
- If there are, will they be prepared to take on those roles and if so upon what terms?
- What will happen if the right people are either not willing to take on those roles or they do not exist within the firm?
- How will you reward the people in whose hands you are willing to place your future?

Streamlined decision – making and implementation by your Top Team

One of the major reasons why some law firms do not progress as well as they should is that their ability to make decisions and implement change is lacking. A **Top Team** will therefore need to be an intrinsic part of a governance structure designed to ensure that speedy and effective decision – making and implementation happens.

If you consider that your decision-making and implementation needs to be improved, then begin by taking a critical look at:

- The future needs of your business
- The effectiveness of your decision – making and implementation processes in relation to strategic and change matters;
- The composition, roles, authority, responsibilities and abilities of your management board or other governance bodies you have in place; and
- Your governance documents (partnership agreement / LLP members agreement / articles of association etc);

to ensure ***your business will be in shape*** to effectively meet the challenges of the future.

There are of course many other aspects of a law firm which will always need attention, but if a firm can ensure that it is effectively dealing with the above, then it is likely to make progress towards becoming ***fit for purpose*** to achieve its ambitions.