



Before You Plan Ahead Take a Hard Look Back

By Blane R. Prescott

One of the most difficult challenges for any leader or management group is focusing on the truly important priorities when there is always a wealth of urgent, but in the end strategically irrelevant issues that come up every day. There probably isn't a law firm around that hasn't wasted endless hours in management meetings only to regret that time in retrospect. As fiscal years wind down and with partner compensation decisions behind them, many leaders will now spend time thinking about the year ahead, making plans and deciding on priorities. But for many those planning efforts will result in minimal change or improvement. Why? Because many firms find it difficult or uncomfortable spending meaningful time learning from past mistakes, or even admitting them, much less communicating them more broadly as lessons learned.

While many Executive Committees or Boards do some form of strategic and/or tactical planning at this time of year, we see a stark difference between how more successful firms approach that effort versus less successful firms.

- Some of the most successful firms spend time doing an honest, tough assessment of what *didn't* work in the last year and why. They openly admit mistakes and then talk about what/how they should learn from those.
- Their less successful competitors tend to just layer on new initiatives but are highly reluctant to admit what hasn't worked or even acknowledge any weaknesses. Or some leaders gloss over mistakes by thinking that "everyone knows what our mistakes were so there is no need to discuss them." This condemns such firms to repeating past mistakes, reusing perpetually failing partners for critical firm initiatives, or covering up real problems by calling them successes.

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Assessing past performance isn't hard in theory. The challenge for law firms is that the profession doesn't routinely encourage lawyers to admit or study the mistakes they have made. After all, how popular would you be with clients if you routinely described your failures to them, or had to say that "most" of your past advice was correct? What makes one a great lawyer is often in stark contrast to what makes one a great business leader, so straddling both roles simultaneously is challenging for even the best people.

How can you learn from your mistakes if you never admit you make any? Unfortunately, some law firm cultures encourage firms/leaders to deny all failures, to spin every initiative, to amplify successes both real and make-believe, and downplay all errors. Partners in these environments often become so accustomed to spin that they are numb to or constantly skeptical of their leaders and strategies. And without the benefit of feedback or a realistic self-assessment, it becomes easier to continue down the path of believing that every effort is a success. As the Chairman of a successful west coast firm liked to say, "Over time too many leaders start to believe their own bovine droppings."

Many of the most successful firms have leadership groups that routinely conduct tough, but private, assessments of their own performance so that they can learn from them. We qualify these as private because they don't necessarily share every detail of their failures with every partner, but by discussing them openly and in detail among their own group they are more honest with themselves. The benefit is not just that these firms learn from their mistakes.

Interestingly, leadership groups that regularly do these tough self-assessments tend to create more open, constructive cultures and make it easier to talk about the need for improvement.

- Their admissions buy them credibility and respect with partners rather than erode it.
- They in turn enable partners to admit when they have made a mistake or have a weakness and need help, and therefore are dramatically more successful at developing partners.
- They become known for their honest but realistic advice about strengths and weaknesses, which builds trust and longevity.

The hard part in doing an honest self-assessment isn't in asking the right questions, but rather, it's in coming up with honest, correct answers, even when doing so means you must admit to some less-than-flattering mistakes. One interesting and common observation by great leaders is that they are always surprised when they admit their mistakes or imperfections, they engender

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more loyalty and respect among their partners than if they constantly hide all errors or weaknesses. But the questions are the starting point in the process:

1. If we take a realistic look at the last year, did we use our time effectively relative to the efforts that produced meaningful advancements in the firm?
2. Where and how did we waste our time? How do we avoid repeating those wasted efforts in the future?
3. What are the three to five most significant mistakes we made in the last year, but more importantly, what can we learn from those in guiding our efforts in the future?
4. If we had only five critical priorities for the coming year, what would they be? Don't confuse routine requirements (e.g., being profitable, improving teamwork, developing future leaders, all of which you will have to do forever regardless of whatever your strategy is) with these real one-off strategic priorities.

By having an honest, annual, introspective discussion, leadership groups can be dramatically more successful. And all members of the leadership team will then feel more comfortable pointing out when the group is repeating its past mistakes because the group has jointly discussed and agreed on those mistakes and the resulting lessons.

Blane Prescott (B.Prescott@MesaFive.com) is a consultant with MesaFive, LLC, (www.MesaFive.com) a management and strategy consulting firm helping law firms and in-house legal departments throughout North America, Asia and Europe.