

There's more to law firms than lawyers

The Managing Partners' Forum, the UK's premier association for leaders and their management teams in professional firms, has long recognised that a firm's people are fundamental to its success; and that any leader, whether called MP, CEO, Chairman or Practice Director, has to rely on management disciplines if the firm is to achieve its goals.

Traditionally, partners were given management roles such as Marketing/Finance /Staff Partner. However, this was progressively seen as a poor use of valuable partner time combined with a higher risk of the firm making costly mistakes through the actions of enthusiastic amateurs. In addition, the leading professional firms have grown rapidly over the last 20 years and are now complex businesses employing many thousands of people. This leads to the need for greater focus on "the firm" rather than on "the partners".

In theory, a partnership stands for collaboration and team work; in practice many partners are highly competitive animals, focusing on client-based financial measures to determine relative status and reward. If partners see success in these terms, it is hardly surprising that those who neither directly bring in fees nor deliver services to clients are referred to in pejorative terms, for example 'non-fee earner'. This highlights two key points:

- Language conveys messages: "non" indicates that something is not important, not valued; it is a negative and not a positive. Chargeable/non-chargeable time suggests that non-chargeable is less relevant than chargeable; it probably is if you are an assistant solicitor; it most definitely is not for a department head. Differentiation between fee earners and non-fee earners, talk about support staff, lawyers and non-lawyers, all reflect the culture of the past. Even in a firm where this terminology has been changed, it persists, deeply rooted in people's minds.
- The notion that bringing in fees and delivering client service are superior to all other roles when evaluating contribution to a business is probably unique to the professions. CEOs of top commercial organisations are not expected to join the production line, serve customers over the counter or answer calls from the general public. Their role is to articulate and promote the organisation's strategy, manage relationships with key employees, clients and other stake holders, and foster an environment and culture where everyone gives their best. The MPF believes that a law firm leader should provide a similar contribution to the business.

As law firms grew rapidly over the past decade with concomitant management challenges, hiring a cadre of specialists in marketing, finance, HR etc ceased being a luxury and has become a necessity. Finance Partner and similar roles have been retained, but with a new emphasis on making life easier for their hired professionals. Whilst there is also a changing attitude towards such staff, the second class citizen syndrome still exists in pockets (and some large pockets at that). There are also many leading firms where they are now recognised as critical team players.

The MPF believes marketing, HR, finance, IT, facilities and knowledge professionals to be unsung heroes. We have therefore embarked on a public campaign to change attitudes in the

professions towards what we believe should more accurately be called ‘practice management professionals’. We also believe that the term ‘fee earner’ with its emphasis on billing should be replaced by ‘client service professional’.

The first task in the MPF ‘unsung heroes’ campaign has been to establish the demographics, ie. how many practice management professionals work in the legal sector. Some firms are reticent to disclose this data on the grounds that it is ‘commercially sensitive’, ‘mixes apples with pears’ or ‘does not compensate for outsourcing’. It is unclear if this reaction is positive (‘these people really are important to us’) or defensive (‘the MP would not want to be seen internally to have hired more of them than the competition’). Nevertheless, we have persevered to produce the UK’s first law firm league table of practice management professionals – see Table A. This shows that the largest 100 firms by size had a total of 37,022 client service professionals and 32,564 practice management professionals. A summary is set out below:

| Average number of client service professionals for each practice management professional by discipline | | | | | | |
|---|--------|-----------|--------|-----------|---------|-------|
| No of client service professionals in firm | | All firms | >1,000 | 500-1,000 | 250-500 | <250 |
| No of practice management professionals/firms | 32,564 | 95 | 5 | 14 | 35 | 41 |
| Corporate management | 293 | 126.4 | 191.2 | 99.9 | 126.4 | 113.0 |
| Document production (Xerox/DTP/Print room) | 1,232 | 30.1 | 17.7 | 37.1 | 36.2 | 36.7 |
| Marketing/Business development/PR | 1,309 | 28.3 | 25.0 | 25.1 | 31.3 | 32.1 |
| HR/Training | 1,528 | 24.2 | 20.5 | 22.6 | 27.4 | 27.9 |
| Knowledge management/Library/Research/PS lawyers | 1,788 | 20.7 | 13.2 | 21.5 | 27.3 | 32.8 |
| IT | 3,147 | 11.8 | 7.9 | 10.6 | 15.2 | 18.8 |
| Finance/Accounts/Insurance/compliance | 3,248 | 11.4 | 11.6 | 11.6 | 11.9 | 10.0 |
| Facilities (Reception/ Security/ Canteen/ Cleaners/Filing etc) | 4,499 | 8.2 | 8.5 | 8.3 | 8.2 | 7.4 |
| Secretarial | 15,520 | 2.4 | 2.9 | 2.5 | 2.2 | 2.1 |
| <i>Source: MPF ‘unsung heroes’ survey – August 2004 Copyright © Managing Partners’ Forum 2004. All rights reserved.</i> | | | | | | |

The MPF believes that these ratios will help any firm of any size when planning the composition of its practice management team. Having established the demographics, the aim of the MPF ‘unsung heroes’ campaign is to ensure that the legal sector continues to attract and retain quality people from finance, marketing and other disciplines. The growth to date has been phenomenal – for example, in early 1989 there were only five people marketing UK law firms who were not lawyers compared with over 1,300 in the Top 100 firms today – but demand is still strong as the legal sector is one of the few in which the UK remains a world class player. This demand comes from larger firms beefing up divisional capacity and

medium sized firms recognising that it makes commercial sense to hire more practice management professionals, especially now there is a pool of talent in larger firms looking for a new challenge or greater autonomy.

Three strategies are critical to the MPF ‘unsung heroes’ campaign:

- **Communicate the whole firm**
Firms send out hundreds of press releases on client matters, partner promotions, new offices and the like. Yet all too often the appointment of a senior practice management professional merits nothing more than an internal memo. We are therefore working closely with the PM Forum – the world’s largest association of marketers in the professions – to encourage them to rebalance press releases and internal communication to cover the whole firm.
- **Give the right message to potential recruits**
A recent advertisement for a senior practice management professional by a top 20 law firm included the comment that the role would be ‘the most important position in the firm after the partners’. The firm may have meant it positively, but many candidates would have taken it as instant confirmation of their second class status and looked elsewhere. We are therefore working closely with the Professional Personnel Forum – the association of HR leaders in the professions - and with leading recruitment consultants to get over the message that the legal sector respects its practice management professionals.
- **Praise success**
Talking about a problem is easy; showing others that you care is far harder. For the past three years, the MPF has organised annual European Practice Management Awards. In contrast to the empty celebrations common with most sector awards, the MPF Awards are intended as a public signal that the professions appreciate the contribution of their practice management professionals. The Awards cover all management disciplines, with blue chip sponsors such as the FT, Royal Bank of Scotland and the Commission for Racial Equality. 2003 winners included firms such as DLA, Eversheds, Latham & Watkins, and Taylor Wessing, plus Big 4 and other accountancy firms. It is fantastic that firms are taking these Awards so seriously, with the judges commenting on the consistently high quality of entries.

There is also a defensive aspect to the MPF ‘unsung heroes’ campaign. Most partners now recognise that it would be nigh impossible to manage a modern professional firm without involving dedicated people from finance, HR, marketing, IT and other disciplines. Their participation assists a firm to achieve its fee and profit targets and to ensure that client service professionals’ time is spent in the market with clients and prospects. In an environment of increased regulation, ever higher demands for technical and professional training to support quality, and huge demand for qualified professionals in practice and in the corporate and public sector worlds, we know an effective cadre of practice management professionals is vital. Their absence would mean a firm is less likely to achieve its targets ... with predictable consequences.

So we advocate law firm leaders across the board to recognise “horses for courses” and make a real effort to praise their own practice management professionals as well as partners on a regular basis. Avoid making potential recruits feel like second class citizens before they walk through the door. Make unsung hero recognition your firm’s official policy. And, if you work for a firm with ambition, make a stand and join the MPF movement!

Nigel Knowles is Managing Partner of DLA and MPF Chair.

Ed Smith is a Senior Partner of PwC and a MPF committee member.

Richard Chaplin is MPF Founder & Executive Director. For more details of how your firm can join the MPF, PPF or PM Forum, or for a free copy of the 2003 MPF Awards Winners’ Booklet, contact him on 020 7786 9786 or at richard@pmint.co.uk.

Copyright © Managing Partners’ Forum 2004. All rights reserved.