

## Practice Management Part 2: Success Lies in Structural Framework, Leadership and Accountability

Oct 22 Posted by [Susan Saltonstall Duncan](#) in [Practice and industry groups](#)



In our last blog post, [Practice Management Part 1: What Works Best -- Practice Groups? Industry Groups? Client Teams?](#), we described the various practice structures firms have put in place to manage the work, service clients, and to market and promote these areas of expertise and knowledge. Having such a complex matrix organization poses a significant challenge to leadership and management and requires clarity about roles, reporting structures, expectations and measures and accountability. Following are some of the questions often asked by firms struggling to put a matrix organization in place.

### **How many of each type of group do firms have? How many lawyers are in a group/team?**

It depends -- on the firm's primary practice structure (usually practice groups,) the breadth of the practice, the firm's strategic priorities, the top practice area revenue drivers, the size of the firm and the readiness of the firm to truly commit to industry and client team planning and execution, which many firms only pay lip service to.

No matter how large the firm, there is only so much time in a given day or year to manage teams and to dedicate resources and collective energy to these groups. Remember, partners who lead these groups also have very demanding practices and clients! There also is often a dearth of leadership talent and availability at most firms.

As an example, a global law firm that has 1000 lawyers in 15 offices in 8 countries might be able to manage as many as 10-12 global practice groups, 8-10 industry groups, and 10-20 key client teams. (If there is marketing, resource management and revenue generation occurring at an office level, this firm may also have 10-15 office plans.) The key to determining the right size has to do with how many leaders can you find, train and hold accountable, the level of professional support you give to the leaders and groups, and how many plans you can design, budget for, execute and monitor simultaneously.

As to the number of lawyers in each group, this also varies widely. You may find a group like an Appellate Litigation Practice Group only has 3 partners whereas an M&A Practice Group may have 50 partners. Ideally, practice groups are no larger than 25-30 partners and always better if smaller. On the industry side, these groups tend to be larger since there is a broader intersection of functional practice specialists serving an industry. Client teams also range in size depending on how deep and broad the work is that a firm does for a particular client. The core account management and planning team should be limited to 8-10.

## Can partners join as many groups as they want or should we limit them to a maximum?

Most firms limit the number of practice groups partners can actively participate in to two or three: one primary and one or two secondary. Partners may then also become members of one to three industry teams and also may be likely to be active in one to two client teams and/or office marketing efforts.

## What are the responsibilities of partners who lead each type of group?

As we discussed in our previous post [Practice Management Part 1: What Works Best -- Practice Groups? Industry Groups? Client Teams?](#), the Practice Group structure (including the hybrid PG/IGs like Energy, Telecomm, Financial Institutions) is most often the primary management framework used by most firms. Practice Groups usually are the only groups that have to fulfill all areas of responsibility. As a result, they require the greatest range of management skills and by far the most time commitment of partners who lead them, except for those who lead small groups, e.g., less than 10-15 lawyers. It is not unusual for partners who lead very large practice groups that generate 10-20% of a firm's revenue to put in 300-400 hours per year on managing their practice group. Many firms now provide additional compensation to partners who lead these groups and/or relieve them of established billable hour standards.

Broad Practice Management Roles/Responsibilities	Practice Group	Industry Group	PG/IG Hybrid	Client Team	Office or Region
Strategy, Revenue Targets and Business Plan	P	P	P	P	P
Day-to-Day Oversight, Budgets, Administrative Policies	P	-	P	-	P
Hiring, Professional Development and Resource/Workload Management	P	-	P	-	P
Client Development, BD & Marketing Plan and Execution	P	P	P	P	P
Utilization & Profitability	P	-	P	-	P
Client Intake, Client Service, Project Management & Quality Control	P	-	P	**	-
Pricing, Billing & Collections	P	-	P	P	***
Individual Attorney/Partner/Peer Coaching and Management	P		P		P

\*\* Client teams will focus on client service issues and quality control, especially as they relate to client feedback, but also because they will be critical to retaining clients.

\*\*\* Office leaders are often involved in establishing differential pricing based on what each market will bear.

## What are the core competencies required of good practice leaders?

As illustrated above, the responsibilities of those who lead these groups varies quite a bit. In a post last year entitled [How Can We Make Practice Group Leaders Successful](#), we reviewed in greater detail the requisite leadership skills needed of Practice Group Leaders. Some of the qualities all leaders of any of these groups must have include:

- Understands the firm, its goals and philosophy
- Places the firm above personal agenda
- Places the long-term success of team above personal practice or origination goals
- Has excellent leadership skills: inspires and motivates, organizational, listening, delegation, team builder, has respect of partners, has strong communication and interpersonal skills
- Is willing and able to devote necessary time (could be as much as 300 - 400 hours per year)
- Is able to make decisions quickly
- Is committed to improving practice management and optimal client service
- Is capable of and committed to growing revenue

There is some difference in the primary versus secondary skills of leaders of the three different teams firms currently have in place:

Type of Leader	Core Competencies Required	Additional Skills Needed
Practice Group	Finance, pricing and budgeting; strategic planning; organizational management; communication; coaching and mentoring; project staffing; political and self-awareness.	Marketing and business development; practice trend spotting and new “product”/niche development; ability to resolve interpersonal disputes.
Practice/ Industry Group Hybrid	Combination of PG and IG Competencies	
Industry Group	Industry and vertical market knowledge and thought-leadership; ability to build and price new “products”; marketing and business development; strategic planning; intra- and inter-group communication and collaboration.	Finance and budgeting; coaching and mentoring; ability to spot opportunities to cross-sell; entrepreneurial mind-set.
Client Team	Proven ability in key account management, client relations and team-building; well-versed in project management, budgeting, pricing; strong client relations skills as a trusted adviser; ability to spot opportunities to cross-sell.	Industry knowledge; able to solicit and hear formal client feedback; able to provide constructive feedback to peers; politically sensitive but also powerful enough to affect change when needed.

## How do firms train, evaluate, compensate and hold practice management team leaders accountable?

There are a number of best practices that successful firms are utilizing:

- Provide formal leadership training to their practice leaders. Programs may be externally hosted or customized to the firms internally.
- Each type of leader has a written job description depending on whether it is a practice group, industry group or client team.
- Each leader is required to develop an annual business plan for their teams. Most PGs and some IGs and Client Teams hold an annual retreat for this purpose. These plans are based on measurable objectives including revenue goals and specific action steps and assigned responsibilities for how objectives will be met. The leader holds regular meetings to review progress against the plan, revise according to new opportunities and keep all team members engaged and accountable.
- Team leaders meet with the managing partner or partner in charge of industry groups (usually a member of the management committee) for both an annual look back and look ahead review, and usually have quarterly status updates on the groups' progress against goals.
- Billable hour goals for leaders are usually adjusted downward – put another way, PGLs and IGLs in particular are given "billable" credit for their leadership time.

## **How do the groups coordinate among themselves and keep partners informed?**

Most industry group leaders and client team leaders also report to a PGL or Department Chair. This keeps information flowing among and between groups. Firms also set up internal email groups for leaders of teams to share best practices, success stories and challenges. Other best practices for inter-group collaboration include:

- Break-out meetings and full-partner reports at annual partner retreat meetings for PGs, IGs and Key Client Teams
- Quarterly or bi-annual practice management leadership team meetings
- Member of management committee given responsibility to oversee client and industry teams and report back to PGLs, Department Chairs and/or Management Committee
- Each Practice Group, Industry Team and Client Team appoints a partner liaison for other key groups and teams. That partner is on the PG/IG internal mailing list and attends his/her designated PG or IG meetings and reports back to the team.
- Many firms have developed robust intranet sites for each of these core teams/groups. These internal micro-sites host dashboards and information about all aspects of the practice, industry or key client as well as status updates on the plans, new opportunities, trends, etc.

## **How do firms provide budgeting for these groups?**

Ideally, budgets are developed based on the business plan objectives and strategies and should be tied both to revenue goals and metrics to measure expected and actual return on investment. Historically, firms have provided budgets to practice groups primarily, not as often to industry groups or client teams. This may be backwards in that the latter two types of groups often are the most market/client-facing and will require higher business development and marketing budgets for travel, industry conferences and sponsorships, thought-leadership initiatives, and client visits. In order to justify budgets requested by each group, the leaders should be asked to evaluate the ROI of each expense. Each partner on the team should also be required to complete a short plan for every budget request that frames the opportunity, the specific objectives and targets, the expected return and the follow-up afterward.

## **What type of support should be allocated to the marketing and managing of these groups?**

Most firms have appointed (and in many cases hired additional) members of the business development team to support specific practice, industry and client teams. While more often seen at the larger department level, several firms have designated dedicated business professionals to the larger practice groups. This individual, often called a Practice Group

Business Manager, helps establish and monitor the group's revenues, utilize versus goals, may intersect with the firm's financial/pricing team on alternative fee concepts, will support marketing and business development efforts and will help schedule, run and follow-up on planning meetings and plan updates and reviews. We will detail this role further in a future article/blog post.

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