

Closing the 'Strategy to Execution' Gap

A planning framework for smart collaboration in law firms

By Dr. Heidi Gardner and Gardner & Co.



IN ASSOCIATION WITH:



Executive Summary

Nearly all law firms past a certain size and level of sophistication have a formal strategic plan that outlines at least the basics of their vision, major goals, and specific initiatives for achieving them. Most law firms, however, fail to fully translate their plan into action. Siloed practice groups, geographically distributed partners, the crush of day-to-day work, and the temptation to pursue short-term revenues over longer-term priorities are all challenges to successful plan execution.

This challenge is certainly not limited to law firms. In an ongoing global survey of senior executives, two-thirds said they didn't think their organisation had the right capabilities to execute the strategy.¹ Similarly, The Economist's survey found that 57% of strategy implementations were considered unsuccessful.²

Gardner & Co's research, conducted for more than a decade at Harvard University, reveals that "smart" collaboration - drawing upon the collective strengths, knowledge and experience of everyone - is key to keeping strategic plans on track.³ Findings showed that although 70% of law major firms embrace collaboration as a core pillar of their strategic plan; the reality is that collaboration breaks down during the execution phase. Failure to engage in meaningful collaboration not only jeopardises achieving business goals, it compromises client service and talent retention.




This paper outlines three imperatives for successfully turning a strategic plan into action:

- 1** Clarity of Strategic Direction so that everyone knows how the overall strategy relates to their plan
- 2** Discipline to stay on track to achieve long term objectives, despite short-term temptations
- 3** Accountability for individual outcomes in a way that respects a culture of high autonomy professionals

¹ Paul Leinwand, Cesare Mainardi, and Art Kleiner 5 Ways to Close the Strategy-Execution Gap (Harvard Business Review 2015)

² The Economist, Why Good Strategies Fail (@The Economist Intelligence Unit Limited 2013)

³ Heidi K. Gardner, Smart Collaboration, How Professionals and Their Firms Succeed by Breaking Down Silos (Harvard Business Press Review 2017)



You have a strategy – now what?

You brought in external consultants, leveraged firm expertise and committed to the resources necessary for implementing your strategic plan. The consultants have departed, and everyone has returned to their regular roles. The plan is complete – and begins to collect dust.

Implementing strategy is by no means automatic. As one esteemed scholar wrote, “Making strategy work is more difficult than strategy making.”⁴ And it definitely is challenging. Multiple surveys of managers indicate that a significant percentage of strategy implementations are inefficient or unsatisfactory.

Throughout implementation, partners must define, embed and reinforce Smart Collaboration behaviours such as promoting cross-silo working, identifying individuals’ strengths, and encouraging consistent communication between partners, practices, sector heads and colleagues.

Success hinges on translating long-term, firm-level direction into the daily activities and decisions necessary to realise the broader goal. What firm members set as their own priorities must be directly related to fulfilling the firm’s strategic goals. Engaging in Smart Collaboration affords each firm member the opportunity to leverage their unique skills which not only keeps the plan on track, but promotes continual commitment.



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A user-friendly software platform can provide firm-wide access to progress and signals stress points before they become obstacles.

Why does the strategy-to-action gap arise?

No matter how big or small, whether full-service or more specialised, law firms around the world confront two underlying causes for their strategic plans failing to get full traction.

- A fundamental reason why there is a gap between plan creation and execution is that firm members feel disconnected from the plan. Senior leaders develop the strategic plan, often with input from outside consultants, but less often with firm-wide feedback. Leaders need to draw a connection between the end-goal and every partner’s success. And then help them build their priorities toward achieving the desired result. This is not to say that senior leaders should drill down to a micro level. Doing so would be ineffective, inefficient and inadvisable. Micromanaging is especially problematic in a professional partnership, where individual autonomy is highly valued and hierarchical authority is extremely limited.



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- A second obstacle is the disconnect amongst groups and individuals. A firm's strategy requires alignment and harmonisation of the organisation's actions and resources. As Richard Rumelt writes, "Strategy is visible as coordination imposed on a system."⁵ But, as previously mentioned, coordination cannot be imposed on a professional partnership. Harmony must result from deliberate collaboration. Results cannot be delivered in a vacuum. Or from a silo.

The majority of problems – internal to the practice group or specific to a client – are complex and require diverse knowledge. An array of experts who offer unique points of view based on their strengths and

cumulative experiences produce more robust solutions than one person, working alone.

Smart Collaboration is the antidote to micromanaging.⁶ It breaks down the barriers that block successful strategy implementation by creating an atmosphere where everyone can authentically contribute. Throughout implementation, partners must define, embed and reinforce Smart Collaboration behaviours such as promoting cross-silo working, identify individuals' strengths and encourage consistent communication at all levels throughout the firm.⁷ Leaders who consistently engage in Smart Collaboration indicate their confidence in each firm member's ability to help achieve planned goals.

⁵ Richard Rumelt, *Good Strategy/Bad Strategy, The Difference and Why It Matters* (Crown Business 2011)

⁶ Heidi K. Gardner, *Smart Collaboration, How Professionals and Their Firms Succeed by Breaking Down Silos* (Harvard Business Press Review 2017)

⁷ Heidi K. Gardner, *Smart Collaboration, How Professionals and Their Firms Succeed by Breaking Down Silos* (Harvard Business Press Review 2017)

Clarity of Strategic Direction

Most leaders believe they are adequately communicating their strategy, but the evidence suggests otherwise. Research shows that only about half of middle managers can name any of their company's top five priorities.⁸ Moreover, even when the broader partnership is aware of the individual priorities, few understand how the separate pieces fit together. This gap often means what individuals perceive as priorities are specific to their role and not parallel to – or even undermine – coordinated action.

Define what the overall strategic plan is meant to achieve, examine its components and translate those into clear expectations for each member of the firm. By explaining the path to achievement and what is required, senior leaders secure genuine commitment from partners.

View communication as an investment. Communication takes time and effort, but it is a vital investment that opens the space for results-oriented collaboration that leads to high returns.

Four tactics to increase transparency and clarify purpose:

1 Explain the rationale.

Leaders often neglect to fully explain the “why” behind decisions—but understanding the rationale is critical to gaining commitment and realising results. Clarity about why particular goals were selected and how each task contributes to the firm's overall strategic plan is vital. When communicating goals, keep in mind three primary questions:

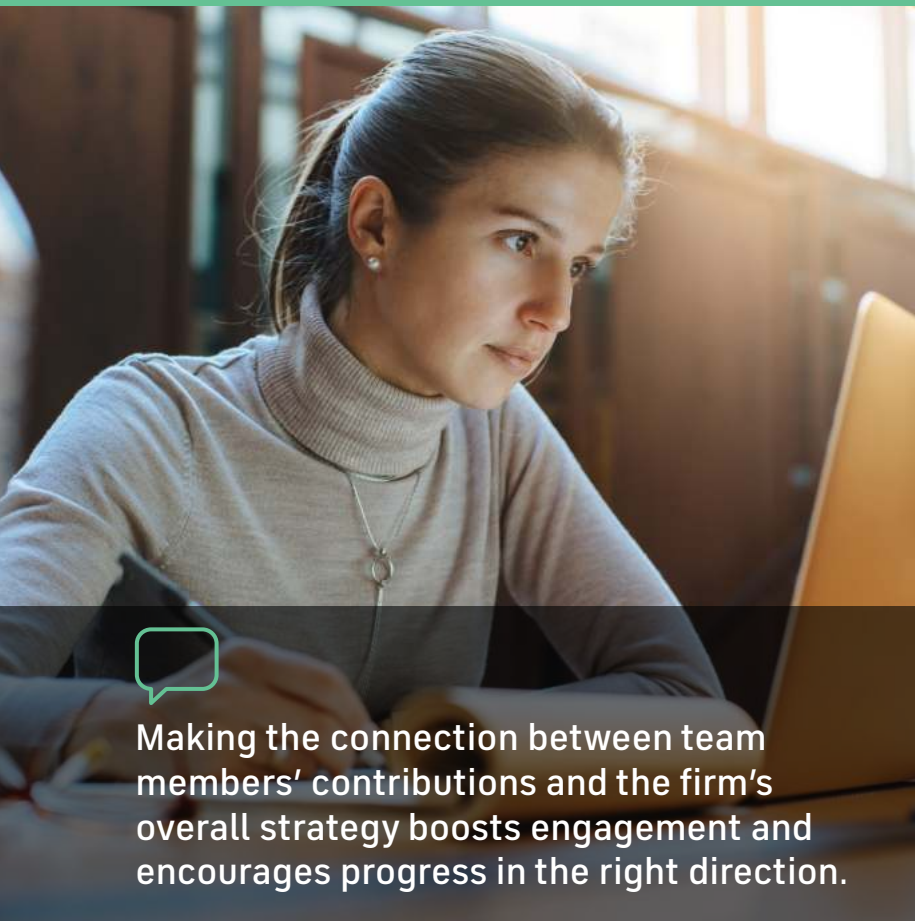
- *What* new responsibilities/tasks are required?
- *How* do these tasks drive strategic plan results?
- *Why* are the specific goals the most important ones?

People need to appreciate how each task contributes to the firm's strategic objectives, and why those objectives were chosen in the first place.



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⁸ Donald Sull, Rebecca Homkes, Charles Sull, *Why Strategy Execution Unravels—and What to Do About It* (Harvard Business Review March 2015)



Making the connection between team members' contributions and the firm's overall strategy boosts engagement and encourages progress in the right direction.

Routinely pose the question and discuss "How do your actions and daily decisions help propel the firm's strategy?"

Routinely reiterate and discuss how individual actions help propel the firm's strategy. Making the connection between team members' contributions and the firm's overall strategy boosts engagement and encourages progress in the right direction. Similarly, broader input advances strategic plan success by identifying potential issues and combining expertise to avoid costly pitfalls.

2 *Encourage vertical AND horizontal communication.*

It is a common mistake to communicate strategy plans vertically only. Clear communication between partners, associates, business professionals, and other staff is critical as well.

Regardless of role, each firm member contributes value. Drawing on diverse knowledge reduces wasted resources, reveals best practices, and exposes counterproductive behaviours that may prove problematic. Research on strategy implementation highlights the importance of frequent, formal and informal communication between practices and groups so that they can pursue the strategy in a collective way.⁹

3 *Tailor your message.*

Individuals vary in how they best learn and assimilate information. Some are more visually oriented and respond to imagery (charts, graphics); some interpret information best by hearing it; others need to digest written information. Tailor messages in different formats to appeal on many levels. Understanding individual strengths and behaviours is important: i.e. some people need concrete "one by one" steps to envision the path ahead; others function from a complex mindset and broad concepts are all they need.

4 *Keep the strategy easily accessible and front-of-mind.*

Emailed documents are often filed away and present versioning problems. Consider investing in a software platform that is accessible firm-wide and provides a unified system for anyone to double check strategic direction and their pending tasks. Moreover, easy access and visibility to the plan encourages collaboration among colleagues.

Discipline

Professional Services guru David Maister identifies a central challenge of implementing strategy to be avoiding “short-term temptations.” Staying on track to achieve long term objectives is difficult when short-term rewards – especially financial ones – beckon.

Understandably, partners are likely to be tempted to take on any new client work that arises, regardless of whether it fits the firm’s strategy, especially in times when they are less busy. After all, why turn down revenue? And if the request comes from an existing client, they may feel even more obliged to take on an off-strategy matter. Again, they think, what’s the harm?

The problem is that work that runs counter to the strategic goals often derails plans. Not only does it sap partners’ time and attention, but it also sends confusing brand messages to the market about where the firm is (or wants to be) distinctive. Partners need to demonstrate discipline by resisting these enticements.

Four tips to encouraging and sustaining discipline:

- 1 *Review group – and individual-level plans to make sure they are consistent with the overarching firm strategy.*


When individual partners and practice groups make their annual plans – e.g. their revenue commitments – all plans need to be informed by the strategic direction and its intended objectives, rather than reverting to “last year plus 10%.” Transparency and knowledge sharing among practice and sector heads ensure consistent collaboration towards strategic direction.

- 2 *Insist that senior leader role model discipline.*

Once firm members know there is unwavering commitment by leadership, they are more likely to be willing to sacrifice short-term temptations in favour of substantial



long term rewards. One of the most significant ways to demonstrate senior leaders’ commitment and encourage strategic discipline is to model the appropriate behaviour on a daily basis. It often means resisting temptations as well and not to reward others who succumb the short-term revenue temptations.



Modelling appropriate behaviour also means the leaders constantly challenge whether or not the right expertise and knowledge is explored. Sometimes the “right” solution comes from outside of the practice – at times, outside of the firm.¹⁰

Lastly, establishing a standard practice of evaluating from the clients’ perspective creates opportunities for collaboration that brings better solutions to the forefront and services – and anticipates – clients’ needs more completely.

3 *Consistently celebrate on-strategy sacrifices, small improvements, accomplishments.*

Acknowledging forward movement demonstrates teamwork and

further emphasises expectations. Celebrating accomplishments along the way instills confidence in the plan, maintains high morale and supports forward movement. Additionally, creating a cohesive environment will not only attract clients but also the “right” recruits who will help the firm fulfil its strategic objectives.

4 *Use technology to visualise and help identify promising “on-strategy” opportunities*

Considering insights derived from market and internal firm data and direction provided by the strategy, empowers individual choices about where to focus and what to pursue – and then deploy resources, time and energy accordingly.



Transparency and knowledge sharing among practice and sector heads ensure consistent collaboration towards strategic direction.

¹⁰ Heidi K. Gardner, Smart Collaboration, How Professionals and Their Firms Succeed by Breaking Down Silos (Harvard Business Press Review 2017)

Accountability

Imagine that the strategic direction is clear and everyone is on board. But how do leaders know if firm-wide action is happening? And happening effectively?

Partners understand the importance of collective participation, but they are often resistant to tasks they consider administrative. Some do not understand their role as it relates to the total plan or hope the details will just fall into place. While micromanaging is not the answer, holding each partner accountable for delivering the outcomes they set as goals in their individual annual plans is essential to ensure the firm's overall strategy is implemented. How can leaders instill accountability in a way that respects a culture of high autonomy professionals?

Four steps to operate with accountability:

1 *Expect and measure collaborative leadership.*

Challenge partners to find ways of demonstrating their progress—ideally quantitatively. For example, the leader of an industry-focused group should set specific goals such as increased delivery of cross-practice service to specific key clients, the number and impact of thought leadership articles published by the group, and the expansion of multi-office client service teams generating work in that sector.

2 *To ensure progress does not stall, set parameters that trigger early notification of potential trouble.*

It is essential to recognise issues that could hinder reaching strategic goals. Make progress easily visible to everyone by investing in technology that is accessible, simple and user-friendly.

3 *Track, celebrate and reward on-strategy performance.*

Identify key performance indicators and related target levels to measure outcomes that are critical for achieving strategic objectives. As Maister writes: “change the scorecard” so that measures distinguish between on-strategy and off-strategy work. Make sure rewards – both financial incentives, and psycho-social ones like recognition – flow to people whose work directly supports the strategy. Never celebrate outcomes that are not aligned to the strategy.

4 *Deploy people's natural strengths.*

Drawing on each person's authentic ways of working makes it more likely that they follow through on their plans. For example, some firm members excel at initiating actions and relationships; encourage them set and fulfil goals focusing on launching projects. Other people are strong at follow-through; they will be crucial in completing and finishing the objectives.

Snapshot of responsibility by role:

	Clarity of Strategic Direction	Discipline	Accountability
Senior Leadership's responsibilities	<ul style="list-style-type: none"> ▪ View communication of the strategy as an investment ▪ Outline the specific direction of the plan and precise expectations of each practice, sector head, group. ▪ People learn in different ways, so present the strategic plan in multiple ways 	<ul style="list-style-type: none"> ▪ Integrate development of strategic plans into annual planning, including resource allocation ▪ Role-model and reward smaller goals along the way, especially those that resist short-term temptations 	<ul style="list-style-type: none"> ▪ Define metrics that will demonstrate progress on / achievement of strategic objectives
Sub-Unit Heads' responsibilities (practice head; office head; sector head)	<ul style="list-style-type: none"> ▪ Clearly outline new responsibilities/tasks, and how these tasks drive strategic plan results ▪ Communicate, cooperate and collaboration with peers and direct reports ▪ Make sure unit objectives - including daily decisions and activities - are aligned with the strategic plan, 	<ul style="list-style-type: none"> ▪ Role-model and reward smaller goals along the way, especially those that resist short-term temptations ▪ Visualise and help identify promising "on-strategy" opportunities ▪ Introduce an industry-specific software platform to unit efforts and actions 	<ul style="list-style-type: none"> ▪ Deploy the natural strengths of each firm member ▪ Set parameters that trigger early notification of potential trouble ▪ Utilise technology that tracks progress
Individual Partners' responsibilities	<ul style="list-style-type: none"> ▪ Align daily decisions and actions with overall strategic goals ▪ Collaborate with colleagues 	<ul style="list-style-type: none"> ▪ Link annual planning to primary strategic objectives. ▪ Commit to the strategic plan and "pressure-test" ▪ Keep individual objectives to no more than 4 ... maybe 5. 	<ul style="list-style-type: none"> ▪ Update tracking system as individual goals are achieved ▪ Seek out collaboration opportunities with colleagues ▪ Look at issues from the client's PoV
Smart Collaboration facilitators	<ul style="list-style-type: none"> ▪ Advise how to draw on internal knowledge 	<ul style="list-style-type: none"> ▪ Help understand how to leverage outside expertise 	<ul style="list-style-type: none"> ▪ Outline how to fully utilise innate strengths
Adopt a software platform	<ul style="list-style-type: none"> ▪ Hosts all aspects of the larger plan; provides easy access in real time, from anywhere; allows people to share and build on ideas. 	<ul style="list-style-type: none"> ▪ State-of-the-art technology measures metrics and identifies "on-strategy" opportunities - with existing clients & new clients ▪ Provides a unified forum to recognise individual and collaborative successes, highlighting the benefit of staying the course 	<ul style="list-style-type: none"> ▪ Consider the benefit of using a "turnkey" software platform that shows progress at all levels and against the strategy's key metrics



Conclusion

It takes an enormous amount of time, effort, expertise and knowledge to craft a strategic plan that is clear, focused and, ultimately, successful, in terms of profitability, talent retention and client satisfaction. Leaders must provide clarity of purpose, communicate – often – in multi-layered formats model discipline, and promote accountability firm-wide. Adopting a technological platform that outlines clear, concise and transparent expectations will aid leaders in navigating all aspects of strategic plan execution in a way that is actionable and sustainable.

The strategic plan is your foundation. Embedding Smart Collaboration builds out the structure and keeps the plan in motion. Investing in an all-inclusive software platform helps track success and identify and resolve prohibitive issues early. And empowering strong leaders – across all levels of the firm, roles, tenure and functions – creates the environment where engaged people thrive and are motivated to collectively succeed.

About our authors

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Heidi K. Gardner, PhD, is a Distinguished Fellow at Harvard Law School, Faculty Chair in Harvard's executive education courses, and co-founder of the Gardner & Co research and advisory firm. Previously she was a professor at Harvard Business School, and was named by Thinkers50 as a Next Generation Business Guru. Dr. Gardner has lived and worked on four continents, including as a Fulbright Fellow, and for McKinsey & Co. and Procter & Gamble.

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Csilla Ilkei



Csilla Ilkei, is Research Director at Gardner & Co and leads an array of thought leadership initiatives including books, articles and white papers as well as client-facing research. Previously, as Global Manager and Knowledge Leader at McKinsey & Company, Csilla spent over two decades building and leading the firm's research capabilities across industry and functional practices. She has lived on three continents, worked with private and public clients in forty countries, and built and oversaw a team of experts across the globe.



Smart Collaboration Clinics

TURNING STRATEGIC PLANS INTO ACTION

Many law firms struggle to translate their strategic plans into actions. Gardner & Co's new offering is designed to help firms embed Smart Collaboration as a way to bring their plans to life and achieve their strategic aims.

This customised, executive level clinic uses our proprietary diagnostic method to pinpoint your specific challenges with three pillars - Clarity, Discipline and Accountability - that are essential to achieving strategic goals.

Building on these findings, we work with you in the half-day clinic to create a tailored action plan to generate commitment and create the structures to deliver your strategic plans.

All clinics are facilitated by Gardner & Co. senior faculty with deep experience helping businesses - and especially law firms - execute a collaboration-based strategy.

To learn more and schedule your customised clinic, reach out to csilla@gardnerandco.co.

A word from our sponsors



Joe Pryzbyla
Introhive, North American
Legal Vertical Director

Legal firms all over the world know effective collaboration is the key to success. Like many things in business, it's easy in theory and harder in practise. The fact is that legal firms who can't master collaboration will suffer - that's why this report by Gardner & Co. is so important. The introduction of the Smart Collaboration framework will change the way legal firms approach challenges both big and small. The Introhive team, along with myself, are thrilled to be positioned to help legal firms embrace Smart Collaboration so they can continue to face the inevitable uncertainty that lays ahead.



Barry Solomon
Litera Firm Intelligence,
Vice President of Sales

In an increasingly competitive landscape, firms leveraging data as a strategic differentiator will capture a greater share of the market, operate at higher efficiency, and deliver greater value to their clients. Achieving these results requires breaking down barriers separating data silo's, combining disparate data about clients, matters, people, and parties into strategic and actionable plans. A robust plan is the starting point starting point for firms on a journey to improve collaboration. A collaboration framework such as Gardner & Co have outlined will drive real progress towards strategic goals by aligning everyone's efforts to a firm's strategic objectives, and Litera Firm Intelligence drives the planning, performance, and engagement that fosters operational excellence throughout a modern law firm.



Matt O'Callaghan
Peppermint Technology, Chief
Sales and Marketing Officer

The legal industry is undergoing a digital and cultural revolution and this important paper from Gardner & Co perfectly articulates how 'Smart Collaboration' sits at the heart of both processes. Peppermint Technology exists to help law firms take the vital steps towards transforming the way they work and collaborate. We provide them with leading software applications that lawyers love to use and, because we build our we build our solutions on the familiar Microsoft Cloud platform, they already know how to use them.

OBJECTIVE MANAGER

Dr. Heidi Gardner's research reveals that smart collaboration is key to keeping strategic plans on track. But having a plan is only the first step. Law firms need to be able to translate these plans into actions that drive the firm, and individuals, forward to attain growth.

Objective Manager enables law firms to turn their strategic plans into actions. Our innovative SaaS platform connects, aligns and engages every person, process and activity to the firm's plans and objectives. The result is a culture of collaboration that delivers on strategy execution, better client experience and top talent retention.

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