

GARD EXECUTIVE CONSULTING, LLC

applying
behavioral science
to enhance
executive and organizational
performance

"What a professional firm sells is not time, but skill, talent, knowledge, and ability. A strategy for increasing its inventory of these assets is critical if it is to flourish. Yet one has to look hard to find the measurement and reward system that focuses the attention of key professionals on asset-building (rather than income statement) activities. That is, most compensation schemes for partners stress income statement measures: revenues, workload, profits. Few recognize or encourage investment in asset-building activities such as development of new methodologies, transfer of skills, etc.

— **David H. Maister**
Feedback Is the Breakfast of Champions

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FirmTalk: The Art of Partnership in Professional Service Firms

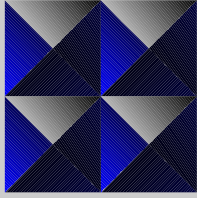
What do you do when one day, you're a half-dozen partners – and then seemingly overnight, you've surpassed some kind of optimal critical mass and become a not so intimate group of 15 or 20 partners and counting, in a fast growing, entrepreneurially-driven professional service firm?

First of all, determine what your barriers to success are. The most common and obvious barriers include:

- governance difficulties
- weighing individual contributions and determining compensation levels
- finding and keeping talented professionals
- remaining one step ahead of your competitors
- striking a balance between independence of and inter-dependence among partners

But a thoughtful firm might consider a number of questions beyond the obvious that ought to be tackled:

- What does a successful partner's critical skill set look like, and how do we guide one another toward it?
- How can we help our technically proficient associates who, once promoted, fall short on new business development or struggle with managing others?
- Assuming that we're all less than perfect at self-motivation, fine-tuning our own performance, and setting a long-term course, how do we help one another in these three important areas?
- How do we hand down the firm's core values from generation to generation and prevent a dilution of these values which, historically, have been so fundamental to our success?
- How do we sustain the esprit d' corps, collegiality, and sense of commitment to one another and to the firm, now that we're so large?
- And, how do we counter the complacency that so often results from success?



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*"...a glimpse of the structures
that are requisite for survival
in the 1990's:*

*New evaluation schemes are
critical. Peer valuation will
be as or more important than
boss evaluation. Subjective
evaluation will be
standard — focusing on your
ability to be a team player, as
well as your ability to get the
job done..."*

— **Tom Peters**
Liberation
Management

The Answer: TALK

Not quite that simple, but almost. An important and substantive first step would be to design a Peer Review Program that is . . .

1. Strongly developmental in nature (as opposed to evaluative),
2. Is designed around a firm's core values and philosophies, and
3. Incorporates the firm's critical skills set.

The Stages of Our Peer Review Program:

Analyze and identify the firm's core values, key positions, and critical skills set.

Assess identified key individuals using advanced interviewing techniques, computerized 360° data, and business-based psychological testing.

Develop reports for individuals and management that detail strengths, gaps, and potential.

Debrief individuals and management on findings.

Have each individual draft a development and advancement plan to present to their manager for collaborative refinement and finalization.

Convene a meeting with the individual, consultant, and manager to reach consensus on the individual's plan.

Ensure that the plan is fully linked with business' going-forward strategy.

The Benefits:

Other than the obvious benefits of building a more robust partnership (a benefit that is difficult to secure in any other way), there are a number of other gains that also accrue to any professional service firm as an indirect result of a Peer Review Program.

For example:

- Partners are able to demonstrate greater precision in reviewing the performance and progress of the associates.
- They also demonstrate greater precision regarding partner selection.
- The firm is more effective in its acculturation and mentoring of associates.