

It's Law Firm 101

New degree program helps managers figure out those legal minds.

**Law Firm
Administration**
A Special Report

BY JAMES W. JONES

The role and importance of professional management in law firms continues to grow. That's why George Washington University recently announced the creation of a new master's degree in law firm management designed specifically for professional law firm managers and administrators.

An outgrowth of a previous master's degree program in professional service firm management, the new program will focus exclusively on the management and leadership challenges of running successful law firms.

As law firms have grown in recent years, they have become increasingly complex organizations, often with responsibilities and authority defined in overlapping layers of firmwide functions, practice group functions, client team functions, and geographic functions. Add to that the normal problems of running any nonhierarchical professional service organization—issues of personal autonomy, the importance of maintaining the independence of professional judgments, the difficulty of managing businesses where people are the “assets”—and you have the makings of serious management and leadership challenges.

To deal with these and similar issues, most large and midsize firms have turned increasingly to professional managers and administrators for help, often looking outside the legal profession for the best candidates. As a result, both the role and the prominence of professional management positions—normally but not exclusively held by nonlawyers—have expanded dramatically in recent years.

Today, it is not at all uncommon in large law firms to find senior staffs of “C” level professionals that parallel organizational structures in the corporate world—chief operating officers, chief financial officers, chief strategy officers, chief marketing officers, chief information officers, or chief talent

officers. And there is a growing acceptance among law firm partners of the important roles these professionals can play in implementing firm strategies, expanding business, enhancing financial performance, improving professional development and staff morale, and providing the high-quality infrastructure essential to the efficient delivery of legal services.

MEMBERS OF THE TEAM

But despite this considerable progress, many law firm partners are still reluctant to accept professional nonlawyer managers and administrators as full members of the team in shaping and implementing firm strategy and providing top-quality professional services to clients. This reluctance stems, no doubt, in part from normal lawyer hubris, but it also often reflects a deeply held suspicion that nonlawyers just don't understand legal business, and that suspicion is not without foundation.

Law firms are unique organizations quite different from other businesses and, in some important respects, even different from other professional service firms. If professional managers and administrators, many of whom are drawn from other business sectors, are to be effective in the law firm environment, it is critical that they understand on a deep level how lawyers think, how and why law firms are structured as they are, what motivates lawyers as professionals, what drives success in law firms, and how client expectations are changing. The new program at GW is designed specifically to help professionals who manage and lead law firms understand and appreciate these important concepts.

Developed in partnership with the Hildebrandt Institute, the GW program is designed as an executive education offering for persons who are already working full-time in law firm management. The degree, a master of professional studies in law firm management, is a 30-credit program that can be completed in two years.

The program is divided into two 12-credit segments (the first focused on law firm management and the second on leadership issues in law firms) and concludes with a six-credit individual research project. Each of the two 12-credit segments involves a nine-day residency (essentially one workweek with the weekends on either end), a four-month distance learning segment (using online program elements), and a final four-day residency (a long weekend). All residencies are conducted at the GW Alexandria Graduate Education Center. The individual research project is developed by each student with a member of the faculty and is usually completed within a year after completion of the course work.

Students not wishing to pursue the master's degree may obtain a graduate certificate in law firm management by applying for the graduate certificate program and completing the first 12-credit segment of the master's degree curriculum.

The curriculum itself is highly interactive and designed to give students practical experience in the operation of law firms in a setting that is as realistic as possible. To accomplish this, the law firm management segment of the program uses an elaborate case study of an imaginary law firm—including its full history, current and historic financial performance, compensation system, analysis of practice groups, marketing materials, and strategic plan, as well as a consultant's report on its performance.

Working in teams, students are asked to evaluate the firm's performance on many levels, to assess its growth opportunities, to evaluate a potential merger, and to deal with several "crises" that occur. These "real life" exercises allow students to apply the theories they are learning in very practical ways, to try out new ideas, and to develop a deeper understanding of what does and doesn't work in the law firm setting.

In the second segment of the program—focusing on leadership issues in law firms—the emphasis again is on helping students develop the practical skill sets they need to be effective in law firm settings. During the second segment, they not only learn the theories of leadership but are also given the opportunity to assess their own leadership strengths and challenges through a series of diagnostic instruments and sessions. Students also learn about the typical personality profiles and preferences of lawyers, the difficulties of leading from a staff position in a professional service organization, and ways of playing to their own strengths in developing effective leadership skills.

During the final phase of the program, the individual research project, the focus is entirely practical. Indeed, students are typically asked to undertake a research project directly related to addressing an important and critical problem in their own firms. These projects, selected in consultation with senior management of the firms in

the professional services program, have often resulted in highly useful information that has led to changes in firm policies or procedures.

The faculty for the GW program is a blend of academics, consultants, and people with practical experience in law firm management and leadership. It consists of professors from the GW School of Business and School of Public Policy and Public Administration, as well as adjunct professors drawn from consultants at Hildebrandt International, specialists at the Citigroup Private Bank Law Firm Group, and executive directors of law firms.

Over the past two years, in its prior format, the program has attracted students from law firms of all sizes, including professional managers and administrators from Bingham McCutchen; Kirkland & Ellis; Morgan, Lewis & Bockius; Patterson Belknap Webb & Tyler; and Skadden, Arps, Slate, Meagher & Flom. In most instances, firms have been quite supportive, providing students with paid time off to participate in the program and, in many cases, covering all or a portion of the costs involved.

ON THE CAREER TRACK

Apart from the obvious plus of improving the skills of key managers, the program can help firms retain promising young professionals by offering them a more defined career track and demonstrating a real investment in their future. Research has shown that teams become more productive the longer key team members remain together. Hence, reducing staff turnover—particularly in leadership positions—is important to a firm's continuing success. Experience has also shown that program participants, upon returning to their firms, usually bring their new understandings and skills to bear in their work with their own staff, thereby passing these skills on to others and expanding the return on the firm's investment.

One of the most salutary results of the extraordinary growth of law firms over the past few years has been the growing professionalism of the people—both lawyers and nonlawyers—in key management and leadership positions.

Not only is such professionalism absolutely critical to the functioning of such large and complex organizations, it is increasingly essential to supporting the work that only lawyers can do: the delivery of top-quality legal services to clients. The new GW master's degree in law firm management is a welcome addition to the set of tools available to law firms to address these critical issues.

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