



Increase sharing to increase growth

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The end of 2008 and the beginning of 2009 created new challenges for firms. Their capacity to respond to these challenges as an organisation does not depend on size, far from it, but on the determination to grow together, to learn and to share know-how in order to improve performance levels as quickly as possible. More than ever, knowledge, information and actions conducted within the firm must be identified, centralised and optimised. The question which is posed today is the following: in what way are professional services firms learning organisations, given their specific features and mode of operation? Are they capable of mobilising all their resources and knowledge to grow on an individual and collective level to face the new challenges related to the crisis: identifying opportunities; optimising and rationalising development operations; managing customer relations; developing or recruiting new business skills; minimising costs.

If we stick to Garvin's definition¹, a learning organisation is "an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights". To meet this definition, professional services firms must develop five activities: group problem solving, experimentation, drawing lessons from experience, learning from others, transferring knowledge.

What is the situation today?

Sharing knowledge is a state of mind

The growth of the firm is achieved through a genuine company business plan involving all the players: professionals and support staff. The assumption of such an organisation is that each individual within the firm can potentially contribute to corporate growth by achieving personal growth. To do this, upstream, the firm must be capable of perfectly defining its recruitment needs, identifying and selecting the most suitable profiles and assigning precise roles and responsibilities to each. Professionals, employees or partners, must be perfectly aware of what the firm expects from them in terms of technical skills,

¹ Garvin, D. (1993), «Building a Learning Organization», *Harvard Business Review*, July-August, p. 78-91.



behaviour and sales know-how; support staff must be perfectly aware of their objectives and contribution to the firms' growth, and which decision-making value chain they are a part of.

Furthermore, beyond the organisational prerequisite, the individual prerequisite is vital: each person within the firm must be determined to share information. Now, this is a sensitive point for professional services firms: to what extent does a partner wish to share information about clients? From this determination to share information and know-how comes the possibility for the firm of

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achieving growth as an organisation by enhancing its assets: increased revenue generated by the sale of other services, more customer knowledge, and more relations that will generate future leads. By growing the organisation and therefore other people, we also grow ourselves. Compensation models can reinforce this determination to share. Depending on whether the system is "lock-step" or "eat what you kill". In other words, by making you better, I improve myself.

To encourage this sharing, the firm as an organisation must stimulate continuous learning through working together. Now, what is observed today? Are we witnessing the sharing of information and actions or are individuals developing their activity in their own corner? In many firms, we note that the pooling of information is culturally blocked: the principle may well be recognised, but it comes up against practice and it has to be admitted that cross selling remains elusive. Not to mention development operations! How many breakfasts organised with no concertation or coordination? One concrete example: a partner of a law firm takes part in a round table while other members of the firm (partners and marketing or finance, in particular) are unaware of this. The result is that the round table coincides with another event the next day on the same topic, towards the same targets! This is an example, among many others, of the absence of

coordination. Beyond information loss, there is clearly a waste of resources which could have been shared to create one more powerful, more effective action.

A firm that shares meets development objectives

For a firm to achieve an improvement objective, the objective first has to be defined! When designing its strategy, the firm sets both quantitative and

qualitative goals, which are those the learning organisation should tend towards. This role is ultimately incumbent upon the

managing partner. He is the leader who will inspire and mobilise the intelligence within the firm. He must implement a system for the development of individuals, structure and tools.

A learning organisation stimulates knowledge sharing

The learning organisation should help its members to optimise their possible relations. Within a professional services firm, there are three types of relations: 1) between two professionals, the possibility of working on the same customer or same target; 2) between a professional and a member of the support staff, the possibility of using, for example, marketing or communication resources to increase the credibility of a technical skill or bolster positioning on a given target; or make use of human resources when recruiting employees or associates for a given skills domain or bid; 3) between two support positions, the possibility of pooling resources to conduct structural projects (finance, marketing, IT, accounting, human resources, etc.). All these relations must be mapped within a firm so that forms of cooperation, whether obvious or not, can emerge. How many firms have produced this mapping? All too often, the complementarity of skills is ignored within firms, precisely because the skills available are not well identified or managed. Activating these relations generates opportunities for leads, joint bids or bids by sector, for example!



Obstacles to the sharing of knowledge

However, it is difficult to ignore the fact that sharing is based primarily on the individual will to invest efforts and create advancement. In professional services firms, many cultural obstacles make sharing difficult: recognition of the value of the shared information (through compensation, for instance), fear of sharing customers with other partners, heterogeneity of skills, lack of personal trust, etc.

Lack of investment also results from the lack of time related to the urgency and prioritisation of actions. In many firms, marketing or *Business development* managers respond to impromptu requests from their partners for a bid or a brochure. If the roles and responsibilities were clearly defined, the support positions would have the power to say no when these requests are not aligned with the firm's objectives and priorities. We always come back to the basic concept: define positioning, targets and objectives upstream to be able to build daily practices.

A learning organisation optimises knowledge

Developing skills within a firm is a permanent joint concern. It is a question of optimising the links between offers, working methods and organisation. In other words, the firm, in its capacity as learning organisation, must foster the links between professionals and support staff. The prerequisite for this is a continuous awareness of who does what and when within the firm. Hence, the necessity of *knowledge* and effective CRM. Here, we enter into another phase of relations, beyond straightforward information exchange: the use and sharing of tools. You only need to look today at the number of firms which abandon CRM projects or which do not have suitable tools as to be able to realise the difficulty to involve all of a firm's staff in a shared approach.

Development of the know-how of firms also comes from the use made of

professional mobility. Openness towards the outside, confrontation with other types of structures, other types of management, other business lines, are a source of development for the individual but also for their organisation. We often witness young professionals

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setting off to hone their skills abroad. How do the firms make use of this experience feedback? Is it turned into profit? One of the most striking examples concerns *secondment*, when a professional from the firm is sent to work on a customer's premises (enterprise, investment fund, investment bank, etc.). How many of these young professionals are "debriefed" when they return, so that the firm can take advantage of their experience, contacts, working methods? Are they integrated into the management of the customer account or the network of potential prescribers? If such were the case, firms would then be obliged to acknowledge and reward the contribution this experience makes to enhancing the organisation.

A firm cannot be a place of work only

The learning organisation implies a consideration of the business activity and place of work in a positive, optimistic way. In other words, in a law firm, for example, the love of Law and a passion for Marketing (in the case of the Marketing manager) must guide the actions of professionals and support staff. The firm must be considered a place of life and not just a place of work. Is this the case today? Faced with market uncertainty, falling pay, decreasing number of deals, fear of unemployment, etc., is a firm still a haven of peace and well-being? It should be.

The learning organisation has two levels of apprenticeship: "single loop" when problems are detected and corrected; "twin loop" when problems are corrected and the way of thinking and therefore of working is completely changed. This is

the case, for instance, when a firm decides to adopt a customer strategy instead of a business line strategy. The result is total organisational upheaval. And it is precisely through this capacity to totally rethink itself that a firm can be considered a learning organisation. Hence the difficulty for very large corporations who, like “ocean liners” have difficulty changing course.

The *managing partner* at the heart of the learning organisation

At the heart of the learning organisation is the leader, who mediates, inspires, acts boldly, is convincing and... is a teacher. The *managing partner* plays this role because he has the vision: vision of what is and vision of what should be. Between the two, it is up to him to breathe this learning dynamic into the team by giving preference to the development of new ways for members of the firm to cooperate, by inciting the others to act differently. And then, above all, he should place value on change.

Today, is it necessary to convince partners of the amplitude of existing difficulties and of the necessity to adapt? Or should we consider that the environment will revert to what it was before, which would imply that we must definitely not change anything? And therefore not be a learning organisation. The professional services firm is a learning organisation if it learns how to learn: understanding the outside situation, knowing the firm’s internal situation, identifying its capacity to act and make the changes that are necessary. How many firms are capable of this?

() Day One is an independent consulting firm in strategy and development dedicated to professional services firms (auditors, lawyers, consultants, CPAs, private equity firms, executive search firms, etc.).*

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