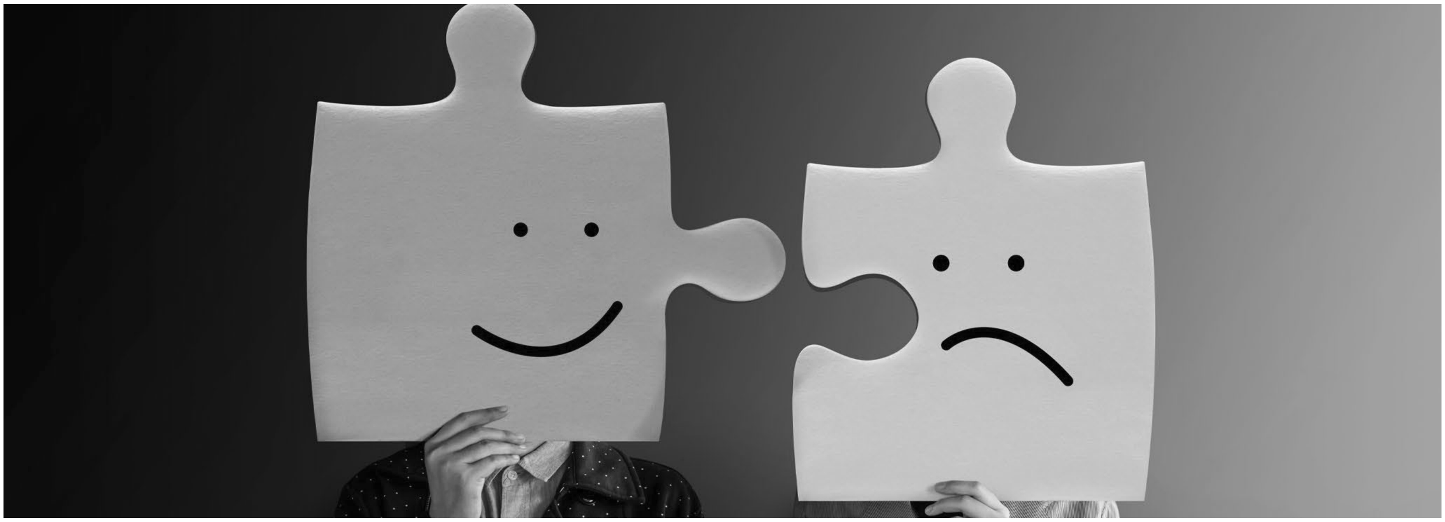

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Navigating the Risks and Rewards of External Partnerships

Engaging an outside company to manage internal change — systems, processes or people — requires effective leadership and collaboration. For law firm administrators, the task is especially involved considering the demands of the legal profession.

Client confidentiality, firm structure, administrative workloads, billing sensitivities and the legal profession's perceived resistance to change can all pose challenges for even the most capable administrators and their partners.

How can firm leadership successfully manage these unique client-vendor relationships? The key lies in skillful change management and collaboration between the firm's operational teams and outside providers. To effectively navigate change, administrators must integrate their partners into the organization's processes as well as its culture. This requires a coauthored roadmap, a rational execution strategy and a good measure of subtle finesse.

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RISK VS. BENEFIT

Before undertaking any journey, it's beneficial to understand the pitfalls that may sidetrack or thwart a successful outcome. For the legal profession, process is almost as important as relationships. Hiring an outside entity to create change presents challenges unlike the day-to-day practice of law. Obviously, a poorly executed project is a waste of cash — hours spent on a project with little yield add up in the loss column.

Team morale suffers when support staff are either left out of the execution equation or feel threatened by outside "consulting." When staff retention suffers, a disproportionate amount of effort must be spent on recruiting and training to maintain operations. This snowball effect can creep into attorney-client relationships and ultimately affect the firm's financial footing.

The benefits of successful business partner relationships, however, greatly outweigh the risks when done well. Typically, firms bring on a partner to improve processes and deliver predictable outcomes. The first benefit is sustained profitability through combined reductions in operating costs and an increase in revenues collected. Improved internal processes eliminate employee pain points, boost morale throughout the firm and help teams function more efficiently. And when teams function better, they serve clients better — whether it be by eliminating friction, such as billing errors, or freeing up attorneys to focus on nurturing client relationships instead of client administration and troubleshooting.

An often overlooked positive externality of optimized back-office functions is predictability — in service levels, risk exposure and cashflows. Predictability generates transparency and trust in achievable expectations, which results in better relationships between law firm stakeholders, their vendors and the end-client. Better relationships produce successful outcomes, which produce more business.

RELATIONSHIPS AND CULTURE ARE ESSENTIAL

So how do firm administrators avoid the pitfalls and reap the rewards of incorporating outside assistance into the organization? Begin by establishing a relationship with key contacts, preferably the business partner's top executives. Start simple — begin by establishing rapport across functionalities. The fact of whether a vendor is trusted or even liked sets the tone for the rest of the relationship.

Take the time to educate. While it's crucial to make the vendor fit your culture, be sure to share that culture, including your firm's expectations of formality, responsiveness and client interaction. Do they return phone calls and email promptly? Have they delivered their information in a timely manner? What's the general attitude of more junior personnel? Remember, these staffers, whether they're help desk personnel or IT managers or billing specialists, will be interacting with your teams and your clients on a daily basis. Do they meet your level of customer service? Do you trust them?

3 KEY QUESTIONS FOR POTENTIAL VENDORS/ PARTNERS

If there appears to be a fit, ask the potential partner's key leaders some simple but revealing questions:

1. What's their track record? Ask who they've worked with. Ask about specific projects. What was the scope? Was it successful? Are they still working with that client? The answers they give will reveal much more than the questions imply.

2. Ask for assurances and guarantees. Set expectations early — let the vendor know what the key performance indicators (KPIs) are and what is ultimately hoped to achieve for the firm. Get agreement on specific deliverables before signing a contract. This may seem obvious, but a solid roadmap authored by both parties is essential for success yet often overlooked.

3. What is the company's vision? This question, more than the practical first two, will reveal the nuances for how to manage (or not to manage) the relationship. The answers should shine light on how the business partner's leadership thinks, how they learn and how they manage their adoption journey. It should illuminate whether their success is vested in your success. If not, consider passing on the opportunity.

SIGNED, SEALED — NOW DELIVER

Execution is often where things go wrong. We can do all the homework and reference checking in the world and play countless rounds of golf, but if the law firm and the vendor partner aren't mutually aligned on goals, shared incentives and an agreed-upon process, the effort may be doomed. Keep these in mind:

Stick to the roadmap: A detailed plan that outlines responsibilities, expectations, process, deliverables and desired outcomes is essential. This "prenup" should include the firm's expectations as well as the business partner's. There must be measurable KPIs, and incentives should be built in and shared by both parties. Your roadmap helps align all efforts and creates an invaluable sense of team investment and joint ownership on process and outcomes.

Think big, start small: Change only happens as fast as its slowest component. Identifying and removing bottlenecks first, whether they be in invoicing, communication protocols, onboarding or general process familiarity, is effort well spent. Set big overall goals, but implement small, tangible changes. Managing change in phases and at a tolerable pace avoids disillusionment when progress is slowed or efforts are off target. Allow for correction and learning in pursuit of success.

A CULTURE OF COLLABORATION IS KEY

A collaborative mindset helps individuals, and ultimately organizations, embrace change. Administrative leadership, in tandem with their business partners' principals, must create this culture. A shared plan, common goals and a well-designed process create an atmosphere of possibility. Teams, whether internal or external, thrive when they work together to achieve mutual goals. Collaboration means attorneys, administrators, staff and consultants share the sense that payoff is greater than effort. The attitude and outlook of firm administrators and partner leads infuse the entire effort. Creating a positive, rewarding experience that has achievable, recognizable goals is essential. It allows for course correction and adaptation along the way and perpetuates the foundations of trust and clear communication.

ABOUT THE AUTHOR

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