

The Problem of Standards

By David H. Maister

A speech delivered at the Legal Solutions Conference, The Hague, Netherlands, September 11, 200. It includes many topics addressed in other articles, but shows how some of my themes were combined in a single presentation.

Technology is potentially wonderful, but professional firms will never capture its benefits because there is no point in giving advanced tools to a group of people who do not have the discipline to do the basics.

If you really want to get the commercial benefits of any strategy, you must put in a system that forces you to execute that strategy. The tragedy is that they will not accept accountability for standards. Giving them technology is like giving a machine gun to a baby. You first teach the baby that there are certain standards to live by, and only then can you give them the advanced tools.

You have all heard of EDS, the computer services giant. It is about a \$15 billion company. They have a web-based project management system that records everything about the project—the next due dates, what’s been done, what’s on time, what’s delayed, how much of the budget has been spent and accumulated. Here is the key point: This information is entirely accessible by the client! At any time, the client can log in and see where his or her project stands, with budget, due dates and deliveries.

They ask their clients to log in every two weeks to indicate on a simple scale of one to four their level of satisfaction with the client project so far. The chairman of this \$15 billion company (EDS) can log in and see the feedback from every client for the entire company, and that is the first thing he does every day.

The likelihood that you will do good project management and great client service with this system in place goes up 1000 percent. The system keeps you honest by introducing an unavoidable accountability.

What’s impressive about EDS is not the technology but the willingness to be held accountable to high standards. Most professional firms haven’t even got an internal project management system, let alone one where you would give access to the clients.

Professionals say, “Well, I am not very good at project management. Can’t I ignore it?” Oh yes, the firm replies, we forgive you as long as you’re good at your discipline (or bill a lot of hours).

Another Example: Client Service

Take the topic of client service: You all have in your mission statement, or on your website, a commitment to client satisfaction and client service. But how many of you have a feedback system where you regularly ask clients at the end of every transaction how happy they are? (About one-fifth of audience members raise their hands.)

How many of you publish those results, with the name of the relevant partner, to everybody in the firm? (Two people raise their hands.) What you have is a belief that client service is very important, but except for one or two shining examples, there is a refusal to accept accountability to do it. You leave it to self-discipline to accomplish the standard, and that doesn't do the job.

Firms often have inspirational speeches at their partner meetings about service and commitment to clients. But if there is no system that keeps people honest about actually doing it, then you don't get the benefits. The only way to get the benefits is to accept the discipline.

Like all of you, I believe in outstanding client service. The way I try to make that real for me is that even though I charge obscene fees I give an unconditional client satisfaction guarantee. Every invoice that goes out from my office (I don't discuss it with my business manager; it's a standard invoice) says, "Here is the bill in the [obscene] amount that we agreed on. However, if you are anything less than completely satisfied pay only what you think it was worth." That's my system.

Now, if you think about that system you can see where the benefit comes from. It doesn't come because it's a marketing tool; it comes because I have no choice but to do my best. The key is, if you really want to make something happen, don't leave it to self-discipline. If you really want to make something happen, create an external discipline.

And if you don't want to try that hard, if you don't want to be held strictly accountable, then fine—drop that strategy and move on to something else. But if you can't find anything you're prepared to actually commit to, then

recognize that you're probably never going to be anything other than no worse than anybody else.

There are times when I get my client service wrong; I'm not saying I'm perfect. All I'm saying is that I'm prepared to be accountable. Now, I blow it occasionally, and all I ask is that people tell me why. And if they tell me why, I can say, "You know, that's actually fair." I probably should've done that or done this differently. And then I'm going to carry on working for them.

I'm not that good. I don't always get it right. But I'd rather have a system that forces me to try because over time I'm going to make more money on a system that forces me to try.

If you don't want to try that hard, you don't have to. Just don't announce client service as your strategy. That's my message. You can pick whatever strategy you want. But if you're not prepared to be strictly accountable for what you declare your strategy to be, you're fooling yourself and you're wasting time. Pick something you actually believe in.

Supervising Work

Consider another topic: meeting the following standards in matter supervision. Imagine a world where I come to your firm, let's say six to nine months from now, and I stop every professional that you have working for you and ask, "What's it like working here?"

And they say, "In this firm, one thing you can bank on, guaranteed, is that you will be superbly supervised on every transaction because it is a matter of professional principle with us. We don't do work unless we supervise it superbly."

Tell me what commercial benefits would come to that firm if it were true that this was always done superbly. Where would the firm see the benefits? (Audience: Clients would notice.)

Which is terribly scary because maybe that means they notice now that we don't supervise their work superbly.

What else can I write down? (Audience: We would retain people.) Of course. Do you think the quality of the work would go up? (Audience: Yes.)

If we always supervise, the quality would go up. What else? (Audience: We would spread skills faster.)

Is that good for the law firm? OK, what else can I put up there? (Audience: Clients might be less fee sensitive if they found someone who always supervised the work well.)

That's your theory? So incrementally we get higher fees. How else does profit go up if you do it? There would be less wasted time and rework, right?

So the direct profit effect is that you have lower write-offs and higher realization because there would be less work done that we could not charge for because we had better supervision.

Also, if I knew that every junior had been treated this way since the day they joined the firm, I might actually trust those people and delegate, whereas if I am living in the normal firm where nobody ever does this, then it's quite logical never to delegate because the juniors are untrained, unguided missiles. You get better leverage because people would feel more confident to delegate to trained people. So you get lower write-offs, better leverage, higher rates.

There are two lists on the screen now. A handwritten list of benefits: higher

profits, greater client satisfaction, more retention of people, more motivated staff. And what do you have to do to get the benefits? Basic supervisory actions!

When you give somebody a piece of work, make sure they know what they're doing. If you've got more than one person on the job, make sure the left hand knows what the right hand is up to. This is not advanced PhD stuff; even your tax partners could do this!

So here is the issue: Why are firms not getting these benefits, when the benefits are everything we say we are after—quality, professional pride, money, great work environments—when to do it requires only a set of very basic skills that can be taught in a weekend with a copy of the *One Minute Manager*? Why does the average firm not enforce this standard? (Audience: We can get away without doing it.)

That's called professionalism, right? We will only do what we are forced to do. Professional firms are completely unprofessional. They have no standards of quality whatsoever that are actually enforced. They have wonderful standards of quality that are preached. But we forgive any partner who does not do this as long as he does not go to the opposite extreme and do something ugly—like sexual harassment or getting us sued.

As long as it is not the other extreme, we will let anybody live who does a sort of okay job of this. Business is a lot simpler than everybody thinks it is. If you are not supervising your work it doesn't matter which market segment you go after.

Reading Clients' Trade Press

Take another topic: You go to the typical firm and say, "How many

partners in this firm could put hand on heart and say they regularly read every issue of their main client's trade magazine?" Not all your clients, just your main client.

Anybody want to guess in a typical firm, whether it is in Lithuania or New Zealand or the United States, what percentage of partners could honestly answer, "Yes," to that? (Audience: 3 percent.)

The percentage is in single digits, isn't it? The lesson is prebiblical that clients like us to show an interest in their business. Do you act as if you care about your clients? In the typical firm the answer is, "No, our partners don't like clients. They love the work; they hate clients."

What Team Do You Want to Belong to?

Let me give you a piece of personal autobiography that illustrates the point.

My first teaching job was at a good, solid regional university. They were really nice people and as a result it was friendly, supportive and collegial. But part of the consequence of that niceness is that it was a very tolerant place. If, as an individual, you wanted to go for national fame, then people would be friendly and supportive and collegial and help you do what it takes.

But if you didn't want to do that, if what you wanted to do was teach introductory economics for the seventeenth year in a row that was okay, too. They said, "Oh, that's covering your billable hour target; that's acceptable."

Then the tragedy in my life occurs. The phone rings and a voice says, "How would you like to be a professor at Harvard Business School?"

You can probably guess the emotions. The first emotion is, "Somebody has made a mistake but I am not going to tell them." And the second emotion is, "I can't wait to tell Mum."

But then the third emotion kicks in: "Oh my goodness, this is a life changing choice. Am I willing to give up a firm that has only the basic standards in place and voluntarily join the Olympic team, where I know from the start that it is run on intolerant principles because it's actually trying to win Olympic gold (and the consequence of that is the standards are real)?" And the questions to ask are, "Which game would you rather play?" and "Which team would you rather belong to?"

You can see attractions on both sides. I can stay with my tolerant institution where it's impossible to not meet the standards. In fact, it's impossible to get fired because we don't believe in that; we believe in keeping the family together. So no matter what you do, as long as it doesn't actually involve indecency with a child, you are one of us. Other than that, no other standards are enforced—though they are preached. We preach client service, we preach supervision, we preach collaboration, but which ones do we actually enforce? None of them—because different people have different strengths and therefore we try to understand each other. It's a wonderful environment. You can do what you want and as long as you cover the basics you are left alone. You do things your way and nobody ever bothers you.

The question now is, why would I join the Olympic team where you've got to show up for practice and if you don't you are off the team, and you've got to accomplish certain standards and if you

don't then you're out? It is not that the Olympic team is unfriendly. They say, "Well, where else do you want to work? Tell us what you want to do. Take your time. We will help you with whatever you want to do, but we are actually serious and our standards are real. If you can't or won't meet them, you cannot be a member of this team."

The question is, why would people want to choose a team with high standards, strictly enforced? You can argue that it's neurotic behavior. That's what my friend at the regional university thinks of me. He says, "David, why are you writing another book? The last book's selling well; the phone's ringing." And I am saying, "Look, I am the kid from the streets of London. I've got a little bit of recognition, which I never expected. I want to see how far I can go if I try." And my friend says, "David, that is insecure, paranoid, schizophrenic behavior. You're doing well. Why don't you enjoy it?" And I say, "But I want to see how far I can go."

So here's the choice that you have to make: Which firm would you rather belong to—one where they are going for the gold, seriously, or one where the slogan is, "Let's not mess up. As long as it's not broken we don't have to change anything"? There's nothing morally wrong with either side. But it is the height of idiocy to keep running your firm, pretending you are going for the gold when you know you don't have the discipline to do it. If you know you don't have the discipline, stop making New Year's resolutions. Enjoy the choice you have made.

The only sin, I believe, is hypocrisy. The only sin is lying to yourself and pretending you are going to do something when you are not. It's okay to

have no quality standards. Most firms do not. Seriously, you know, most firms don't have any requirement of energy. If one of your partners hasn't written an article in ten years you don't care. You don't actually have any expectations of each other but you still shine. Your expectation of each other is that you are not completely messing up. There is nothing wrong with that. That's okay. Feel good about it—just stop coming to conferences. Stop listening to consultants.

Your Lives Are Miserable

I can usually get a firm's partnership to vote for the "going for the gold" by proving to the partners that their lives are miserable. I say to people, "Please be honest with me, or at least semihonest. I want you to tell me about your work and divide it into three categories. Category one: Is this work where you say, "God, I love this. The hairs on the back of my neck stand up every time I do a transaction like this"? It's not a strategic question or a moral question—it's a taste question. "I just love this stuff" and you're allowed to love what you love. You're allowed to love tax; you're allowed to love wills. The only question is, are you doing stuff that you love?"

The middle category is, "I don't love it; I can tolerate it." That's why they call it work. My passion I save for my family. This is work, and I'm a responsible, conscientious, dutiful citizen, so yeah, I do what I'm supposed to do. I'm a good player, but do I have any positive charge from this? No, this is what I do for a living. I'm just waiting for 65 to come. My enjoyment comes from things that are outside the firm (if the law firm ever gives me any time to enjoy it).

And the last category is this: "I cannot even tolerate it. This portion of my work

here is junk. How the hell did I end up getting stuck doing this?" If I asked the partners (and if they were honest with themselves and with me) to give me three numbers that add up to a hundred that describe their lives, what do you think the average is for the typical established firm? What percentage of partners can say, "God, I love this"? What percentage says, "I can tolerate this"? And what percentage says, "You know, this is crap"? Anybody got a reasonable guess? Don't be stampeded up or down. Give me a reasonable guess. (Audience: 10, 80, 10.) Is that good enough for discussion for everybody? Can I use that for discussion?

Now the question is, having told me what you think about your work, please tell me what you think about your clients. And I'm going to make this a hard test. Category one is, "I like these people." I don't have to defend it or justify it to anybody—I'm allowed to like who I like and dislike who I dislike. I happen to like these kinds of people. And notice, this is a tough test. I'm doubling a few things up; not only do I tend to like the people who are my clients, but the sector they are in fascinates me. I read their trade magazines for fun. Notice again, it's a taste question; you don't have to justify it to anybody. I happen to like this sector—for my own idiotic reasons. But the key point is, is it a company or a government sector that energizes your own passions?

The middle category again is, "I can tolerate them; they're clients." You know, throw engagements, throw money, bend over, let me get to work. I'm a good citizen, I will do all the right things, I'll be responsible, but do I have any care that this is *this client* versus any other? No. I'm responsible. I'm going to

do the proper thing, but I have no positive energy to add it.

And the last category as you can see is, "I can't even tolerate them." You know, it's not a strategic question. It's not a moral question. There's always mismatch. I'm sorry, but by my taste these clients are idiots in boring businesses. Possible? Yes.

Give me your best guess; again, without exaggeration. Don't be negative; don't be optimistic. Best guess, what does the typical lawyer feel about his or her clients? What are the three numbers that the typical professional would give me? (Audience: 5, 85, 10.) Boy, you have really added an inspirational note to the proceedings. Good enough for discussion?

Just look at those numbers, and if those guesses are correct, tell me what the implications of those guesses are. What flows from the fact that the average professional in the average successful firm loves what he or she is doing about half a day a week and likes the people they are doing it for about a quarter of a day a week? Tell me what the implications of that are. (Audience: They won't be doing their best.) They'll be good citizens, they'll be conscientious and they'll be at half energy—and that means what? Go to the next level for that.

(Audience: They are never going to achieve excellence.) Is that fair? They'll do okay. They'll have the famous slogan that every firm should put on its website, "We are no worse than anybody else." That's the main strategic plan of most firms. What else is an implication if those numbers are true, if they are true?

(Audience: Turnover.) We're going to get a lot of turnover because it's not an inspirational environment. Well, what you're saying is, the partners are telling us that they are basically bored to tears. And you want them to get excited about marketing and growing to bring in even more junk work that they don't care about! You guys are making the money. Most of the average firms pay good money. The issue is not that you're not making the money. The issue is that you've got an entire firm filled with incredibly intelligent, incredibly qualified people who have miserable lives.

If those were my numbers I would slit my wrists. I'll tell you why. Because I am not going to reach my tombstone with it saying, "He did tolerable work for tolerable people because they paid him." I'm not that much of a whore. These numbers say that the basic operational principle is, "Pay me and I'll do it but don't expect me to care. I'll fake it if you want me to." That's the dictionary definition of prostitution.

I hope I'm making clear that this is not an anticommercial argument. You cannot pull away from the pack as a firm if this is how you view your work and your clients. The only way to pull away from the pack is to do stuff that turns you on for people you can care about. Because if you are doing stuff that excites you for people you can care about, you will get rehired, you will get the premium things, you will get the referrals. You can go back to the dictionary definition of what it is to be a professional, which is putting the client's interests first, caring about your clients.

Deciding on the Level of Commitment

I will report to you that I can get eight out of ten professional firms to get an 85

percent majority vote to go for the gold—because I can prove to the partners that they are very, very bored; that they are living in a world they can't stand; that they are sick of having no standards; and all it's about is billable hours. And how about we live in a place that's got high standards and we help each other achieve the standards?

I had a Dutch firm (I won't tell you where in the country) but it was a consulting firm and we went through this and I said, "Now, okay, we're going to have a vote. Which firm would you like to belong to?" And there were about 16 partners in this firm and we did a scale of one to five, with one being, "Let's not mess up," and five being, "Let's set and enforce high standards." Half the partners voted for one, and half voted for five. Now you're all advisors in one way or another. Give me your business advice. What would you advise that firm at this point? (Audience: Split up.)

See how easy the answer is when you are not personally involved? There is only one answer that is not about you, which is that the people on the left are not morally wrong. If they want to serve their local clients and just socialize locally, and the other people on the right want to be the hyperactive egomaniacs and write an article a month and get famous—you can't argue about who is morally correct. All you can say is [that] these people should not be partners with each other. They want different things. It's like a bad marriage. You don't have to be unkind to your spouse but sometimes you just marry the wrong person. The best thing you can do is say, "We made a mistake. We don't actually want the same things. We need to be as nice to each other as we can and separate as fast as possible, so we can each get on with what we want in our lives."

Now, my point is, you all saw the answer when it was about somebody else. I'm going to say that this is your firm. You've got partners who want to really go for excellence and are prepared to accept the disciplines to do it, and you've got partners who just don't want to accept those disciplines. And the only right solution is to split the firm. You cannot run a firm if its partners fundamentally want different things, and you don't have enough guts to make that happen. Whenever there's an issue like that, you say, "Well, let's not address that issue. Let's bring in the IT people to develop something new."

Dynamos, Cruisers and Losers

I've talked about supervision. I've talked about quality. I've talked about liking the client. You can reject all of those and maybe it's something else. I'll just give you one more standard: the level of energy and ambition. I talk about meeting three kinds of partners—dynamos, cruisers and losers. Please allow me to define these my way. It's not about business getters versus those who only do billable hours—that's not the definition.

A dynamo is somebody who is always acting like they have a career, but in addition to taking care of this year, every year they are doing something to bring about their personal future. Am I making sense? Every year they're always saying, "Where do I want to go next and what do I do today to make that happen?" Am I making sense on what a dynamo is? Somebody who is acting as if he or she was in the middle of a career.

Losers—this, by the way, is not about different people—this is all of us at different stages in our lives. My theory is that you don't get through life without being a loser sometime. If you were

American, it would be the usual reasons: divorce, alcoholism, cocaine, manic depression, the kids have been arrested again. You know that things happen, and at some stage in your life you're probably a loser. If you're lucky you deal with it and get back; if you're unlucky you get stuck.

Now the cruisers are a very important category. You can see by definition that the cruisers are not losers. The cruisers are your good, solid citizen partners. They come in each week and they make the sausages. They come in next month and they make the sausages. They come in next year and they make the sausages. And everybody knows those sausages are fabulous. You've got a sausage job, call Henk, because Henk is fabulous at sausages. The quality is there. The hard work is there. But Henk isn't actually going anywhere. All he's done for the last seven years is make sausages. In other words, he's acting like he's got a job, but if you said to Henk, "Where do you want to go next, Henk, with your career? What kind of transactions do you want to be doing three years from now?" he'd say "sausages." Henk has no particular desire to advance his professional career. So if you accept my definition, a cruiser is a good solid citizen, meeting every standard you've got, but acting as if he or she has a job, not a career.

Another guess from you, please. In the typical firm—don't get optimistic on me, don't get pessimistic, give me your best guess—what percentage of all the partners might fall into those three categories? (Audience: 15, 75, 10.) If that guess is correct, tell me what it means. If that's the makeup of the typical partnership in the typical firm, what flows from that fact? That only 10 percent of the partners are trying to get

somewhere. Seventy-five percent are absolutely good solid citizens, let me say that quite clearly now. What flows from that mixture if that's accurate?

(Audience: They're not going anywhere.) So just don't waste your time with strategic planning. Just don't bother. Leave them alone because strategic planning in that environment is like trying to figure out which way should we point the thundering herd when the herd isn't thundering. The issue is not direction or strategy. The issue is, do they or do they not have the appetite to go somewhere? You can get by. I know 75 percent of partners who have never wanted to go anywhere for the last 30 years. And they're on not a bad income. But if you've got a partnership made up of three quarters who don't want to go anywhere then don't come to conferences on technology and strategy and marketing and branding because these people are not interested.

We come to the choice again. The choice is in which gang you want to belong to. The tolerant gang says, "If you want to cruise, that's okay. Not only is it acceptable, but it's actually the overwhelming norm," just like your law firms. The overwhelming norm in this law firm is that everybody cruises. And if that's what you like, stay with it, God bless. Or you could say, "How would you like to join a law firm where the rule is that you've got to be learning and growing or otherwise you're not meeting your requirements as a partner? It's something we have a right to expect of each other, that we are all continually learning and growing." Notice there's an option here. The choice is whether you want that standard in your partnership agreement.

What it Really Takes

I'll give you one more, very silly example. I don't have children but I've got lots of nephews and nieces. They know I used to be a university professor and they say, "Uncle David, how do I do well at university?" And my answer is always, "Go to class; do the homework." And they say, "No, what's the secret?" "Go to class; do the homework." "But there are these parties, Uncle David." Well, if you want to be a party animal and work at Burger King for the rest of your life, do it. You know, I'm not going to tell you what to do with your life, but if you want me to give you dispensation to say you can get the benefits without doing the work, sorry, I won't play that game. If you want to get a benefit in life, you've got to do the work.

You keep getting seduced by consultants like me who come in and develop the next strategic slogan or the next branding or the next positioning because you think that as long as you just announce it you'll get the benefit. You get no benefit by announcing anything. You get the benefit of that which you actually do. I'm sorry that it's so intellectually trivial but it's a lesson most of you still need to learn. You get the benefit of that which you actually do, not that which you encourage. Just don't pretend. You pretend to have a commitment to client service, you pretend to have a commitment to supervision and you pretend that your partners are energetic. Your partners are not energetic—they're asleep. And pretending gets you nothing.

The way you make money in business is not to be good at managing the money. The way you get money in business is that you decide what you want to compete on, whether it's quick delivery

at McDonald's or fabulous cooking for some cuisine connoisseur or whatever it is. You don't have to be McDonald's and you don't have to be the best restaurant in town, but you had better decide which you want to be, and once you've decided which it is you want to be, the key to making the money is enforcing the standards appropriate for that choice. The thing that makes the money is not the money. The money is an outcome of how high your standards are. He or she who has the highest standards wins.

You get the partners together and say, "What standards do we want to live by? Should we all be expected to be dynamos? Should we all be expected to learn and grow? Do we think we're prepared to accept accountability for supervising the work? Should we be accountable for our clients' satisfaction?" You do not say, "Is it a good idea?" The question is, are we willing to be accountable? Quite simply, what are the rights and responsibilities of a partner? What do you have to do to be a member of this firm? That's all I'm saying you should debate. And at the moment all it is, is be billable and don't get us sued.

Notice the topic applies no matter what the issue is we're talking about—collaboration, client service, supervision—be energetic. Your problem is not those topics. Your problem is the inability to pass a law, the inability to establish a standard that you're actually willing to enforce. That's the problem. It's not what the standard speaks to. It's the *fact* of a standard, because you've bought into this medieval notion of a partnership, which is that a partnership is a place of no standards and the partner can do what he or she wants to do.

All I'm trying to say is (and I hope this is clear) that this is what a strategy is for. It's something we all agree to do and are prepared to be held accountable for. But notice, that last clause must be there. If I agree to do it, but don't hold myself accountable, that is not a strategy. This is not a moral point, just a simple fact of life. If people aren't willing to be accountable for it, it's not going to get done well enough.

That's a recommendation I suggest you do with your firm. Take your mission statement off the website, turn it into a questionnaire and say, "How well are we living up to this mission?" Now that is my point. You've probably got a great mission—I do not recommend changing it—I'm just saying there is no point having a mission if you never live up to it.

So the real next step for you is to put in place something that keeps you honest and is sent around every quarter saying what all of us think about how well we're living up to our mission statement (and is sent to your clients, too). And again, that's not a moral point. If you really want to live up to it, make it as embarrassing as possible not to do it. If you really want to make something happen, the best way is public exposure—you'll do it.

Making yourself a promise that you'll lose weight this month doesn't do anything compared to turning to your spouse and saying, "I give you permission to withdraw marital favors if I don't do it." You know, if you really want to make something happen for yourself, the way to keep yourself honest is design an embarrassment mechanism by making the commitment even more public.

The Research Results

Let me tell you about the results reported in my latest book, *Practice What You Preach*. I went to one of the global marketing conglomerates and said, “Will you give permission for me to survey everybody, in 139 offices around the world, in 29 different businesses, and will you also give me the financial results for every one of those offices for the previous three years?” Some of these companies are high leverage, some of them are very low leverage, some of them work for the CEO and some of them are just dealing with purchasing officers—there’s a huge mixture of the types of businesses they’re in.

I threw all the answers to 74 questions from 5,500 people in 139 offices into the computer. (I asked them, basically, about the culture of their office.) Then, as I told you, I got the financial results of the office for a three-year period. So I threw all the financial results in, and I said, “Dear, beloved computer: I’ll stay out of it. Don’t let me interject any of my biases. Are there some things, some attitudes of people in the business, that are more predictive of profits than others?”

It’s pretty simple technology and the computer said, “Yes!” Nine factors account for more than 50 percent of all profit differences:

1. Client satisfaction is a top priority at our company.
2. We have no room for those who put their personal agenda ahead of the interests of the clients or the office.
3. Those who contribute the most to the overall success of the office are the most highly rewarded.

4. Management gets the best work out of everybody in the office.

5. Around here you are required, not just encouraged, to learn and develop new skills.

6. We invest a significant amount of time in things that will pay off in the future.

7. People within our office always treat others with respect.

8. The quality of supervision on client projects is uniformly high.

9. The quality of the professionals in our office is as high as can be expected.

Look at number 7. If the people in the firm, in the office, agree with the statement, “People treat each other with respect around here,” then I can prove you will make more money than if the people in the office don’t agree with that. It plays to a hell of a lot of values that many of us share.

Here’s the test. In order to get that benefit, you must not only advocate that standard—the message of the data is you make the money when you enforce that standard. What it’s saying is [that] if you’ve got a partner who does not treat others with respect you must counsel that partner, and if the counseling doesn’t work you must fire that partner. We do not accept as a partner somebody who does not treat others with respect. If you’re prepared to go that far, you’ll make more money.

Again, look at the others; number 2 is teamwork. The news is the team players are winning. It doesn’t say, “We are team players around here.” I can prove you will *not* make more money if people agree, “We are sort of, kind of, team players.” I can prove you *will* make more money if people in your firm say,

“We have no room for any individualist who puts him or herself ahead of the team.” If people in your room say that’s us, I can prove you’ll make more money. Teamwork wins. And again, that’s not a new idea. This is not meant to be an intellectual contribution that I’m making. This is boring old rubbish.

“Around here you are required, not just encouraged, to learn new skills.” Now again, I’m not a moralist; I’m purely reporting data. If the people in your firm say, “Yeah, that’s us. In our firm you are required, not just encouraged, to learn new skills,” then I can prove with hard data that you will make more money because people who are always adding to their skills make more money. This is not hard, intellectual stuff.

You can see the rest of the list. Care about your clients, act like team players, supervise the work—do you see that one coming in at number 8 there? You make more money if the people in your office say, “The quality of supervision is high around here.” Again, my whole point and my whole message is this is prebiblical. This was the work manual for the pyramids. If you want to know how to make a lot of money, stop looking for the latest consultant’s intellectual contribution. It’s not the latest technology, but technology will help you do all of these, just like EDS. Let’s have a web-based client feedback system so that when the client logs feedback, every partner and junior staff member in our firm can see what the clients think of every partner. Now, all I’m saying is I’m not moralist. I’m not saying that’s a morally good idea. I’m just saying [that] the quality of client service will go up if you do that. The technology will offer you new ways to enforce old ideas, but you’ve got to really believe the old ideas first.

Now again, please notice—these are not my values. I did not choose these. This is purely numbers. I said to the computer, “What best is correlated with profit/performance?” and the answers are these things. Now again, I must confess I like it. It makes sense to me; it’s basics. But I didn’t choose them.

In other words, we have evidence that you win if you enforce standards on basic things. It’s not about pay. We should all be in this together, all committed to each other, and what makes us in this together is that we enforce our common standards. Personally, I believe that’s how you make the most money. Unfortunately, law firms don’t want to manage that much. The idea of actually having to manage partners makes them break out in spots. So they stay tolerant and often introduce a differential reward system. “We’ll still be tolerant. We’ll just pay the higher achievers more and the low achievers less and leave everybody alone.” And personally, I’m not sure that’s as good a solution because you heard me say the issue is not compensation; the issue is standards.



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