

Partner Development in Three Nations:

Some U.S. Snapshots and Trends

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Introduction

In preparation for the NALP Conference 2012, I wanted to add to what I had learned already about partner development programs, so I called some firms, large and mid-sized, to find out about the progress of existing programs or new additions. In the panel, I will describe some of the programs, but in this paper I want to note some trends and innovations in partner development. I will focus on the theme question: “Why invest in partner development?”

The firms that responded to my telephone interview were:

Baker Donelson Ford and Harrison
Milbank Skadden.

These are all very different sizes and shapes of practicing law, but they all demonstrate innovation in talent development generally and partner development in particular. First, here is a table of some basic data about the four.

Firm	Lawyers	Associates/ other	Partners		2011New Partners	Leverage E.P. to all
			Inc.	Equity		
Baker Donelson	660	286	113	187	13	1:2.13
Ford and Harrison	180	97	40	43	10	1:3.18
Milbank	577	430	?	147	3	1:2.93
Skadden	1859	1429	0	430	9	1:3.32

For all these firms, they have made significant steps to improve the path to partnership, partnership entry or partner growth – or all three. Whether your partnership is 60 or 400, their innovations are lessons for others.

The Business of Law and Business Development

All four firms have a segment of partner orientation devoted to understanding the firm’s economics and business. Since analyzing data like profitability has become important for all partners, not just the CFO, the Milbank strategy is noteworthy. Midlevel and senior associates at Milbank spend a week at Milbank@Harvard. This tailored program combines business school and law school expertise. Associates learn business principles, marketing, negotiation, strategy and professionalism over several modules, with a new module offered every year.

This is part of a larger Milbank Excellence program, where internal professional development, recruiting and evaluations have been ramped up since 2008¹. Milbank also has a history of giving associates chunks of “time out” for important priorities. For example, junior associates can take up to three months doing intensive pro bono work.

Several firms have business development training for new partners, or offer an opportunity alongside current partners. Skadden’s four years’ of annual partner development includes work on client development, client management and networking.

Ford and Harrison and Baker Donelson have made their intensive business development programs “opt in by application”. New partners have to make the case for getting admitted, and a limited number get in. This approach is unique because of a past reluctance to treat partners (the owners) differently. But when resources are scarce and good programs are lead by top consultants, it makes sense to allocate the resources carefully. The Baker Rain program results show it. Baker Donelson states that partner numbers and client relations are stronger

¹ The writer worked with Milbank on the Excellence initiative to create multi-level CLE and annual conferences.

for graduates of the program than for others. One expects that the motivation to get in to the program will increase each year.

The Skadden approach is to focus on the transition to partner, more than acquiring new clients. Since they have many established clients, they want partners to be able to adjust to managing relationships, managing teams and working with counsel and associates who were recently your peers.

Leadership

Skadden has leadership training embedded in the four-year program. In addition to internal resources, they use Columbia Business School to supplement leadership training. Milbank sends selected partners to the Harvard program on law firm leadership. Both firms report that the programs are well received by partners. However, it is difficult to measure results from this exposure.

Another approach to leadership is similar to those that we conduct through Edge International. They are year-long programs for partners (new and existing) on leadership. The programs do not require you to be a formal leader; in fact, many are not. Baker Donelson's Leader Academy graduates 20-23 per year. The program starts with preparation and a day-long workshop. Each attendee later takes on a leadership project and participates in quarterly follow up sessions.

Ford and Harrison has been running a Leader Development Program since 2007. With only 83 partners (income and equity), they have graduated 3 classes averaging 15 a class up to early 2012. A Program runs 14-16 months and the time commitment is between 5 and 7 days over that period. The hourly-rated cost of such a program is huge, especially for a smaller, partner-heavy firm. They believe the benefits to their culture and productivity are well worth the direct and indirect cost. As with Baker, this program is entered by application.

Why invest? One benefit of these consistent leadership offerings is in succession planning. These firms are building a pyramid of future leaders who will use the same language and understand the same

leadership principles. One firm noted that the programs have helped female partners advance, with confidence, to leadership positions.

Coaching and Consulting

All the firms interviewed have designed their programs with outside consultants and use consultants and coaches for up to 50% of the program delivery. Business development courses tend to rely more heavily on outside consultants, while leadership programs have more of a blend of inside-outside resources. Coaches are available for all for a period of up to a year in both types of programs. Skadden assigns an executive coach in your fifth year of partnership, following the corporate coaching model. The coach works with the partner on individual goals.

Why invest? Other professional services firms, like Ernst & Young and Accenture, have begun to follow a model called “70-20-10” Development Philosophy². It refers to how you should allocate professional development resources: 70% of all development should occur on-the-job, 20% from relationships, networking and feedback, and 10% from formal training opportunities. If “on-the-job” carries so much weight, the partners all have to be coaches. By receiving leadership and coaching, partners get a better idea of how to coach associates. As we often discover, law firms come late to innovative professional development. In this case the four firms interviewed are in step and have an excellent chance of creating a cadre of coaches.

Shifting the Culture

Suppose your boss came to you tomorrow and said: “We need to change the culture of this 1800-lawyer firm – lets get started.” That is what I believe happened at Skadden a few years ago. They took on the challenge with the entering class of partners in 2007. Beginning with partners in orientation, each “class” of partners comes to New York for 3 days. They get opportunities to meet partners from world-wide offices and various practices. They receive high quality training and interaction with senior leaders. Most importantly, they have organized

² Janus Development Philosophy, Janus Capital ,2008.

social time in various cross-class groups (e.g. a dinner for fourth year and third year one night, drinks with years one and four another). The internal networking has proven to be as important as the training events.

Skadden's annual objectives are:

- to help with transition to increasing partner responsibilities
- to provide the skills to be successful (with clients, leading teams, etc.)
- to promote a culture of continuous learning.

This last objective demonstrates the firm's long-term thinking, which I speculate runs like this. (I hasten to add that none of this is quoted from anyone at Skadden. It is my own speculation entirely.)

"We are facing global competition and rapid change simultaneously. Our future will depend on our ability to change appropriately and to manage those changes. The people best equipped to do this will be continuous learners, young and open-minded. So let's reform from the beginning ranks of the partners and shift the culture gradually."

The program that resulted is an industry leader – a five-year commitment to partner development.

Ford and Harrison also cited culture change as a key element of its leadership program. Baker Donelson stated frankly that partner development program was about "change management and getting things done". Knowing the frustration of managers in firms where talk is eloquent, but action is sparse, I found this last goal very appealing.

Conclusion

So why invest? If you think that change management and leadership are going to be critical to your firm's market position, you cannot rely on a few "natural talents". Like having a great farm team system in baseball, you will need a pool of trained talent. The individuals in that pool can no longer count on "insider knowledge". For initiatives like coaching, legal project management or improved pricing and profitability, the firm will need outside ideas, resources and programs. At the same time, committed insiders who want to see the culture shifted will get behind

partner development. That seems to be the formula behind the successful initiatives of the four firms I had the privilege to interview.

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