

Seven secrets of a successful business strategy

Pippa Blakemore explains the keys to managing change within a law firm, whether a merger, expansion or reorganization

A strategy has no value unless it is implemented. It remains rhetoric, empty words and hot air. Seven secrets apply to all law firm business initiatives, ranging from overseas expansion, for example into China, to pitching for new work, to merging with another firm.

Secret 1 Clients are your focus
Start your first planning session with two challenging questions. The first is: "Will new clients we are targeting buy legal services from us?" and the second: "Will current clients continue to buy existing or new services from us?"

Put your head into the head of each new client who might buy your services. Imagine the individual people to whom you will be selling; do they really exist? Thoroughly research answers to the following questions: What legal services do they need, how do they buy them and how loyal are they to their lawyers? What are their expectations of their lawyers? What commercial issues do they face that you can help with? Will they want what we offer? Will they buy it from us, rather than another firm? How much do they have to spend? How much will they pay? How much will they buy? How often?

Cultures differ considerably between in-house counsel and external lawyers; between law firms; between practice areas in the same law firm, as well as between countries. Lack of appreciation, respect and understanding can lead to conflicts and disputes. Ensure you have a deep knowledge and understanding of the different cultures with whom you could be working. For example, check the compatibility between the your culture and that of new clients or between you and the new firm you are merging with. The importance of cultural differences cannot be underestimated, particularly in the long term after the initial excitement has worn off.

Current clients easily feel neglected if you discuss or they hear about your new and exciting initiatives and projects, which do not involve them. They may be concerned that you will be distracted by negotiations for several months, or taken out of the country by discussions. One client, who discovered a proposed merger from the media rather than from the law firm itself, asked how the firm was going to cope and was told, "that's not your problem".

If your strategy is to sell further services to current clients you have to be certain that they do not think you are resting on your laurels, taking them for granted or

providing a poor service. No client will buy new, different or better services from you if they are currently dissatisfied. Treat every client as if you have just won them from your greatest competitor.

Be realistic and not over optimistic with your forecasts and answers. Over ambition leads to failure.

Secret 2 Your firm is fit and lean
A realistic analysis of the characteristics and qualities of your firm's leadership, management and support systems will identify whether your firm has the health and stamina to achieve your goals.

Visionary leadership is a pre-requisite. It needs to be inspirational, energetic and consistent, to set high standards and demand accountability. Leadership by example encourages entrepreneurship whilst at the same time ensuring that lawyers already in the firm, not directly involved in new initiatives, feel informed and involved in the strategies and successes of the rest of the firm. Today's fee-earners provide the income to support tomorrow's initiatives.

Skilled, experienced and adaptable management running an efficient, flexible and productive firm provides a strong foundation. This will ensure the firm is able, for example, to expand, to absorb new cultures, to adapt to new clients, and to adjust to new environments. You have to be honest with yourselves. An enfeebled management structure will not cope with the challenges of change.

Systems, such as case management, time recording, billing, work in progress and client relationship management need to be fit for purpose and to be reliable, accurate and up-to-date. Credit control must be strict but sensitive, and cash flow needs to be secure. The support and administration functions need to have the capacity, the flexibility and the willingness to adapt, for example to scale up for a merger and/or to integrate with other systems.

Secret 3 The business case is robust
The business case objectively evaluates the likely return on investment and costs in the short, medium and long-term. It should not be driven by fear ("all our competitors are doing it, so we must") or greed, ("there is so much money in that country or in that organisation").

Those who prepare and evaluate the business case must have no vested interest in its outcome. They must agree objective criteria for the basis of the decision to go ahead

or not, must ask difficult questions, must listen to the answers, must consider what would happen if the ideas were not developed, must evaluate the alternative courses of action and must have the authority and credibility to say no.

A realistic assessment of your current position of clients, work, lawyers, systems and finances will highlight what you are capable of given where you are now. It should also include an analysis of the strength of contacts in relation to the proposal: what can they offer, how they will help, who may have tried this before in the firm or elsewhere, its history and how successful your competition is.

Where do you want to be analysed countries, sectors, industries, legal skills, clients, referrers, contacts, intermediaries and work types, that you want and equally important, that you do not want. How much income are you aiming for over what period of time?

What resources do you need to get there and then maintain your position? Management time of all involved must be costed, estimating the direct and indirect hidden financial costs – for example, the lost opportunity costs of neglected clients or abandoning alternative strategies. Hidden costs take into account that in times of change, people spend up to 60% of their working day talking about their future, rather than working. The cost of maintaining the strategy once it is put in place must be estimated. For example, continuous support for an overseas merger or alliance may require resources for up to five years or longer.

An assessment of the risks and dependencies needs to evaluate the extent to which they can they be controlled and managed. Your need to look at those over which you have no control, for example politics and the economy How important are they and what influence could they have on the effectiveness of your strategy? Your due diligence needs to be thorough and realistic rather than superficial and hopeful. Has your team visited, talked, listened and observed the firm, country or client that is part of your strategy?

Secret 4 A two-part business plan
Part one is entrepreneurial and part two is the long-term maintenance. It is similar to an organ transplant – the preparation for and the initial surgery, followed by long-term maintenance to ensure that there is no rejection.

The plan needs a vision ("we want to be an international law firm") with clear objectives ("we want to be represented in eight new jurisdictions in four years"), measurable activity ("we will acquire/merge/associate with one firm in each jurisdiction every six months") and specific targets based on results ("producing x fee income per month by 2010"). The

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plan needs specific targets for each stage, with deadlines, reviews of progress with time allowed to enable remedial action to be taken. These principles apply equally to pitching for new work.

Assume that everything will take twice as long as you think it will and budget for it costing twice as much. Take into account the building relationships of mutual respect and trust take time. Assume nobody will do anything unless you chase them up. Ensure that the time and cost estimates are realistic rather than what you would hope. Expect the unexpected and plan for it.

Secret 5 Multi-dimensional and responsive communication

Good communication increases mutual knowledge, understanding and trust, while it reduces fear and suspicion of change and the unknown. Communication should be planned in. It has three dimensions. The first dimension is the provision of relevant information to everybody directly involved or not, through a range of media according to individual preferences including emails, bulletins, intranet, flyers, small/large, formal/informal meetings, one-to-ones, conference and video calls.

The second dimension is listening to and acting on feedback. This is whether it is given directly or indirectly, requested by you or not, from whatever source and however unpalatable. You need to listen to who is giving it, why they are saying it and decide whether you should act on it. The third dimension is looking at what is actually happening rather than listening to what is said to be happening. Ensure that you are not being told what you want to hear, such as "everything is fine" when a successful and high profile department within the firm is about to leave taking their clients, because they feel under-appreciated by their own firm.

Secret 6 Commitment by all

Indicators of a lack of commitment are absence of support from the top of the firm through a lack of resources, availability and enthusiasm. Personal indicators are: people not returning telephone calls, not being available, nobody knowing where they are and not replying to emails within an appropriate timeframe.

Meetings are also good indicators of a lack of commitment, demonstrated by lateness by attendees, lack of preparation, no agenda or one identical to all the others, unstructured and unfocused discussions, action points and minutes not written up immediately or at all, no follow-through of decisions and actions, and meetings regarded as ends in themselves rather than a catalyst for the next stage.

Secret 7 An inspirational leader and owner

There must be only one leader or owner. A committee cannot implement a strategy. The leader needs to be entrepreneurial and decisive, with energy and drive, and the ability to motivate others to deliver, to delegate appropriately and to prioritize.

The leader needs a close support team with clearly defined and well-publicised roles: the project manager, who will plan and anticipate problems and take action to prevent them; a scribe, who will record and circulate within 24 hours action points arising from all meetings; the chief communicator, who is thorough, sensitive and imaginative and constantly asks, "who needs to know this?"; and the policeman, who has the authority and confidence of the leader, to ensure that deadlines are met, followed-up and followed-through to the end.

Your knowledge and application of the seven secrets will be your source of success.

Pippa Blakemore of The PEP Partnership LLP, is an international expert on business development, marketing and sale for lawyers. Pippa is presenting three sessions in Chicago: "Turn contacts into clients and referrers: five steps for successful rainmaking", "Increase your value to current and future clients: the Rainbow strategy" and "Give a winning presentation".

LOCAL ATTRACTIONS



Farnsworth House

Chicago's famous architecture

How to sound knowledgeable when atop a tour bus round the city, by **Jamie McKay**

Chicago architecture has both influenced and reflected the history of American architecture, with the city's buildings employing an array of different styles by several important architects. Since most buildings in the downtown area were destroyed by the Great Fire of 1871, Chicago buildings are celebrated more for their innovation and avant-garde magnetism rather than traditional conventionality.

The city pioneered the birth of the skyscraper when the First Chicago School, a group of architects active in Chicago at the turn of the 20th century, were the first to endorse steel-frame construction and the use of glass in commercial buildings. Their ideas influenced European Modernism. Louis Sullivan, who served his architectural apprenticeship under William Le Baron Jenney (known as the father of the American skyscraper), realized that the skyscraper could be used to create a new form of architecture and as result rejected historical precedent, designing buildings that highlighted their vertical nature.

Sullivan lived by the phrase "form follows function" and was responsible for great architectural successes such as the Auditorium Building in 1889 and the Carson Pirie Scott Department Store on State Street. Other architects whose names are associated with the Chicago School include Dankmar Adler, who developed a type of caisson construction for the Chicago Stock Exchange (1894-1972), Daniel Burnham and Martin Roche, a designer with a taste for Gothic architecture who created the world's first Gothic-style skyscraper for the University Club of Chicago in 1908.

The Prairie School was principally a residential architectural movement that began in Chicago and spread quickly across the mid-west US. Created by the illustrious Frank Lloyd Wright it influenced both building design and the design of furnishings by utilizing open plans and horizontality. The Robert W. Roalson rowhouses at 3213-19S Calumet, designed in 1894, show the influence of Louis Sullivan on Wright's

work. Between 1900 and 1910 he designed Prairie Houses, intended as structural accompaniments to the landscape around Chicago and built independent of historical precedent.

The great accomplishments of the Prairie period include the Frederick Robie House, located on the campus of the University of Chicago in Hyde Park on the South Side of Chicago, the Laura Gale, Peter A. Beachy and Fran W. Thomas houses in Oak Park and the Avery and Queene Coonley House on the banks of the Des Plaines River in Riverside, a suburb of Chicago. In particular, the Robie House had a great effect on young European architects after World War I and is sometimes referred to as the "cornerstone of modernism".

German architect Ludwig Mies van der Rohe, the last director of the Bauhaus and one of the major pioneers in the development of modernism in Europe, became head of architecture at the Illinois Institute of Technology (IIT) in 1937 where he designed new buildings on the campus including Crown Hall, the home of IIT's School of Architecture.

Van der Rohe's work is sometimes called the Second Chicago School and was characterized by his regard for structure in the abstract as the most important objective of building art more than the plan, hence the emphasis of his career in America on the rectilinear frame constructed of familiar industrial elements.

By 1944 he had become an American citizen and in this period he designed one of his most famous and celebrated buildings, a small weekend retreat outside Chicago located near Plano called the Farnsworth House, one of the most radically minimalist houses ever designed with its interior a single room subdivided by partitions and completely enclosed in glass. This showed the world that industrial structural steel and glass were materials capable of outstanding architecture. Using his design for the Seagram building in New York as a prototype, Van der Rohe also designed the IBM Plaza, at 330 North

Wabash Avenue and the steel, glass and brick McCormack House, located in Elmhurst, Illinois for real estate developer Robert Hall McCormack Jr.

The first large firm to put up the steel and glass high-rise buildings that conform to the principal ethos of the Second School was the Chicago office of architectural firm Skidmore, Owings and Merrill (SOM). The Inland Steel Building of 1957 (the first commercial structure in the Loop, the heart of Chicago's downtown business district, following World War II) was notable for its structural stainless steel framing, including 60-foot girders spanning the office floors and supporting the beams and steel decking, its office floors supported entirely by seven columns on the east and west sides set outside the curtain wall, and its column-free interior.

The two SOM commercial buildings, the John Hancock Center (1969) and the Sears Tower (1974) are regarded highly by critics and are among the tallest buildings in the city. The John Hancock Center, one of the most recognizable buildings in the world, is an architectural icon, with its distinctive X-bracing removing the need for inner support beams. It is also the first trussed-tube skyscraper ever built and tapers on all four sides. The Sears Tower, located on Wacker Drive in the heart of the west Loop, consists of nine framed tubes, which are actually nine skyscrapers taken together into one building. Both of these structures are examples of the tubular frame, in which the load is carried not by the traditional cage but mostly by exterior walls.

Chicago is now in the process of reinvigorating its skyline with a new generation of buildings, many of which utilize new designs both for structural and aesthetic benefits. These include 400 North Lake Shore Drive (formerly known as the Fordham Spire), a proposed 124 story skyscraper to be completed in 2010, which will surpass the Sears Tower in size, and the Trump International Hotel and Tower: a skyscraper condo hotel under construction at 401 North Wabash Avenue estimated to be completed in 2009.