

PERSPECTIVES

Strategies to Manage Your Law Firm's Professional Liability Exposures

MSP 03/2005 "Practice Management Strategies Part 8—Law Firm Culture"

March, 2005

Practice Management Strategies Part 8 Law Firm Culture

Make sure you do not have a hostile work environment – A hostile work environment creates the potential for serious problems, including extremely serious claims by people working in the law firm. If any part of your culture is hostile, change it to a more user-friendly environment.

Take action immediately to prevent or interrupt any form of sexual harassment – A successful sexual harassment claim has the potential to financially break your law firm.

If you see any type of harassment occurring by a partner, associates, staff employee, or client, it is advisable to do whatever is necessary to put a permanent stop to the behavior immediately.

This is especially important since claims based solely on sexual harassment allegations are not covered by professional liability policies.

Promote teamwork as the most important operational dynamic – The old model of the dynamic individual warrior lawyer, such as Clarence Darrow or Melvin Belli,

while romantic enough, simply doesn't work anymore. Most areas of the law are now so complex and expertise laden that no one lawyer can purport to have all the answers. A team ap-



(Continued on page 2)

Published by

Cavnac & Associates

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(Continued from page 1)

proach in an atmosphere of cooperation almost always gets the best results today.

Under the old model, a firm consisted of a number of separate fiefdoms, usually dominated by a partner who functioned as an autocrat. Usually, each of these fiefdoms “did their own thing,” independent of the other fiefdoms, with an inevitable result of procedural deficiencies and breakdowns which often resulted in professional liability claims.

This milieu, in which there was little or no consistency or peer review, became a fertile breeding ground for “lone ranger” or “rogue” lawyers who operate on their own, often behind closed doors, with their activities being unknown even to their partners.

In the old days, this worked out well enough, but in today’s world the “rogue” lawyer may take on a client or get involved in a business deal that goes south and ends up bankrupting or severely impacting your law firm. Rarely does a month go by when you do not read about some horror story about this type of calamity.

Recognize that the structure and set up, which worked all too well in the past, will not get the job done today. Teamwork provides a better level of seamless services to your client and fosters an atmosphere of cooperation, learning, personal growth, and training.

Define the characteristics of a winning culture that you want, and then go and create that culture in your firm – Certain components of a firm’s culture are conducive to success on all levels, including the professional liability front. These include the following cultural traits:

- Pride in performance
- Strong leadership
- Fabric of mutual trust and respect
- Striving for constant and never-ending

operational and performance improvement on all fronts

- Service provider mentality
- Businesslike and profit-minded

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