

Reflections on Law Firm Leadership:

Lessons From A Roundtable Discussion on Law Firm Leadership, Culture, and Organization

By Kevin Brown and Phil Weiser*

Over a long lunch meeting, held at Reilly Pozner, LLP, a remarkable and diverse group of thirty leaders (see Appendix A) from across the realms of the legal profession assembled to share ideas and learn from each other about how to best lead and manage law firms in a changing legal environment. Although no “one size fits all” recipe for success exists, participants agreed that a strong culture must be developed and reinforced. If the culture fosters a sense of loyalty and trust, law firms are more likely to recruit and retain the employees that are right for them.

Several participants distinguished between management and leadership, noting that while both are important, the two concepts are quite different. Leadership, stated simply, reflects the broader setting of direction and shaping the overall culture of the organization. Management, by contrast, involves performing specific tasks in service of that effort. The participants acknowledged that successful law firms need both, but largely emphasized the importance of leadership. In short, law firm leaders must have a clear sense of how they want to develop the firm’s culture. After all, as Larry Pozner related, “If you are not deliberate about defining a culture, then a culture will choose you - whether you like it or not.”

Developing the culture of an organization requires continuous effort and clear communication of the core values that shape the culture. Core values are essential to the long-term success of an organization because they serve as a guiding light. In many law firms, the partners may not be clear on their foundational values. In other cases, values may not be communicated clearly to associates and staff. One important challenge for law firm leaders is to announce foundational values with frequency and incorporate them into all key decisions. This is congruent with a basic Marine leadership principle: Never miss an

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opportunity to stand in front of your Marines and tell them what is important and why it is important. A number of firms, such as Greenberg Traurig, do this at an orientation for new associates; as Dave Palmer, Managing Partner of Greenberg Traurig's Denver office, explained, such sessions offer a unique opportunity to inculcate new associates with the firm's values and mission.

Law firms must not only consciously adopt and communicate such values, they must also live by them. If a firm, for example, preaches "take care of your people" as a core value, but then lays-off employees rather than make everyone at the top take a pay cut during a recession, the leadership will lose hard-fought credibility. On this point, Kim Rivera, General Counsel of DaVita, suggested that the profit motive and a focus on employee welfare do not necessarily conflict. After all, employee-centered values can also prevent turnover, a setback that can be costly for law firms.

With the possible exception of a few large firms that incorporate high associate turnover into their business model, the majority of firms do not want to lose young lawyers after investing hundreds of thousands of dollars in recruiting and training them. As DaVita's history confirms, reinforcing loyalty, both to co-workers and to the organization, can improve the leadership paradigm and long-term trajectory of a for-profit company. People will stay at a job where they feel fairly compensated, perform meaningful work, are valued, and have the opportunity to grow personally and professionally.

Compensation structure is a key part of the loyalty and morale equation because it reflects the organization's values. Colorado Bar Association President Mark Fogg counsels law students and young lawyers on this point, emphasizing that "how a law firm divides up power and pie (revenue) are usually the driving factors reflecting the culture of the firm." While some firms focus on billable hours as a touchstone, Faegre Baker Daniel's Natalie Hanlon-Leh suggested that other approaches are possible, including rewarding associate core competencies and a demonstrated commitment to firm values. Andrew Baak and John Phillips underscored that there are culture-enhancing benefits of not using billable hours as a benchmark; their firm, Bartlit Beck, conducts no hourly billing and the result is increased efficiency, mentoring/training, and alignment of law firm and client interests. At Reilly Pozner, Dan Reilly focuses on the "team aspect" of

compensation. By making all clients “firm clients”, each employee’s reward is tied to the success of the firm as a whole, not individual performance or origination.

Effective leaders also understand that trust is an essential component of any healthy organizational culture. Trust enables partners to solve one of the fundamental quandaries of any law firm: how do you maintain a partnership while vesting a leader with enough decision-making authority to effectively lead the organization? Partners that trust one another will have no problem “following” their Managing Partner by supporting her decisions, and knowing that she will bring any major issues before the partnership for a discussion or vote. Partners that do not trust one another will likely not remain partners for long. And if the partnership remains intact, the result will be wasted time, negative energy, and unnecessary partnership meetings on minor issues.

The flip side of trust is that a Managing Partner should be able to trust the other partners and associates to be responsible professionals. By doing so, a leader can avoid stifling excellence. As Wheeler Trigg O’Donnell’s Hugh Gottschalk explained, he views his job as the builder and supporter of a platform from which his partners can launch and do great work. This means minimizing committee meetings and bureaucratic barriers. Associates that feel challenged and trusted to do more than “grunt work” will also likely put in their best effort and feel loyal to the firm. Tom O’Donnell, Holland & Hart’s Managing Partner, explained that by fostering a culture of trust, partners at the firm regularly and successfully hand-off clients to their associates and other partners while participating in the firm’s sabbatical program.

With clear cultural values that reinforce loyalty and trust within the firm, it is easier to recruit, hire, and retain the right people. As a number of roundtable participants explained, effective recruiting and true success requires that firms identify important “soft skills” and how a prospective lawyer fits (or does not fit) with the firm’s culture. In particular, the group emphasized the importance of traits like maturity, judgment, teamwork, strong ethics, and emotional intelligence. As Chris Richardson, the Managing Partner of Davis Graham & Stubbs observed, “We are all looking for the ‘right’ person . . . someone who achieves excellence in every activity, someone who knows how to get the job done.”

The right kind of lawyer, roundtable participants emphasized, is able to build relationships and create cohesiveness in the firm. They also are “trainable” as young lawyers and will likely serve as good mentors later in their careers. As George Berg, Managing Partner at Berg Hill Greenleaf & Ruscitti noted, however, training does not always ensure success. In particular, he challenged the group to consider how best to evaluate employees, determine when an associate is not working out, and find effective ways to train and mentor him or her.

As was made clear from the different approaches to law firm culture and leadership, there is no one right model. It is clear, however, that law firm leaders can benefit from thinking through alternatives carefully and deliberately thinking through the culture that they want to develop. And while the paths of top law firms may differ, forward-thinking and self-aware leaders are eager to create and maintain the best law firm they can – one that is comprised of great lawyers and is poised for success in a changing, competitive legal market.

Appendix A

Phil Weiser, Dean – University of Colorado Law School
Andrew Baak, Partner – Bartlit Beck Herman Palenchar & Scott
Fred Baumann, Managing Partner - Rothgerber Johnson & Lyons
George Berg, Managing Partner - Berg Hill Greenleaf & Ruscitti
Kevin Brown, Law Student – CU Law
Robert Erven Brown, Nonprofit Practice Group Chair – Ridenour Hinton & Lewis
Carolyn Fairless, Managing Partner - Wheeler Trigg O'Donnell
Eric Fisher, Partner – Reilly Pozner
Mark Fogg, General Counsel – COPIC, and President – Colorado Bar Ass'n
Hugh Gottschalk, CEO – Wheeler Trigg O'Donnell
K.C. Groves, Director - Ireland Stapleton Pryor & Pascoe
Jack Hanley, Managing Director – Reilly Pozner
Natalie Hanlon-Leh, Denver Office Leader - Faegre Baker Daniels
Andrew Hartman, Professor and Chair of Experiential Learning – CU Law
Harry Horowitz, Director of Strategy and Special Projects – CU Law
Roxanne Jensen, Senior Partner - Catapult Growth Partners
Whiting Dimock Leary, Senior Assistant Dean - CU Law
Jason Lynch, Partner – Reilly Pozner
Thomas O'Donnell, Managing Partner - Holland & Hart
Dave Palmer, Managing Partner - Greenberg Traurig - Denver
John Phillips, Partner - Bartlit Beck Herman Palenchar & Scott
Larry Pozner, Founding Partner – Reilly Pozner
Dan Reilly, Founding Partner – Reilly Pozner
Kathryn Reilly, Senior Counsel – Husch Blackwell
Chris Richardson, Managing Partner - Davis Graham Stubbs
Kim Rivera, Chief Legal Officer – DaVita, Inc.
Mary Stuart, Managing Partner - Husch Blackwell - Denver
John Walsh, United States Attorney for the District of Colorado
Bob Weiss, Senior Partner - Alyn-Weiss & Associates