

Must-do Tips No 74 - The Future Management Gap: Part 2

In the face of a widespread lack of need recognition¹, for Part 1 we looked at some of the main pre-requisites for establishing good management principles in the professions. This month's tips highlight three of the key areas for attention in the current environment. These apply to ALL individuals in the firm with a managerial job responsibility or component.

For those readers looking for more on the subject than can be provided here, we have a free two-part briefing paper: **"The Vital Dozen - 12 Steps to Managerial Excellence in the Professions"**. Part 1 is available now. If you wish to receive a copy, send an email to eureka@peoplescope.com quoting **The Vital Dozen**.

To further inspire, we have some seven new workshops on **Leadership & Management** available as off-the-shelf Master Classes: and as tailored Bespoke courses. These are in addition to a further 14 sessions on key areas of **Business Development** and **Client Relationship Management** that cover everything from the *Fundamentals of Practice Development*, *The Art of Cross Selling* and *Good Fee Negotiation* to *Professional Appraisals* and *Handling Difficult Situations & People*: a comprehensive, non-technical development resource.

To find out more, just go to <http://www.peoplescope.com/training-programme.php>.

Tip 1 – make appraisals really work

"Evaluation of performance, merit rating or annual review..The idea is alluring...motivate people to do their best, for their own good. The effect is exactly the opposite of what the words promise"

From 'Out of the Crisis' by W. Edwards Deming (2nd Edition, MIT Press, 2000), p101

For some significant while, the implementation of appraisals and performance reviews has been under critical scrutiny in the wider business world. Although their provenance is less well established in the professions, the many sins of the original have largely been adopted. Usually, these consist of overcomplicated lists of criteria and scoring mechanisms (0-5, 0-10 etc. etc.) within a once-a-year process that can easily become not only crushingly time-consuming but also divisive and counterproductive if motivation for the appraisee is the aim. There are a number of ways to improve effectiveness.

¹ In the 'Future Lawyers' survey by Legal Week in association with Badenoch & Clark (April 2010), *management skills* come **second from bottom** in the list of important attributes for future leaders of the firm in five years' time.

Primary of these is the need to transfer the onus away from "once-a-yeariness" - which too easily allows busy partners and managers to abrogate all responsibility for performance management...until appraisal month arrives. This activity must become an ongoing daily, weekly, monthly pursuit; otherwise, the foolishly busy discredit the process by appearing (and most often being) ignorant of what and how well fee earners or staff have been doing.

Tip 2 - the rise of project management

Recession has provided the stimulus for project management principles to become now a core aspect of professional service operation, through the increasing popularity of fixed fee and other business-like pricing methods and the resulting drive for greater process efficiency in private practice. Many partners - and indeed managers in the firm's support services - will need to acquire a lexicon of project planning, project management, change management and review practice. Not only does this require a new technical skill-set, it demands a more proactive mind-set (with which many are unfamiliar) to ongoing project or transaction communication with external and internal clients.

Tip 3 - finance is a management issue

The 'Future Lawyers' survey separates financial management from managerial ability (both score badly, at the moment, as skills for the future). We do not. Time was when many partners and directors/managers could get away with being diffident about their financial acumen. Now an in-depth knowledge of the levers of profitability and how to manage financial efficiency are **vital** if they are to plan, organise and control their operations successfully. We must make them pricing and financial housekeeping enthusiasts...either in their own right or with the help of experts in their team whose views are respected, taken on board, and actioned. Far from being peripheral, reducing WIP, eliminating write-offs, and linking finance to project management excellence will become as important to the real managers of most professional service businesses as earning fees.

If you do NOT wish to receive "Must-Do Tips", [unsubscribe]click here to unsubscribe[/unsubscribe]. Or press 'Reply' and type 'Unsubscribe': we will do exactly that.

Best regards.

JAMES NEWBERRY

People Scope, 6 River Court, Chartham, Canterbury CT4 7JN, United Kingdom. Telephone: 01227 730411.

This message contains information that may be privileged and confidential and is the property of People Scope. It is intended only for the person to whom it is addressed. If you are not that person, you are not authorised to read, print, retain, copy, disseminate, distribute, or use this message or any part thereof. If you receive this message in error, please notify the sender immediately and delete all copies of this message. Our computers are virus-protected on a regular and ongoing basis. We hope that you don't catch anything from us, but we can't accept any legal responsibility if you do.

Copyright People Scope 2010