Two Can Play This Game:
The Trend Toward Having Co-Managing Partners

by Patrick J. McKenna

Here is a provocative scenario: You are in your early fifties, a successful practitioner and in the midst of your best revenue-generating years, when your partners ask you to take on being the firm's next managing partner. Your initial term is four-years, with an option to renew for additional terms; but you are going to have to give up a substantial portion of your practice to manage and lead your firm. What do you do?

In November 2010, I surveyed and heard from 92 law firms on this and other issues related to firm leadership. My research was a repeat of a survey I conducted six years earlier. The most striking difference was the time spent dedicated to full-time management of the firm. In 2004, 24 percent reported managing their firms on a full-time basis. By late 2010, only 9 percent claimed that their management/leadership roles were full-time. All indications are that this decrease in full-time effort is one consequence of our protracted recessionary conditions. Today, even firm leaders are increasingly sensitive to their partners seeing them make a billable contribution.

My research also shows that leaders who relinquish their practices to assume management responsibility may be in a tough spot when their leadership role comes to its conclusion. Only 23 percent of firms have some form of 'parachute provision' or other compensation formulas to help lawyers ease-out of their management roles and back into full-time practice.

What this seems to be stimulating is a growing trend of more firms gravitating towards having co-managing partners. Having co-managing partners who continue to practice law, even while having firm leadership responsibilities, would allow each individual to keep his/her hand in the practice and maintain client relationships against that day when they may return to practicing full time. Perhaps of equal importance in some firms, it provides a measure of credibility that may be needed in dealing with partners.

Now we face a different challenge!

The job of managing a law firm may certainly be demanding enough for two professionals; but the test is getting two people to share the role. Attempts to split the managing partner job can lead to clashing egos and crippling power struggles, especially if one of the two partners conceals an ambition for holding the position alone. Despite some problems with sharing responsibilities numerous law firms have made it work and here are the key components to focus on:

• Cultivate Self-Awareness.

One of the initial hurdles to sharing leadership responsibilities is that you do not usually get to choose your partner and this can obviously cause some frustration.

In the ideal situation, co-managing partners would have complimentary capabilities. Perhaps one is from the transactional side of the firm while the other a litigator. Or one is perceived as the more senior statesman while the other is recognized for their youthful entrepreneurial spirit. In other words, the best situation is where the two partners bring different skill sets and different talents to the table such that either of you would freely admit that you could not do the things that the other does.

Each of you has to be brutally honest— in understanding your respective strengths and weaknesses. In fact, it is advisable, early in your working relationship, to engage in some form of self-assessment to obtain a measure of your leadership strengths, personal work style and emotional disposition in order to have some hard data to examine and compare. One self-assessment tool that I have invested 15-minutes into doing on myself, is available at no charge and can be accessed at: http://personal.psu.edu/j5j/IPIP/ipipneo120.htm This assessment measures five domains of personality: extraversion, agreeableness, conscientiousness, emotional stability, and intellect; and provides you with an instantaneous written report of about 9 to 10 pages.

You might also consider asking for formal (or informal) 360-degree feedback to get a sense of how others in your firm are viewing your respective attributes and shortcomings.

• Shared Commitment to the Firm.

In order for two professionals to successfully lead one firm, you need to come together on a shared ambition for where you would like to see the firm go and what you would like to see achieved during your joint tenure.

Having examined a number of shared leadership arrangements, one factor is paramount – those partners involved have to be prepared to work together as a team for the good of the entire firm. This factor, more than any other, allows you to work through any differences and collaborate effectively. Each of you must be prepared to learn how to take a step back in the areas where the other is better equipped to take the lead. There can be no competition between you for power or accolades.

• Willingness To Develop A Working Relationship

Being a co-managing partner runs counter to the natural tendency of lawyers to strive for individual achievement. A lawyer's identity and self-worth is focused around what he or she accomplished as a practitioner and upon developing competencies that serve to distinguish them in meaningful ways.

There may be fewer opportunities for individual achievements when you share leadership. Indeed you must agree to share the responsibility – both the glory and the agony – as a team, not as individuals. Many achievements will be joint achievements. When some outcome is achieved primarily by one of the two co-leaders, your partners may assume that you worked together or feel that it is appropriate to recognize both leaders equally. The greatest challenge for you both to overcome will be to subordinate your respective egos. Are you comfortable with walking on stage and taking your bows together, even though you may feel that you did the lion's share of the work on the project that your partners thought deserved such kudos? Co-leadership can only work if each partner is prepared to share credit and . . . share blame, equally.

• Clearly Defined Roles

Agreeing to work as co-managing partners involves some upfront discussion about roles – and those roles must be carefully designed. A common distinctions when dividing the workload is to have one individual dedicated to the external environment (strategic direction, client service and new business development) while the other takes responsibility for the internal environment (budgets, personnel and operations).

That said, you can divide the leadership duties in any number of ways. One might be responsible for the international offices, while the other focuses on the Americas. One might be in charge of technology and finance; while the other oversees marketing and partnership issues. One can have a task-orientation while the other is better with handing the intricacies of working with the people – partners and staff.

If a natural division of labor is not apparent, you may wish to start by conducting an inventory of the tasks, activities and responsibilities of the managing partner's role. (I did this a few years back and came up with a list of over 50 bullet-point activity items). Now choose which of these activities would best be performed by which partner, and which activities should be done together. At the conclusion of this exercise, you need to be absolutely clear amongst the two of you as to what activity should be performed by who (that individual who has the better knowledge, experience, or contacts) and you need to be absolutely transparent with your other partners on who has responsibility for what.

Finally, there needs to be a purposeful effort to ensure that no administrative professional (COO, CFO, CMO, HR, etc.) ever reports to both co-leaders. It is important to avoid any potential for confusion. Fellow partners should not be seen "shopping" their pet projects around, and subordinates should not be allowed to play you off against one another by asking you for something after your co-leader has already said no.

• Establish Working Protocols

In discussing with co-managing partners, the nature of their relationships, the first thoughts offered on what makes for an effective relationship are terms like "good chemistry, trust, mutual respect, and confidence." These broad descriptions convey a general feel of the relationship, but what are the specifics that make these relationships work? What are the elements that make up this "good chemistry"— and can they be replicated? When you probe deeper, there are two essential ingredients that must be in place:

DECISION MAKING

There is a fundamental dilemma involved in having two people sharing leadership responsibilities: If you strongly disagree with your co-leader on some course of action, now what do you do?

Co-managing partners report that having some pre-agreed process, protocol or ground rules in place that allows for open debate and true decision-making is important. In some situation, the easiest approach is simply to defer to the individual who would appear to have the most experience. In other instances, I have seen two co-leaders agree that they will be prepared to defer to that individual who expresses the strongest feeling about a particular decision. And, in those instances where both of you may have equal expertise or strong feelings about the subject, you need to resolve any disagreement by choosing some trusted advisor(s) to serve as arbitrator and help you both reach a satisfactory decision.

COMMUNICATIONS

Most co-managing partners report that they make it a habit to communicate regularly, at least a couple times a week and far more frequently at the onset of the relationship. Many note that they make an intentional effort to stay in touch by setting aside dedicated time to work with their counterpart. For one co-leader that meant flying to the opposite coast and working there for a few days of each month. For another, it meant scheduling a regular monthly luncheon with a pre-agreed upon agenda to share thoughts, debate issues, develop common positions and plan their work. The important lesson is to specifically make time to meet and communicate – don't leave it to chance.

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 to keep the other fully informed of issues and potential issues that relate to your firm's performance and leadership.

Embracing Shared Leadership

If your firm has potential office or firm leaders who would be great in the role but are reluctant to give up their client responsibilities, the notion of having co-leaders may be an attractive alternative. The 'power of two' can give your firm the extra managerial bandwidth needed to cope with a complex, fast-changing, competitive environment and foster an internal dynamic where both leaders challenge each other to higher levels of performance.

Patrick J. McKenna (**www.patrickmckenna.com**) has worked with the top management of premier law firms internationally to discuss, challenge and escalate their thinking on how to manage and compete effectively. He is co-author of business bestseller *First Among Equals* and his latest work, *Serving At The Pleasure of My Partners: Advice To The NEW Firm Leader* will be published by Thomson Reuters in July 2011. Patrick currently co-leads a bi-annual program entitled, *First 100 Days: The New Managing Partner's Master Class*, held at the University of Chicago which has thus far graduated over 50 firm leaders, many from the largest NLJ 250 firms.

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