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Blog

The Potential Risks of “Senior” Leadership

By [Michael D. Short](#) on October 27, 2017

Many law firm leadership teams are making key decisions today that will determine the long-term success or failure of their firms. The current mix of pressures on the rapidly evolving legal business model (e.g., client demands, generational shifts, A.I.) adds a level of complexity to this process that is unprecedented. As a result, many firms are struggling just to get to the next generation, let alone position the firm soundly for a longer run. There are so many unknowns and new challenges in front of leaders and the task is daunting.

To further exacerbate this challenge, some leadership teams are populated with senior lawyers, and most/all firms have influential Senior Partners who, by their nature and their pending retirement dates, inevitably view important and expensive decisions through a “short term” lens. Whether intentional or not, this bias in decision-making can be quite harmful generally, and in the current environment, very dangerous.

It’s easy to spot. As your firm works through difficult management/strategic decisions, listen for any of the following comments:

1. “In a year or so, this will be someone else’s problem.”
2. “Technology is changing so fast that we should wait for it to settle down before writing a big check.”
3. “We need further research and study on <insert topic here>”, where the requests for further research are never-ending.
4. “We’re not going to do anything radical under my watch.”
5. “I could never sell this idea to the Senior Partners.”
6. The timeless, ever-popular, “We’ve always done it this way, so why change now?”

I recently worked with a firm that took this seniority-influenced thinking one dangerous step further. This firm is facing some major challenges, including an expiring lease, major technology investments, and the transition of several key client relationships. A couple of influential Senior Partners concluded that “it would be best for the owners to simply wind down the firm in order to realize maximum value” because, in their minds, the firm is going to shrink and its future is uncertain.

There are absolutely instances when an orderly wind-down is the most responsible conclusion...but this is not one of them. This firm has young talent and a bright future if the owners make the proper choices right now. I told these Partners that, from a pure self-serving economic perspective, they may be right but they needed to broaden their thinking. I then asked them to do three things for me –

1. Take a walk around the offices and look at the pictures of the families in the work spaces to feel the gravity of how many people are truly dependent upon the firm for food, clothing, and shelter. Then ask HR how many people are covered by the firm’s health care plan.
2. Identify which lawyers, in competing law firms, they want to represent the firm’s best clients. Are such representations in the clients’ best interests? Are the other lawyers better than the next generation in the current firm?
3. Ask themselves if they want their legacy to be part of a group of Partners who couldn’t or wouldn’t provide the same opportunity for others as was given to them? Rather than passing on the firm’s goodwill, was it their right to cash it in and abruptly stop the legacy and history of the

institution?

After an appropriately brief period of thoughtful time, they changed their perspective toward the firm and its future.

We are definitely seeing an uptick in firm restructuring work (no consultancy does it better) related to this issue and we expect this trend to continue. Personal interests have never had a place in decisions about any firm's long term strategic direction and related investments. That said, human nature creates a blurry place in between the firm's and the owners' interests. It is more important than ever to have leadership teams that are squarely focused on the long-term health of the institution. So many people, well beyond the ownership group, are depending on you.

If you hear any of the phrases, above, do what you can to cause change in either a) leadership's perspectives, or b) leadership to avoid the risks of a "senior" leadership team.
