

On Management

Bending Rules

Effective decision making in ambiguous situations.

Chief operating officers are often confronted with situations in which they are tempted to bend the rules. Here are two typical cases where a persuasive argument could be made that existing firm policies should be adjusted to fit the circumstances. How would you decide?

First, let's suppose that two of your firm's most valued senior associates receive an offer from a competing firm to join that firm as partners. Under your firm's policies, the associates would not be considered for admission to the partnership for another year. Should you bend the rules and admit the associates to the partnership immediately? Or should you stick to firm policy and in all likelihood lose the associates to your competitor?

Second, let's say an underutilized partner who has struggled for several years brings a new client to your firm that is in a weakened financial position and does not meet the firm's established criteria for new business. Should you bend the rules and accept the new client even though it may not be able to pay the firm's bills? Or should you adhere to firm policy and reject the client, knowing full well that you are damaging your partner's chances of rebuilding his practice?

Effective decision making requires consistent standards. In each of these two cases, I would apply a single standard—the long-term best interests of the firm—and act accordingly.

In the first example, I would bend the rules and admit the associates to the partnership immediately. The hypothetical indicates that they are well regarded—talented and productive young lawyers with high-value practices in an area that is important to the firm's long-term future. The firm has everything to gain, and little to lose, by taking a flexible

approach. To be sure, this decision must be made with the understanding that it may carry precedential value in the event of a similar circumstance in the future. But if you make every decision with a view to the firm's long-term best interests, then your future decision will be just as clear as the current one.

In the second example, I would follow firm policy and reject the prospective client. We already know that the partner bringing the client to the firm is struggling, and we also know that the client presents a significant collection risk. You do no favor to either the partner or the firm by gambling that the client will be able to pay the firm's bills. Rehabilitation of a weak partner requires an honest assessment of the partner's legal skills and potential for involvement in profitable work for which the firm will be fairly compensated. In this case, rule-bending looks more like postponement of a difficult decision than an investment in the firm's future.

No one can predict with certainty what decisions you'll be required to make next week, next month, or next year in your capacity as a law firm leader. All you know is that decisions will need to be made and that you will need to make them. Some of these decisions will present opportunities to bend the rules. Decide now, with the luxury of time, what standard or standards you'll apply. You'll be well prepared to make wise and consistent choices that strengthen your firm in the long term. ■



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