SMART COLLABORATION: How Professionals and Their Firms Succeed by Breaking Down Silos

Prof. Heidi K. Gardner, PhD, Distinguished Fellow, Center on the Legal Profession, Harvard Law School

hgardner@law.harvard.edu
Specialization vs. VUCA Demands

Increasingly deep, narrow, specialized

Professional expertise

Client needs

Volatile
Uncertain
Complex
Ambiguous

© Heidi K. Gardner, 2017
Top-Ranked VUCA Concerns

Regulatory & compliance

Cybersecurity

Globalization

Sector Convergence

Climate change

Digitalization

Brexit

Corruption

Donald Trump

Currency swings

Inflation

Deflation

© Heidi K. Gardner, 2017

Research conducted Feb-Mar ’16
Collaboration: What It’s Not
Collaboration: Top Reasons Clients Care

1. Access to best knowledge and experts in firm – because clients are increasingly sophisticated & well-equipped

2. Deep understanding of client business & sector

3. Innovation
Benefits of Cross-Practice Collaboration

- Average $$/client from collaboration (actual data)
- Average $$/client from cross-selling (illustrative)

**Firm A**

Number of practices serving client

**Firm B**

“Margins rise with complexity.”

*Fortune 100 CFO*

Actual, disguised data from 2 global PSFs

© Heidi K. Gardner, 2017
Collaboration and Business Performance

Two (nearly) identical professionals: same practice, graduation year, time with Firm, annual hours billed.

Business Outcomes

© Heidi K. Gardner, 2017
“If your relationship partner departed, would you seek another provider?”

<table>
<thead>
<tr>
<th></th>
<th>Single-partner clients</th>
<th>Multi-partner clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remain with Firm</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Seek another Provider</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Survey of top 300 clients, major U.S. accounting firm
“If your relationship partner departed, would you seek another provider?”

Survey of top 300 clients, major U.S. accounting firm
Reality of Client Teams

Solo Lead Partner – 84%

Dual Partners – 13%

Multi Partners – 3%

Source: Representative U.S. law firm
If collaboration is so great, why aren’t we doing it more?
Two “Types” of Rainmaker – Different Concerns

Solo Specialist

- Competence trust
- Interpersonal trust
- Self-confidence
- Self-defense /Mobility
- Time pressure

Seasoned Collaborator

- Awareness of others’ expertise
- Building a committed team
- Demonstrating trustworthiness
- Institutional patience
What can you do to lower the barriers that inhibit collaboration?
AmLaw Leaders Compared to Clients

Source: Morse & Fitzgerald

- AmLaw 100 leaders
- Fortune 100 CEOs
- Fortune 100 GCs
- Nasdaq CEOs
- Nasdaq GCs

© Heidi K. Gardner, 2016
“My CLP is aging in place. He’s now more of a gatekeeper than advisor.”
*Client GC*

“They ‘introduced’ me to my new CLP. Is that a joke?”
*Client GC*
CLP Succession – “How To” Example 1

Client Council
Authorizes, Monitors, Helps, Advises... with “Teeth” ($)
Getting Through the Pain Barrier

Experience with collaboration

Costs drop as people gain experience collaborating

Collaboration becomes “normal” way of working

Leap of faith: Costs and risks easy to identify, but benefits accrue slowly