

Law firms need new types of leaders to meet the transformative changes now taking place in the legal industry. Many qualities of effective leadership will endure regardless of these changes. Leaders will always need to demonstrate integrity, build trust, communicate vision, develop talent, and focus on results. But dealing with the forces driving change in law firms today and tomorrow will require leaders with abilities that law firms have not valued in the past.

In choosing leaders, firms tend to focus on the traits of successful past and present leaders - those who define and embody the status quo. Those choices may feel safe, but the leadership that got your firm where it is today won't necessarily get it where it wants to be tomorrow. A dynamic business strategy, especially in a turbulent market, must look ahead to where the firm is going in the future. To paraphrase hockey great Bobby Orr, law firm leaders have to look where the puck is going to be. The unheralded leadership competencies needed to steer the firm in new directions include an ability to focus on process; an ability to build and lead collaborative teams and alliances; and the appreciation of diversity in a broader, global context.

Ability to focus on process

Clients today seek maximum value for their legal expenditures. They want high quality services that are predictable, efficient and at the lowest possible cost. One of the responses to these client demands has been the rise of legal process outsourcers, or LPOs. LPOs are companies and professional firms with innovative delivery models that reflect a new way of thinking about how legal work should be done and who should do it. Some LPOs are law firm affiliates but most are independent entities.

The key word in legal process outsourcing is "process." Most lawyers believe that their work is so complex that it cannot be reduced to a series of tasks or steps. But that's exactly what LPOs are doing. They break down legal work into a series of discrete tasks and then find the most streamlined and cost-efficient way to staff and complete each one. They employ project management techniques to set budgets and timelines, manage risk, and measure outcomes. The intent is not to eliminate lawyers, but to have high-priced, highly experienced lawyers do what only they can do – provide expert analysis, reasoned judgment, advocacy and other high level skills – and to distribute all other work to service providers who are positioned to provide the work most cost-effectively.

LPOs are vigorously competing against law firms for legal work. When they first appeared, LPOs provided services like document processing and basic legal research. Today they are doing increasingly more

sophisticated and complex legal work. When outside investment in law firms is permitted in the UK starting next year, [LPOs are expected to attract investors](#) who see the potential profitability of these new process-oriented services. With such infusions of capital, LPOs will be able to hire top legal and managerial talent and invest in innovative approaches and systems that will reduce costs even more. And they will be able to expand their reach across the globe. The result will be that client expectations will change about how law firms operate, what they should deliver, and what they can charge.

Most law firm leaders today focus more on the substantive quality and quantity of work being done than on the systems and processes used to produce and deliver it. But clients and LPOs will place far more weight on process in the years ahead, and law firm leaders will have to take LPOs and other alternative practice models into account when devising strategies to compete against these new players. This means understanding how work can be disaggregated, reorganized and reallocated; applying project management techniques; and matching required competence levels with the most cost-effective providers. (See the [previous issue](#) of *Management Solutions* for one firm's approach.) Firms will have to develop strategies that focus on what they will offer to clients directly because it is unique and justifies their fees, and how they will cover other aspects of client service by retaining, managing, creating, and/or collaborating with LPOs and other new types of service providers.

Ability to build and lead collaborative teams and alliances

Effective law firm leaders will need to be far more collaborative than they are accustomed to. They are used to operating in a competitive, adversarial environment. They tend to be more individualistic than team oriented and enjoy being in charge of client teams. But in a world where a large part of a client's work may be outsourced, and where clients expect a group of firms to jointly develop strategy, work cooperatively, and share work product, the ability to manage complex webs of relationships and alliances will become increasingly important.

In the past, an attorney-client relationship involved just the client and the law firm it retained. Today, that relationship may include various LPOs, online and virtual service providers, and multiple law firms, including firms that are otherwise competitors. In England today, some clients are [retaining high-end London firms and lower cost regional firms](#) who will share cases, deals and projects; others are [placing their in-house lawyers inside law firms](#), fully integrating both into the client's legal business. One noteworthy example of this new approach is [mining giant Rio Tinto](#), which has sent a substantial portion of its legal work to one LPO, CPA Global. CPA Global lawyers in India support the work of in-house lawyers, and outside law firms engaged by Rio Tinto are expected to use CPA Global lawyers in India and elsewhere for work that can be done by lower cost lawyers. As these complicated arrangements become more common, it will become more and more critical for leaders to be able to build and manage positive and productive multilateral relationships.

The skills this requires go beyond the kind of team leadership lawyers now demonstrate on teams within their firms. It is hard enough trying to get one's own partners to perform as the leader wants. When a leader is not in the same firm as other team members, it may be even harder to direct or influence what and how work is done. In the future, leaders will need to employ styles that are more participative rather than directive; they will need to use coaching techniques, ask for input and share more information. They will need to be able to work with (and possibly take direction from) project managers who may be employed by the client or by another firm, and who may be process experts but not lawyers. This will require leaders to know how to "lead from the middle," which in turn will require considerable patience and tact.

Appreciation of diversity in a broad and global context.

Law firms have to redefine diversity as they work in an increasingly global business environment. Markets are becoming ever more connected and legal work can be done anywhere in the world, whether the firm has a physical presence or not. To function in an international arena, law firm leaders will have to recognize the validity and benefit of diverse perspectives and acknowledge that different viewpoints are vital and desirable for fuller understanding of issues, people and clients, and to produce better results. They will have to appreciate not just the legal implications of globalization for their clients, but the regulatory, economic, cultural and political ramifications for their own firms. They will need an expanded vision of their markets and a greater sensitivity to unfamiliar work values and business practices. As discussed in an [earlier issue of *Management Solutions*](#), leaders who operate in a global context need to be culturally competent.

This new way of thinking requires a broader definition of diversity, especially when it comes to talent development and retention. As industries and clients become more diverse, they expect greater diversity in their law firms' workforce. Most US firms view diversity in terms of particular categories, such as race and gender, but cultural diversity embraces far more categories and more significantly, a different state of mind. To be effective in leading and developing talent in a global context, leaders will have to be flexible, adaptable and willing to challenge their accepted beliefs. They will need to understand differences in cultural values and social norms that impact their ability to develop and retain legal talent, whether those lawyers are located in US offices or abroad. They will need a variety of leadership styles and mentoring techniques in order to engage and motivate a globally diverse array of lawyers. Strategies and rewards that are effective in motivating American lawyers may be ineffective or even offensive to lawyers in other cultures; practices that please lawyers in the US may be counterproductive to firm lawyers in other countries.

Some current and rising leaders may have these leadership traits while others will need to learn them. When seeking ways to develop law firm leaders, firms should not overlook or undervalue GenX and GenY lawyers as edifying resources. While it is unusual for law firm leaders to seek guidance or role models among younger, less experienced lawyers, junior partners and even associates have a lot to offer more senior lawyers with

respect to these three leadership abilities. Young lawyers tend to ask tough questions and raise challenges to accepted work methods and values, which can lead to process innovation. They have grown up in an education system and a world that stress teamwork and diversity so collaboration is natural for them. They are globally connected through technology, which practically defines their lives. Their interest in flexibility makes them receptive to new ways of working in a world without boundaries. And because they are at early stages of their careers, junior lawyers have less to un-learn than the established leaders of their firms. Young lawyers may have a lot to learn about leadership, but they are potentially a source of knowledge and ideas that they can impart to leaders about these aspects of leadership.

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