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Straight Thoughts, Straight Talk

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Editorial

This editorial is bittersweet. During the last quarter I lost my mentor, Hank Murphy. Hank was a larger than life figure in life and at Andersen. He started with the firm in Chicago and moved to Atlanta early in his career. He was one of the key partners that help grow Atlanta into one of the largest offices in the firm.

On a personal level, he was my mentor. Hank loved teaching young people how to be great auditors or consultants. You could tell he genuinely loved pushing us to better ourselves, help our clients and to do it with passion.

I will indulge you with one of the great teaching moments Hank shared with me. I have in turned adopted this as one of my own teaching concepts. I was a young consultant working with Hank in the Corporate Recovery group. We specialized in litigation support and turnarounds. Both of which were pretty high stress environments.

On one of my first engagement with Hank we had a high stakes meeting with the client's Board of Directors and the Banks. I prepared Hank and another partner for the meeting. They were ready to go. As they got up to go the meeting Hank said "Hancock, what the hell are you doing? Come on! I was shocked because the whole meeting was scripted and I was by far the most junior person in the room. The meeting went well, or so I thought.

When we walked out the meeting Hank grabbed me by the neck tie and said "don't you ever go into a meeting and not contribute. You are not my bag boy! I asked you to be there because I trusted you. You knew your stuff. It reflects poorly on you to sit there and not say anything. Besides I was there if you said something stupid. I had your back! That is a risk I was willing to take."

I will never forget that. It has shaped my professional career. In turn I have tried to pass that on to those who work for me. I could go on and on about other lessons Hank taught me. I am sure you have many of your own teaching/learning moments from your mentors around the firm.

Andersen was the ultimate apprenticeship professional firm. The culture of on the job training was unsurpassed. What are your stories? If you would like to share yours, email them to admin@andersenalumni.com. We would like to preserve legacies such as this.

I will miss Hank, but his spirit and that of the Firm he loved so much will endure.

Enjoy this quarter's newsletter. There are some great articles from your peers.

As always, we need your help to further strengthen and maintain our Andersen Alumni network. Please leverage our Social Media Presence and LIKE our Facebook page and JOIN our LinkedIn network, and lastly you can FOLLOW us on LinkedIn as well.

Sincerely,
Kirk Hancock
Editor

Would an Olympic Athlete Go for the Gold Without a Coach?

By Ed Maier, *Former Andersen Partner*

I doubt it.

I thought of this question earlier this year while watching the Winter Olympics. I can't conceive of anyone attempting to perform at the level of an Olympic athlete without the benefit of a coach.

People ask me why they should make use of a coach in business or their life. I tell them I will answer their question with four words – "Tiger Woods, Michael Phelps." I have had the good fortune in my lifetime to see these two of the world's greatest athletes compete in their individual sports. I am struck by the following. In the time I have watched Tiger Woods, he has engaged at least three coaches (that I have heard of) to help him with his swing. In an interview with Michael Phelps, he acknowledged that after his success in Beijing, he did not commit himself as hard to his training. When he decided to recommit for the London Olympics, he immediately looked to his long-time swim coach to help him prepare. If these two superior athletes, who are clearly at the top of their game, recognize the need to work with a coach, why not us? Why do so many of us dismiss the possibility of using a coach to help us get through some of the difficult challenges in our work? Why don't we even think about using a coach to help us re-engineer our swing, or help us recommit to our next major project?

According to my extensive Wikipedia research, the word "coach" is derived from the name for the village of "Kocs" in Hungary. Kocs is credited as being the birthplace of the horse-drawn carriage around the fifteenth century—a coach. Many years later, the word became slang around college campuses for "teacher". Speculation is that this rose because teachers were thought to help "carry" students. Another version states that in the early history of horse-drawn coaches, which were owned primarily by the wealthy, servants read to their employers in the privacy of long coach rides. Over time, the term came to be used to describe "athletic teachers" also.

Coaches help you work on certain skills or behaviors that you wish to improve. For example, consider a professional golfer. She has been playing well, but all of a sudden she has trouble making a certain type of shot. No matter what she tries to do, she cannot execute the shot in the desired manner or with the success that she had in the past. She engages a coach to work with her. Together, they identify the nuance changes in her swing that are necessary to alter it. She takes these new ideas, or in some cases is reminded of successful actions from her past, applies them and achieves her goal of shaping and making that shot. The coach helps her assess the current state of her swing, develop a plan to alter the swing, practice the new swing behavior, use the new swing in appropriate tournament situations and measure the results. If her shot results improve, she will adapt these new behaviors as a part of her swing pattern for that shot. If not, then it is back to the coach to work on other possibilities.

Let's say a business person takes on a new leadership role. Over a short period of time, turnover in his department spikes and exceeds his expectations. He might engage a coach to help him analyze the impact of his leadership behavior style on those around him. Working with the coach, he will assess the current state of behaviors and identify what might need to be altered, develop a plan to implement new behaviors, execute against that plan by changing behaviors, and measure the results of the changing behaviors. Just as with the golfer, if the end result is positive and departmental turnover is reduced, he continues the new behaviors. If not, he continues to search for the solution.

Here's a real-world business example. A few years ago, I worked with an aspiring executive who was at the manager level in the engineering department of a large company. Lydia was in this role for a couple of years and was handling herself just fine.

She was a good project manager. She made significant contributions to the success of her team. She had good relations with her boss, her direct reports and her peers. Her projects were always delivered on time; she met target deadlines and commitments regularly. When the boss had a need for someone to lead a special project, he always felt he could call on Lydia to take on the project successfully.

Here's the "but…" Lydia would always do what she was asked to do. At least that was the impression of Lydia's boss. When I became Lydia's coach, I interviewed her boss about her performance and work behaviors. It was clear that the boss expected Lydia to do more than just accept new responsibilities and do them well. He expected Lydia to seek out new responsibilities and complete them successfully. For example, at a meeting earlier in the year, he told his four direct reports that he would be preparing a significant presentation about a new process tool for use in the Engineering Department. This presentation would then be given to the Senior Vice President of Engineering. To do so he had to assemble a significant amount of information, analyze it and present it in an "executive-level" manner. He hoped that Lydia could lead the group to assist him with the development of the presentation. However, when he told everyone about the presentation he had to prepare, two of the other direct reports at the meeting immediately volunteered to help. Lydia did not speak up. Lydia's boss was disappointed in her failure to do so. He told me that the culture of their company was such that people who possessed the appropriate technical skills to do their job effectively (like Lydia) were valued employees. However, they were not likely to be selected for "plum" projects or promotions. They were not "aggressive" enough; or "assertive" enough. They did not "speak up" to volunteer to take the lead on significant new projects. They did not self-promote visibly.

In addition to interviewing Lydia's boss, I also spoke to several of her peers and direct reports. One item kept coming through. They observed that Lydia was a very knowledgeable engineer. They enjoyed working with her on different project teams. But again, they did not feel that she spoke up sufficiently to upper management about the team's accomplishments, or new ideas that they developed.

Having identified this as a possible need for Lydia, we discussed it in one of our coaching sessions. She explained her perspective on her behavior. We agreed that this was an area in which she could comfortably change her behavior. We talked about upcoming work opportunities in which she could practice new skills. We set goals to do so. At subsequent meetings we met to review her progress.

Over time, Lydia dramatically changed her behavior in this area. By the time we completed our formal coaching time together, she was bringing fresh ideas to the table on how she could be more visible within the organization—with her direct reports, with her peers and with her boss. She recognized that within their company, this was a skill that was essential to future success. She practiced it; eventually, it contributed to her promotion to the next level.

I have met many coaches. They all have similar processes to follow to help people change or alter specific behavior patterns. A coach helps you identify a behavior pattern, determine what needs to be done to change the pattern, and works with you to help you make the change.

So tell me again, why would you "go for the gold" without using a coach?

Please share your comments or thoughts with me at ed@thinkstraighttalkstraight.com
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The #1 LinkedIn rule everyone should follow. Are you following it?

By Wayne Breitbarth, Andersen Alumnus

Don't read this unless you either

1. Post LinkedIn status updates with some frequency OR
2. You're sick and tired of the folks who think you want to see the same silly brain teaser game over and over in your status update feed or hear about their big year-end sale on the hour every hour
for two straight days OR
3. You don't really know how to maximize one of LinkedIn's best marketing features--status updates.

So, what's the #1 LinkedIn rule of thumb I wish everyone followed? I call it the 6/3/1 Rule. Simply put, for every ten status updates you post on LinkedIn (no matter over what time frame those posts take place), follow this rule:

> **Six** should be great educational information for your intended audience that you didn't write. This is the stuff you have read from others that resonated with you in your area of expertise.
> **Three** should be great educational information for your intended audience that you or your company authored or created. It could be blog posts, articles, video, checklists, white papers, customer testimonials, "how to" information, product comparisons, or other research that you believe will help your audience.
> **One** can be flat-out promotional, attempting to sell your goods or services.

If you follow this rule, you will be sharing great customer-focused information 90% of the time and directly promoting only 10% of the time.

I work really hard to adhere to this rule out of respect for my network. (And, by the way, if you're not part of my network, you should be!) Then when my network sees a post about the new edition of my book, my upcoming classes, or my LinkedIn consulting, they will probably say, This post doesn't bother me since most of the time Wayne shares great educational information about LinkedIn, and, after all, a guy's gotta make a living.

Using status updates correctly, no matter what social media site you're on, is one of the foundational principles we all need to understand in order to be successful in the new digital marketing world. And the 6/3/1 Rule is particularly important on LinkedIn because it's meant to be a purely professional site.
If you want more concrete examples, I highly recommend Gary Vaynerchuk's new book "Jab, Jab, Jab Right Hook: How to Tell Your Story in a Noisy Social World." He provides lots of specific examples of how to share social media updates correctly. Although he doesn't specifically mention LinkedIn, many of the concepts are applicable.

Wayne Breitbarth, an Andersen Alumnus, is a Social Media Trainer Speaker, Consultant and Author of "THE POWER FORMULA FOR LINKEDIN SUCCESS" He can be reached at wayne@powerformula.net

Creating a Valuable Practice

By John Blumberg, Andersen Alumnus

One of those great lines you've heard many times, is practice makes perfect. I don't know about "perfect" but it does make us better. Malcolm Gladwell, in his book, Outliers, takes this historical cliché of common sense one step closer to statistical truth with the proclamation of his 10,000 hour benchmark. In his work, Gladwell basically correlates the connection between 10,000 hours of actually doing something with mastering that "something." Using example after example, he makes a compelling case. It does make common sense that the more you do something, the better you will get at doing it. The wisdom in his work, however, is that you may have to practice for a lot longer than you had originally thought.

It may also profoundly explain our challenge in living core values.

The bottom-line is that we really don't like to practice. We like to be in-the-game, but we don't like to practice. For most of us, this dislike for practice started at a very young age. I wonder how much undeveloped talent exists in the world just because we were not committed to practice. I'm not talking about taking our athletic talents to the major leagues, our acting talents to the big screen, our musical talents to the big stage ... or our artistic talents to a famous art gallery. But who knows?!? I'm also not talking about woulda, coulda, or shoulda either. I'm just talking about our overall dislike for practice. And Malcolm Gladwell was talking about the necessity of it.

I'm sure many of us can think back to a childhood activity in which we were involved. It wasn't we didn't like the activity itself. In fact, for some of us, we liked it a lot! We just weren't committed to practice it. Which ultimately meant we weren't committed to the activity itself.

This partially explains why so few organizations master core values.

Many organizations have put a lot of effort into defining their organizational core values and then committing resources to a nice roll-out of their announcement. No question, it's an important part of the process. And it can take a lot of emotional energy to get that done. The problem begins when an organization basically feels, just because their core values have been announced, the task is done. And some leaders make a dangerous assumption when they assume their newly announced core values will just be done.

It is with the announcement that the real work begins. A coach would never announce the team and then immediately take the team to a game. Long before the first game there would be practice after practice. There would be formal practice and then the personally imposed additional practice of each committed team member.

The bottom-line of core values is that they take practice.

When it comes to core values, practice won't make us perfect. Practice will make us consistently better. It is a day-in and day-out practice. Just because we might announce "respect" as a core value means very little. Everyone practicing respect means everything. We don't get more respectful just because we claimed it as a value. We get more respectful because we practice it.

Malcolm Gladwell claimed that we get better when we do it ... again and again and again. He didn't say we always get it right. The magic of the 10,000 hours resides in the commitment itself ... in the tiny celebrations when we get it right and learning from where we sometimes, painfully, get it wrong.

When you think about it ... the benchmark of 10,000 hours literally takes a long time to get there. In an organization, that would be close to 5 years (and that would be assuming every working hour was just practicing that one thing!). That explains a whole lot since most organizations have forgotten the announcement of their core values in less than 5 months. It may also explain why less than 5% of the executives, I ask, can immediately tell me the stated core values of the organizations they lead. I usually get a response something like ... "I know I should just know them (to which I mentally agree). I will have to get those to you ... I think they are somewhere on our website."

Is it that they aren't committed? Some aren't. Most just don't like to practice.

Practice is the ultimate form of commitment. Just like any other skill ... core values become increasingly valuable the more hours they are practiced. Practice isn't about always getting it right. It's about the deep commitment to keep practicing. Getting it consistently right just becomes a lot more likely ... five years later!

John Blumberg is an Andersen Alumni and a full-time professional speaker and author who speaks with organizations who want to strengthen their core values and turn their people into better leaders. You can learn more about John at www.keynoteconcepts.com

The Myths and Realities of Recruitment

By J. James O'Malley, Former Andersen National Director of Experience Recruiting

Myth: Recruiting is the responsibility of recruiters and HR
Reality: Identifying viable candidates is everyone's responsibility…especially consultants.

Are business developers responsible for a lack of sales in your firm? Is the marketing department at fault for the lack of a brand? Is accounting to blame for the lack of profitability? No – these are the responsibility of everyone you employ.

Consulting is the business of consultants. When firms hire supporting roles to "support" their business, they accept responsibility for the lack of success in all areas…including recruiting. Recruiters need to stop trying to please their consultants and work towards mutual respect and partnership. This is done most effectively when consultants are actively, collaboratively and appropriately involved in the process.

What does this entail? It means consultants should share leads, information and research about prospective talent by, for example:

- Letting the recruiting team know when they encounter someone in the market that they are interested in pursuing
- Providing recruiters with access to their referral networks and making the introductions
- Sharing attendee lists from conferences that prospects may have attended

Myth: Recruiters exist solely to alleviate the workload of managers
Reality: Recruiters are specialists and consultants need to recognize them as such...and let them do their job

I once had a senior partner say, "O'Malley, I can recruit consultants better, faster and cheaper than you. I just don't have the time to do it. I told him, "Well, now that we have established why I am here, please step aside and let me do my job!"

The truth is that recruitment today is highly specialized. Social networking has revolutionized recruitment but the profession still also requires a high-touch approach where human interaction is at the heart of convincing a desirable candidate to come join your firm. Finding good candidates - especially passive candidates - can be maddeningly difficult and extremely time-consuming. Given that few firms have yet to reach post-recession staffing levels within their recruitment function, recruiters are often overstretched and struggling to do their jobs with outdated technology. To address this challenge, establish mutually-agreed upon and reasonable SLAs to manage expectations and set goals—not pipe dreams—of what can be accomplished.

Myth: Consultants are beating down the doors to come work here so recruiting them is easy
Reality: Even in today's sluggish post-recessionary job market, the right talent is hard to find

Consulting leaders often exhibit a (apologies to Kevin Costner) "We built it, now they will come" attitude assuming that consultants from other firms will line up at HR's doors every time an opening is posted on a job board or communicated through LinkedIn. The truth is good consultants don't have to look for a job, *the job comes to them.*

Statistics show that experienced consultants have multiple opportunities presented to them even before they declare themselves active candidates. Finding true passive candidates, as mentioned above, is an enormous challenge. It requires researching and knowing exactly who you are talking to prior to making first contact. All too often, an audit manager from a Big Four CPA firm will get a call for the "great opportunity to do ERP implementation work". Since a recruiter only has a brief moment to capture a consultant's attention, the "recruiting pitch" must be well-targeted, succinct and compelling.

Think of it this way: The role of the hunter is to do the research, make the pitch and develop the interest in the candidate while at the same time assessing whether the individual is right for the role. The complementary role of the skinner is to move that candidate through the process, ensure he/she is assessed for cultural fit, behavioral traits, has the required technical skills, collect the paperwork, get them through their firms' systems, make the offer and get them safely on-board. More than likely, recruiters try to do both although they require quite separate and distinct roles, not to mention personality traits – more often than not, a skinner doesn't want to hunt!

Myth: Our brand is better than yours (meaning the consulting firm down the street)
Reality: In many consulting categories, the employer brand is virtually the same from firm to firm

You may think that your firm has a distinct personality and, granted, there may be some things you do better than your competitors. But, within your market niche, I'll venture to say that your benefits, work-life balance, pay and bonuses probably look a lot like those of your competitors. This poses a problem for recruiters who need to "sell" consultants on joining your firm. They need to develop an elevator speech much like the one you present to prospective clients when pitching an engagement...and you know how challenging that can be. That's why consultants need to work hand-in-hand with HR to develop a distinctive and authentic employer brand. Don't mistake brand with culture, they are two very different and distinct things but both have a large impact on your ability to attract and retain talent.

Myth: We have always done it this way, so why change?
Reality: The recruitment model of yesteryear is no longer relevant

I am old enough to remember when the big consulting firms exclusively hired on campus. Hiring experienced talent was unheard of. Then, as the demand for consulting services expanded, firms realized they could not develop the consultants fast enough. So, as the business changed, guys like me were brought in to recruit experienced consultants to complement the campus recruitment model. Today, signaling another big change, more firms are hiring partners from outside of the firm. Changing "who" you recruit requires a strategic change in "how" you recruit. This is why my firm is seeing so much interest in a complete, impartial assessment of clients' recruitment processes/technologies, the structure of their recruitment function and the way they staff it.

Myth: It's cheaper to buy talent from outside than to develop it from within
Reality: You need to do both to mitigate risk

New markets and new lines of business develop at breakneck speeds while, in contrast, it takes years to develop subject matter expertise. Consequently if a consulting firm needs industry or subject matter expertise quickly to compete, we venture outside and buy it as opposed to "building" the skills within.

There are two problems with this. The first is that firms easily forget how to hire for potential and develop talent. The second is that they take on big risks when they recruit laterally. Successful consultants at your competitors usually have little appetite to move for the same title, same responsibility and a little more money. The reality of lateral recruitment is that we all raise the bar on pay while often only managing to trade each other's under-performers. So, if you need to hire a manager, senior manager or partner from another firm, forget postings and LinkedIn. The superior performers need to hunt. That's what needs to change.

Summary

So, ask yourself whether your recruiters have the skills to do that AND whether you have the employer brand to make your firm distinctive and a more attractive place to work than your competitors. Start hiring for potential again, and build this model for your experienced recruiting efforts so now you have a game changer. If I'm a senior consultant looking to accelerate my career, I'll be much more interested in entertain the opportunity (and risk) of going to another firm as a manager than as a senior consultant. The firm that is willing to make this change now to react to market conditions will win the war for top consulting talent!

J. James O'Malley is Partner, Executive Search & Workforce Planning Practice Leader at talentRISE. Jim has over 25 years of experience in developing HR and talent acquisition solutions t or global consulting firms (including Huron Consulting Group and Arthur Andersen), to ensure that leadership talent aligns with changing business needs. Jim joined talentRISE in 2012 to address our clients' executive leadership challenges by leveraging his passions for strategic workforce planning/analytics, executive talent search and executive coaching. Jim's most recent role was as senior vice president in the human resource function of Fifth Third Bancorp where he was charged with building the infrastructure to support the organization's strategic workforce planning needs while attracting, retaining and recruiting a differentiated workforce at the executive level. Prior to joining Fifth Third, Jim served for five years as Managing Director and leader of the talent acquisition function for Huron Consulting Group, a global professional services consultancy. He can be reached at jimomalley@talentrise.com.

The One-Firm Firm Revisited *(part two of a three part series)*

By David Maister, author

Review: The Importance of Trust and Loyalty

There are many reasons why institutional trust and loyalty are important in a professional business, but three are worth stressing immediately.

First, clients of a one-firm firms have, as a practical matter, access to all the resources of the firm. Individual members, rewarded through the overall success of the enterprise, are more comfortable bringing in other parts of the firm to both win and serve clients with complex multidisciplinary or multi-jurisdictional matters.

Clients are generally better served than they would be by a firm of solos or silos. Clients respond positively when individual members support (and, especially, do not undermine) their colleagues. One-firm firms are good at relationships, internally and externally.

In firms that emphasize the use of credit and compensation systems to motivate (and placate) individual members, client service across disciplines and geography will often suffer. Sophisticated clients may cherry-pick great individual professionals or small practice teams from such firms but will rarely depend on them for complex work across boundaries. Warlord firms tend to excel at transactions, not relationships across boundaries.

Second, as we have seen, the stewardship approach that one-firm firms take toward their recruits (selectivity, training, high standards), when done well, can lead to great alumni loyalty. One-firm firms do not necessarily have lower levels of turnover, but former employees often leave as loyal advocates of the firm, based on the way they were treated when they were there. Employees of warlord firms do not always feel this way. This can have a significant impact on future revenues.

Third, trust and loyalty give a professional service firm a better chance of surviving market downturns. The test of a firm is not how it does in good times, but rather how it responds to roadblocks, stumbles, and problems, minor and major.

On such (inevitable) occasions, members of a loyalty-based firm will pull together, and they will take pride and pleasure in doing so.

In professional businesses with a free-agent climate, seemingly successful firms can disintegrate (and have disintegrated) almost overnight. At the first sign of weakness, the strongest members often feel that the sensible personal strategy is to build and cling to a client base and a personal reputation.

At the very time when leadership is most needed, it is difficult to get the best people to work for the good of the firm. As firms grow weaker, the key members clutch ever more tightly to their client work and the firm flounders. Those who can, run for the door. It is not easy to reverse this spiral.

In our view, many professional service firms are currently engaging in activities that undermine loyalty and create fault lines, including:

- Growing for growth's sake, by incoherently adding laterals and merging;
- Expanding into unconnected practice areas and markets;
- Hiring primarily semi-experienced lateral associates rather than hiring and training entry-level applicants;
- Eliminating social and partner/officer meetings as a cost-cutting measure;
- "Pulling up the ladder" to partner or owner status and establishing complex membership hierarchies, including nonequity levels, not to serve clients but rather to relieve inside pain; and
- Obsessing about the short-term bottom line: treating financial success as the goal rather than as a byproduct of a well-run firm.

Joseph Heyison of Citigroup, in a private communication, offers an interesting explanation of why such actions are common. Consider, he suggests, looking at the issue from the perspective of a powerful rainmaker in a professional service firm.

The bottom-line question is whether a rainmaker is better off supporting a warlord model and developing a strong portable practice that can be moved to another firm if the current firm suddenly gets into trouble. Heyison's special insight is that firms compete not only for clients and junior staff, but also for rainmakers, and much of what we can see in the evolution of firms can best be understood in terms of that competition.

He notes that, while many firms have gone under in downturns, few rainmakers have. This reasoning may indeed explain why some warlord firms (if staffed with truly skilled warlords) do well, at least in the short run.

The Stress of Boom Times on One-Firm Firms

Brian Sommers, a former Accenture partner, points out on his blog, in a posting called "The Lessons of Andersen," that too much individual incentive can lead firms into trouble in boom times as well as bad times. He observes:

"Great firms don't let their partners sell inappropriate work. They have a quality control process that prevents this. They utilize partners from different geographies, industries, etc., to do these quality control checks so that no one, in a position of career determination, can influence whether the work is sold and how it is structured.

"Great firms have a formalized approval process. Great firms protect their reputation as they realize that their brand is their number one asset. Great firms also pay all people in a relatively uniform way.

"Lone wolf selling and delivery, to get the biggest pile of money at the end of the year, drives way too many bad deals."

Jonathan Knee, in a review of his experiences working in investment banking (*The Accidental Investment Banker*, Oxford, 2006), also points out that temptations can exist when a boom market allows firms to achieve rapid volume increases by relaxing their hiring or other quality standards. Management must be disciplined — must know how to say no — in prosperous times as well as in down times.

Our observation from watching one-firm firms over twenty years confirms that the one-firm firm principles are as fragile in prosperous times at they are in troubled times. In highly prosperous periods, productive partners grow impatient with management's reluctance, for example, to hire willy-nilly in order to staff all of their new production, or to promote their favorite — and very busy — partner candidates.

Also, in busy times there is a temptation to let investments such as training take a back seat to getting the work out the door. Only adherence to the firm's principles and values prevents opportunistic behavior that may have short-term benefits but long-term adverse consequences.

Rainmakers — always stressed but even more so in boom times — often have little patience with the one-firm firm business disciplines. They are characteristically insecure about whether it will rain tomorrow for them. This insecurity is why they are compelled to hustle for new business.

They are also likely to compare their compensation with those of the leading rainmakers in the warlord firms. When they feel that they are not at the very top of their peer group, they often find it hard to trust in the future. This is especially so with members who did not "grow up" with the firm. Loyalty and the long view require time to accrue.

It is during these times that managers of one-firm firms earn their money. It is tempting to relax the disciplines in boom times, but boom times always recede and the bad calls always bite.

Summary

As we have tried to report, the five named one-firm firms are both similar to and different from what they were in 1985. Changes have happened in these firms, but they have been managed within a (mostly) coherent ideological framework.

Some specific one-firm firm practices have changed with positive effect, and some experimental moves away from the one-firm firm system have proven to be mistakes.

While they may not seem as pure in their commitment to the ideals described in 1985, these firms are still distinguished by their deep commitment to a teamwork approach.

So it might be fair to say that Maister left out one important item when he listed the one-firm firm attributes in his 1985 article: flexibility, and the willingness to experiment and change within the firm's value system.

One-firm firms are known for their attention to what warlord firms would pejoratively characterize as "soft values."

If our experience since 1985 tells us anything, it is that this attention, balanced of course with high standards, can really pay off in terms of producing the kind of internal loyalties — and energy — necessary for long-term success.

ABOVE ARTICLE REPRINTED BY PERMISSION FROM DAVID MAISTER

David Maister is widely acknowledged as one of the world's leading authorities on the management of professional service firms. Prior to his retirement in 2009, he served for 25 years as a consultant to prominent professional firms around the world, on a wide variety of strategic and managerial issues. He was previously on the faculty of the Harvard Business School. He is the author of the bestselling books Managing the Professional Service Firm (1993), True Professionalism (1997), The Trusted Advisor (2000), Practice What You Preach (2001), First Among Equals (2002) and Strategy And

The Fat Smoker (2008.) His articles, blog, videos and podcasts may be found at www.davidmaister.com

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