



Can a CEO really make a difference?

The answer to that is yes if you need a leader, someone who can help you meet the challenges your firm is facing, someone who can change the way you work, project manage and solve the challenge of the fixed fee gap.

It's now recognised that firms will need to focus on profitability to succeed in a consolidating, competitive market – and though much of that will come from leveraging technologies, a greater cultural shift is required towards understanding profitability at the fee-earner level and working in a more project-management style.

There are many drivers towards tighter matter management and measured forward planning and scoping, from client pressures on costs to working in a more closely connected way with client business, such as the in-house legal teams, or being required to bind to clients' own project management goals. But a fundamental driver, whether it's recognised fully yet or not, is the clients desire for more cost predictability – the zenith of which is fixed fees.

An operational leader in a legal business will be able to help drive your firm into a future that is more filled with opportunity than challenge. The role involves a real mixture of strategy, projects and general operational management – from mergers and their implementation to property management.

The role of law firm leader has evolved towards that of a law firm CEO whose main focus is on managing people, administration, business development, long-term planning and running a business – not practicing law.

At one time law firms passed the managing partner baton like a hot potato that nobody wanted. Senior statesmen with grey hair and slightly smaller practices were often the most obvious selections because they had more time to devote to the “headaches” of dealing with people issues, administration and operations. At times, a law firm would mistakenly select one of its best rainmakers to lead, but that frequently resulted in disaster because the best lawyers who effectively use business development skills rarely have the time or the inclination to manage people, systems and organisations. For those lawyers who took on the managing partner role for several terms, there was no significant compensation for taking the leadership baton, and they risked the loss of their clients and practices so few were keen to continue.

In addition clients' needs must now be taken into consideration; they look for value, creativity, quality and efficiency. A management model that reflects those of your clients will allow you to focus on providing legal services in a more effective way.

The most frequent statement we hear is can we really afford it?

T: 020 7350 0800

www.jonsonbeaumont.co.uk 27 Old Gloucester Street, London, WC1N 3XX

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If you can just pay for the days you need a CEO the answer must be yes, if the pricing is transparent and you know exactly what the cost will be and if you know that the cost has a time span.

Does the role of CEO have a life span?

Does the CEO have to reign for several years or can they lead you through a series of projects relevant to help you transform your business? Success will pave the way for more professional leadership and management.

We have clients who recognise that they may only need someone whilst they go through that business transformation, but it needs to be a cost effective solution. Many successful firms have recognised that leadership and management are not afterthoughts or secondary activities but are an essential part of long-term success and they are necessarily time – consuming, however they do not need to be full time or permanent, although they might be.

What could you expect to see from a CEO that you haven't done before?

- Weekly executive committee and monthly board meetings that begin with a detailed financial report followed by marketing presentations on what clients want, business intelligence on where clients are going and why, client retention and defection reports, and periodic client survey information of all kinds;
- Statements of organisational mission, vision and values that are centered on clients and client service and creating a client service culture.
- More recruiting, retention and promotion of personnel based on adherence to the mission and values of the organisation;
- Better institutional training in client service for all employees with constant attention to improvement of client service scores;
- More internal service training and scoring of internal service providers, who form the foundation of

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solid outside service;

- More use of client service teams and industry service groups;
- More use of sophisticated sales strategies geared to the expressed desires and demands of clients, as well as their behaviours;
- More sophisticated sales training for key personnel involved in client outreach;
- More delegation and entrustment to professionals other than lawyers (i.e., business development, HR, IT, sales and service professionals) for the benefit of the lawyers and their clients.
- More integration of marketing, service and sales professionals into all levels of law firm management and leadership, as well as practice and industry groups. Whilst at the same time taking the partnership along with them to achieve all the objectives.

In conclusion

There's a huge amount of positivity and opportunity in the legal market but times are still hard. Top-tier legal businesses face a tough road of minimal market growth ahead, and that growth may lie in the New World – the Far East. Growth now, for the most part, is happening almost solely through M&A. And law firms are under great pressure from clients on cost. Price and cost predictability have been law's biggest pressures since the recession. On top of that, there are more firms offering business clients fixed-fee corporate work, competing with big law firms for their more run of the mill work.

Of course, a firm may not wish to follow the path of change that a CEO may insist on, but it should be a strategic decision, not a refusal to change. Is the reality more reactive than strategic? Perhaps – when we ask how far along the road of adoption of project management techniques firms are, the picture for many was limited. It's now, we think, widely accepted that being able to offer more competitive and predictable costs to clients while remaining profitable relies on doing work in a more ordered, project-style way – so the firms that can surge forward with those skills and tools could steal a march on others still shying away from large-scale fixed-fee and more cost-predictable work.

If this resonates with you and you would welcome further discussion, please call either **Anne Harnetty** or **Martin Soulsby 020 7350 0800**

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