



TYLER WILSON

## HOW TO STAY ON TOP

A VIEWPOINT ON LAW FIRM GOVERNANCE

“ Every law firm – whether it has five partners or 500 – will have its own system of governance. Some of it is in the constitution; some of it will be back-of-an-envelope improvisation. For Managing and Senior Partners, it can sometimes appear to be a game of long snakes and short ladders with rules that take time to master.

Here are ten tentative suggestions on this subject from two who have trodden the same path. ”



### 1. THERE IS NO TEMPLATE

From our perspective, there is no obvious correlation between any form of governance and a firm's financial success. There are some very traditional (and fabulously successful) firms in which partners all sit round a table and vote on each important decision. There are others of equal prowess where almost all powers are delegated to an executive. You should choose what suits your firm.

### 2. START AS YOU MEAN TO GO ON

Every person elected to office as Managing or Senior Partner emerges out of the back of the wardrobe into an unfamiliar world of practice group heads, executive committees, partnership boards and formal plebiscites. Your political capital is at its height during your honeymoon period. An important early decision is how much of it you spend on reforming the governance structure so that it is as fit for the future as it might have been for the past.

### 3. DISTINGUISH BETWEEN PARLIAMENT AND GOVERNMENT

Often, firms have a board and an executive committee. A lean executive group can respond to the fast-moving operational needs of the business, while a representative body can assimilate perspectives from all corners of the firm when long-term decisions need to be made. It may serve you well to be clear in your own mind over where ultimate authority lies for each category of decision, and also to allow constructive ambiguity within and between these groups.

### 4. MAKE SURE PARTICIPANTS KNOW THEIR ROLE

Many partners sit in management meetings wondering what they are doing there and whether it is essential to spend so much time on an issue. The role of the Chair is crucial in ensuring that, for each item, participants understand whether they are there to exchange information, give their views or make a decision. Telling them this in advance has a big impact on the way they listen and speak. One way to do this is to ensure that any item requiring a decision is expressed as a question. For every other item, there should be a clear statement of the output required.

### 5. MAKE BOARD POSITIONS AN OUTWARD-FACING ROLE

A firm's executive body needs to incorporate all the operational components of the firm, including business services. Our experience is that decisions improve when they involve the people with responsibility for implementing them. What matters most is persuading the group to see themselves as members of the management team, and leaders of the firm, with responsibility to take decisions in the interests of the whole firm; not as shop-stewards, representing the interests of their constituents.

### 6. THERE IS NO TRUST WITHOUT COMMUNICATION

Where the constitution reserves decisions to partners, most lack the time or desire to read the supporting paperwork. They feel uncomfortable about expressing an ill-informed opinion, either supporting or opposing the management proposal. But they are very attuned to inconsistency and incompleteness in the way in which choices are explained to them. The key to gaining trust and support is to communicate regularly and openly, and when things are going wrong, not just when it suits you.

### 7. CONCENTRATE AUTHORITY WHERE YOU CAN...

As a rule of thumb, the shorter the meeting and the smaller the number of people in the room, the better (certainly braver) the resulting decision. After you have consulted six people on an issue, you will benefit in a variety of ways from consulting another 60, but you may not learn much that's new. There is a temptation to share responsibility by widening participation in a decision, but this is usually best avoided unless you need the partner group to implement it.

### 8. DON'T BANK ON FOLLOWERSHIP

If you need partners to implement a decision, it is unlikely to happen unless they approve your proposal. Where partners are not required to follow, they can find many ways not to do so. Therefore, you need to walk the corridors and put your powers of persuasion to the test, engaging with the doubts and questions rather than trying to bypass them. Doing this has two benefits: first, it alerts you to pockets of resistance; secondly, it gives you a chance to confront doubters with the complexities of the choices in front of them.

### 9. MANAGE RISKS, DON'T AVOID THEM

In the commercial world, a leader who gets seven out of 10 decisions right is doing a great job. For them, good management involves rapid deployment of reverse as well as forward gear. This is much harder to achieve in partnership, where decisions are made by consensus or plebiscite. Changing your approach, and that of your executive team, from risk-aversion to risk management is a difficult but essential part of transitioning into the role.

### 10. THERE IS NO PLAYBOOK FOR BEING A MANAGING PARTNER

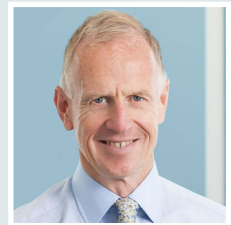
To get anything done, you must convince others to back you. How you go about this sets the tone for the culture of the firm, as well as for your leadership. Your authority is elastic and can snap back faster than it can be stretched out. Give yourself permission to benefit from the thinking space that coaching sessions allow – to organise your priorities and keep the plates spinning. Every business leader's in-tray contains matters that would benefit from an external perspective.



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