

Taking Stock

Preparing for the Compensation Process

I am committed to providing lawyers who read this column with skills and ideas that are critical to success – things that are not taught in law school. As I write this column it is the last week of December and it is typically a time to reflect on the past year and look forward to the new year. For many partners I know it is time to prepare for the compensation process which causes very high stress levels in many law firms as the New Year begins.

For many associates a New Year brings the formal review process.

To help you prepare for the process and to help you take stock for this year consider the following questions.

These questions have been asked before in various forms by many of my friends and colleagues including Ed Wesemann, Patrick McKenna, Gerry Riskin, John Plank and David Maister. We have asked some of these questions in conversations, in strategic planning meetings and in partner evaluation processes.



by Karen MacKay, MBA, CHRP
President

What have you done in the past twelve months to justify an increase in your hourly rate?

Yes, the toughest question comes first. Have you gained expertise in a new area? Have you developed your profile such that you are recognized in the bar and in the business community as the go to person in a particular area? Have you developed expertise in an emerging practice area (think income trusts five years ago) where there is no pressure on fees because there are few experts.

What have you done in the past twelve months to increase the profitability of your group, your office or your firm?

There are four levers of profitability to play with. You may have worked harder this year than in previous years – more billable hours. You may have increased your leverage by adding one or two associates to your team and kept them busy with new and interesting work. You may have developed your expertise or the expertise of your group thereby increasing your overall rate for the work you do. Finally you may have increased your margin – perhaps you found ways of being more efficient while managing your costs. Do you get your time in daily? Do you bill clients regularly and are you accountable for collecting accounts?

What have you done in the past twelve months to develop the young lawyers in your group, office or firm?

Have you developed experience sheets for your group so that young lawyers and their mentors know what types of work associates should be assigned and indeed what stretch engagements they should aspire to? Are you a mentor? If so, what does that exactly mean? What specific things have you done with the young lawyer you are guiding? Have you learned to give feedback that is informal, timely and appropriate? Have you asked for feedback from the associates to see how you might help them in ways that are meaningful?

What have you done in the past twelve months to improve your profile?

About fifteen months ago I made a commitment to write on a regular basis for a publication with wide distribution amongst lawyers in Canada. From this column I have received over ten phone calls, two or three speaking engagements and several inquiries from prospective clients. What specific actions have you taken in the past twelve months to increase your profile? Who are your target clients? What do they read? If you are a junior lawyer your internal firm publications will be read by the partners you serve as well as the firm's clients. Writing leads to speaking – speaking leads to a perception of expertise – perception of expertise leads to work.

What have you done in the past twelve months to improve the quality of the service you provide?

Clients assume that their lawyers are capable. How many clients have you interviewed in the past twelve months to find out how they define quality? The 80/20 rule applies to the practice of law as much as anything else. Do you get the last 20% of your client work done in a timely fashion? Do you get reporting letters done, final accounts done and cash collected on a timely basis?

What have you done in the past twelve months to cross sell your expertise to others in your firm?

When we hear lawyers talk about cross selling we ask them to describe what that means. Many lawyers think that cross selling means that it is the responsibility of others to involve them? Cross selling is an active process. Have you built relationships with your colleagues such that they will want to work with you? Have you shared your expertise with your colleagues and identified firm clients that might benefit from your expertise?

What have you done in the past twelve months to improve your personal communication skills?

In the words of my friend and colleague John Plank,

“your academic accomplishments, your professional training, and your experience combine to make you a highly competent professional. Yet, your highest level of success will be determined by your ability to communicate your professional expertise to colleagues and clients”.

Associates the world over tell us that one of the many reasons they leave a law firm is due to a lack of a relationship with partners (stemming from poor communication). What have you done to improve your communications with partners, associates and clients?

What have you done in the past twelve months to contribute to the group, the office or the firm?

For some of you this might mean a leadership role, a mentoring role, a marketing or business development role. Participation in a firm requires leadership. It also requires “followership”. Have you been a supporter and contributor to positive change in your firm or are you know as a 900 pound Gorilla?

What have you done in the past twelve months to get to know a colleague better?

“I don’t like that person....I need to get to know him/her better.” Working together in a group can be challenging – particularly when the group members are highly intelligent, fiercely independent and extremely driven. Have you asked one of your colleagues out to lunch? Have you gotten to know one of your colleagues on a personal level? Do you know what his or her interests are outside the office – what music they love – what charities they work for – who their heroes are?

A final word

You have chosen a profession that is relentless. Your choice requires that you continuously improve. You can never say “all I want is more of the same”.

Those who recognize and embrace this reality will reap the rewards. What about you?



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