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Leaders of professional practices - and other organisations as well - regularly undervalue their own contribution to their businesses. ***Tony Scott*** *wonders why.*

If it isn't chargeable, it isn't work

Nobody carries a larger burden in a professional firm than its leaders. And nobody has less help to carry it. So it's curious how often leaders berate themselves for not doing more, and how often they undervalue what they do contribute to their businesses. Consider some recent self-assessments:

- "My assistant handles the technical bits and, as she puts it, I handle the bullshit" (*the head of a national tax practice in a Big 5 accountancy firm*).
- "I try to provide some direction for the business. But mostly I seem to spend my time in conversations that go nowhere with one or more of my partners, or getting wheeled in to chat up clients at a function. I'm losing my command of the field, my familiarity with its detail" (*the senior partner of a large regional law firm*).
- "There are only two ways to approach clients. Get in there and just tell them what to do. Or bullshit. And I hate bullshitting" (*the chairman of a consultancy firm*).
- "I'm in charge of marketing the firm as a whole. But I find it hard to focus on it. It doesn't feel like real work. So I get caught both ways. If I get on with client work, I feel guilty for not doing more marketing - and I know the firm needs to be marketed better. But if I do more marketing, I feel guilty for not earning my keep" (*a leading partner in a small City law firm*).

This widespread belief among senior professionals that only chargeable work is proper work is even more curious when you look at its effects. There are six main effects and they go far beyond the leadership.

1 The belief helps to fuel an obsession with utilisation rates that can blind a firm to its wider or longer-term needs - and can drive staff to exhausted despondency about their prospects or cynicism about partners' motivations.

2 It diminishes the willingness and ability of partners to leverage their own skills by feeding work to and bringing on larger numbers of staff, instead of doing the job themselves. While other industries have been increasing staff-manager ratios to double figures, some professional firms, particularly lawyers, have staff-partner ratios of fewer than three.

3 It becomes an excuse at all levels for not spending more time with clients - whether for marketing purposes or to gather feedback on existing services and planned developments. So the firm is less connected than it could be to the business sectors it serves. That increases the risks that the firm will have to compete for work which might otherwise come its way without a tender, or that clients will in time turn to more sympathetic advisers.

4 It leads to the pervasive idea that management issues - scheduling, strategy, process rethinking, appraisal and reward mechanisms, staff development - don't matter much. Odd, when you think how materially these issues affect morale and thus performance in a people business.

5 It generates a reluctance, especially among managers, to charge time to "admin" on their timesheets (which leads to unreliable job-costing). It helps, too, to generate the scepticism with which staff commonly greet firm-wide initiatives for change.

6 It can also encourage a passive "keep-your-head-down" attitude among staff, which drains initiative, saps enthusiasm and undermines confidence - and goes on doing so even when the adrenalin spur of high-pressure projects temporarily masks the effects.

Viewed from the outside, this belief that only chargeable work is real work is palpably absurd. What would you think, as a professional adviser, of a client company where all the senior executives - including the directors - thought working on the shop-floor was more important than managing the business? Or where guarding and growing the net asset value was regarded as a low-level, peripheral function? (If that last thought puzzles, consider the typical balance sheet of any professional firm: what's in it is mostly the knowledge and skills and talents of its people).

The big question, then, is: why does the belief survive at all? With such damaging effects, the reasons can't be rational. So the common explanations offered by partners - "I have to do/ review/ check everything myself ...because I haven't got the quality of staff ...because it's my signature and my neck on the block ...because my PI cover demands it ...because the clients expect it" - have to be suspect.

The real reasons must lie deeper.

In conversations with professionals, individually and in groups, I've heard numerous descriptions of these deeper reasons. Some are peculiar to individuals or to particular firms. Four surface regularly in a variety of forms.

1 Safety. Promotion seems dangerous from the perspective of the inner eye, because it stirs up doubts about our ability to cope with a new and larger set of demands. Whatever the delighted protestations in public, promotion has a threatening side in private. Like change. That's why the transition from manager to partner can take so long, to the surprise and frustration of sponsors. And why partners need more help and coaching, not less. Some partners never make the switch, preferring to carry on effectively as super-managers - because it's a role they feel safer in.

I know of no reason to suppose that practice leaders are immune to this internal pressure - or to the fears that give rise to it.

The inner drive for safety also contributes to the wider professional habit of under-delegation. Research among firms - done on the basis of asking professionals at all levels how much of their workload could be done by someone more junior - suggests that about half of all fee-earning work is done at an unnecessarily senior level.

This finding is sometimes used as a stick to beat practice leaders with. But it is not, in my view, an argument for universal empowerment of staff, much less a reason to go for leverage at all costs and ignore the risks. Clearly, some work has to remain at senior level, either because its quality is particularly critical to the firm's success or survival, or because the client insists on dealing with a particular person.

The real issue is knowing what to keep and what to delegate - and my point is that no leader can strike the balance accurately if the issue is clouded by unnoticed or unacknowledged fears in his or her mind. To the extent that fear does colour the judgment, it raises worrying questions about costs. To the extent that it doesn't, the resulting clarity can create opportunities for competitive advantage.

2 Loneliness. Professionals in most disciplines spend the early part of their careers assessing their chiefs - usually disparagingly - from the protection and comfort of their cohort of peers: the people they go through training contracts/ induction/ articles with. So when they get promoted to a management/ partner position, they have to rethink their earlier attitudes diametrically.

What makes this re-assessment especially difficult is that they face it while cut off from the approving support of their former peers. Instead the only reassurance they get in their new senior position is from other chiefs, whose views they've learned to suspect and discount.

To counter the resulting loneliness, the temptation is to revert to seeking the approval of the level below: the old cohort. So it is an easy trap for a new chief at any level to focus his or her attention internally, not externally, and to accept colleagues' views and assumptions, not challenge them.

3 Musk oxen. Professional firms often seem to behave somewhat like a buffalo herd under attack. The bulls - the partners - form a defensive circle around the edge. They face outwards, towards clients who are the source of danger and reward. But that carries two prices.

One, the partners may spend little time looking at or even noticing what's going on at other points round the circle (hence a reluctance to open up clients to other disciplines, a nervousness about cross-selling, and sometimes ignorance about the range of services and talents available from other parts of their own firm).

Two, the rest of the herd - the staff - are left to mill around in the centre: more or less unexposed to commercial realities, uncertain about their role and value, and uninformed. It's then hardly surprising that staff tend to focus inwards, or that, if promoted, they can take so long to grow into the partner role.

By the same token, it takes time and a considerable effort of will for a new practice leader to develop a broader perspective from which to assess and direct the business as a whole.

4 Perceived power. These days, the only basis for creating a new partner is that he or she will bring in more revenue. And political influence within a partnership usually correlates with revenue. The larger the fee income a partner brings in, the greater his or her clout.

In such a culture, it follows that appointing a *full-time* chief executive/ managing partner generally won't work. He'll tend to be regarded by other partners as an administrator, an overhead - and ignored. If he's grown up in the same culture, he may undermine himself on the same grounds. The results, in one large firm that tried it, were endless wrangling between partners and a collapse of the firm's external reputation. So the practice chief usually remains a *part-timer* - with the double burden of earning fees and minding the shop. Indeed, he'll probably insist on it. And minding the shop will usually come a poor second.

Such a culture also encourages a focus on revenue, not profit-per-partner, as the primary measure both of individual success and the firm's collective health. It's not helpful. A decision to transfer a client to another perhaps more appropriate colleague, or to discard an unprofitable client altogether, then stops being a simple commercial judgment. Instead, it becomes clouded by powerful but generally unarticulated fears.

The fears may even block serious analysis of the firm's business: analysis of the kind that a good consultant would be appalled to find missing in a client organisation. For instance, firms typically know their revenue in detail, and their office-by-office profit. But far fewer know - nationally or locally - which market sectors in each discipline generate most profit (and why), or which sorts of client sectors in each discipline generate most profit (and why), or which sorts of client soak up most costs and time for least return (and why). Some, lost in a maze of charge-codes, don't even know how many clients they have.

PRECISELY because these underlying motivations are deep-seated and largely non-rational, changing them - and the unhelpful patterns of behaviour they give rise to - is not a quick-fix issue, to be resolved by exhortation or a couple of awaydays if and when partners and others can spare time from client work.

Take the "revenue-equals-power" culture common in many disciplines. Changing that could improve profits dramatically. How much would depend on the firm's existing service quality and how well its client base was already being milked. But the change requires consistent, sustained, co-ordinated effort by the partners and lots of personal attention by the leader - neither of which a traditional professional culture is well-equipped to deliver.

Few firms have made the transition successfully. But those that do can surprise themselves. Any of a variety of approaches can help:

- One medium-sized accounting firm I know doubled its revenues in three years, purely through organic growth, after the key partners put an exceptional outsider in the hot seat and backed him consistently.
- A consultancy firm built one of the highest profit-per-partner figures in the UK, because partners consciously focused their efforts on two key areas - winning work and delivering final presentations.
- A third approach is to persuade partners and staff to spend time on lifting their game: mapping the state and trends of the markets they face; comparing notes with colleagues handling the same market from a different discipline; tracking changes in rival firms as well as their own; devising routes in to specific target clients; and developing their business-winning and client-handling skills.

Along the way, with thoughtful encouragement, staff and partners will begin to recalibrate their personal compasses - the assumptions that have underpinned their habitual behaviour.

Because "working" partners don't often give themselves time to step back in this way, a practice leader can anticipate resistance to any suggestion that they should. Because this sort of lifted-game thinking is unfamiliar to discipline-focused professionals, he or she can also expect many of their early ideas to be pedestrian. That doesn't matter. Like golf, the only way to learn it is to do it.

- A fourth way forward is to focus the firm on where it's going, as opposed to what it's doing. That doesn't mean setting up a small internal group to produce a 'Corporate Vision' or 'Mission Statement', or a document setting out 'Our Values' - and then trying to sell the results to the firm. It won't work. Given the analytical and critical habits of professionals, it's more likely to be derided. It may also harden resistance to change.

For the refocusing to make a difference to behaviour on the ground, it has to engage actively all the partners and most of the influential staff. It also has to be seen to be a bottom-up exercise, not a fiat from on high. Then, once the where and why have been agreed across the firm, partners and staff can be left to figure out the how for themselves, locally.

ALL THESE prescriptions have worked, and you may find them helpful in your own firm or department. How helpful is a matter for personal experiment. But the prescriptions also beg a deeper level of question. Just as the common exhortation to partners to "get out and sell more" gets the common reaction of "Yes - but how?", so these prescriptions raise a similar concern.

The second part of this series suggests some answers. It's called *Fear of flying*.

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