

Law Firm Leadership: the critical role that communication plays during times of economic stress.

By Richard N. Gary

Many firms today are under some form of economic pressure. Transactions activity has slowed considerably, and clients are increasingly seeking alternatives to litigation. Resistance to billing rate increases is widespread, and many firms have overcapacity in one or more practice areas.

Law firm leadership is never easy; in times of economic crisis, it is more difficult than ever. But even though crisis response takes many forms and varies from firm to firm, one characteristic—effective communication—is common to all law firm leaders who guide their firms through challenging times.

An effective communications strategy during trying times must meet three criteria—candor, consistency, and frequency.

- Candor and honesty is critical. This means no surprises, especially negative ones. Tell each constituency what you're doing to address the firm's problems, and why. Explain how what you're doing will strengthen the firm in the long run. And then ask for help in making the plan work.
- Consistency is important, too. You must communicate effectively with each of the firm's numerous audiences or constituencies—partners, associates and counsel, support staff, clients, landlords, and lenders. And while your message may vary slightly from group to group, the overall themes must be consistent. Remember that people from different constituencies talk to each other. You are working to build trust. Inconsistent messages erode confidence in firm leadership.
- Finally, you must communicate frequently with each firm constituency—more often than in normal times. People are understandably nervous about their own futures as well as the firm's. The absence of information creates an environment ripe for the development of false information and rumors. Keep everyone as well informed as possible, and constantly look for opportunities to broadcast your message.

Remember, each firm constituency is your partner. Each has a vested interest in the firm's success. Communication is always an important element of firm leadership, but never more so than in times of economic crisis.

Richard Gary is principal of Gary Advisors LLC in Tiburon, California and, until 2003, the chair of an AmLaw 100 firm.