

Leadership isn't Management

So you'd like to be named one of the leaders of your professional or business-to-business service firm (PSF or B2B). In order to get there, you want to improve your skills in leadership. You're in luck. There is lots of guidance available – in books, articles, blogs, conferences and more. Fortunately, much of it is specific to the business models of the expertise industry.

But let's be clear: leadership is important, but it is not the same as *management*. You won't be as effective a leader of your organization unless you understand the difference. And, you have to consider how the management of a professional or B2B service enterprise is changing.

My point is not meant to diminish the credentials of executive managers who have earned their MBAs. Rather, it's about the more competitively critical issue of *running* a professional firm. It's about applying classic business management principles to grow market share and build the "right" kind of revenues. It's about a new kind of stewardship that most professional enterprises don't employ today.

How Managing a Professional Firm has Changed

The difference between managing professional firms -- versus leading them -- came to light for me as I conducted research with scores of PSF and B2B executive managers, senior business developers and seasoned marketers for *The Integration Imperative* (Professional Services Books: 2009).

Many of these people remarked about the early days of the professional and business-to-business service arena, where executive committee members and managing partners held almost honorary positions (more akin to figureheads than actual managers). Leaders of professional firms tended to address marketing and business development effectiveness at the individual, geographic, or practice level.

This organizational model created a troubling legacy for today's firms. When it comes to growing their revenues and market share, today's professional firms aren't effectively integrating their marketing and selling functions. Most firms struggle to overcome numerous organizational structural and cultural silos. Their functional disconnects prevent professional firms from competitive effectiveness, impede their financial success, and hinder them from delivering optimal client service.

Even worse, professional and B2B service firms appear to be looking for marketplace effectiveness in all the wrong places: "Hire big-time rainmakers!" "Acquire that hot boutique firm!" The real Holy Grail lies inside the firm: harnessing people differently, ensuring that marketing and business development is integrated into every function.

Tomorrow's PSF and B2B executives will be expected to achieve *meaningful* gains in competitive advantage and market share. In order to do this, they will have to harness their people differently through three "best practice" structural frameworks and three new cultural paradigms that benefit all the firm's stakeholders.

Three Structural Frameworks

The Process Imperative: Tomorrow's professional firm executives will manage their organizations' go-to-market processes. But this focus must be on more than just watching the hand-offs from one functional "silo" to another. The Process Imperative calls for the creation of a broader functional purview for marketing and business development, and a better prioritization of all marketing and business development initiatives. It also includes making the marketing, business development, and client service processes more discernible to everyone in the firm, and more obviously iterative. Because too many firms only think they have to acquire new clients or retain them, for example, and forget to go back and review their strategic appropriateness. They act as if the marketplace stands still, and it doesn't. That's why they need to cycle back around periodically to other process steps – to challenge and recalibrate their assumptions and approaches.

The Skills Imperative: Tomorrow's professional firm executives will direct each person's pathway to marketing and business development skills growth. Of course, many professional enterprises have well-recognized career pathways – but these are focused mainly on revenue-generating practitioners. The Skills Imperative calls for executive managers to reframe advancement pathways for practitioners and nonrevenue generating staff, and to more clearly direct the steps every professional can take toward competency growth in marketing and business development.

The Support Imperative: Tomorrow's professional firm executives will reframe the lateral working relationships between a professional firm's administrative peers in human resources, information technology, finance, legal, and other operational functions. Many professional service firms already enjoy the results delivered by the friendly, informal working relationships that exist between these support functions and their marketing and business development colleagues.

Three Cultural Models

When directing improvements of their firms' process, skills and support structures, executive managers should also manage three cultural models that foster the integration of marketing and business development. The first cultural imperative is the adoption and communication of an updated organizational lexicon about marketing and business development. (At too many professional firms, people labor under serious misunderstandings about what marketing and business development actually are, and should be doing. Managing marketplace gains cannot be achieved unless people understand each other.)

■ The second cultural imperative is the creation of formal collaboration, shared accountability, and co-leadership standards for marketing and business development. (At too many professional firms, people experience problems with boundary confusion, unevenly assigned accountabilities, or feelings of marginalization regarding marketing and business development. It's hard to drive toward marketplace effectiveness when people aren't working together as best they could.)

The third cultural imperative is making expectations more explicit about how everyone can contribute to marketing and business development. (At too many professional firms, job descriptions and performance measures are either nonexistent or outdated when it comes to outlining exactly how every function can help the enterprise achieve greater competitive advantage. This is where the difference between leadership and management is most obvious.)

It's Time

It's time for PSFs and B2Bs to move beyond their legacies of siloed marketing and business development functions. In order to do so, they will need to embrace the best practices of leadership, as well management principles about how to run a professional enterprise. The structures and cultural standards of the Integration Imperative can serve as important guideposts toward competing more effectively, realizing meaningful market share growth and serving clients optimally.

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