

Productivity is almost everything

UK professional services is an incredibly successful world-class sector – due partly to our technical expertise and partly to leadership & management prowess:

- The UK's largest sector – some 20% of GDP using a definition based on contribution rather than on output-focused SIC codes
- A hard-earned track record of growth, exports, profitability, competitiveness, productivity and resilience.
- Experts at converting technical people into managers and leaders, and at scaling people businesses across frontiers
- Strong regional footprint
- Consistently attract the top graduates
- Key contributors to community projects
- Early adopters of cognitive technologies
- Creators of the conditions for talented people to become professionals irrespective of background
- Experts at growing and sustaining high levels of women in leadership
- Our ethos of professionalism and independence permeates all walks of life

- It is not unusual for the majority of a firm's services to have been launched in the preceding five years
- Relationships are built on reciprocity, ethics and trust
- Attitudes are seldom short-term with partners joining and leaving a firm without goodwill payments.

Employee engagement and productivity are related

What unites the sector is that professionals are independently-minded people who resent being managed. As they also usually own the business and elect the leader, 'challenge & support' is the default leadership style, irrespective of the type of services being delivered. This results in levels of employee engagement that are twice to three times higher than those found at most clients who practise traditional 'command & control'.

"Productivity isn't everything, but in the long run it is almost everything," according to Paul Krugman, Nobel Laureate in Economics. "A country's ability to improve its standard of living over time

depends almost entirely on its ability to raise its output per worker." There is a strong empirical two-way causal relationship between employee engagement and productivity. While productivity is difficult to measure in services businesses, the professions must be highly productive given their high levels of employee engagement.

Introducing the Productivity Partnership Pledge

Professional firms enjoy close working relationships with organisations in every sector of the economy. The vast majority of our clients are also in the services sector. The Managing Partners' Forum believes that we have a professional duty to support our clients with management challenges and to set the record straight over the vital contribution of leaders & management experts to our success. Clients should pay for the advice as this increases revenues, demonstrates value and gains internal credibility.

The Forum has therefore devised a Productivity Partnership Pledge (PPP) under which firms commit to sharing their unsung leadership & management expertise with their clients to help those clients increase their employee engagement, productivity and resilience, and thereby boost UK productivity. This is already happening on an ad hoc and mostly unpaid basis. The main barriers are internal:

- Leaders unaware of their proficiency as they virtually never talk to peers at clients
- Front line attitudes towards the perceived contribution of 'admin' and concerns over being monitored
- Those who practise 'leadership from behind' preferring to adopt a low profile,
- Pervasive 'my client' syndrome (resulting in 'bow tie' client relationships)

- Successful people and those who give advice rarely taking advice. As Richard Susskind observed, it's tough to tell a room of millionaires that they have got something wrong.

Government is supportive.

Actions for the marketing team

The Forum urges leaders and managers to confront these internal barriers. Actions for the marketing team include:

- **Plan:** Develop a marketing plan to promote your firm's leadership & management expertise to clients
- **Strategy:** Emphasise the increased commercial value and sustainability of 'diamond' compared with 'bow-tie' client relationships. Discourage your firm from promoting itself as a collection of sole traders ('use partner X for service Y in city Z') rather than as a well-managed business.
- **Publicity:** Use the free PPP logo on your communications with clients. This is available from www.mpfglobal.com
- **Evidence:** Enter the MPF Awards for Management Excellence for an independent assessment of your expertise and to provide collateral for client pitches
- **Community:** Appoint a Government Liaison Officer (GLO) to share ideas with clients at local meetings of the GLO Club and to engage with Government in a central hub. This important initiative addresses a big gap in policy development as there is currently very limited interaction between Government and mid-market organisations.



Richard Chaplin is founder and Chief Executive of the Managing Partners' Forum.



Productivity Partnership Pledge