

# Whispers and secrets

**Eight leadership truths for  
managing partners**

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Lessons from the  
recession for law firms

## **Demystifying compliance**

Tips to identify and  
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## **Tone at the top**

How risk management needs  
to change in law firms





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## **A fishing analogy for law firm leaders on surviving the recession**

**A**t one time or another, all fishermen have spent long hours fishing without a nibble. Meanwhile, less than 50 yards away, someone is catching fish by the bucketful. The unsuccessful fisherman usually moves his boat, trying to get to the fish. His thought process usually involves “I must be in the wrong spot”, followed quickly by “I wonder what kind of bait he is using”. Then, as a last resort, the fisherman says out loud in deep frustration “I need a new rod and reel; this just isn’t working”. Rarely, if ever, does he get the real answer. Maybe he is just watching a better fisherman.

The fishing experience presents a strong analogy to the success and failure of many law firms. The recession occurred five-plus years ago. Parts of the economy rebounded; other parts did not. Market indicators show a strong recovery of some mid-sized and large firms; others continue to founder. The leaders of the lagging law firms look for reasons for their lack of success. Just like the fisherman, they rarely get the right answer: the successful firms have better leaders.

Self-assessment and change gain little support at the institutional level and even less at the individual level. Only a strong person can step back and evaluate what he does right or, better yet, what someone else does better. Leaders of firms still suffering from the recession need to embrace that analysis.

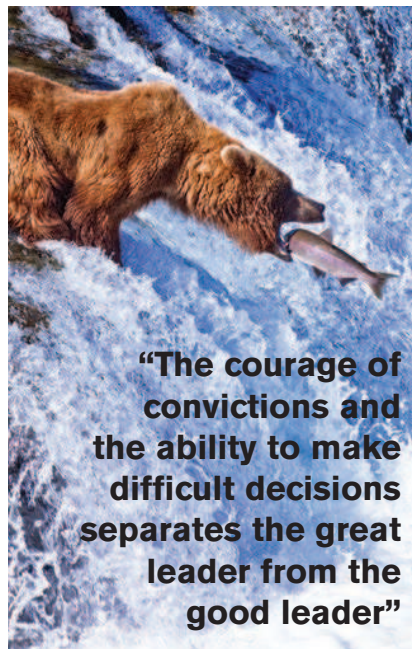
### **The two Cs**

Two Cs present a good starting point for leadership self-evaluations: cover and courage. Courage is a good thing; cover is not. Unfortunately, most leaders use cover more often than courage.

The political arena abounds with cover. A politician looking for an easy way out will say something like “the people don’t want this”. His vote follows the polls, but not the best long-term interests of

his constituents. Likewise, in some law firms, leaders follow paths for short-term popularity, rather than long-term success. Those decisions hide themselves in ‘the will of the firm’.

More frequently, the leader creates layers of management to insulate himself from the rigours of tough decisions. The more people involved in a decision, the less likely it is that they will find the right answer. From the leader’s perspective, endless input delays decisions until there is nothing left to decide. Much like a politician, the managing partner can lay the decision off onto his subordinates. He can also quickly blame outside circumstances for his lack of success.



The mantra ‘other firms are struggling’ rings out in meetings. The irony of linking their firm with other unsuccessful law firms escapes many leaders. Imagine if, instead of the fan in the stadium holding up the ‘we are no.1’ sign, he held up a sign that said ‘we are mediocre’. Linking the firm

with other struggling firms sends out that message.

Courage, on the other hand, is a good thing. A good leader knows where he wants to take his firm. More importantly, he puts himself on the line to reach that destination. Unlike the leader relying on cover, the successful leader does not let the popularity of the decision sway him. He knows where he wants the firm to go and makes the tough decisions to get here.

Those tough decisions may put the leader at short-term risk. He must be thick skinned and willing to absorb the criticism that comes with an unpopular decision. Knowing that the firm will benefit in the long term makes the short-term discomfort worthwhile.

Courage is an easy word to say, but a difficult one to live. Most people find it much easier to go with the flow or to blame a controversial decision on someone else. The courage of convictions and the ability to make difficult decisions separates the great leader from the good leader. More importantly, those traits separate the successful leader from the failure.

### **The fish bucket**

In summary, neither economic circumstances nor other external forces determine the success or failure of a firm: good leadership does. A good leader understands how to get the most out of his people. He knows where he wants to take his firm and makes the decisions to get there. He must not only see the right path, but have the courage to follow it – otherwise he will never fill that fish bucket.

Leadership thought of the month: You must stand for something or you will fall for anything. mp

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