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He has served as Chief Operating Officer of a law firm and professional service outsourcing organization. His appointment as Chief Executive of UK lawyers Osborne Clarke in 2000 was in the first wave of business professionals in law firm leadership roles.

One of the busiest speakers and writers on law firm management, Chris is a keynote presenter, conference chair, guest tutor, and panelist at conferences in Europe as well as the USA. He has authored *Law Firms in the Digital Age* (2013) and *The Legal Process Improvement Toolkit* (2012), published by ARK Group, as well as a series of best practice guides for the largest international law firm network, Lex Mundi.

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He is a graduate of Point Park College and he earned an MBA from Robert Morris College. He joined Barnes & Thornburg in 2014.

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Sherry has 24 years of human resources and management experience in the legal and corporate communities. She earned her Bachelor of Science in Business from Indiana University, a Master of Science in Human Resources from Loyola University Chicago, and a Certificate in Financial Management from the University of Chicago. She is an active member in the ALA, SALA, SHRM, and several other roundtable associations.

**Rod Harrington** joined Norton Rose Fulbright LLP as Chief Operating Officer in May 2016 to lead their EMEA operations and help develop and deliver on the firm’s strategic objectives in the region. Prior to that he spent five years at Latham & Watkins as CAO Europe. He previously spent 18 years in the management consultancy sector, latterly as European COO for Booz
& Company (formerly Booz Allen Hamilton). An accountant by background, Rod has held many senior commercial finance positions to global CFO level. He holds a degree in Chemical Engineering from Exeter and is a fellow of the Association of Chartered Certified Accountants.

**Patrick J. McKenna** is an internationally recognized author, lecturer, strategist, and seasoned advisor to the leaders of premier law firms. One of the profession’s foremost authorities on law firm leadership, Patrick has authored more than a few pioneering texts, including his book (co-authored with David Maister) *First Among Equals: How to Manage a Group of Professionals* (The Free Press), which topped business bestseller lists in the United States, Canada, and Australia, has been translated into nine languages, and has been widely described as the essential guide to practice group leadership.

McKenna’s published articles have appeared in over 50 leading professional journals, newsletters, and online sources; and his work has been featured in *Fast Company, Business Week, The Globe and Mail, The Economist, Investor’s Business Daily*, and *The Financial Times*. His consulting expertise was acknowledged in 2008 when he was identified through independent research compiled and published by Lawdragon as “one of the most trusted names in legal consulting” and his three decades of experience led to his being the subject of a Harvard Law School Case Study entitled “Innovations in Legal Consulting” (2011). An example of that innovation was launching the first instructional program designed to specifically address the issues that new firm leaders face in their First 100 Days, which has thus far graduated over 70 new leaders, many from AmLaw 100 and 200 sized firms. His latest work is entitled *The Changing of The Guard: Selecting Your Next Firm Leader* and was released by ARK Group in April 2015. Patrick has consulted with at least one of the largest law firms in over a dozen different countries.
Alastair Mitchell has over 30 years’ experience of working in professional service firms. He is currently Chief Operating Officer at Pinsent Masons where he is responsible for the firm’s operational infrastructure across the global network.

Alastair plays a lead role in ensuring that business operations departments work together to support the firm through provision of services that are fit for purpose and support the firm’s strategy, whilst being high quality and cost effective.

Alastair has extensive international experience having worked in Asia and Central and Eastern Europe. He has previously held roles as COO at both Linklaters, where he worked for 13 years, and Holman Fenwick Willan.

Alastair is a fellow of the Institute of Chartered Accountants and is also a graduate of the Meyler Campbell Executive Coaching Programme, with a keen interest in developing young talent.

James G. Perkins is Chief Operating Officer and Chief Compliance Officer of Procopio, Cory, Hargreaves & Savitch LLP. For the last 20 years, he has led the firm’s non-legal operations, including finance, human resources, marketing and business development, information services, and knowledge management.

Jim is a member of the firm’s management committee and, in 2012, also became the firm’s Chief Compliance Officer (CCO), responsible for developing a firm Enterprise Risk Management Program. In his CCO capacity, he also serves as co-chair, together with the firm’s General Counsel, of Procopio’s Office of Risk Management and Compliance.

Jim speaks regularly on law firm management issues and business strategy at conferences and international law firm network meetings. He also consults occasionally as part of the Procopio Business Advisors Group.

Jim served as Head Coach of the US National Rugby Team from 1987 to 1991 and is a director of the US Rugby Football Foundation. He is also a board member of the San Diego
National Regional Economic Council. Jim has an MBA from the University of Chicago and PhD from the University of Surrey.

**Blane R. Prescott** is Chief Operating Officer of Foley & Lardner LLP. He is responsible for global leadership and oversight of all business affairs and operations, as well as strategy development and implementation, and is a member of the firm’s partner compensation committee.

Blane’s responsibilities include annual and long-range planning, mergers, acquisitions, growth and development, partner compensation and coaching, and the oversight of the firm’s professional managers. Prior to joining Foley, Blane was the CEO at Brownstein Hyatt Farber Schreck LLP. He previously served as a partner with Hildebrandt International and has consulted with law firms and other professional service firms throughout North America, Asia, and Europe.

In his career, Blane has worked on more than 200 law firm mergers, assessing, structuring, and implementing combinations. He has conducted more than 1,000 client service interviews on behalf of law firms, and also regularly served as an active member of partner compensation committees for his clients.

Blane has extensive speaking experience with groups both in and outside of the legal profession, including as a guest lecturer for the MBA program at the University of San Francisco and the University of California, Berkley Law School. He is the author of more than 75 articles on law firm issues. His articles have appeared in *The American Lawyer, The National Law Journal, The ABA Journal, The New York Law Journal*, and numerous other publications.
Executive summary

For law firms considering restructuring their business to meet the demands of a highly competitive market, hiring an experienced chief operations officer (COO) is sure to be a consideration. But the reassignment of duties and shift in perspective this appointment will require may prove challenging for some firms. Finding the perfect match for a firm’s unique culture and requirements is a difficult yet essential task.

With input from a number of current law firm COOs and executive directors, alongside some of the most respected and sought-after consultants working in the legal space, Rise of the Legal COO examines the enormous scope and variety of the legal COO role, its many challenges and demands, and the myriad ways a strong COO adds value to a law firm.

The book is divided into two parts. The first explores the role of the legal COO as it has developed over the past two decades or so, how it fits into and supports a firm’s leadership, and factors that make a COO effective. The second part, through a series of interviews, provides first-hand insight into the role.

Part One opens with a chapter from Chris Bull, director of legal and professional services advisors Kingsmead Square and a former law firm chief executive, who tracks the development of the legal COO role, provides an overview of some of the most popular models that have been used in the legal sector to date, and considers what makes each model effective in specific circumstances. Chapter 2 builds on this, exploring the evolution of the role as law firms and their requirements have changed, drawing heavily on the insight of five current COOs and their experiences in the position.
Based on his extensive experience advising the leaders of premier law firms, over the next two chapters Patrick J. McKenna, principal of McKenna Associates Inc., shines a light on the delicate nature of the relationship between the COO and managing partner of a law firm from two different angles: considerations for a COO when a new firm leader takes over; and factors that can make the COO-MP relationship challenging if left unaddressed.

In the final chapter of Part One, James G. Perkins, COO of Procopio, Cory, Hargreaves & Savitch LLP, shares his personal experience of the role and what makes a COO successful, with input from some of the partners who have been part of the management of the firm.

Part Two of the book comprises interviews with four current law firm COOs/executive directors whose descriptions of their own roles – and the career paths they took to get there – are illustrative of the huge variety in the role.

In the first interview, Alastair Mitchell, Pinsent Masons’ current and first COO, talks about the reasons that led the firm to create the role in 2016, the importance of senior management support, and the way the position has developed since he was a “baby COO” of a practice group at Linklaters a decade ago. He also shares his thoughts on topics such as what differentiates a good COO from a less-effective one, bringing a commercial approach to support innovation, and empowering and encouraging people to think differently and do things better.

Blane R. Prescott spent 25 years as a consultant working with law firms, including coaching partners and sitting on firm compensation committees. In the second interview in this section, he describes how this background feeds into his role as COO of Foley & Lardner LLP, which was redesigned for him, the part he plays in driving change within the organization and helping the firm to prepare for the challenges and requirements of the future, and the need for lawyers to embrace a spirit of experimentation.
In the third interview, Sherry Gini, who has been with Goldberg Kohn for 17 years, starting out in the human resources department and moving into the (newly created) COO role in 2014, talks about working with a young and entrepreneurial partnership, the battle for talent and the firm’s focus on diversity and inclusion, and the importance of building ties with clients and the community.

Finally, Michael L. DeLargy, Executive Director of Barnes & Thornburg LLP, discusses taking on this role after 17 years as a COO at another law firm, the alterations he made to the position held for 25 years by his predecessor, and the projects he has in view to ensure the firm can deliver services “better, cheaper, and faster” in the future.

One of the COOs quoted in this book described a key part of his role as “getting people to think about doing things in a different way… within a framework of this is what we want to achieve long term”. While there are few constants in the COO role, one message that does come through strongly in this book is that of the effective COO as a consultant, mentor, and guide – suggesting new routes for the firm to reach its goals; ensuring that individuals and the firm as a whole have the support they need to progress, grow, and succeed; and helping the firm to adapt and ready itself for the unforeseen challenges and opportunities of the future.
Part 1:
Role of the Legal COO
Chapter 1:
Horses for courses – The spectrum of chief operating officer roles in law firms

By Chris Bull, founding director of Kingsmead Square

The first chief operating officer (COO) designations in the legal space really began to emerge and spread in popularity around the turn of the millennium. That said, as recently as ten years ago the title was still rare enough in private practice law firms to catch the eye as a bit of a novelty.

Today, while by no means ubiquitous – even among the largest global firms – there is no doubt that law firm COO is a recognized and no longer surprising role to come across. Typically, when we refer to a legal COO we are talking about a very senior C-suite management role at the top of a large firm. Increasingly, however, we may be referring to a senior manager in a large in-house corporate legal department. Or to an operational manager in one law firm practice group, or a specific geography in a large global firm. The ways in which COOs are being deployed in law keep extending.

There are certainly some core features of these COO roles which almost all of them have in common and which correlate with the fundamentals of the COO role in corporations and other organizations, way beyond the legal sector:

- The COO is one of the most senior full-time executives in the organization;
- The COO is responsible for all, or most, of the day-to-day operations of the unit they are COO of – which could be an entire global firm, geographic unit, practice group, or in-house legal department;
The report line for the COO is up to the most senior executive in the organization/unit (i.e. managing partner, CEO, general counsel, practice group head);

Responsibility for organizational process, internal support, and efficiency are key elements of the role profile.

The legal sector has nevertheless spawned a very wide range of individual models for COOs and it is hard to generalize much further than the four points above. In particular, the roles of COOs in legal organizations vary substantially in terms of:

- Exact position in the executive hierarchy – While many are effectively “number two” in the organization, as is common in corporate environments, at least as many have a less senior role and do not hold the rights, influence, or status of the senior/equity partners;

- Board membership;

- Line management responsibility for functional C-suite or directors – As this chapter will explore, law firm COOs in particular can be categorized into a series of types to a large extent determined by the scope of their report line remit;

- Career experience as a client-facing, “fee earning” legal professional – A number of legal COOs have moved from legal practice, often by internal promotion, and in some cases the role is seen as reserved for lawyers, specifically partners, from within the firm. However, in a majority of cases the COO will have a background in general management or one of the specific business support disciplines;

- Financial and accounting experience – Many law firm COOs qualified as accountants/CPAs and maintain some form of financial or commercial responsibility. Once again, however, a substantial population come
from other disciplines. Many law firm COOs, even those with accounting qualifications, do not hold financial responsibility as part of their COO role.

For firms considering the organizational design of their business – and specifically ways in which to achieve a more integrated, aligned management of operations and the executive function – it is likely that they will contemplate creating and appointing a COO role. Understanding what different models have been used in the legal sector and why these may be effective in specific circumstances is an important part of that decision. This chapter examines the most popular COO models used in the legal sector, primarily in private practice law firms, and the reasons behind the adoption of each model.

**Before you begin**

Before we start, we should point out that, while this chapter refers to “COOs”, a similar role can also be executive director (ED), operations director, or president (typically in US-headquartered corporations). However, the COO title has tended to be the most common designation in the last decade, even in professional service firms.

We should also just take a look at the strong message that emerges from most of the research and writing by business academics on this subject. This highlights the critical underlying root cause of the decision to appoint, remove, or replace (or not replace) a COO, or to structure a specific role profile, as coming right back to the nature and requirements of the CEO (or managing partner or general counsel in most legal scenarios). The COO role will vary dramatically based on the individual skills, style, and needs of the CEO. That can mean that COOs often don’t long survive the departure of the CEO who hired them – or have to adapt very quickly to the new boss. It can also mean that a breakdown in trust between the CEO and COO can be fatal not just to the person in the COO role, but often to the role itself. Research over many years by
the Harvard team of Nathan Bennett and Stephen A. Miles on the subject of the COO has shown that the departure of a long-standing COO is often followed by a period with no COO in place at all.

The role of the COO in relation to the CEO is complex and, as we have seen, often very personal. In corporate environments COOs are often regarded as likely successors to the CEO and very commonly operate as the “fixer” for the CEO in implementing strategy and getting tough things done. In legal firms these two roles are less commonly held by the COO – with many law firm COOs not being lawyers, they are often barred from succeeding to the top job. The nature of professional partnerships also makes it just as likely that the managing partner (the CEO role), and sometimes senior partner too, have the role of “fixer” and “enforcer” themselves, especially in areas where a COO who is not a partner is not seen as having the status or remit to drive through change.

Not every firm that considers a substantive restructure of their business operations and executive management ends up hiring a COO. Some know from the outset that they don’t have the culture, budget, or management team “headroom” for such a significant, brand-new C-suite role. Others arrive at other solutions to improving the integration, alignment, efficiency, and internal service proposition of their operations. One approach that a number of law firms, under various labels and guises, have adopted is to establish an over-arching service-orientated business support function (something I tend to badge as the “central business group” (CBG), in order to echo the practice group terminology applied to legal departments).

The key concept of the CBG, combining multiple business support functions which previously operated as separate departments, is that it is large and influential enough to work as a peer to existing (legal) business or practice groups. This approach aligns with the “one firm” ethos that most law firms emphasize, providing a single “supplier” relationship and communication channel into the rest of the firm, rather than...
many which tend to conflict and disrupt each other. The CBG has many elements of an “arms-length” commercial supplier model, with the C-suite/directors sharing collective responsibility, objectives, and rewards; and forming an OpCo to run the group, draft and own a business plan, and drive economies of scale and process efficiency across the integrated unit.

Appointing a COO would be a natural solution to the leadership and accountability for a new CBG but, as noted, not every firm feels that is the right step for them, certainly initially. Firms who already possess a talented group of directors from across the spectrum of business support capabilities may quite rightly look to how to harness that talent effectively in a more unified structure. As an alternative to appointing a COO, some firms have assembled this OpCo group and either selected or elected one of their number to take on the role of chairing the group and committee, but without assuming full line management and leadership responsibility. This is a “first amongst equals” role familiar to professional partnerships. The chair can act as the primary conduit up to the managing partner and partnership board. In some cases, an external, independent chair with management experience, typically non-executive and part-time, could play this role without upsetting the balance and motivation of the C-suite.

Having established that creating a COO role is by no means the only solution to building a better aligned and more integrated business support operation, it is an increasingly common one. I will now move on to examine a number of models of COO role regularly used in the legal sector. Each one has a sub-title for the purposes of this chapter, but typically each of these roles will be referred to as chief operating officer.

**Model 1 – “Riding shotgun”**

Whereas in manufacturing, retail, and other corporations the operations of the business are both clearly defined and absolutely fundamental to the trading core of the business, in professional firms neither of those statements applies so well.
Chapter 1: Horses for courses

Perhaps the most common way in which law firms have adapted the concept of the COO and “operations” to their own industry is to hire a COO to whom an increasingly overloaded managing partner/CEO can delegate the entirety of their business support responsibilities and report lines, freeing up the firm leader to, well, lead. The managing partner, often in a rapidly growing firm, redefines their role more along the lines of the busy and successful corporate CEO and focuses on strategy, business growth, acquisitions, practice group oversight, and hopefully clients. They stop having to micro-manage the firm’s support services, which have pulled them too far from their strategic mission and run the risk of tagging them as an over-remunerated support manager in the eyes of some of their fellow partners. This is the nearest common professional firm equivalent to the COO roles examined in great detail by Bennett and Miles in their 2006 Stanford University Press book, *Riding Shotgun: The Role of the COO*.1

In Model 1, the COO’s role covers:

- Full executive oversight and line management of all business support functions, including finance, IT, HR, marketing and business development, infrastructure, and risk;

- Report lines for all C-suite/directors in business support functions;

- Responsibility for the planning, investments, reporting, and improvement of business performance, as well as innovation and application of technology;

- Board membership and regular reporting to board and partnership – often a partner-level role in status and, in some firms, remuneration; and

- Deputizing for the managing partner in at least some regular duties (taking on elements of the “number two” role common in corporates).
There appear to be a number of factors which need to be in place for Model 1 to be a good fit for a firm. Firstly, there needs to be a genuine overload on the managing partner or other leaders that the firm feels justifies a major hire and investment to release. Secondly, the culture of the firm needs to be accepting of what may well be someone other than a lawyer in a very senior and influential role with real powers. Thirdly, there should be a demonstrable gap in capabilities or experience amongst the legacy C-suite or wider management team. These roles are not easy to fill, and many professional firms have seen some rapid churn as apparently highly successful COOs from the corporate world have failed to prosper in a partnership environment, or perfectly capable finance or HR directors have found extending their report lines to include their former colleagues and new areas of experience a challenge too far.

**Model 2A and 2B – The chief finance and operating officer**

The chief finance and operating officer (CFOO) title can be applied, in some cases, to the over-arching business support role of Model 1. However, in my experience, it is more common for this role to evolve out of the chief financial officer (CFO) or finance director role as a firm grows, a managing partner becomes stretched, and/or the CFO demonstrates a capability to understand and manage other support areas with substantial financial significance. This evolution usually stops some way short of the complete business support responsibility outlined under Model 1. There are two fairly common variants of this role, both of which have a solid base of responsibility for the firm’s financial, commercial, and accounting/tax areas. Many of these roles are titled COO rather than the full CFOO but I will use that label for Model 2 to differentiate it more clearly from our other models.
Chapter 1: Horses for courses

Model 2A
The CFO/FD role is extended to cover what are most commonly seen as adjacent areas requiring hard management and financial capability, including IT, compliance, infrastructure (real estate, office services, document services), central knowledge management, and HR. The role does not extend to be a full “riding shotgun” number two role and, most importantly, does not include marketing and business development responsibilities, which many firms feel are naturally aligned to the legal practice groups, many managing partners want direct and personal control of, and many CFOs/FDs feel they have little understanding of – or, often, interest in.

Model 2B
The variant here is where some firms feel that the interface between marketing/business development – focused on the client value proposition, pricing, and revenue growth – is, in fact, a natural and obvious adjunct to the work of a capable CFO/FD, and that area is added into the role alongside most of the other functions noted above. But HR and the wider people agenda (also including learning and development and possibly knowledge management) is not included. Again, as we have seen, personalities and existing skill-sets play a big part in this, and a managing partner who views their firm as first and foremost a people business – and their most important role as being to nurture, attract, develop, and retain their human assets – will often retain direct control of the HR function, while being more sanguine about asking their COO to manage business development alongside finance and the other functions.

Model 3 – The internal service and procurement head
All the models we are examining after Model 1 are variations which represent a less senior and holistic, though still significant, role than that first model. In many law firms, the role of CFO or finance director has been established for decades as the one role performed by someone who is not a lawyer (or, more specifically,
not a partner) that has senior management status. Often the finance head is the only non-lawyer, to use that much-derided term, who sits on management committees or the board, and who receives sensitive information and communications. As firms have grown and developed not every finance chief, and by no means every firm, has wanted to see the finance remit expand or mutate in the way I outlined in Models 2A and 2B.

There are a number of arguments for maintaining a senior, powerful finance executive role that reports directly to the managing partner but does not also incorporate much in the way of other business support functions. One is based on the fear of many groups of partners that the finance role is critical to the firm’s performance, especially in testing economic times, and that the most senior finance team should not be distracted or their impact diluted by being spread too thinly. Another is the strong argument that the CFO, in order to direct and control spending and the firm’s financial performance, must be independent of the main spending functions – echoing the operation of cabinet government in many countries, where the Treasury sits apart from and scrutinizes the spending plans and performance of all other ministries. Finally, some lawyers – and, indeed, some accountants – have a deep-seated conviction that a good accountant will not possess the creative, communication, or people skills to successfully manage functions such as HR, marketing, or business development.

Nevertheless, the expanding firm in this situation has all the same tensions that I have shown give rise to other COO models. The result is often parallel CFO and COO roles, with the CFO holding the finance, planning, and sometimes compliance portfolio; and the COO responsible for the operations side, including IT, HR, infrastructure, and possibly marketing and business development. In some firms these roles sit side-by-side as equals with parity, both reporting to the managing partner. In others the CFO remains the more senior of the two roles, partly thanks to the very well established and embedded place of finance heads in the management of law firms.
Chapter 1: Horses for courses

The resulting COO role focuses on operating the core internal services provided to the internal customer and on overseeing the procurement of most goods and services, often managing an annual budget in the tens, sometimes hundreds, of millions. This COO is therefore a substantial and important job, but tends to be characterized as primarily a back-office position.

Model 4 – The infrastructure head

The least expansive scope of responsibilities that still justify the law firm COO designation are focused around infrastructure. Often these COO roles are created to extend the reach of a senior chief information officer (CIO) or IT director who has had a successful tenure and demonstrated wider strategic thinking and an ability to manage projects and budgets. To some extent the trend to develop COO roles out of CIO roles mirrors the earlier and more established route for some CFOs to progress into wider COO jobs – but reflects the ever-increasing importance of technology to the modern professional firm.

Broadening the CIO remit into a COO role typically starts with the realization that physical infrastructure (buildings, furniture, and equipment, office services, document management, and records) and virtual infrastructure (networks, applications, etc.) are converging rapidly and need to be managed in an integrated way. As technology managers generally find it much easier to build knowledge about the building and facilities management (FM) arena than vice versa, I've observed an accelerating trend to merge physical infrastructure responsibilities into the CIO's job description.

Sometimes the synthesis of technology and FM is enough to trigger the creation of a COO designation. In other cases, the COO label is only applied after some additional function – commonly one or other of procurement, knowledge management (more usually in US law firms), or HR operations – is added to the mix.

Where a COO's role is restricted to the infrastructure brief, most firms will have a complementary set of senior, C-suite
roles: CFO (finance), CHRO (people); and CMO (marketing/BD). What this “bulking up” of the core technology/CIO remit can achieve is to create a substantial directorate that has the weight, scale, and significance to take its place on the senior management team or executive board alongside these other more traditional C-suite roles. The need to add responsibilities to the technology remit in order to support its status is becoming less necessary as IT becomes ever more central to firm operations, but in a conservative professional environment it can still be smart politics.

Model 5 – The shared service head

The litany of large US and UK headquartered firms who have established shared service centers (SSCs) in lower cost cities, and shifted many of their back and middle office services to the new locations, keeps growing. We have now had over a decade of service centralization and migration, from trailblazers like Orrick (West Virginia) and Clifford Chance (India) right up to the substantial moves out of London implemented in recent years by Allen & Overy, Freshfields, and Ashurst, among others.

Each firm has chosen a different route and a different mix of services, functions, and roles to migrate to their SSC. Some firms have chosen to outsource the operation of their centers to a third party company (as CMS Cameron McKenna did with Integreon), but most have established wholly-owned captive operations with most staff employed by the firm itself. Besides those firms who have built a dedicated SSC in an entirely new location (and these tend to be the high-profile cases), perhaps 100 or more other large firms have pushed services into a central, often lower cost, office location they already owned and now have large blocks of internal services co-located with lawyers but serving multiple offices nationally and internationally. Many of these firms have reviewed and redesigned the organization of business support to identify the most process-based functions that are highly capable of being performed
remotely and where synergies across the conventional silos are exploited to streamline operations.

Some of these firms have strong and established COO roles in place – typically these will be Model 1, with individuals who have often designed, driven, and championed the reorganization of business support services and the creation of the SSC. However, in all cases the shared service center itself requires a senior, experienced leader with a broad base of skills. As most SSCs include at least some elements of law firm finance, HR, and IT the SSC head role is not usually suited to a single-discipline specialist. Particularly in those firms where large elements of the headcount of multiple business support functions have been shifted to the SSC and redesigned, the SSC head is effectively a COO, managing across the business support spectrum but with responsibility for the higher volume business processing activity. In turn, the functional departments such as finance, HR, risk, business development, and IT are scaled back to a smaller group of more specialized and expert jobs.

Firms looking at the effectiveness and efficiency of their business support organization certainly need to evaluate the extent to which centralization and combining the operational elements of their support departments into an SSC, whether in a new or existing location, could improve performance. The changes to the scope and nature of management roles suggests that this evaluation should take place before a final decision is made on which COO model to follow.

**Model 6 – The practice COO**

One of the other organization design trends that has characterized the 21st-century law firm has been the consolidation of practice groups from a sprawling list of departments, many not much more than large teams, that represented pretty much everything a firm did, to a focused set of groups that mirror business units within a corporation.

The role of practice group/business group head in larger firms has morphed into something akin to a cut-down managing
partner role. Indeed, some firms refer to their practice leaders as managing partners. The role has become more important, the groups have got bigger, and group performance targets have become more concrete and stretching. Inevitably, practice heads in these situations look for business knowledge and experience to supplement the skills they have built via their own legal career and also challenge managing partners who ask for ever higher practice group achievements, while holding all the business support expertise locked in central functions.

The practice COO role has grown out of these changes. In some cases, it has evolved from earlier roles that focused on financial analysis and working capital management or on managing support and secretarial resources. Increasingly, though, these COO or business manager roles are designed from the ground-up to provide a “number two” support to a practice head who will often still be practicing and almost always has limited large-scale business management experience themselves. Perhaps the practice COO is, in fact, the closest equivalent law firms have to the corporate COO “riding shotgun” with their CEO.

For firms who have consolidated or are consolidating practice groups into substantial business units with profit and loss responsibility and cross-office reach, a practice COO role has to be a consideration. The firm may run these roles in parallel with a firm-wide COO role or with a range of C-suite executives who all interface with the practice management team. Care needs to be taken to establish the boundaries and responsibilities with care, and to stimulate a positive “one team” relationship between all these moving parts; positions can quickly become entrenched and adversarial.

Model 7 – The operational transformation leader
A seventh model has begun to emerge only in the last few years. This version of a COO role tends to sit alongside, rather than above, all of the above C-suite executives and be seen as a separate discipline. I know that some law firms have taken this route
in order to avoid the messy and unpleasant political fall-out of appointing a COO to sit above incumbent departmental heads. But that is by no means the primary reason for taking this route. Firms who appoint a COO as an additional peer member of the C-suite team are usually recognizing the need for process redesign, operational efficiency, and applied technology expertise right the way across their organisation. They don’t have the depth of expertise and experience in their existing functional heads or managers, including in IT, and they are looking for a new individual to take a very active and hands-on role in pushing efficiency throughout the business. The COO will often have a big consulting background or have undertaken a process or transformation role in another industry sector. They are brought in with big expectations, sometimes – although sadly not always – a budget and a team to support them, and a remit to work with their colleagues to help them transform the operations of the firm. Without direct line responsibility this can be a tough ask.

In some firms, these roles are entirely focused on major initiatives and change and can be labeled as transformation, change, or program directors. Those with the COO designation will have more day-to-day and incremental operational responsibility.

The corporate legal operations head
This chapter began with a number of mentions of the growing use of COO-type roles inside large corporate legal departments. I have, however, focused on the much wider growth of COOs inside private practice law firms. Before I close, it is right to return to the parallel development of various forms of corporate legal operations role.

In global US-headquartered corporations, the professionalization of in-house legal operations has moved at a rapid pace in recent years. The startling growth in headcount of some in-house functions had driven a need for the general counsel to hand-off resource, people, and performance management,
especially where the department is spread across multiple jurisdictions and sites. As important in driving this trend has been the emergence of legal spend management as a key function for corporate legal. While the technology – e-billing, spend analytics, and legal project management tools – takes some of the strain, the general counsel and their senior lawyers simply do not have the bandwidth or expertise to handle the data science that increasingly dominates the management of external counsel. Specialist roles in analytics, procurement, and pricing have emerged, and across the top of all these disciplines senior corporate legal operations heads are being hired.

There is no doubt that the varieties of legal COO roles will keep multiplying and that new opportunities in law for talented – and resilient – individuals with broad operational management skills will expand. Perhaps the biggest challenge for organizations today in this ever more complex area is to remember to step back and examine their situation, distinct culture, and requirements in detail, alongside a review of what options are available, before they plunge into hiring and restructuring.

References
Chapter 2: Evolution of the legal COO role – Influencing and influenced by the changing law firm model

By the editor with contributions from: Michael L. Delargy, Executive Director of Barnes & Thornburg; Sherry L. Gini, COO of Goldberg Kohn; Rod Harrington, COO of Norton Rose Fullbright; Alastair Mitchell, COO of Pinsent Masons; and Blane R. Prescott, COO of Foley & Lardner LLP

Over the last decade or so law firms have evolved rapidly, and in particular have taken significant steps towards operating more like corporate businesses. Many of the changes – including the introduction of professional managers, often from outside the sector – mirror what has taken place elsewhere in professional services, such as accountancy, consultancy, and firms of head hunters and actuaries. With input from several current law firm COOs, this chapter explores the ways law firms have developed in recent years and how these changes have helped to shape the COO role. It also looks at the clues adjacent professions can give us about how law firms – and the role of the COO within them – may continue to evolve in the near future.

The legacy model
Historically in professional service firms the legacy model has been for one of the partners to be promoted away from client work to run the support side of the organization, look after the office infrastructure, and perhaps oversee the financial management of the firm.

The advantages to this approach are clear. The new appointee will already be very familiar with the organization, how it operates, its current needs, strengths, and weaknesses. Moreover, putting someone who is, typically, one of the better known
and more successful partners into this management position is likely to ensure the respect of both the wider partnership and of other firms, and engender greater support for the new leader’s ideas and initiatives.

However, as the market has become increasingly competitive, and law firms have grown and become more complex, the disadvantages of appointing someone whose only experience outside the firm – if any – is of another law firm have become increasingly evident.

For one thing, as Rod Harrington, COO of Norton Rose Fulbright, comments, “While these individuals might be good client partners and great lawyers, they might not have had experience of running a firm. They are unlikely to have been trained to lead a business services team, for example – particularly on the financial side… That’s been a challenge for some firms that have promoted partners into those roles.”

Secondly, consistently appointing someone who has grown up in the firm, or in another very similar organization, virtually ensures that their approach will be very similar – to the frustration of clients looking for their firms to be more innovative and change with the times. According to Blane Prescott, COO of Foley & Lardner LLP, in a rapidly changing industry, “You desperately need people to help change the organization because law firms tend not to change quickly; they tend to be focused on ‘how did all other law firms do this’.”

Thirdly, particularly as margins have come under pressure and firms have become much more focused on productivity per partner (PPP), they have recognized the unwisdom of taking a valuable source of revenue out of the market to perform a management role. Rod Harrington notes that, “You don’t put your weakest partners into these internal roles, so very often it was the some of the most productive partners who were being asked to move into the management roles.”

Finally, as market consolidation continues, some firms have simply become too large and unwieldy for a single person to run, whatever their capabilities. Alastair Mitchell, COO of Pinsent
Masons, describes the situation that led the firm to create his position in 2016: “The firm had a review of its governance about 18 months to two years ago and one of the conclusions of the consultants who did the review was that the firm should have a COO because it was getting too big for one individual – the managing partner – to do both the practice-facing (i.e. the income generation) side, as well as coordinating all the support roles.

At one point, before I was appointed, I think the managing partner had about 20 direct reports, which is just unsustainable.”

“Outsiders” in the legal profession

Variations in the role

Over the last decade or so, the trend has been for law firms to bring in people from outside the legal industry to coordinate the operations side of the business – people with different experiences and different ideas about how to do things to what has always been done in the past (or what the firm next door is doing).

As described in the previous chapter, like most aspects of how law firms are run, the number, range, and remit of positions that report to the COO varies from firm to firm. In some, all administrative professionals will report to the COO, making them more like a corporate general manager; others have a management committee made up of partners responsible for the various administrative functions; and many others sit somewhere in the middle with all but perhaps one or two functional heads reporting to the COO.

Alastair Mitchell explains that, at some firms, “There are ‘carve-outs’. Where you have, for example, a particularly strong marketing director (and when I say ‘strong’, sometimes it’s personality strong rather than technically strong, or someone who has a strong relationship with management), they get a carve-out. So, ‘I don’t want anybody messing me about. The COO can come in and they can manage this bit over here, but I don’t want them touching HR.”
While most of the COOs I spoke to for this book oversee almost all areas of operational support, again, the extent to which the individual COO gets involved directly in the day-to-day decisions in any of these areas depends on the firm and its management structure, as well as the COO’s past experience and areas of expertise. Goldberg Kohn, for example, is unusual in that it has no managing partner, and along with the management committee, is managed by a number of what COO Sherry Gini calls “day-to-day committees” responsible for, for example, finance, recruitment, or technology, each chaired by a partner but also attended by an administrative head. Gini herself sits both on the management committee and many of the others.

The learning curve
Bringing in an “outsider” to coordinate business operations does require some investment on behalf of the law firm because it may take time for someone accustomed, perhaps, to a corporate business to understand how to operate in a legal environment. According to Rod Harrington: “In my experience people coming in from a more corporate environment are often used to a more ‘command-and-control’ style of leadership where if you’re in the COO role and you make a decision, everyone just accepts it. In a professional services environment, particularly a partnership environment, there is an expectation that you need to build some level of consensus.”

Harrington says that, while this consensus-driven approach may take some getting used to, it comes with pros as well as cons. “In a way that slows down management because you’ve got to have more conversations, but on the other hand it has the benefit of helping to bring people with you – so when you come to implementation, you’ve already convinced people who need to change their behaviors that they should do that.”

According to Alastair Mitchell, it’s important to understand that lawyers will always want the opportunity to test a proposal, and establish its worth, for themselves – regardless of its merit or who suggests it. “It’s the nature of the beast in that lawyers
are inherently going to challenge everything that is put before them”, he says. “Nine times out of ten they will agree with your proposal – they just want the opportunity to test it and to come up with 100 reasons why we shouldn't do it, but then will ultimately agree with what you're trying to do.”

Almost all the COOs in this book said that face-to-face communication with the partners of the firm was a key part of success in their role.

**The COO role in a changing industry**

As firms have looked to bring in experienced professionals from outside the industry to perform senior operations roles, of course the roles have evolved as well. What were once mainly administrative and/or financial analysis roles, not perceived as equal to the other management positions, have evolved to the extent that the COO is now often the MP or CEO’s right hand person, one of the most influential roles in the firm, and heavily involved in helping to implement and, to a greater or lesser extent, advise on strategy.

A good example of the way the role has evolved over the last decade is demonstrated by the change in the makeup of the law firm COO community. While most COOs have what might be seen as a “traditional” finance or accounting background, increasing numbers come from human resources or marketing and business development roles, for example.

“You used to get a lot of people who came strictly out of accounting”, Blane Prescott explains. “[Now] you’re starting to see more and more firms hiring people out of a professional services, leadership background. They’ve run and led an organization; they know the importance of guiding and motivating people; they’ve made tough decisions regarding strategy, and implemented those decisions. This job is not just how to reduce overhead. And we definitely see law firms moving in that direction.”

According to Alastair Mitchell, it’s a change of emphasis influenced by the growing sophistication of law firm management
– and is also a change that allows the COO to take on a more strategic role. “I think, when the role first was thought of and created, there was a very strong finance bias to it”, he says. “Over the years, that has developed so that you now delegate that bit to a financial analyst and you become more involved in the strategic development of the practice and/or the business. So I think that it is an evolution – that it’s become less necessary to have a financial qualification because businesses are growing up now and having the right people in the right slots to do that sort of work.”

Sherry Gini, who comes to the COO role from a human resources background, adds that – speaking generally – people from the more extrovert professions like human resources and marketing/business development are more likely to have the people skills that are necessary for most COOs today. “I think one of the keys to this role is building your network and making contacts, even within your own firm – getting out there and developing those relationships. And generally, being stereotypical, people in a HR or a marketing position are more extroverted and may be more comfortable with that skill set”, she says. Moreover, she adds that “talent management is a huge concern among law firms right now [and] people with HR and marketing backgrounds are more natural with talent management”.

**The COO’s role in implementing change**

When you compare law firms to other professional service firms, it’s clear that although law firms have changed radically in the last two decades, the evolution is only partially complete. Likewise, developments in the industry are changing the nature of the COO’s role in that, increasingly, the COO is expected to help the firm to drive – and certainly to adapt – to change, and the role is becoming increasingly high-level and strategic.

**The consolidation wave**

You have only got to pick up the legal press to see that the consolidation wave has not finished, particularly among the midsized law firms. Many of the COOs I spoke to in researching this
book said that their firms had recently expanded – mostly on a national scale – or were considering doing so, should the right opportunity arise. Sherry Gini remarked that Goldberg Kohn is now one of the few remaining midsize firms in Chicago, the result of a deliberate decision to maintain the niche focus that has allowed the firm to consistently punch above its weight.

The considerable work involved in helping to integrate new businesses into the firm is now increasingly seen as part of the COO’s job remit. When, in late 2016, Addleshaw Goddard hired its first ever COO, the firm specified that the successful candidate would have “a role in potential mergers” in the advertisement. Likewise, at one large US firm that shared its COO’s job description with me, the firm expects the COO to “ensure that the firm’s administration can keep pace with the firm’s future expansion and onboard attorneys and offices seamlessly”.

Although in some cases the COO has some input into the strategy side – an example would be Addelshaw’s eventual appointment of Axel Koelsch from Freshfields Bruckhaus Deringer, a very strategic COO with experience of law firm mergers – more frequently, this remains the domain of a strategic implementation committee, made up of partners. As Alastair Mitchell put it: “I develop the strategy for my people to support the firm’s strategy, but my role is not one of developing the firm-wide strategy in terms of where, when, how.”

**Shifting business support services**

Another area of likely development in the near future – and one in which the COO is likely to play a key role – is around providing business support to law firms. According to Rod Harrington: “Commonly, part of a COO’s role is to lead the business services – the support teams like HR, finance, IT, etc. What many firms are doing now is very often taking some of that back-office working and giving it to a head of shared services or someone other than the COO.”

Clifford Chance, for example, has a Knowledge Centre and a Global Shared Services Center (GSSC), both located in India.
The Knowledge Center, staffed largely by Indian law school graduates, does not provide legal advice, but staff support lawyers across the firm’s network of offices on routine and time-consuming matters such as research, analysis, and document discovery. The GSSC supports the firm’s HR, IT, finance, and BD teams across the world. Likewise, Allen and Overy have shifted a lot of their support work to a head of shared services, based in Belfast.

One effect of moving this work away from the COO’s direct control is to shift the COO position more towards a strategic leadership role, as opposed to someone who oversees the day-to-day activities of large number of people. Rod Harrington gives an example of how this is developing at Norton Rose Fulbright: “Historically a large number of people technically rolled up to the COO – doing a variety of roles. But we’ve concluded, firstly, that some of the work they are performing doesn’t actually need to be done in our offices – so we’ve moved a number of transactional roles to Manila where they can be performed remotely. Also, by handing off responsibility for this to somebody that is better equipped to oversee these transactional areas we can give them more focus and ensure we’re benefitting from external best practice. Shifting those services helps the firm financially, but it also allows me to focus much more on the strategic agenda – on the leadership agenda – and less on the running of the back office, if you like.”

Likewise, Mike Delargy, Executive Director of Barnes & Thornburg, says that shifting some tasks away from business support staff frees them up to focus more on high-value functions. “I think firms in general are definitely starting to focus on outsourcing, and specifically the technology”, he says. “And my approach, although I’ve not executed it here [at Barnes & Thornburg]… is that pure infrastructure, day-to-day things, should be done by someone else. My technology people should be working with lawyers to find better ways to deliver client services and legal product through technology. In other words, I want a business analyst: find out how these lawyers work and
then apply technology to it, to do it better, cheaper, and faster. That is my approach in one area that I’d like to expand everywhere – so out to accounting, out to HR. That’s a long-term project, but possible.”

**Delivery models**

Following the pattern of other professional service firms, many law firms are also shifting more repeatable legal work to lower-cost locations in a bid to meet client demands for more competitive prices and greater consistency. Again, Allen and Overy are one of the most advanced firms when it comes to offering their clients various different tiers of support. The firm combines the traditional model of partners and associates sitting in a high-cost location with – at a lower price point – high quality but lower-cost services based elsewhere, and a third tier of support dealing with the more commoditized, very transactional jobs, based in India.

Rod Harrington says Norton Rose Fulbright are taking deliberate strides in this direction and have set up a legal process hub in Newcastle, similarly looking at certain elements of their work. Harrington says: “It’s about deconstructing the legal work into bite-sized pieces so you use your very best and brightest lawyers on the most complex parts, but the more repeatable parts are now being packaged up and can be done in a more efficient and consistent way – which is obviously something the clients are also pushing for to drive down costs, but also to ensure consistency in the work performed.”

While most the COOs I spoke to told me they are not directly involved in the practice side of the law firm, several do have a role in preparing the firm for what their clients are likely to need in the future, and how they want to see their work delivered. In particular, former consultant Blane Prescott brings his extensive experience carrying out client interviews to his role at Foley & Lardner. “I try to spend most of my time and attention listening to what clients are saying”, he says. “So we’ll interview a client and we’ll have a conversation not just about how we’re
doing but trying to guide them through the discussion of ‘what do you see as the biggest changes impacting your business in the next two-to-three years?’ or ‘how do you see your use of law firms changing?’” Prescott is also involved in coaching attorneys to respond to the changing market.

Although Alastair Mitchell’s role keeps him firmly on the business operations side (with managing partner John Cleland retaining charge of the practice facing side), he says that as a business Pinsent Masons is looking at what “the lawyer in ten years’ time” might look like. “We have projects looking at what will our clients need from our lawyers in ten years’ time and how do we train them and adapt them to be able to deliver that. We’re looking at project management, much more around when we start working on matters how do we properly resource it, rather than just diving in. Do we need it to be all legally qualified people working on it?”

The larger corporations have engineered their supply chains over the last 25 years, and the same is gradually happening with legal processes – but COOs I spoke to say there’s still some progress to be made here and this is another area where experience of what has already been done outside the legal sector can be a real asset. Rod Harrington says: “Many lawyers have grown up working in one particular way and it can be helpful sometimes to introduce somebody from a different sector to help think about how they might deconstruct this work – to challenge the status quo to some extent.”

**Resource management**

Formalized resource management has become a well-oiled machine in accountancy firms and some law firms are also making inroads in this area. Clifford Chance and Freshfields Bruckhaus Deringer already have well-established resource management systems. Ashurst and CMS Cameron McKenna are running pilot schemes to improve the way in which partners distribute work to associates. And Linklaters have reportedly introduced a computer system which allows
associates to alert partners when they have capacity to take on more work.¹

Besides greater collaboration across offices, according to the firms currently experimenting with resource management, the benefits include:

- Partners ceasing to give work to the same familiar faces, meaning that everybody gets an opportunity to take on the most interesting work, which in turn improves associate retention rates;
- Associates can be married up with the work that they are best qualified to carry out, meaning that clients get the best person for the job, not just the person sitting in a partner’s line of vision; and
- Firms no longer have resources sitting idle when there is work elsewhere in the organization they could be doing, meaning utilization rates (and firm economics) improve.²

While law firms are making progress with resource management, they are still streets behind the accountancy and consulting firms who have this down to a fine art. Rod Harrington explains how it worked at management consultancy firm Booz Allen, where he was formerly a regional COO: “We put full-time professional people sitting with each of these larger practice groups looking at this roster of associates. Each one of these staffing managers was perhaps looking after 100–150 resources and looking out over a number of months. They’d be thinking about where all their people are going to be deployed over the next few months, and if they’ve got resources who are not going to be busy – perhaps their project is coming to an end in a week’s time – then working hard to determine who is going need them. They would be looking at the pipeline of opportunities being pursued by the partners and starting to match up the staffing with the opportunities… It becomes
a very sophisticated resourcing model, often supported by an appropriate IT platform.”

Of course, there could be downsides to this. Firstly it may not be very popular with some partners who may be resistant to changing their ways of working (and possessive of “their” associates). Then again, a real risk to weakening the relationship between associates and partners and, in effect, making them more of a “unit of capacity” as opposed to one of that particular partner’s team, is that nobody then takes ownership for their development – so Harrington says you have to put safeguards in place, for example introducing formal mentors who are tasked with supporting them in their career.

While most law firms do not (yet) have formalized, structured resource management in place, he adds that “today there’s an increasing willingness to accept a team that are no longer just sitting outside the door”. As we more commonly see work disaggregated and shared out, firms are likely to continue to improve the systems they have in place to manage that work – and it is likely that the COO will be involved to some extent in planning and implementing these changes.

The future
Several COOs I spoke to for this book commented that lawyers are used to operating in an environment where failure is not acceptable, which makes them resistant to trying new things, and ultimately makes firms less able to change. In an environment where maintaining the status quo is no longer an option, it seems likely law firms will continue to look to professionals with experience of success – and overcoming setbacks – outside the law, to help guide their strategy, and so the COO role will continue to grow in remit and importance.

References
2. Ibid.
Chapter 3:  
When a new firm leader takes the reins  

By Patrick J. McKenna, internationally recognized author, lecturer, strategist, and seasoned advisor to the leaders of premier law firms  

Having worked with new firm leaders for over a decade and through our First 100 Days program,¹ my colleague Brian Burke and I have witnessed numerous instances where the leadership transition has either caused the firm’s chief operating officer (COO) to seek alternative employment or to be forced out because of a conflict of working styles. Now, I don’t think it has to turn out that way, but it does magnify the sensitive nature of how closely these two, the firm leader and their COO, must work together.  

As the firm’s COO, it almost goes without saying that part of your job is to help make your firm leader or managing partner look good and be successful. That calls for the kind of individual who can work tirelessly in the best interests of their firm, who can effectively support a strategy (even if you may not completely agree with it), and who is not overly concerned with who gets the credit and kudos.  

Meanwhile, your new boss is fully expecting you to have their back. Therefore, they want some comfort that they have an individual working with them who they can count on. As I’ve conferred with new firm leaders, I find that these are some of the questions they are asking themselves about you when they first assume office:  

- Am I comfortable that this individual displays any sense of urgency and attention to detail?  
- Do I have enough evidence or exposure to this COO to know whether I can trust this individual’s judgment?
Has this individual’s decision making been tested in situations of stress, great complexity, and uncertainty?

Is this individual stronger in initiating constructive ideas or in executing the ideas originated by others?

How effectively does our COO deal with and respond to sensitive, high-stakes interpersonal situations?

Does this COO have any kind of track-record for creating an environment where people feel motivated and for building a team?

Does this individual set high standards and have experience holding people accountable when someone fails to deliver the agreed-upon results?

Have I seen evidence that this individual can successfully navigate their way through highly politicized partner situations?

Does this COO demonstrate the intellectual flexibility to adapt thinking and views based on the input of others?

As COO, your tenure will likely span a period involving multiple firm leaders. The key to your success is your ability to be savvy and adept at dealing with each new managing partner’s idiosyncrasies.

What may not be obvious was confirmed for me in 2004, 2010, and again in 2013 when I surveyed firm leaders on issues related to first taking charge. One of the questions was about whether these “newbies” received any mentoring or assistance as they assumed their new roles – and whom they received it from. In all three surveys, with hundreds of firm leaders responding, on average only 3 percent or less, saw their firm’s COO as a source of guidance.

COOs need to appreciate that, in most cases, taking over as a new firm leader is a sink-or-swim endeavor. Far too many firms operate under the false assumption that if some talented individual has been a successful lawyer and has perhaps
participated on the board, headed up one of the offices, or served as a practice group leader, they should know what to do and how to do it. Wrong! This suggests a huge opportunity for the proactive COO to take a lead role in orientating, assisting, and guiding their new firm leaders, while also making themselves an indispensable part of the new leadership team.

Every COO plays an important role in the day-to-day firm operations and implementation of the strategies and directions developed by the firm’s leadership. A foundational element to ensuring that this symbiosis works is a trusting relationship between you and your managing partner. That trust must be based on competence and personal integrity, and must commence from day one of any new leader assuming responsibility. Here are eight steps every COO needs to take, to work effectively with your new leader:

1. **Be clear on the new leader’s specific goals**
   While it should not be expected that a firm leader would assume office with some grandiose vision, it is highly likely that this individual will have definite goals and objectives that they wish to pursue, and the COO needs to be aware of those goals and understand the firm leader’s priorities.

   *You might ask: Do you have any short- or long-term goals that you are looking to achieve?*

2. **Be honest and candid in identifying those areas that the managing partner may regard as a weakness**
   It is not unusual for a highly capable attorney to be less than comfortable with a financial statement or the inner workings of the firm’s technology systems. In most cases the COO is expected to have those capabilities, and in their own interests should attempt to supplement and fill in any shortcomings in the managing partner’s knowledge, experience, and interpersonal style. The new incumbent needs to honestly inform the COO of the specific areas where they need support with
complementary skills and abilities that they themselves may not possess.

You might ask the MP: Are there any areas of responsibility that you feel some discomfort in addressing?

3. Sort out the reporting relationships
Many COOs have responsibility for managing all of the other C-level professionals (CMO, CHRO, CIO, etc.) within the firm. Still, in other firms, the firm leader may choose to retain a direct report line with certain professionals. For example, one firm comes to mind that recruited a high-level chief strategy officer under the explicit understanding that the individual would report directly to the managing partner. A new firm leader might wish to alter that arrangement. Whatever the situation, the new managing partner and the COO need to discuss these reporting relationships and be clear about communicating those throughout the firm.

You might ask: Who is going to be reporting to whom?

4. Determine boundaries and division of responsibility
Any review of a COO’s typical responsibilities would show great diversity among firms concerning their authority – areas of decision making, budgetary responsibilities, and so forth. COOs need to invest the time to come to agreement about responsibilities: what the MP will take on as primary responsibilities with the COO in a supportive capacity, and what responsibilities the COO should take on.

Then you need to determine together those projects, issues, or items that will involve shared responsibility. For example, executing the firm’s strategic plan. This requires a fine balance of egos and a keen understanding of how both positions will share responsibilities, and where one’s job will begin and the other’s will end. Figure out who is going to be doing what and who needs to check with whom on key decisions – including instances where the decision is sensitive enough that both parties will want to discuss the best course
of action. This delineation needs to be agreed to early in your new relationship.

You might say: Let’s discuss our roles and determine who is going to do what.

5. Identify expectations and the specific behaviors you want to see

Both the COO and the managing partner must understand each other’s working styles. Some people are more big-picture oriented, while others are analytically slavish to all the sequential details. Some are highly task driven with an obsessive orientation towards “getting it done”, while others hold relationships sacred and will want to make sure that every effort is made to secure buy-in before taking action.

If you find yourselves unable to establish a sense of trust, or if there are inconsistencies in behaviors and actions, the result can lead to a quick derailment of your working relationships. It is also helpful to articulate precisely how your firm leader may wish to see certain things handled, such as:

- How you define “urgent”?
- What response time do you expect from emails or voicemails?
- What are preferred communication modes – in person, in writing, by email?
- What should be included in a weekly status update, and when should it be sent?
- What might you consider important enough to warrant a call to your home after hours?
- What behaviors are absolutely essential?

You might also ask: How do we distinguish the important from the urgent?
6. Determine your preferred communications protocols
You will also need to discuss, and jointly determine, how to keep each other informed of activities and views of what is going on around the firm. This may involve:

- Physically locating the COO and managing partner offices next to each other, which facilitates regular face-to-face communication and symbolically conveys the message that the two positions are a team;
- Utilizing a shared administrative assistant;
- Deliberately carving out blocks of time for one-on-one weekly meetings; or
- Habitually (blind) copying in one another on correspondence as a way of keeping each other informed on firm matters.

You also need to discuss how to manage ongoing communications with each other so they are open, honest, frequent, and allow for alignment on issues of importance.

You might ask: How do we keep our communications seamless?

7. The COO needs to know how to best read and interact with the managing partner
In our “First 100 Days MasterClass for New Firm Leaders”, participants work through a specific “How to Handle Me” guide, which is a draft memo to COOs and other professional staff on the new firm leader’s various likes, dislikes, personal preferences, and admitted idiosyncrasies. As a partial example, here’s an excerpt from one such draft:

You need to know that:
I have a gifted grasp of numbers and can at a glance tell you precisely how the firm is doing in any particular area.
But I don’t like budgets, despise projections, and loathe filling in expense reports. People think I’m an unmade bed as a manager – and they are right. I’m not bragging or being self-deprecating – it’s the truth.

**Don’t misinterpret my:**

Relaxed, laissez-faire personality. The more hectic things get, the calmer I get. That is my peculiar reflex to pressure. I care a lot so don’t think that my cool demeanor is any sign of indifference.

In talking to the new MP, you might ask: What triggers does someone need to know to stay on your good side?

**8. Determine how you need to operate in order not to undermine each other**

Many MPs pride themselves on having an open door policy – which can allow any attorney or staff member to gain access and ultimately look for ways to divide-and-conquer, playing the two “parents” against one another. You might want to pose some realistic scenarios that both of you can talk through and predetermine how to best handle. For example, attorneys and staff may try to go around the COO to get a favorable audience with the managing partner on some issue that they suspect will not fly with the COO. Prevent that from happening. Never do anything to undermine each other and always back each other’s decisions in public. The firm leader must refrain from making any decisions, second-guessing decisions, or countering those decisions that should be made by the COO. You should also set aside time to specifically answer this important question: “What do we need to do to ensure that each of us knows that the other has our back?”

Also be sure to ask: How do we keep from stepping on each other’s toes?
**The bottom line**
Given that new firm leaders far too often report that nobody provided mentoring, guidance, or assistance when they assumed their new role, there is – in every firm – an enormous opportunity for the COO to take the lead in building the long-term relationship and mutual success by playing a key role in orientating and guiding that process.

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**References**
Chapter 4:
Six factors that impede effective firm leader-COO relationships

By Patrick J. McKenna, internationally recognized author, lecturer, strategist, and seasoned advisor to the leaders of premier law firms

For some years now I have been honored to conduct a special program for new firm leaders and in one of our recent sessions this question was posed by one of our participants: What are the danger signs and which factors should I be especially sensitive to, as the new firm leader, to potentially impeding my working relationship with my chief operating officer (COO)?

Here was my response: One needs to keep in mind that the firm leader-COO team, in a sense, is two people who have been forced to work together – rather than having chosen the arrangement voluntarily. That is not intended to be pejorative, but the reality is that the COO inevitably gains a brand new boss in this relationship while, at the same time, the firm leader realizes that they now have to work closely with an individual whom they may not even know very well, or who may even be in a different geographic office. We shouldn’t lose sight of that. So there are any number of factors that can make this “forced marriage” rather challenging, if they are not consciously addressed.

From my observations and in speaking with managing partners and COOs whom I have a great deal of regard for, at the top of my list would be these six factors:

1. You need to have respect for one another

   There is always a tension between two strong individuals. So, these two individuals not having great respect for one another is deadly. And what I specifically mean by the term “respect” is:
Firstly, giving each other the benefit of the doubt, especially during those “why did he or she do that?” moments. No matter how well you choose to communicate with one another, there are going to be those times when something goes sideways and you didn’t have the chance to forewarn your colleague. Those are the times when you don’t jump to judgment, but extend the benefit of the doubt.

Secondly, respect is appreciating each other’s contributions. I sometimes hear from the COO who works through the night and tells me, “No one ever says thanks”. The tragedy is that management/leadership is a thankless job and especially challenging for the attorney who becomes the firm leader but is used to seeing results at the end of the day based on progressing their individual client matters. Now you are in some management role and at the end of the day, you go home and your spouse says, “So, what did you accomplish today?” And you quickly realize that in day-to-day management work, you don’t always have a lot to report, because some of your most important initiatives take weeks, maybe months, to progress. So helping each other find ways to hear “thank you” becomes intensely appreciated.

Finally, respect is being committed to helping each other’s careers or making each other look good. A good example was provided a few years ago when Law360 announced the winners of their “Most Innovative Managing Partners” award, naming ten firm leaders from across the US. That announcement was followed by sequential interviews with each of those individuals. One of the firm leaders identified was Ben Adams, the chairman of Baker Donelson in Memphis. Now, anyone who knows that firm knows the leadership team of Ben and Jerry (Stauffer, Chief Operating Officer of the firm). And as I would have expected, Ben did not feature in this interview without multiple references to the work and contribution that Jerry makes. And so it is and should be when the leadership duo truly respects one another.
Others have used the metaphor of “having one’s back”. Alternatively, if the firm leader is perceived by the partners to be negative about the COO, and the COO then goes out to take action on some issue (let’s say, tightening cost controls), partners may simply choose to ignore the COO because the individual has lost some credibility in their eyes.

2. There should be role clarity
In my experience, one of the greatest sources of stress between the firm leader and COO is around role clarity – ambiguity about who is in charge of what. For example, which of the duo should take the lead with respect to:

- Translating firm strategy into organizational policies and procedures?
- Setting performance targets?
- Helping the practice groups develop their annual business plans?
- Resolving critical shared-resources issues? or
- Handling interpersonal conflicts between partners and staff?

The greater the overlap, the greater the likelihood of friction in the relationship between the duo. The firm leader may feel that the COO is sticking his nose into areas where it doesn’t belong; and the COO feels that the firm leader is micro-managing his every move.

There needs to be very explicit and reasonable lines of demarcation between the firm leader and COO’s responsibilities. Both members of this duo need to figure out who is going to be doing what, and who needs to check in with whom on key decisions.

I’m sure that all sounds like a no-brainer – except for one small problem. My research clearly indicates that less than
Chapter 4: Six factors that impede effective firm leader-COO relationships

27 percent of firm leaders, from firms of every size, have a formal written job description. Meanwhile, I have confirmed, for myself at least (repeatedly) that most partners haven’t the foggiest idea of the enormity of the firm leader’s job – and so we shouldn’t be surprised if they know about as much concerning the enormity of the COO’s responsibilities.

3. Have the ability to compromise

The real glue that sustains the team – and can easily be torn to tatters – is the inability or unwillingness to reach a compromise in cases when the firm leader and COO have differences of opinion, where they have divergent views. And I guarantee you that will happen... often!

I believe you definitely need some kind of pre-agreed process, protocols, or ground rules in place that allow for open debate and collaborative decision-making. It is critical that you both talk through and determine how to listen and entertain views contrary to your own and how to resolve any disagreements when they arise.

What I heard from one firm leader who claimed to have addressed this situation was: “If one of us feels very passionate about the issue, more so than the other one, we’ll say, ‘Fine, you want to do it that way, then I’ll go along.’”

Sometimes, such yielding is uncharacteristic of the personality that occupies the firm leader’s office – so you have to figure out how you are going to handle it if and when that is the case.

4. Provide candid feedback

The relationship can be impeded when the COO does not serve the role of truth teller. The relationship will eventually run into problems if the COO does not tell the firm leader the “unvarnished” truth about what is working and what isn’t, and what issues are looming. The COO must also be allowed and encouraged to push back on the firm leader by testing assumptions and disagreeing when necessary.
I recently heard from one managing partner who gave his COO two playing cards – one was a Joker (which he called the “imagination card”) and the other the Ace of Hearts (a trump card). He told the COO to play the imagination card if “this is something that you know that I am not really going to be that fond of, but you really want to do”. Then he told his COO to play the other card to trump something that “I am set on doing, but where you strongly feel that I would be making a mistake”.

That all said, a leadership duo may disagree behind closed doors, but in front of the partnership... you must always, always present a unified front.

5. Beware of the divide-and-conquer ploy
The relationship can be impeded when you allow yourselves to be “divided and conquered”. In other words, there needs to be a purposeful effort to ensure that no administrative professional (your CFO, CMO, HR director, and so forth) ever reports to both the firm leader and the COO. It is important to avoid any potential for confusion.

Administrative professionals should not ever be seen “shopping” their pet projects around, and they should never be allowed to play you off against one another, by asking the firm leader for something after the COO has already said no.

6. Poor performance can overwhelm any relationship
Finally, poor performance results tend to strain even the strongest relationships – and easily break the weak ones as the pressure increases.

One important element of your communications protocol is that you should never be “surprised” by news; particularly bad news. It must be the desire of both of you to keep the other fully informed of current and potential issues that relate to your firm’s performance and leadership.
Chapter 5:  
The role of the chief operating officer in a law firm – A personal case study

By James G. Perkins, Chief Operating Officer and Chief Compliance Officer of Procopio, Cory, Hargreaves & Savitch LLP

Background
According to Lizzy McLellan in the 23 May 2016 edition of *The Legal Intelligencer*,1 “the chief operating officer (‘COO’) or executive director role is growing in popularity among midsize firms”. Given the growing attendances over the years at the COO conferences I frequent annually, I can certainly attest to that fact. McLellan also quotes legal management consultant Jeff Coburn as stating that “it began with the title ‘administrator’, which eventually became ‘executive director’ at some firms... and about 15 to 20 years ago [Coburn] started to see the title COO at midsize law firms”.

I was one of those new COOs at a midsize law firm. Mind you, what was (and what is) a midsize law firm? Back then, in the mid-nineties, Procopio was about 40 lawyers. The firm had just gone through a very difficult transition, from management by the founder and named partners to their first ever non-founder management structure, and in the process had flirted with dissolution. The new incoming managing partner (today’s general counsel) had taken on the lead role with a condition of this being that the firm employ a seasoned business person in the chief of operations role. He knew at that time the firm needed to grow and increase their profitability to survive, and that with only lawyers at the helm their chances of success would be limited. In many ways, at that time, Procopio was ahead of the curve regarding the desire to hire a COO.
Today Procopio has about 160 lawyers, is the largest law firm in San Diego, California, and based on our 2015 revenue fits into the bottom decile of the AmLaw 200 group. Our six-to-seven key financial indicators that American Lawyer reports on would all be placed in the mid-level of the AmLaw 200 lists. In the last 15 years our revenue has increased every year except one (a slight dip in 2009), growing by a factor of four while our profits per partner (PPP) has increased by a factor of 2.5. We have grown from a small local firm to a regional California law firm, with significant clients in Latin America and Asia that between them accounted for 20 percent of our revenues in 2015. The firm has developed a definite Pacific Rim focus. So, we think we can be regarded as a very successful regional firm. While still strong in our historical core practice areas of real estate, corporate, tax, and business litigation we have, in the last 15 years, grown and added key practice groups such as intellectual property transactional and litigation, international tax, construction, employment, health care, Native American, family law, government and public agency, and technology/life sciences related disciplines.

What has my role been during our growth? And what constructive comments could I give to help a law firm that has never had a COO but is seriously looking at hiring one? Maybe the story can best be told through a combination of my eyes and those of some of my long-standing management committee partners. First, however, here are some general thoughts on the position itself.

**The basic role of a COO**

When one reviews or examines the class of COOs in law firms, one thing becomes clear: there are almost no constants. People with very different backgrounds ascend to the position and succeed in it. Some who apparently have the perfect résumé and are expected to do well, do not. This variability makes the position difficult to quantify and study, and it certainly makes it difficult to advise a law firm that is looking to hire someone
in the position for the first time. Interestingly, however, this is not much different from the situation that existed not so long ago in the non-legal professions and industries. In their leading 2006 article in the *Harvard Business Review* entitled “Second in Command – The Misunderstood Role of the Chief Operating Officer”, Nathan Bennett and Stephen Miles outlined their research of the COO role in industry generally and they concluded that the differences among COO roles arise from the different motives behind creating the position in the first place. In law firms that is no different, and in hiring a COO, law firm management and partners need to agree on what they are looking for. A COO for one law firm might, and usually does, mean something entirely different to another.

From their research, Bennett and Miles identified seven basic reasons that companies decided to hire a COO, and these reasons yielded seven roles that the COO can play vis-à-vis their CEOs. The reasons are not mutually exclusive but in their view usually no more than two or three dominated. Taking some license to relate to a law firm structure so that the CEO and managing partner can be considered as interchangeable, they identified:

1. The Executor, whose job is to lead the execution of strategies developed by the top management team;
2. The Change Agent, the true driver of change, not just the executor of tasks handed down by management;
3. The Mentor, to the managing partner (CEO), executive/management committee/practice heads/chairs, on business issues and business thinking;
4. The Other Half, whose prime role is to complement the skills and knowledge of the CEO (managing partner);
5. The Partner, who serves as a co-leader in the company;
6. The Heir Apparent, whose role is to be groomed to take over from the CEO (a role that does not really apply, yet, for a non-lawyer in a law firm management scheme); and
7. The MVP, a job given so as not to lose a critical person in the company.

Looking back over my career with Procopio, I can say with certainty that the most significant roles I have played are as the executor and the change agent. Over the years, I have also acted as mentor on business education to all partners, especially those who have served on the management committee, and some in the firm may say I am also a co-leader at times. However, the executor and change agent have dominated.

A “lawyer joke” I have used when discussing my role to other network law firms is “there are two kinds of lawyers, those who do not like change and those who absolutely hate it”! My partners think that “joke” is essentially true as lawyers consider any change as disruptive to their routine and their practice, and thus do not want to change anything. As a COO, you are definitely in the change agent role.

When it comes to being in the “executor” role, my experience leads me to the definitive conclusion that one of the most difficult tasks that lawyers have trouble with is making the “hard” decisions that are required in any business. An example I use in my talks is the difference between a group of businessmen making an important decision about their company/firm, and a group of law firm partners considering the same problem. The business group will in most circumstances make the best decision for the firm, whereas the partners will often make the decision based on the consensus to minimize upsetting each other, which will probably not be the best decision for the firm. As Jim Collins said in his best-selling *Good To Great*, to be successful firms need to start with “confronting the brutal facts” with honesty and then act on the implications. COOs are good at that, generally lawyers are not.

When I started at Procopio, the firm had already developed, with the help of a local business consultant, a detailed job description for the position. The job description covered the
business operations that the COO would be responsible for, including budgeting and financial management, development of practice teams and practice groups, and most importantly the strategic planning component. The outline detailed success criteria with goals for the first 12 months in office, as well as the second 12 months. The COO was to be a permanent member of the firm’s management committee.

From the start, the detailed job description was laid out as if the COO was intended to be a foil and partner to the managing partner (CEO) and management committee. For someone who had been, for the prior 15 years, in management positions at other businesses and in other industries it was an impressive outline. The firm had a good sense of what it had to do, but did not know how to get there, again emphasizing that the firm was seeking someone to be in the role of the executor! In fact, over the years and observing the other firms I have worked with in a consulting role, I believe that often law firm leadership knows exactly what should be done, they just do not know how to implement and how to take the actions to get there! And for those interested in the strategic goals, my number one strategic goal on day one was – and still is today – “increased revenues and increased profits”.

**The underpinnings of success**

In my experience, there are several key steps that must be understood by both the firm and the COO to ensure a successful and lasting relationship:

- The firm must have a detailed and well-thought-out plan in place as to what they want a COO to do, before hiring. The plan needs to cover not just the specific business and management operations that the COO must control but also the short- and long-term goals of the firm and the fact that the COO is expected to have leadership and visionary qualities. It should also include how the COO will be measured and compensated.
The firm needs to ensure that there are explicit and reasonable lines of demarcation between the COO and the managing partner.

The partnership needs to give the COO real authority, real operating responsibility, and yes, power that is real. The COO must sit on the management/executive committee. I consider it critical that the COO has a “seat at the table”.

The COO needs to be able to develop and execute a combination of short-term and long-term goals, with good win-win results in the short term, which will lead to increased credibility with the firm management and partners.

For the position to be successful, the COO needs to be given the time to develop mutual trust with the management/executive team and especially the managing partner.

The COO must make it clear, in the beginning and throughout their tenure, that the role is one that focuses on the firm, and is not one that can be “kidnapped” by a specific partner or group of partners. When a COO advocates for a certain decision, then the partners need to understand that at all times this is for the health of the firm, nothing less.

The COO needs to understand that they are not going to be the one in the spotlight; it is a shared spotlight. The COO's job is to make the firm successful, make the managing partner successful in that management role, and make the management committee members look good in the role of managing the firm. The COO does not need to be, and should not be, a headline hog!

The firm should not dwell on “the cost of having a COO”. If the job description and goals are set correctly, then the other members of the management committee, who are usually very productive lawyers, are freed up to spend...
time working with clients, such that the cost of the COO is heavily outweighed by the additional revenue generated by the management committee partners as working attorneys and client originators. At Procopio, when I joined the firm, the managing partner role was a half-time job, with the managing partner expected to spend the other half of his time on client work. Today, even with all our growth, the managing partner is still expected to spend one-third of his time on billable client work.

● When first hiring a new COO, it is natural for law firm partners to feel a “loss of control” of a firm to a non-lawyer. Attorneys often have an innate belief that no one who is not an attorney can possibly understand (i) this business, (ii) how hard they work or what it takes to bring in business, or (iii) how smart they are (and thus they don't need to be told by a non-attorney how they can improve or act differently). Success, however, will not come if this view prevails to the extent that it hinders or limits the role of the COO, and also if it limits the time necessary for the COO's plans to be given a fair chance to succeed. The firm management needs to ensure that the “loss of control” syndrome, if it exists, is banished early in the COO’s tenure and does not hinder their ability to add value.

**What does a COO bring to the table?**

How better to decide what a good COO brings to a firm than to ask partners who have been part of the management of the firm. Here is a sampling of their responses when asked the question “What does a COO bring to the table?”:

● Unlike lawyers, who typically (and for good reason) are focused on their professional skills, a COO can and does have a broader business view regarding overall aspects related to running a business. The “management” capacity, skills, and training of a COO allow us (the management
committee) to focus our energies on the successful practice of law, and not the day-to-day business of budgeting and running a law firm. It is an immense task which lawyers are not trained to do.

- A COO has the ability to help the lawyers understand the what, why, and how of a law business – what is our mission, how to implement agreed-upon tactical and strategic goals and advance practice areas, and why some paths are better than others – all toward the end of growing our business and our profits, both at an individual and firm level. Lawyers for the most part do not think like business people so having a person with a strong business background is a huge benefit.

- Some COOs (as in my situation) also have (in effect) a CFO role, facilitating and managing the capital requirements and deployment (and related relationships) in order to best advance the management, operations, and strategic components that are elusive skills for lawyers.

- A good COO will help the lawyers manage tough decisions. Most lawyers are not trained, and do not want, to deal with personnel matters, especially when these involve colleagues. A good COO is able to encourage and facilitate the discussion consistent with a firm’s culture. Lawyers are very good at making hard decisions for their clients, but not very good at making hard decisions affecting friends and colleagues. A COO can force difficult decisions when no one else wants to force the issue as it is much easier to do legal work for others than face the immediate needs of the business of the firm. In particular, a good COO is trained in making solid investment decisions, whether the investment is in capital such as in technology hardware and software or in people such as senior lateral hires. A good COO forces strategic thinking when attorneys are too involved in just getting through their day and not looking at business from a larger perspective.
Rise of the Legal COO

- A long-tenured COO allows for transition between management committee members and any new managing partner, as someone that has been at the helm and knows the firm history and past actions and decisions. They are also usually good at identifying firm leaders from an objective viewpoint.

- A good COO will handle, or quarterback, the larger human resources headaches that usually plague law firms and, to some partners, that is worth its price in gold as no attorney wants to deal with those thorny issues.

- A full-time COO, whose job is to keep his finger on the pulse of the business side of the firm, is absolutely essential. In addition to the inability to spend the time on non-client issues, most lawyers simply do not have the kind of business sense which enables them to look at the big picture.

The future

In an article I wrote in 1997 entitled “The Business of Operating a Law Firm”, and soon after I had become the COO of Procopio, I made the statement that such comments by consultants as “lawyers do not know how to run a business” were nonsense. As also stated in my recent article on profitability, law firms managed and run by lawyers had been making a profit for a long time and, as I saw it, the key factor was that competition in the legal market at that time was weak and, as such, it did not require sophisticated business acumen to manage law firms and do well financially. Culture and tradition was the name of the game, and regardless of whether the law firm’s market was local, regional, or national (there were not many global firms back then), being financially strong was not that difficult. This situation continued for the vast majority of law firms up until the 2008 “crash”.

James Perkins
Given the changes that have occurred since 2008 and the many changes in the legal industry being forecast for the future, law firm management now has to become a lot smarter if firms are to survive and be sustainable in the long term. As firms continue to adapt to an emerging procurement and alternative fee arrangement environment in which clients increasingly expect their law firms to shoulder more risk in their engagements, it is critical that law firm management becomes stronger and more focused.

Research is showing that those firms that have a more focused, centralized management structure tend to have stronger financials than those whose management is decentralized. I believe strongly that the future organization of law firms needs to follow the tried-and-tested triumvirate management structure of most businesses by having the key leadership positions comprise a CEO (the managing partner), a COO acting as a great number two, and a CFO. All three positions need to have individuals that exhibit the key qualities of leadership, management skills, vision, strategy, financial IQ, and emotional IQ (or EQ).

The COO role is a critical part of the team and in many ways the most difficult. As observed by Bennett and Miles, a COO has to be able, at any time, to step out of doing day-to-day, hands-on directing of business into directing, teaching, and coaching roles with lawyers and subordinates, and then in their next breath, jump into a meeting discussing “30,000 foot” strategic long-term issues.

As I stated in the early part of this article, there are no constants to delineate who is the right person for any given firm, but hopefully this article will lend some help to those who are searching for a new COO because either they have never had one, or they are replacing one that has not worked out. As the legal services market continues to become more competitive and puts more external pressures on law firms, the need for a stronger management group will increase. To ensure long-term financial and sustainable success, by whatever metrics success
is measured, a good COO is an important, and maybe the most important, member of that group.

References
Part 2:
Interviews with Law Firm COOs
Interview 1:
Alastair Mitchell, Chief Operating Officer of Pinsent Masons

Just to start off, can you give me a short introduction to the firm?
I’m relatively new to Pinsents – I’ve been here five months. So in terms of my history with the firm, it’s not huge, but I knew the firm from the fact that I’ve been in legal for 20 years, doing various management roles. They have a great reputation and a great brand, particularly in the construction and infrastructure world. They also have a strong property practice, they’re developing a finance practice, and they have a strong litigation practice as well. So, it’s a strong brand and they are perceived in the market as being innovative as well. They have a great reputation in terms of diversity and corporate responsibility, and are known as being very supportive and a great place to work.

Did the COO role exist at the firm prior to your taking on the job?
It’s the first time the firm have had a COO so it’s a new role. The firm had a review of its governance about 18 months to two years ago and one of the conclusions of the consultants who did the review was that the firm should have a COO because it was getting too big for one individual – the managing partner – to do both the practice-facing (i.e. the income generation) side, as well as coordinating all the support roles. At one point, before I was appointed, I think the managing partner had about 20 direct reports, which is just unsustainable.

So now we have a clear delineation: we have the managing partner who is responsible for practice and dealing with the partners in relation to managing their business, both geographically and across the various product lines. Then you have the
chief financial officer (CFO) who is responsible for all matters financial, and who reports to the managing partner. And then the COO who is responsible for all other operational support – the whole gambit.

**Did the firm have a clear view of what they wanted from a COO when you came in?**
Yes, they did. They had a clear definition of what they wanted, which was great and that was attractive as well because some firms think they need a COO but they don’t quite know why. It’s that comfort blanket: everybody else has got one so we ought to have one. But they haven’t really thought through what that means.

John Cleland [Managing Partner of Pinsent Masons] had clearly thought about this and what he was looking for, and clearly understood the delineation between the roles. And he has been great with leaving me to get on with, and get stuck into, my work. He likes to be kept informed as to what is going on – I report to him and we have metrics that we look at – but in the day-to-day he just does not get involved.

**You’re relatively new to Pinsents, but you’ve held the COO role in other law firms. How has the role differed? Is the way Pinsents sees the role different to what you experienced elsewhere?**
Yes, I was the UK COO at Linklaters [from 2007] and then I was global COO at a firm called Holman and Fenwick for four years [from 2012]. I’ve been relatively lucky in that all the roles that I’ve done have been consistent in the look and feel. The Linklaters role was UK only, but I was still responsible for all matters operational. Holmans was everything, again, including latterly finance so I had some line management responsibility into finance as well – the finance director reported to me. That didn’t start off that way – the role just sort of evolved when the finance director retired. But the roles have been fairly consistent.
You say you’ve been relatively lucky with your roles. Looking, then, at what the case might be at other firms, what circumstances would have made your job more challenging?

What happens in some roles is that there are compromises, which isn’t helpful. There are “carve-outs”. Where you have, for example, a particularly strong marketing director (and when I say “strong”, sometimes it’s personality strong rather than technically strong, or someone who has a strong relationship with management), they get a carve-out. So, “I don’t want anybody messing me about. The COO can come in and they can manage this bit over here, but I don’t want them touching HR.”

I personally wouldn’t do a role like that. And that’s not just me being power hungry; I just think that, unless you’ve got control of the whole piece, it’s very difficult to coordinate properly. And therefore, these compromise roles, these “carve-outs” are not great, because a lot of the role is about coordinating the business operations to deliver the strategy of the firm – or help support delivery of the firm strategy. And if you have bits that aren’t engaged with that it’s very difficult – it can lead to duplication of effort and a lack of consistency in terms of approach and strategic delivery.

It sounds like here you’ve got a lot of support from the managing partner. Do you think that strong relationship translates to greater support from the partnership more generally?

There’s always challenge. It’s the nature of the beast in that lawyers are inherently going to challenge everything that is put before them. Nine times out of ten they will agree with your proposal – they just want the opportunity to test it and to come up with 100 reasons why we shouldn’t do it, but then will ultimately agree with what you’re trying to do. So, yes, that relationship helps – it helps that the board are committed to this role and are seen to be very supportive of it. Having that senior buy-in really helps.
There seems to be a rise in the number of HR and marketing/business development professionals coming into these senior operations roles in law firms. As someone with a “more traditional” accountancy and finance background, why do you think that is? Do you think this is indicative of how the role, and what firms expect from it, has developed since the first COOs came in?

I think it’s a change of emphasis, definitely. I think, when the role first was thought of and created, there was a very strong finance bias to it. When I started at Linklaters, I was a sort of “baby COO” in a practice group. That was a very operational but financially orientated role, looking at things like working capital management – people getting their time sheets in on time, and getting their bills out on time, and getting paid – with some financial analysis.

Over the years, that has developed so that you now delegate that bit to a financial analyst and you become more involved in the strategic development of the practice and/or the business. So I think that it is an evolution, that it’s become less necessary to have a financial qualification because businesses are growing up now and having the right people in the right slots to do that sort of work.

This role is a more strategic coordination role so it doesn’t necessarily require a financial background. I still think a financial qualification is a good business qualification so you will always get quite a few accountants or finance professionals in those sorts of roles. But I agree, more and more people coming through could be a marketing director or a HR director with a very clear strategic mind who is thinking about business and not purely the financial aspects of it. So I would imagine that would increase.

You have your eyes on a lot of things. How do you prioritize the long-term strategy with everything that you’ve got to do day to day? Is that a challenge?

It is because inevitably you get sucked into the day to day. And I think the thing that will differentiate the good COO from the
less-effective one is that individual who can keep looking at the bigger picture and not get sucked into the detail. It’s very easy to get sucked into the minor issues – and sometimes some of those minor issues could be quite important, and you have to have a view – but really what you’ve got to do is let go and let individual functional directors deal with that stuff. You have to keep your eye on the bigger picture and what is your strategic goal over the next two or three years; you need to keep focused on that and what are the things that you need to do to achieve that. And not get distracted.

I’ve heard a few COOs describe themselves as “internal consultants”. So, if the firm management has a vision of where they want to go, the COO’s job is to decide how they put that into practice. Do you think that’s true of your role?

I think that’s very true. I think I am a coordinator, a mentor, and a consultant. So, it’s about getting people to think about doing things in a different way, setting an agenda for “do we have to do it the way we’ve always done it?” “can we not think about different ways of doing it?” within a framework of this is what we want to achieve long term. Definitely, there’s a consulting element to it. There’s also a mentoring element to it. So, working with people to empower them and to encourage them to be creative in their thinking and to develop their strategic way of thinking. Rather than just doing the day job, thinking about what we can do better.

As you mentioned, you have a reputation for being quite innovative at Pinsents. I was reading, for example, about the artificial intelligence (AI) platform you’ve got that was developed in house. Do you have anything to do with that side – with technology and innovation?

The head of innovation reports to me. I’m not an innovator in the sense of the legal market – what I can bring is the layman’s perspective in terms of what we should be thinking about and also a commercial approach. I’ll give you an example: we have
some brilliant people working here, coming up with ideas. It’s almost like a “mini Google” – you’ve got a team of people in a room, playing table tennis, coming up with an idea as to how this might work, how that might work. My role is in creating an environment to encourage that, but by the same token thinking about how we commercialize that technology, how we commercialize that knowledge. At the end of the day, we’re a business. So, it’s about working with them to find a way that we can take that and use it in a commercial way. It might be a fab idea – it makes us look really great with our clients, and that’s fantastic – but at the end of the day what are we going to do with it? How are we going to make money out of it?

Do you think that reputation for innovation also has a role in attracting more creative people to the firm?

It will certainly attract a certain type of individual to want to come to the firm, having that brand. We’re not a huge business so there’s a limit to how many people we can bring on board there – but it certainly makes us attractive.

Thinking about your role in looking forward and helping the firm to stay competitive, I’ve spoken to some firms that say they are thinking about how they can optimize their service delivery in terms of resource planning or outsourcing some aspects, etc. Is that something you’re looking to do as a firm?

That’s not my bailiwick because here there’s a clear delineation between what’s practice facing and what is business-operations facing – and I’m business operations. We are looking, as a business, at “the lawyer in ten years’ time”. We have projects looking at what will our clients need from our lawyers in ten years’ time and how do we train them and adapt them to be able to deliver that. We’re looking at project management, much more around when we start working on matters how do we properly resource them rather than just diving in. Do we need it to be all legally qualified people working on it? Because there’s still quite a lot of administration involved in legal work – and administration
that doesn’t require a legal qualification. So we’re looking at those things, but that’s not within my bailiwick. What is, is the structure of support services and one of the things we will continue to look at is the possibility of greater centers of excellence, creating shared service centers.

Outsourcing is not really on my agenda, other than the things you would normally expect a business like this to outsource automatically such as the catering, the cleaning, the printing – those sorts of things don’t need to be in house. But outsourcing is not really something I’m considering at the moment. I think we’re better off doing it ourselves, at least for now, and owning those processes. So it’s really looking then at how we structure the teams around creating these consistent shared services across the global network.

In terms of supporting growth, then, would you say that you stay on the side of “what services do we need to support that” or would you be involved in the strategy in terms of “are these really places we need to be in?”, that sort of thing?
I’m not involved in the strategic development of the business from that perspective – my role is to support the development once it’s been determined what that is. So again there’s a clear delineation. I help support the strategy; I do not develop the strategy. I develop the strategy for my people to support the firm’s strategy, but my role is not one of developing the firm-wide strategy in terms of the where, when, and how.

From your experience, what advice would you give to firms thinking of bringing in a COO?
In terms of a firm that was considering the role, it goes back to a point we made earlier: understanding why you need this role and being very clear about that, rather than just wanting another “toy” to play with. It’s important that you have a clear understanding of what this person is going to do and what you’re going to empower them to do. Because if you don’t know, you’re going to bump into each other and that’s going to be frustrating.
And I think the senior management – so the managing partner or the board – have to have the confidence to be able to delegate to this individual. Again, dabbling in somebody else’s area is not great; it causes confusion and it creates mixed messages. Some managing partners just can’t stay away from the detail – and that just undermines the COO because what will automatically happen is the directors will go straight to the managing partner rather than through the COO. If they see an alternative answer, they will divide and rule. So, there’s a clear understanding of what the role’s all about and delegating that properly. And personally, I would also say avoiding these compromises – these “carve-outs”. The exception is finance – I think in most corporates, you would find there’s a CFO, a COO, and a CEO making up the C-suite, but the COO should get the reports of all the other functional heads, in my view, if it’s to be effective.

Likewise, what advice would you give to the future law firm COO?

In terms of advice to people coming in? Again, it’s understanding what the expectations of the business are. Is it about saving money? Is it about quality? Is it both? Is it about supporting growth? Really understanding what the key drivers are for the business. I heard of one example where a firm appointed a COO to run their operations in one region. He came in and he was amazed by the profligacy in terms of their spend. He immediately thought, “Right, let’s try to get some savings here.” He ended up deciding to leave the firm after about three months – because that wasn’t their strategy. It wasn’t to spend less – it was to make life as comfortable as possible for their lawyers so that they could generate as much revenue as possible. So, there was a real disconnect in the understanding of the role so that a guy who is genuinely trying to do what he thought was right and save money for the business totally got it wrong because there was a lack of understanding as to what his role was. That always makes me chuckle because if you go to most firms, obviously, they’re looking to save money.
It’s understanding the culture…?
It is. It’s understanding the culture and what those expectations are. And being clear about that, and agreeing those before you start. And then just talking to people before you start making decisions, getting a real understanding of what the challenges are. I’ve been here five months and I’ve spoken to over 150 partners, one on one. Some of the meetings last half an hour, some of them last an hour, but what it’s done is confirm to me what the priorities are. So I can then play those back to the partners and say: “Look, I’ve spoken to 150 of you. The vast majority of you are telling me that this is a problem. So I’m going to go fix that.” That way, you’ve got the mandate already built in. So if anybody says “why are you doing that”, you can say “because you told me to”.

And I guess it helps, if they’ve spoken to you personally?
That resonates, yes. Each individual will have their own “hot topic”, but generally you pick out the themes and that enables you to gather your strategy or your list of priorities – and that’s what I’ve found to be incredibly helpful. And not only that, it’s an opportunity for me to explain to them what the role is, because most of them don’t know: “You’re the COO, what do you do?” They’ve had communications from senior management as to what the role is and that we’re going to take this guy on, and I’m sure there was a detailed explanation – but nobody reads it. So once you’re here they’re looking at you as if to say, “What are you here to do?” So it’s an opportunity to explain to them as well, and get them to understand face-to-face what I’m trying to achieve.
Interview 2:
Blane R. Prescott, Chief Operating Officer of Foley & Lardner LLP

Just to start off, can you give me a brief introduction to Foley & Lardner LLP? Your areas of expertise, your philosophy?
Foley is a 1,000-lawyer firm, based in the US. We are probably best known for three areas. Firstly, our technology related practices, both on the IP side and in terms of IP litigation and private equity. Anything that is done relating to technology from developing it, funding it, and litigating it, we do. Second, we’re one of the top five firms in the US in healthcare. And last, most people tend to know us as a very traditional corporate firm. We’re based in the mid-west and we represent a wealth of public and private companies on every aspect of their operations, securities, litigation, etc.

In terms of our “philosophy”, part of the firm’s culture was always to be quiet but progressive. You’ll find that it’s a funny culture in that people don’t like to be in the press a lot – an odd thing to find in the profession these days. But the firm has made a concerted effort to be progressive on the use of technology. So, for example, they were one of the original developers and investors in Relativity – Relativity is litigation support software. The firm, for many years, has consistently been ranked as one of the most progressive firms in using technology for the benefit of its clients.

Maybe the last aspect of describing our culture and our focus – we have been somewhat skeptical about international expansion because we’ve seen so many firms fail at it, and we’ve tried to really focus on only going places if we can have a meaningful presence for our targeted client base, and be successful there. We operate internationally – but we’ve struggled to find the right law firm or to find many examples of firms that have done that successfully through their rapid mergers and affiliations.
On a day-to-day basis, what exactly does being the COO of Foley & Lardner entail? What areas do you oversee? Who reports to you? Who do you report to?

It might be easier to describe, from an annual perspective, where I spend most of my time. So, number one is related to partner compensation and partner coaching. There are five of us on our partner compensation committee. We interview all 400 partners that we have, for an hour each, and it’s a coaching and communication session. It’s about first understanding and then developing their practice – how to use their unique skills in ways that benefit the firm. Setting compensation for 400 partners is time-consuming so that’s probably the biggest use of my time. Second is overall firm strategy and implementation. We are constantly trying to assess where and how we should be prioritizing our investments: what practice to invest in; what people to invest in. I do a lot with our management committee. Third, I have all of the administrative departments in the firm answering to me, but we have a small leadership team composed of our chief human resources officer and our chief administrative officer. Last, I spend a portion of my time looking at overall economics – not accounting. I don’t do any accounting here, but I do a lot in terms of “where do we invest our resources?” and “how do we financially run the firm?”

Would that include resource management? Are you involved at all in how matters are staffed or is that too granular for you?

That’s probably too granular for my role. But I’ll be involved if, for example, a client tells us that something should be changed or if we think that we want to take a different approach, I’ll become involved in talking about how we should change our approach, our pricing, our staffing, etc.

We talk a lot about the satisfaction of our clients, about their feedback, and about the economics of our client work. We routinely look at the profitability of our client work. We talk to partners if there are economic issues and, to an extent, if those are really difficult issues, then I’ll get involved and we’ll talk
about whether we want to change our approach to the client – or whether we even want to continue with a client.

You’re much more involved with the partners and the practice side of things than many COOs I’ve spoken to. Was that a conscious decision when you came into this role? Was it already part of the role your predecessor had?

It was not a part of my predecessor’s role. For 25 years I was a consultant, working with law firms, and I had an active implementation practice, as opposed to a theory practice. I would coach partners all the time and I sat on partner compensation committees. I would conduct client interviews. And after I left being a consultant, I became the CEO of a 300-lawyer firm and did that for three or four years. Foley recruited me over the course of about nine months because they wanted to make some changes and they redesigned this role. And it’s mainly just because of my background – I have experience doing client interviews, coaching partners because I was a consultant doing that. Most people don’t get the chance to do that. But that’s the main reason I took this job, because of that focus.

How does that balance with what the managing partner does?

Is he still a practicing lawyer?

We really have two critical lawyer leadership positions. We have a CEO and he still does practice some, and we also have a managing partner. The CEO is probably the more traditional equivalent of a “managing partner” in most firms. He was looking for assistance in our strategy, in our day-to-day lawyer management, and in coaching partners. That was one of the reasons they hired me and, again, one of the things that interested me in this position because they wanted to change so much about the focus of this position. Our managing partner handles more in depth legal issues – anything and everything related to lawyer personnel and policy issues. For example, he’ll be the one who’ll take the lead on making sure that all associate evaluations are being done, or all associate compensation.
He will handle most legal issues regarding the partnership agreement.

**Do you think it’s important in the senior leadership positions that there is a clear demarcation of who’s involved in what, and everyone knows who to turn to for X or Y? Is that very clear at your firm?**

I wouldn’t say it’s necessarily clear – but yes, it is important. It helps a lot; otherwise, you tend to bump into each other.

**I’ve spoken to a few COOs who’ve said that lawyers often have a very strong vision of where they want to go but they need to bring in someone like a COO to be a sort of “internal consultant” to the firm to help them execute that vision. Do you think that’s true of your role?**

I would probably split it one more way. I’d say it’s helpful in terms of implementation, but it’s also helpful in terms of pushing back on their vision. Because I was a consultant for so long, I think one of the unusual skills for me is that I got to see why a particular strategy works well for some firms and is a disaster in another firm. And if a partner says “This is what I want to do. I want us to have this sort of practice”, I’m able to sit back and say “OK, here’s why that will or will not work” or “Here are the issues we’re going to have to resolve first” or “Here’s why that strategy worked for that other firm, but I don’t think it will work here unless we make these other changes first.”

**In terms of partnership support, do you think it’s quite important, having that experience to back you up so that when it comes to taking a new direction, you can say “Look, I can give you this example”?**

I think it’s critically important. We spend time planning fundamental behavioral and cultural changes in the firm, and we spend a lot of time fleshing those out, talking about how to do it, and why we want to make those changes. I think those are critical, particularly in an industry that is changing so radically.
and so quickly. You desperately need people to help change the organization because law firms tend not to change quickly; they tend to be focused on “how did all other law firms do this?” My favorite phrase is “law firms often tend to do things in form not function”. In other words, they create mentor programs because all law firms have mentor programs – not that those mentor programs are very effective. As a matter of fact, in a lot of firms, “mentor program” means we take everybody to lunch once a month – that’s not mentoring, that has absolutely nothing to do with mentoring. That’s one of the critical needs for law firms, to have somebody who can help you figure out what are the critical behavioral changes you need to confront in order to truly change an organization. And that’s a part of my job.

**And that’s very much tied in, I would think, to the compensation models as well?**

Yes and no. There’s this common misconception that you get people to change by changing how you pay them. If you actually go and look at most of the research – and it’s been demonstrated repeatedly for more than 50 years – they’ll tell you changing what you pay is really good on simplistic mechanical skills, but when you really want to involve more complex skills, behaviors, money actually doesn’t do it. There are other things that will change their behavior, but it’s not just money. Law firms like to think that money changes everything, but if that were the case, every law firm in the US would be wildly successful and have no problems. And that’s not the case.

**So would you say that changing the firm’s culture is more important in changing behavior?**

I would change that a little bit and say making sure that your culture is constantly evolving to be competitive.
And how do you approach that?

A huge amount of communication. This process that we're going through right now of interviewing every partner – we are spending time talking individually with partners about how the world is changing and how they need to change. We get partners all the time saying, “Hey, here's my marketing efforts. I've done these for ten years but I haven't produced any results.” And so the response has to be, “Ok, maybe it's time to change.”

What you want to do is get people excited about the changes and feeling confident. So, you give them five new ideas – things that are based on their personality, their skill set, their unique skills. Not just generic things like, “Well, our best rainmakers go to a party and generate work”. That's a rare skill – not very many people have that. So you've got to figure out what drives their personality, what skills do they have, and how can we use those to help them and help the firm achieve its strategy. That's the whole point of doing these compensation interviews. And we spend a lot of time communicating with people about what's going on in the profession, what you personally can do, and again customized around you and your skills. That's the critical part of all of this.

Traditionally, a lot of COOs have a finance background, but it seems like there’s been a real rise in the number of people coming into these roles from other backgrounds – from HR, from marketing and business development, etc. Do you think that’s indicative of how the role is changing – or what firms expect from this role is changing?

I think that's true. You used to get a lot of people who came strictly out of accounting and you’re starting to see more and more firms hiring people out of a professional services, leadership background. They’ve run and led an organization; they know the importance of guiding and motivating people; they’ve made tough decisions regarding strategy, and implemented those decisions. This job is not just how to reduce overhead. And we definitely see law firms moving in that direction.
Your role was really tailored to you. Do you think there’s a real need for COOs coming in to understand the organization that they’re getting into and what is actually expected of them in that role?

I think that’s true – but law firms vary tremendously from one firm to the next and what’s important to them.

In your job you have a lot of things on your plate, how do you prioritize long-term strategy with the day to day?

Part of it is not being a slave to email. I actually try and spend time away from email. I travel a tremendous amount – I probably take four flights a week – and I love the time on the plane because nobody else is there. Getting some time away just to be alone, to think about what we are hearing from our partners, our associates, our clients. Having time to reflect on what are the real issues as opposed to just the symptoms. There are some days when I literally shut off email. I’ll do email for an hour in the morning, then I’ll shut it off and just focus on trying to ask myself “what are the bigger issues we’re facing?” Because, otherwise, it’s the old phrase about the urgent overtakes the important – there’s always urgent issues in law firms! Just crazy little issues that people “have to have answered today”. You could easily spend all the time dealing with those, but then you’re not advancing the firm, you’re just reacting to fires. So there are times when I try to spend some time locked away thinking about what those big issues are.

The other thing I tend to do is I spend a huge amount of my time just generally listening to partners one-on-one. So, for example, if I go to one of our offices – I will pick four or five partners that I have not spent time with either ever or recently and I’ll try to block out 45 minutes for each of them. And I’ll ask them fairly high-level questions like: “What are the things you like about the firm?” Because I don’t want to lose sight of what keeps people grounded here. “What are the things you don’t like about the firm? Things we need to change, or fix, or improve.” And then, on top of that, we’ll talk about the trends
that we see in the legal profession, and what we should be doing to address those. That elevates them because the first part of the discussion – “what don’t you like about the firm?” – you can get anything from people saying “I don’t like the color of the carpets” to “I don’t like procedures”. But when you talk about the trends and how those trends are impacting their business, then you get into very fundamental issues like, “In the next three-to-five years, I think we need to dramatically change the leverage or the way we deliver services in this particular practice” or “I think we need to get out of this practice, and we need to get into this practice” or “I see my practice coming to an end; I don’t know what to do about it”. Those are the big questions that you should be focusing on and trying to help people with those. I think one of the challenges is convincing people that you really want to help them be successful, as opposed to finding an issue on which to base their compensation.

We see so many partners who suffer in silence. I think that’s the flaw I see in so many law firms: partners suffering in silence. They don’t know who to talk to; they don’t have anyone that they feel comfortable saying, “I don’t have all the answers here”. And so sitting down and saying, “It’s ok. Most partners all over the world have that exact same concern. You’re not alone. So let’s brainstorm some solutions. Let’s use and take advantage of your skills.” I think those are some of the things I do to try to make sure I’m still focused on the big issues – not just the minor ones.

**Talking about the trends that you see coming, how do you keep on top of those? How do you keep your ear to the ground?**

A big part of it, historically, is I’ve done a lot of client interviews. I try to spend most of my time and attention listening to what clients are saying. So we’ll interview a client and we’ll have a conversation not just about how we’re doing but trying to guide them through the discussion of “What do you see as the biggest changes impacting your business in the next two-to-three years?” or “How do you see your use of law firms changing?” Asking them a critical question like “What law firms do you
think are better than us, and why are they better?” You may
not want to hear that answer, and most law firms are terrified
just to ask that question, but that’s one of the most important
questions you can ever ask clients.

In terms of staying aligned with what clients are doing, how can
you approach that? When it comes to innovation and changes
to how they want their services to be delivered, how can you
stay on top of that?

Part of it is this conversation you have between taking what you
hear from the clients, taking what you hear from the partners –
having a constant, ongoing discussion about “Ok, are we going
to have the practice, are we going to be positioned like they
want us to be, to service those clients’ needs three years from
now?” If not, what are the changes that we need to make? Or
we’ll spend time thinking about do we need a different kind
of expertise than we have today? Or do we need to change the
model by which we deliver services? There’s no one way to
figure that out – you’ve got to listen to what the issue is and
then figure out who do I talk to, to get those answers. Or do
we do an experiment, on a small scale, to see if we can fix that
problem or if we can address that need. And if we can do it on a
small scale and it works, then maybe we flow that out to a larger
scale or to the whole firm.

It’s experimenting. Sometimes experiments don’t work. I
think that’s one of the problems with law firms is that firms are
so accustomed to giving legal advice where you have to be right
100 percent of the time that they never experiment. And that’s
one of the reasons they’re so conservative, that’s why clients are
so angry with law firms – because they’re not keeping up with
the change. My view is you should do a lot of experimenting on
a small scale. Occasionally, we’re going to screw up; we’re going
to try something that doesn’t have the results we hoped for in
terms of the structure, in terms of our policy, something like
that. But what I find is we get people to be excited and engaged
by the fact that we’re actually trying.
Do you feel having that kind of culture of bringing innovation into the firm helps to attract, particularly, the younger generation and differentiates you when it comes to attracting the best talent?

It helps. I think people get excited about openness and that approach, especially if you have confidence that you are going to be able to demonstrate success over time. Especially, oddly enough, when you tell them it’s OK to try something that fails on a small scale. That doesn’t mean you’re a failure, it just means we tried something that didn’t work, so let’s try something else. You’ll get more entrepreneurial, highly motivated, type-A personalities who want to go into that environment – no question about that.

What advice would you give to firms thinking of bringing in a COO for the first time?

Really think through, do you want to make changes in your firm or do you not want to? I think law firms hope for “magic beans” all the time and by that I mean they want to bring in a solution that causes no pain and that doesn’t force them to grapple with difficult issues. If you’re looking to bring in a COO, be clear about what it is you’re trying to accomplish and be clear about the steps you’re going to need to go through to allow that person to change the firm. If you don’t really want to change the firm, don’t go hiring someone like that.

When I was a consultant, I used to see law firms – dating back 30 years now – they’d go hire a vice president of some company and bring them in and say, “This person is going to run us like a business, is going to make us successful.” And, invariably, that person would be gone in a year. Because that person would come in and say, “Well, you said you wanted to make all these changes.” And law firms would say, “Yeah, but we wanted you to just magically make them happen. We didn’t want you to actually cause us any pain or ask us to make tough decisions or change our behavior.” Or “I thought you’d change everybody else in the firm except for me!” So that’s one thing
I tell people: be really clear about what it is you’re asking this person to do.

Likewise, what advice would you give to the future law firm COO?
Do your due diligence first, before you go into the firm. Know them really well. Make sure you understand their culture and whether or not they really want to make those changes.

Do you think there’s an element there of firms looking around and saying “Oh other firms have a COO, I want one of those”? They do it all the time. Law firms are famous for that. Law firms are too often like lemmings: they look around and constantly obsess about what other law firms are doing. So when other law firms hire people, they do the same thing. That was a safe strategy when this was a seller’s market, but the world has changed, and just emulating your competition isn’t going to be a great long-term strategy any more.
Interview 3: Sherry L. Gini, Chief Operating Officer of Goldberg Kohn

Just to start off, can you give me a short introduction to Goldberg Kohn?
The firm’s been around since 1976, so we are fairly established in the legal market. We are by definition a commercial midsize law firm: we’ve got 85 attorneys, and about 150 total employees. We don’t consider our competitors, though, other midsize law firms. Our competitors are what I call “the big boys”: the Kirklands, the Skaddens, the Sidleys. That’s who we compete with for clients, for business, for talent. So, it’s interesting being a small fish in a big pond.

You’ve seen the mergers and acquisitions happening in the midsize market place. We’re one of the few midsize firms left in Chicago – and hope to continue to be that way. We think we fill a good niche and we’ve got some really strong areas of expertise. It seems to be a good place for us right now.

I think what separates GK is our culture – and I hate that word because everybody uses it – but our business model supports it. And our business model says that when a client comes in the door it’s not “Bob’s client” or “Sherry’s client”, it’s the firm’s client. We try to take a holistic approach to supporting the client and making sure there are ample resources available. That culture really supports the collegiality and entrepreneurial spirit that our attorneys have, and it works for us.

Can you tell me a bit about your background? How did you come into this role?
I’ve been here 17 years. I started out after graduate school in the HR department and grew the role. I brought recruiting over, which is unusual in a law firm – usually HR and recruiting are
separate. But what I was finding was I didn't have a connection with the recruits coming in – and so it made sense to have those two functions under the same department. In 2010 I became director of administration, where I was responsible for the day-to-day operations of the departments. And then, in 2014, I was promoted to chief operating officer. I'm responsible for all the departments except for accounting, which is carved out and has a senior director of finance in charge of it – we do not have a CFO. The Senior Director of Finance and I work together on projects and initiatives brought on by the partnership.

**Was there a COO at the firm before you took on the job?**
There was not. It was a new position.

**Do you know what prompted the firm to introduce that role?**
The reporting structure was recommended by a consultant, and I worked with firm leadership to develop the role and title. I think what was missing was, there was not one person who had a view of everything and there was starting to be a break down in communications. So the idea was, let’s bring somebody in who would have an integrated approach and get collaboration across all the departments to ensure there were efficiencies happening, good communication, etc. Since I was with the firm so long, I think they viewed me as a “trusted advisor”. I have that historical perspective. So it was nothing structured. And it's just grown from there.

**Where do you sit within the firm leadership? Are you on the board there? Who do you report to?**
GK is interesting in that we do not have a managing partner – we’re managed by committees, which I think is highly unusual. It is just another representation of our culture in that we believe everyone should contribute to the growth of the firm and have input and have a stake in how the firm is directed. I do sit on the board – I sit on what we call our management committee.
It’s seven partners and myself, and that committee is responsible for the strategic initiatives of the firm. Underneath that committee is what I call the “day-to-day committees” – the administrative committee, technology, recruiting, finance, etc. – and I’m on a number of those committees. I never have a free lunch, let me tell you!

I report to the management committee. I also report to what we call the administrative partner, who is the chair of the administrative committee. And the administrative committee is responsible for the staff including their compensation, programming, talent management, and succession.

**Tell me a bit about the committees – how do those work?**

Each committee has a chair who is generally a partner. We believe in managing by consensus so that committee works together to come up with programs or policies or procedures – and depending on the effects of those, they could go to the partnership as a whole, and the partnership would discuss and make the final decision. And so the committees are generally recommending and vetting etc., and if something has a wide impact it would go before the partnership. (And when I say “partnership” we’re actually a corporation so I have to be careful when I use that word, but you get the idea – it goes before the principals of the firm.)

**Turning to what your job entails, how much of your role would you say is looking ahead and preparing the firm for the future?**

**How do you go about that?**

I always tell people I “manage the chaos”. I think one of the things a COO does is keep a balance between “keeping the trains running on time” versus looking into the future. And I think one of the values I bring to the firm is that I am constantly networking. I am out there meeting with industry leaders. I’m attending conferences. And I’m a voracious reader – I have more train reading than I have train rides in a week! I’m on every
A blog you can find. I'm reading about our clients and everything else, just trying to have as much knowledge as I can. And then I bring that knowledge and apply it to GK, and I come up with ideas. I always say that I'm fortunate in that the partners support my crazy ideas – because I've thrown a few doozies at them where they look at me and say, “Really?” And sometimes they work and sometimes they don't but at least we're willing to take a chance.

So I do think a lot of a COO's job is looking out into the world and trying to take that information and break it down into bite-sized pieces, and seeing how it fits in the culture. Partners are busy with building the firm, and developing business, and practicing law – and they don't always have the time or the skills to do some of that other stuff. I think COOs need to take the time to listen, to network, and make those connections. Law firms are very competitive – we always want to know what everyone else is doing. And to get that kind of benchmarking information you need to be networked in your community, you need to have good ties – and I think that's part of our job.

You have an eye to a lot of things – how do you prioritize all of that?

I use my instincts. I'm communicating all the time with my team, with leadership. I think I understand the politics [of the firm] because I've been here so long, and the competing priorities. I ask what is in the best interests of the firm and I focus on that. And I don't think there is a formula for that. Every position at every firm is going to be different – it has to be tailored; it has to be customized. The fact that we don't have a managing partner makes our firm a bit different than the law firm next door. So I try to keep a global focus on what's going on and use my instincts. It's not always easy to do and you're not always right – you think something is super important and then you find out, nope, not even on their radars!
You say that the partners are generally receptive to your ideas – but are there ever challenges getting the firm to make a change, to move in a new direction?

The average age of our partners is quite young and I think that, along with the entrepreneurial spirit of our founders, means most times they are willing to try something new. We certainly analyze it. We certainly talk about it (sometimes to death!) And these aren’t just my ideas – these are ideas across the board. We have a very innovative partnership and I think they are willing to try things. Sometimes it doesn’t work and sometimes they’ll say no. Sometimes they’re not ready for it and we keep it on the back burner. For example, say it’s a technology initiative, technology can be scary to people. So we’ll talk about it. Maybe all the other firms are doing it, but maybe it’s not right for us so we’ll revisit it at a later date to see if our needs have changed. Just because everybody else is doing it, doesn’t necessarily mean it’s right for us – or for our clients, because we always have to think about adding value to our clients. It’s not as challenging for our firm as I think it is for others where they’re much, much larger or maybe there’s a new COO who needs to build that trust. 17 years is a long time and I think generally I’m perceived as adding value so that probably gives me a little leverage.

There seems to be a rise in the number of HR and marketing/business development professionals coming into these senior operations roles in law firms. Why do you think that is? Do you think it’s indicative of how the role, and what firms expect from it, has developed since the first COOs came in?

I think one of the keys to this role is building your network and making contacts, even within your own firm – getting out there and developing those relationships. And being stereotypical, people in a human resources or a marketing/business development position are more extroverted and may be more comfortable with that skill set. Also, talent management is a huge concern among law firms right now. The talent coming
out of law schools is shrinking because the number of people applying to law schools is shrinking, and it’s very competitive. And our main asset is our people – that’s how we provide service to our clients and without the right talent pool we’re not going to be able to provide excellent service to our clients. So people with HR and marketing backgrounds are generally more natural with talent management.

I read an article recently in Fortune entitled “Why women make great chief operating officers”. Do you think there are aspects of the role that are particularly suited to a woman?

I’ll make a comment and then I’ll answer the question. It’s interesting in law firms that there are a lot of female administrators. At the small firm end it could be an office manager; at the large firm end it could be a director of administration or an executive director. And particularly in Chicago (I should only really talk about Chicago because that’s the only market I know) my colleagues in other law firms generally are women. I went to a conference a few years ago in New York for COOs and CFOs and there were maybe ten women in the room. I was so shocked by that because my population of colleagues, even though they’re not all COOs, is mostly women. Now, granted this was New York City and maybe their market is not the same, but it was interesting for me to see that, for some reason, women are not getting to the chief level as much as I thought they were. When I went this year, there were more women in the room so maybe that year was just an anomaly – who knows – but I do think that women are starting to grow into this role, but we’re not there yet.

And maybe the reason that women can be successful as a COO is their tendency to be skilled at multi-tasking and organization. In my situation I report, technically, to 44 people. That’s how many partners we have. So I’ve got to be able to please a lot of people, keep a lot of balls in the air, manage priorities, and follow up with people.
As COO, what part do you play in leading and shaping the firm’s culture?
I believe – I think Peter Drucker said it – that culture eats strategy for breakfast. I think that the culture is the foundation of the firm and without a strong culture, you can’t grow the firm; you can’t drive strategy. We are not formulaic in our strategy; we don’t have a mission statement written down that everybody knows. It’s a feeling. People enjoy working at GK. It’s a good place to be. We have good people and we work hard. And people are respected; their ideas are valued. And I try to make sure that everyone is aware of that. We try so hard to work on our brand – and, really, our brand is our people. So you hope you have and you hire good people. I think that by leading the charge with talent management, the COO can help accomplish that.

Thinking about your firm’s culture, can you tell me what you’re doing as a firm in terms of diversity and inclusion, and how you’re involved in that?
Diversity is on every law firm’s radar. It is a challenge because of the pipeline of candidates coming through law school – there are not a lot of diverse candidates in law school to begin with. We try to get involved in pipeline initiatives – whether at the high school level or the college level – to give students of under-represented backgrounds some exposure to law and pique some interests in the hopes that they’ll join the ranks in law school, and one day become lawyers.

We’ve been focused on diversity because it’s good for our firm, it’s good for our clients, and it’s the right thing to do. There are all kinds of studies out there that a team of individuals with diverse backgrounds is much more effective and successful than a team with everybody of the same race, religion, gender, etc. So we’re doing it just because it makes sense. Are we getting pressure from our clients to encourage us to make sure we have diverse attorneys on their cases, deals, etc.? Absolutely. And so the diversity committee for attorneys focuses on recruitment at
law schools and at the lateral level, along with retention – how do we advance our diverse and female attorneys.

We actually have two committees. We have the diversity committee and we have the women’s taskforce – and I’m on both. Both are lawyer committees chaired by partners. We spend a lot of time on external programs – supporting the communities around us – whether it be through law schools or pro-bono commitments, or bar associations. And my job on the committee is to implement and coordinate the initiatives, and to move the ideas forward.

**Would you say your compensation system promotes your firm’s culture?**

Absolutely. I think that our operational policies and procedures match our culture. And we’re lucky, we have a few of the founding partners still at GK – we’re a young firm compared to many of the others – and they worked very hard at the outset to instill the culture. The goal is to make sure people feel valued, and to collaborate and share information. We’ve been cross-training and cross-selling and sharing clients and points of contact for years – it’s not something new to us. And so that foundation has certainly bled over into the compensation system and our practices and procedures. I think the partners drive that because they feel good about where they work and they feel good about what they do. They like the people they work with. Those are motivators to keep that going. The business environment is changing – you’ve seen it with the Great Recession, it gets challenging, it can be a struggle – but if you stick to your core values, you figure out a way to make it work and fit the current business environment.

**What advice would you give to firms thinking of bringing in a COO?**

To the firms considering this, know what you want from that person and then be supportive. I think sometimes firms say “We want X”, and they don’t know what that means or the
implications it may have for the firm. And then when that person tries to deliver X, they’re not ready for it. So it's not fair to the COO – or the chief marketing officer or whatever the title is – if the firm isn’t going to be supportive of those initiatives. And very often, when it's a new role that means change, and if people aren't receptive to change, it’s not going to happen and it’s not going to be successful.

**What advice would you give to a new COO coming into the role?**

I think it's about visibility and accessibility. Be an SME (subject-matter expert). I believe I grew my role from the beginning because I did a lot of face time. I did a lot of coaching. I went to people and I said “What can I help you with?” And I became known as an advisor, somebody that they could come to and say, “I’m having a problem with X” or “We have a problem, what would you recommend?” I think having that visibility, being that expert, being that problem solver... And never saying no to opportunities. Start to build those relationships and trust early on. It seems so obvious, but I don't know that it always is.
Interview 4:  
Michael L. Delargy, Executive Director of Barnes & Thornburg

Just to start off, can you give me a brief introduction to Barnes & Thornburg?
The firm’s roots are in Indiana, but we now have 13 offices around the US. It is relatively new for us to have a national footprint. We’re in all the major cities – Atlanta, DC, LA, Minneapolis, Chicago.

You’re keeping that national for now, rather than thinking about international expansion?
We are.

Turning to you and your role – what exactly does that entail on a day-to-day basis? What are the main areas that you oversee?
Who reports to you?
It’s the traditional organization chart where all of the non-legal functions report up through me, so all of the C-suite: the chief financial officer, the chief human resources officer, the chief information officer, the chief marketing officer, the chief administrative officer (that handles operations, library, and so forth). Through all of those people, the job is managing day-to-day operations – and trying to focus on long term. That usually gets pushed to the back burner – the day to day usually pushes the long term to the back burner just because it’s so intense.

We have 600 lawyers all across the country, in three different time zones. Some of them are working internationally and they all have different needs because we have such a wide practice. We’re a full service firm so they all have needs and generally the things that I would get involved in day to day are the outliers. So, if the established policy of working to do something is one
method and they want to do something that is outside of that policy, there has to be some sort of approval chain for that. And that’s where I spend a lot of my time – managing requests to go outside of policy.

I spoke to a COO who said that his role was to be the firm’s eyes on the horizon, thinking about what are we going to need to be doing in the next five years or so in terms of resourcing, in terms of innovation – is that something you look at?

Well, absolutely. I started with the particular firm I’m at two years ago but I was with my previous firm for 17 years and it takes a while for people in this role to get to what you just described. So once you get the day to day down and you can delegate that to someone you trust to handle those things, it’s then you can start to focus on innovation, then you can focus on process improvement – then you can focus on the future of how we deliver legal services and how we can find the best quality, cheapest way to do it. So it takes a while for people in these roles to get there unless you’re highly supported in the partnership ranks.

Speaking of support in the partnership ranks, do you think it makes a difference if a firm has a lawyer in the executive director or COO role – do you think there are advantages, versus bringing in somebody external?

I think that’s highly dependent on the firm. So, for example, our chief human resources officer is a lawyer – she’s a former lawyer – and it has times when it’s advantageous. You know, when they try to turn you into a defendant and they’re litigating, they’re deposing you, you can speak their language. And it’s also useful for her in that she understands the pressures that lawyers are under and what they’re trying to accomplish and she can assist them. She has an understanding of what it’s like to practice law – and many people [in operations roles] don’t. So, would a lawyer be better in the role, no? Would a capital partner who’s been with the firm a long time? Absolutely. Because in many law
firms you can establish a strategy, you can establish a process, but because they’re owners they feel like they can say, “I’m not doing that.” If you’re a capital partner you can say “yes you are”, but as an employee – as I am and as a lot of my peers are – if you want to keep your job, you don’t cross them!

**Do you have a process for how you get partners in line with where you want the firm to be going, or you feel it should be going – or do you present an idea to them and they make their judgment?**

The answer to your question is yes. That’s my personal process. Having done this for 20 years, there’s only two things that change lawyer behavior: compensation and competition (amongst each other). So if you’re trying to steer the firm into a philosophy, strategy, process, tell them how it impacts their compensation. For example, going to a higher secretarial ratio – if you can quantify it and say your earnings will go down because you’re not properly assigned, you don’t share your secretary with enough lawyers, they will change their behavior.

**Do you have a role with that? Are you involved with the compensation committee?**

No, in my previous firm I was very much involved with it, but at this firm it’s very formulaic so there are very few subjective components to their compensation. So there’s not a lot of opportunity to do that. But the market’s changing rapidly; the current model probably needs to be updated. I plant seeds throughout the firm, through practice groups, through thought-leadership here that basically says we need to start modifying how we pay our people so that we can make change as a firm. My particular firm has very few originating attorneys and they spread the work around to a bunch of other working attorneys. That model worked when the market was constantly going up and expanding and it’s not now – so we have to react to that as a firm.
So are the partners largely compensated on work done, rather than origination?
They’re largely compensated on their working attorney credits.

Does that encourage people to work together more?
It encourages them to work, but not necessarily to develop business.

How do you tackle that as a firm? How do you encourage business development?
Part of their compensation is allocated as a credit for business origination. It’s slowly increasing year over year – so they’re making incremental changes to give it more weight and to make the working attorney credit have less weight. But it’s going to take years to get it to where it should be.

You mentioned to me that you’ve been in the role for about two years now, and that it has evolved a lot in that time. Can you expand on that? How has it changed from what was originally intended, or from what you expected?
So, the person who had the role before me was with the firm for 25 years and spent a lot of time doing work that could be done by lower paid, lower skilled people – so, for example, planning firm retreats, typing offer letters, doing a lot of ministerial-type things. And I had come from a different law firm where the mantra was to push the work to the lowest level possible and make the best use of your time. So I basically reorganized and spread out those kinds of roles throughout the firm to anybody that could do them. And I tried to make myself available to work on higher-level things like strategic planning, like innovation, like attending meetings to spread the word about “We need to change our culture”. Being the consultant to the firm. So conceptually that’s all it was.
Would you say you have a role in shaping the culture of the firm?
Well, by default, yes. Because you are influencing half the firm – all the non-lawyers – and, indirectly, the other half of the firm through those administrative people. So I’ve been trying to do that. Just an example, the culture before I came was to buy the cheapest thing – it doesn’t matter, if it solves the problem buy the least expensive thing. When we were renewing one of our largest expenditures (outsourced facilities management, copying, that kind of thing), they said, “What do you want out of that?” And I said, “I want the best – cost is secondary. I want the best service. And by that I mean I want innovation, I want technology, I want a partner, I want someone who is going to make us better. And I’m not concerned about the cost. Find the best one first and then we’ll talk about the price.” That was a complete culture shift. They’d never heard that and didn’t believe it – until we picked the vendor that cost more.

Do you think that, from the administrative side, there is starting to be a shift in that resources are being shared more across firms, or being outsourced, and there’s more practice-group-wide, if not firm-wide, thinking in terms of how resources are used?
I think firms in general are definitely starting to focus on outsourcing, and specifically the technology. And my approach – although I’ve not executed it here, I did it at my other firm – is that pure infrastructure, day-to-day things, should be done by someone else. My technology people should be working with lawyers to find better ways to deliver client services and legal product through technology. In other words, I want a business analyst: find out how these lawyers work and then apply technology to it, to do it better, cheaper, and faster. That is my approach in one area that I’d like to expand everywhere – so out to accounting, out to HR. That’s a long-term project, but possible.
What advice would you give to a firm that’s not had someone in the COO or executive director role before – who has perhaps had a managing partner dealing with the administrative side – when they’re thinking about creating and appointing this position?

I just had this conversation with a consultant who is helping a firm do that. And I’m quite friendly with the consultant so we could speak candidly. I basically said to him, the firm has to agree to what they want this person to do. Not one person. Not the managing partner. Not the executive committee. The partnership has to agree to: this is the person’s role; this is the authority we’re going to give them; here are the responsibilities; here’s how we’ll hold them accountable. And we’re not going to interfere. It’s very simple. You could have a managing partner whose concept of his own role isn’t what the firm wants. I took it even one step further and said, “Make sure that the firm managing partner’s understanding of his role is consistent with the other partners in the firm.” It’s not always possible to do that with a firm of our size – 600 people – so at least the management committee, the people who are running the firm at the time, have to have an understanding of this person’s role. Here’s the scope; here’s the limitations; decisions they can make, decisions they can’t make. Because it’s just deadly – it’s instantaneous failure the first time the management committee overrides a decision made by the chief operating officer or executive director.

I read that when a long-term COO leaves, very often firms don’t replace them. It’s almost as if they can’t fill that hole – or perhaps if someone does come in they struggle to change the way things have been done. Do you think there’s a reason for that?

I do. One of the greatest values that people in my role provide is institutional knowledge. You are the historian of the firm and you understand how the partners who have presumably been there for a long time operate: this is how we are preserving the
culture, preserving the firm, but still trying to move it forward. And someone that’s been there for 25 years – like I was at my other firm, for 17 – you don’t write down everything you know when you leave. And there’s that enormous void. That history is gone of decisions: how decisions get made; why they get made. And when somebody new comes in, you don’t have any of that knowledge and you presume that logic will determine how decisions get made – and that’s not law firms! Two and two is four one day, but it might be five the next, and there’s a reason for that – and nobody ever explains that to you. I can speak about it from both sides: I left my firm of 17 years; I’ve been here for two years; and I replaced someone who was here for 25 years.