

Intro:

This is Michael Cowen, and welcome to Trial Lawyer Nation. You've got to have the right case, because if you take it up and it's the wrong case, then you could make some really bad law that's going to affect a lot of plaintiffs. There's always an answer. The joy is in finding it. One of the reasons that I love being a lawyer is this exact process. The way we live our life has nothing to do with the presentation sequence at trial. As trial lawyers, we pick up and move on and keep going. You're losing or gaining one out of every 10 jurors, which can really make a huge difference in the ultimate result of the case. Whatever you think about, you create. Learn all you can, and never stop, and then have the guts to try case after case after case. Welcome to the award winning podcast, Trial Lawyer Nation, your source to win bigger verdicts, get more cases, and manage your law firm, and now here's your host, noteworthy author, sought after speaker, and renowned trial lawyer, Michael Cowen.

Michael Cowen:

Welcome to Trial Lawyer Nation. Today Delisi Friday, our law firm's chief marketing officer, is joining us, and we're going to talk about the leadership team we've created at our firm because it's made a remarkable difference in our practice, and I'm hoping that some of it might be useful to you in the way you run your firm. How are you doing today, Delisi?

Delisi Friday:

I'm doing great. I'm really excited to be talking about this topic today.

Michael Cowen:

Yeah, so what is the leadership team?

Delisi Friday:

Well, the leadership team for us consists of the three partners, our operations manager, and myself as the marketing director, and for each firm that'll be different, but for us that's who our leadership team consists of.

Michael Cowen:

How long have we had a leadership team?

Delisi Friday:

That is a great question, Michael. I want to say what, 2018 is when we started this? It was late 2018, right before March of 2019 we had been doing this.

Michael Cowen:

I can't remember was it 18 or 19. I know it was pre-pandemic, and I know that I'm glad we did it pre-pandemic because I don't know that we would have made it through the pandemic without the work we had done to try to have a healthier and more functional law firm before the poop hit the fan.

Delisi Friday:

Yes. But I feel like 2018 is about right. If not, maybe 2019, but we've been doing it for a couple of years now.

Michael Cowen:

In fairness I should say this is not something we thought up ourselves. This is from one of the books by an author named Patrick Lencioni, L-E-N-C-I-O-N-I, and if you listen to this podcast you know that I am a total fan of Patrick Lencioni, and I'm trying to remember which one of his books, but one of his books talked about creating a leadership team. It's probably Death by Meeting. We meet every Friday, except for today because I'm speaking somewhere else tomorrow and today is a Thursday while we're recording so we're going to meet on Thursday instead of Friday this week, but we meet every week and talk about big things that affect our firm. Tell us a little bit, what's it like to be on a leadership team as a non-lawyer at a law firm?

Delisi Friday:

That's a great question. I rather enjoy being a part of the leadership team. I think for anyone who is a young professional listening, there is a time in your career where you wonder where you get to that point where you get to have a seat at the table, as they say, often, and be a part of decisions made, and I thoroughly enjoy being a part of that decision making process and have really enjoyed to see the different parts of running a law firm and making decisions about the law firm that I didn't get to see before.

Delisi Friday:

I also think that being a part of the group, I get to add a different and unique dynamic to the conversations because obviously I look at things very differently than the partner or differently than our operations manager will. I really think when you're coming up with discussions that are going to have a huge impact on your firm, sometimes having those different opinions in the room really help make those decisions, and I have enjoyed being a part of the leadership team.

Michael Cowen:

Yeah, I've found it's interesting because law firms traditionally almost have a caste system. Either you're a lawyer or you're not a lawyer, and of course it started off I just made decisions, and then at some point I brought Malorie and Sonia in, and we would meet, I think we did once a quarter we would go somewhere outside of the office and meet for a day. But one thing we found out about, we realized when we started doing that, is we often were making decisions on incomplete and outdated information.

Michael Cowen:

For example, we would be under the impression there was some employee issue, and we would spend a couple hours talking about it. We would get a solution. We'd come back to meet with Teresa only to find out she had resolved that issue three weeks before, so a lot of wasted time and effort, and probably not the best decisions get made when you don't have complete information.

Michael Cowen:

But to do that, you need to get past this well, legally in I think all but one state, only lawyers can have an ownership interest in a law firm, that only lawyers should be involved in managing the law firm because I think that one, you need to get good, accurate, timely information from people that have the boots on the ground. The lawyers are off doing hearings and depositions and meeting with clients, so you don't always know what all's going on in the office. But two, having a law degree is not training for running a

business. In fact, most lawyers, including me historically, have been poor business managers and poor business people.

Michael Cowen:

Having other voices and other brains in the room, I've found has made us better, and so I would really encourage people, if you're thinking about creating a leadership team in your firm, to include the non-lawyer leaders in your firm. You're going to get more buy in, but you're also going to get better information to make decisions and you're going to get good ideas, because lawyers don't have a monopoly on good ideas.

Delisi Friday:

I also think another part of it is something we've talked about a lot on this podcast, which is what you just mentioned a moment ago, having a law degree doesn't make you immediately a professional at running a business, and you're right when you were mentioning you were making decisions and we didn't have the full story when we were doing these things.

Delisi Friday:

I absolutely love that you have myself and the operations manager in those conversations because you're right. Sometimes we do fix a problem, and the reason you have people in place in your office to do things is so you don't have to worry about all the little things.

Delisi Friday:

Having us in that conversation does help make it really clear what happened and has this been fixed? Is it still an issue? Is it not an issue? Then also give you a perspective of sometimes we talk with the employees and we'll have a perspective because we've been talking to different people in the office. It does kind of add that other perspective in there on behalf of the staff in your office too.

Michael Cowen:

Absolutely, and it makes it easier. There's some times that, let's say someone in the file room or someone that helps you do intakes, they may feel comfortable telling you or Teresa, our operations manager, something that they're just intimidated to tell the lawyers.

Michael Cowen:

But it's important information and we need to find out because a lot of times people tell us oh no, everything's fine, everything's fine. Then it's not fine. There's an issue that's frustrating them that could be fixed very easily, but they're too scared to tell us. I don't know why. I don't think I'm that scary, but evidently.

Delisi Friday:

You are not scary, Michael Cowen, but I will tell you it is sometimes very intimidating to tell the person who signs your checks something that's not always favorable. It is. That's the reality of it, so you are not intimidating but it is difficult. I will tell you now, we'll talk about it in a moment.

Delisi Friday:

We have conflict in our meetings and we have to trust each other to have conflict, and that didn't happen overnight. It had to take time for us to feel comfortable having those really tough conversations, and that's also another part of having a strong leadership team.

Michael Cowen:

Yeah, I think that's a really good point. I want to talk a little bit about how we formed it and what we needed to do, so if you're just having meetings and they're just meetings for everyone to agree with what Michael Cowen says, there's no point in having the meeting, and so we had to create a team where we all have buy in.

Michael Cowen:

We're all moving towards the same goals, and that we all trust each other enough to be able to give our opinions even when we strongly disagree with things because if we don't go and let the, I hate to say the word argument, but the debate happen, so that we can see the pluses and minuses of each side of an issue, we don't make the best decisions. But that takes a lot of trust for people to be able to say Michael Cowen, I don't think that's a good idea and here's why, and so I want to talk a little bit about how we built that, and I think we're 90% of the way there.

Michael Cowen:

I think there's still time some people hold back a little bit with me, but I think we're 90% of the way there, which is a lot better than where we started. We started with, and again, we just took it from the book, we started with a two day retreat, just the five of us, away from the office, and we answered I think it was six questions about the business.

Delisi Friday:

I think so, yeah.

Michael Cowen:

Why do we exist? What are our three core values? What do we do?

Delisi Friday:

How will we succeed?

Michael Cowen:

Yeah, how will we succeed, and what's most important right now? I'm trying to make sure I get them right. What we did is we had a two day retreat and we answered certain questions. Why do we exist? What is the fundamental reason that we are at our law firm and that I have my law firm as opposed to just being at another law firm? You know? How do we behave? What are our core values? Then Tony talks about having three, and really importantly having things that we actually are right now, not that we want to be, but what are we? What are the core values there?

Michael Cowen:

Then what do we do? Just real simple, because what we do means what we don't do. We litigate personal injury cases for plaintiffs, and so when I've gotten opportunities for non-personal injury cases, or for let's say a case where it's a righteous defendant in a non-insured, then unless we're going to

change who we are and what we do, we don't take those cases, so it's made a little easier to make decisions. You know, how will we succeed? What are our three strategies for success?

Michael Cowen:

For us it's to develop and support an elite team, which is the training and support for our law firm to track the right cases, focus on attorney referrals. We have good cases and we know that our business model is focused on attorney referrals, and then the maximized value of every case. Then what's our focus? Our focus was initially develop and supporting an elite team. Now we just recently changed to maximizing the value of every case, but that actually took two days to come up with all that.

Delisi Friday:

Yes, and when we went over that, I thought it would just be one day. I had no idea it would take us two days, but you're right. When you come up with this, it can't be things that you strive to be. It has to be what you really are, and that was an interesting discussion that we had amongst ourselves.

Michael Cowen:

Yeah, I think that's where people started feeling the permission to speak the truth because we had to talk about okay, some of these things, these are values we would like to have, but are we always excellent on every single case? You know? Do we always say no when we should say no? Do we always hire the most elite person? Is that always true? If not, that can't be one of our core values.

Michael Cowen:

That could be what we call our aspirational values, where we want to get there and this is our plan on how we're going to get there, but you know, if you go and say this is what we are, and your employee's like that's a bunch of crap. We're not like that. I might have said our core value was that I was going to be at my desk at 8:30 every morning. You know, that's probably true 80% of the time, but it's not 100%.

Delisi Friday:

Right.

Michael Cowen:

Does Michael take Aaron to school that morning or not? If he's not, he's going to sleep a little late. Aaron's my 16-year-old son. I think that was important. I think that was trying to get that buy in, but you know we had come up with a lot of ideas and stuff before and not stuck with it. I think there was probably a little bit of okay, we're going to go along with this, but let's not get our heart too set on it because who knows whether it's going to last for more than a few weeks.

Delisi Friday:

Well, and I think the one thing that I really enjoyed about us doing that is it also holds us accountable and it's something for us to continue to refer back to and stay focused on, because every time we're doing something with regards to the law firm, we ask ourselves does this match with what we have as a goal for our firm?

Michael Cowen:

Right.

Delisi Friday:

It holds us accountable and it keeps us on track, and I really enjoyed seeing that actually happen.

Michael Cowen:

Yeah. We've been able to say now, does this align with our values, as far as making decisions. One of our core values is we fight hard without being a-holes. It's real easy. If someone, like the other side, says can I get a two-week extension on something, well, unless it's going to really hurt our case, the answer's yeah, of course you can.

Michael Cowen:

If the question is hey, can you do me a favor and instead of taking a million, can you take 950 on this case, and do me a favor, maybe look with the adjuster, our core value is maximize the value of our case. No. We can't. You go back to those core values and it helps you make those decisions, and I like that.

Delisi Friday:

Well, I was also going to say yes, it also keeps us accountable, but it did start creating our leadership team on the right foot and making sure that we all agreed on the path and what we were doing, and that created our bond.

Michael Cowen:

Yeah. The other thing we did is we looked at how are we going to measure how we're doing as a firm? I think we came up with financial reporting. We do on a weekly basis our profit and loss, fees, expenses, and then cash flow, what are case expenses are in and out, how much credit we have available, how much money each team at the firm has made in to see if everyone's doing their part. We look at marketing. We look at cases coming in and what kind of cases we have coming in.

Michael Cowen:

We look at attorney case loads because to maximize the value of every case, we can't have too many cases per lawyer, but we also want to make sure we have enough. We look at office morale, and then we look at IT issues, just because that's a constant in our firm and I think most firms. We meet every Friday, and that's been so important to meet weekly, because if we let weeks and weeks go by without meeting, this thing's all going to fall apart. We make ourselves make weekly. We just set it at a certain time every week and just 90% of the time, the lawyers can keep their schedules clear on Friday afternoons.

Michael Cowen:

Before we decide what we're going to talk about, instead of having a set agenda, we go through those five metrics. I have bookkeeping, I give a financial report, you give the marketing and attorney caseload report, our operations manager, oh, systems compliance, I forgot that one, gives us a systems compliance report, which is how many people are, we have certain metrics, doing your file reviews, turning in certain reports 90 days before expert deadline and 90 days before trial, and making sure we're calling our clients on a regular basis.

Michael Cowen:

How many people are doing that or not doing that? Then a general discussion, a report on office morale and whether there's any IT issues, and then we kind of rate each one, green, which is we're doing great. It's wonderful, better than expected. Yellow, is that guy doing okay? Red is we've got a problem. Then we kind of allow ourselves to use an orange or light green for the kind of in betweens, and then we come up with we each can list one to three things we want to talk about. I think that's important so that the meetings become we spend our time on what really matters that week instead of on just having a fixed agenda.

Delisi Friday:

I will tell you as someone who loves structure, that was hard for me at the beginning, is not having an agenda and going in and not knowing what we were going to talk about that meeting. Sure, I prepare my marketing. I will run the attorney caseload report and I'll have that, but not having an agenda was hard for me. But once we started to do this and we decided what topics we were going to talk about after we discussed those different metrics, it made sense.

Delisi Friday:

Because sometimes I think we need to talk about something, and I'm going to bring it up as my topics, but once I see oh man, IT is red, or systems compliance is orange, then I think that other topic can wait. It is not necessary right now. Let's talk about what matters right now, and that's really helpful in having discussions that matter in a timely fashion.

Michael Cowen:

Right, because we want a one hour to hour and a half meeting every Friday. We can't spend all day talking about every little thing at the firm. I think we're still working on what is something you should just talk to me about, what is something you should decide on your own, and what's something that merits the entire leadership team's involvement?

Michael Cowen:

Because the leadership team should be talking about things that really are going to affect the whole firm, big things, or where people just need the guidance of the group. I think we still sometimes get a little too involved on what hotel are we going to get for the firm retreat and stuff like that. That really is probably something we should learn to okay, we're going to have a firm retreat in this city. Teresa, here's your budget, go with it.

Delisi Friday:

Right.

Michael Cowen:

But we're moving in the right direction.

Delisi Friday:

It's a work in progress.

CRP Commercial:

Each year, the law firm of Cowen Rodriguez Peacock pays millions of dollars in co-counsel fees to attorneys nationwide on trucking and commercial vehicle cases. If you have an injury case involving death or catastrophic injuries and would like to partner with our firm, please contact us.

Announcer:

You can reach Delisi Friday by calling 210-941-1301, or send an email to delisi@cowanlaw.com. That's D-E-L-I-S-I at cowanlaw.com. She will coordinate a time for Michael Cowen to speak with you in person or by phone to discuss the case in detail and see where we can add value in a partnership, and now, back to the show.

Michael Cowen:

I guess two of the things that Lencioni talks about is one is what he calls vulnerability based trust, so not trust that I trust you're going to do what you say, which is important, but trust in that I trust that you will believe that I have our team's best interest at heart, that I care about you, and that if I say something that is going to be critical of you or that disagrees with you that you will accept that as coming from a good place rather than trying to put you down. That is hard to develop.

Delisi Friday:

Yeah, it's really hard. I will tell you I take things really personally, so that is hard for me to do. You have to be just in the right mindset to hear something and not take it personal.

Delisi Friday:

But when you have these meetings over and over again, and you're discussing this in a business setting, and you're talking about it from a business perspective, it helps to take that personal aspect out of it. But we're also human, so sometimes it's hard not to take things personal, but it absolutely takes time, and I agree. We're not there yet, but we've made some big strides in the right direction.

Michael Cowen:

I think never taking it personal can't be the goal because we're always going to be human, we're always going to have emotions. But what happens is that when the discussion is over and you have 15 minutes to let it rest, you're okay with well, we may not have made a decision I agreed with, or that I wanted to make, but I've been heard. Because sometimes we don't all agree and then I have to make the decision, and sometimes I make the decision and I'm the only one. All four of you were against it.

Michael Cowen:

But I think the theory, and I think it's working, is that if people know that they were heard and considered and respected, they're more likely to buy in to the decision, and most decisions are made by consensus. 90% of the time, once we talk through an issue, that we are absolutely all in agreement, but there's other things that I'll give, one, a vaccine mandate at the firm. I mean, we had passionate, but I think respectful discussion. We don't all agree, but I made the decision that no, I don't believe that I, as an employer, have the right to mandate medical decisions for people.

Michael Cowen:

Some people agreed with it, some people didn't, but we're all living with it and no one's bringing it up again because it's the decision that's been made. That's one of the biggest ones because you get

emotional, you get political, you can get tribal, and that could be something that could really tear at a firm if you didn't have something where everyone can feel like okay, well, we've all been heard, and now we've made the discussions.

Delisi Friday:

Absolutely. I actually listened to Lencioni's podcast last night, and the one I listened to was discussing that, and it's a very heated topic, and people can get very upset, but I think one of the things I'm very proud of with our leadership team is we do all trust each other and we are comfortable having uncomfortable conversations.

Michael Cowen:

Yeah.

Delisi Friday:

That's a beautiful thing to see in a business and I think it also makes us a healthy business. Another part of the Lencioni book that helped us create our leadership team was talking about yes, we will not always agree on everything, but if you give everyone an opportunity to voice their opinion, when you make the decision at the end, you leave the room saying I said my piece.

Delisi Friday:

Maybe it's not what I wanted, but that's the decision we made, and you're okay with it because you've shared your opinion and it was heard. I think that's also an important part of it, is making sure if you are going to disagree on something, as long as everyone is heard and you're respectful, then you still leave the room feeling okay about the conversation that was had, and it doesn't come from a bad place.

Michael Cowen:

Yeah, and I think early on, I think I really had to encourage disagreement if that makes any sense, you know, try to say look around the room and try to read facial expressions or body language and say Sonia, I'm getting a sense you don't agree with that. What do you think? Because at first there was more of a, less so from Sonia, because Sonia's very much a person-

Delisi Friday:

Sonia's very vocal.

Michael Cowen:

She's also my natural antagonist. I'm the one that gets crazy ideas and just wants to run with them, don't think and let's just go, and Sonia's the one that says Michael, that's a bad idea. What about this? That's kind of our natural roles on the team.

Delisi Friday:

Yes.

Michael Cowen:

But I think she provided a good model that she could totally disagree with me on something and we could debate back and forth, and then go have lunch afterwards and be fine and nothing bad happened to her. People say well, I can do that too.

Delisi Friday:

You did a great job because you're right. When you create a leadership team it does take time to get to that point, so you as a leader do have to find that body language, or that one person who's not saying anything and it's kind of like word ire. Chair number seven, I haven't heard from you. How do you feel?

Michael Cowen:

Yeah.

Delisi Friday:

You have to apply that here in your leadership team as well. You did a great job of that and I think that's really important too because you don't have that healthy conflict in the beginning, and it does take time. It's interesting. You said Sonia is like our natural antagonist, and I think we all kind of have these roles in our leadership team, but what was interesting, and it just showed that we were having growth from within, is there was an annual meeting we had where Sonia said Delisi, I want to tell you, I feel bad sometimes saying things because I don't want to hurt your feelings.

Delisi Friday:

Because for the podcast listeners, Sonia has known me since I was a kid, because my father is also an attorney and she's friends with him, so she's known me since I was little. There's that little aspect of her saying something where she doesn't want to hurt me because she cares about me and she's known me for so long, but you have to trust each other to say things and not take it personal. We had to work through it and we did, so it's important to get that out there and let it breathe, and eventually you work it all out. But it's been a journey for us.

Michael Cowen:

It has been, and I think we're really getting there. The good thing is when we get enough of a trust relationship where we can have an uncomfortable conversation with each other, because I am not someone that naturally has uncomfortable conversations. I mean, I don't come from a family where we have uncomfortable conversations. I come from a family where we pretend like things aren't there, and then we blow up at each other, and then we pretend like it never happened.

Michael Cowen:

I grew up with if you start an uncomfortable conversation, you're either going to get blown off or you're going to get yelled at. It's just not something we do well. We do better now. Our family's also become healthier over time, but growing up it just wasn't something that I learned how to do. I found when I was able to have uncomfortable conversations in this kind of group where I trusted people, and then nothing bad happened. People didn't leave the firm or get all bent out of shape, but that it actually made things better, then it became easier for me to have uncomfortable conversations with other people in the firm.

Michael Cowen:

It became actually easier for me to have uncomfortable conversations with my wife and my son. It's a skill that we have to develop like anything else, and it's a skill that really pays dividends. I found that it's so important to be transparent and to be honest with people. When something's bothering us, especially with employees and coworkers, and we don't bring it up, and if festers, for one, if they don't know it's bothering you then they think they're doing just fine, and then two, it allows things to get so out of hand that by the time you address them they can't be fixed anymore. By having that conversation early, we are able to fix things.

Delisi Friday:

I agree.

Michael Cowen:

I will say, part of what was the toughest for me as the business owner was sharing financials. I even gave you all copies now.

Delisi Friday:

Now.

Michael Cowen:

Not just show them, because at one hand you're like well, if I show someone how much money we're making and we're having a good year, everyone's going to want more and then what's going to happen when we have a bad year? What's going to be left for me? Then when things are bad, because there's always ups and downs in any business, even in our best year we still have months where we're not profitable because we're a contingency firm and things come in chunks, is everyone going to panic? Is everyone going to want to leave because things aren't looking so good?

Michael Cowen:

I've been doing this long enough I know it's going to come around, but will other people? Then there's the embarrassment of I'm supposed to be this big badass lawyer. How can I have a bad quarter, a bad month, or a bad year? I've had other lawyers who will be never share the financials. Just pay people what you're going to pay them and don't ever let them know what's going on. It was scary, and it was scary to share the big challenges, the bad news stuff. But no one ate me up, no one went and quit. The transparency has worked really well I think.

Delisi Friday:

You mentioned a lot of people telling you not to do that and not to share that information, so for the people listening who have heard that, what advice do you have for them?

Michael Cowen:

Well, I still would not publish our financials to the entire firm. I do think there is a level of trust you need to get before you share that kind of proprietary information. There are people out there that they see you're making anything, they think they should make it, and the same for what different people are making.

Michael Cowen:

I mean, I don't know that that's a healthy thing to share outside of a leadership team, what each person makes and stuff. But I think if you're going to have a team that's going to be making business decisions, they have to have some financial information. It's funny because we talk about all this stuff, and but then if you go to publicly traded companies, where everybody's in a room, everybody knows what the company's making, everyone knows what each other are making because it's being publicly reported, they're able to do things.

Michael Cowen:

They don't seem to have a problem with it. I think a lot of it's in my own head and it's my relationship with money, and feeling guilty about making money or feeling like I'm not going to have enough and something bad's going to happen, whatever those feelings are are being projected more than it's actually a problem. I don't think that people at my firm actually have a problem with me making money.

Delisi Friday:

I don't think we do either. You earn it. Was there a point where there was almost like this relief because you were sharing it? Was it helpful in relieving some of that pressure of being the person who's always in charge of having that information?

Michael Cowen:

Yes. There were a couple points where we had challenging times. I think the COVID times, the beginning of this year, where I knew that when trials were starting, cases were going to start popping again. But being able to share that burden, although it was still scary because I've done this long enough where I knew things were going to be just fine.

Michael Cowen:

But we had borrowed a couple million dollars literally, a couple million dollars so that we didn't have to lay anybody off, and so we can make payroll and fund cases and keep everything going while none of the big cases were settling due to the lack of COVID trials.

Michael Cowen:

It all turned around this year, but I knew it would, but it was scary to share that news, but at the same time it felt nice to have someone to share it with and to have a team to all make a plan. But I do think I did cause some people to, some people were feeling stressed, although they may have been feeling stressed anyway if they didn't know. I don't know whether them knowing or not knowing helped.

Delisi Friday:

I will say you're right. It definitely helps when you're making business decisions to have that information because when we look at financials, we can meet up every morning and we're having conversations about the business. Sometimes it's really imperative for us to have that information when we're trying to decide what to do, because we are a contingency fee based firm, so there are often times when decision we make have to be keeping in mind we have X amount of money in the bank. We have X amount of money out, we have X amount of money in case expense. There's so much we discuss in making those decisions that it absolutely helps us make the best decisions when we have all of the information.

Michael Cowen:

Yeah.

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Delisi Friday:

I will also say one of the things that we started doing in the middle of this year that we didn't do before, and I think has been extremely helpful to us, was when in our leadership meetings when we were discussing financials, we also discussed how each team was doing financially has well.

Delisi Friday:

That I think has made a great change in our conversations and also assessing how our firm is doing. It's not something that we did last year, and I'm really enjoying having that information and discussing it regularly, because I think it helps us keep the health of the firm in mind when we're having discussions, and see what do we need to do? What's going to happen? What's possible? And decide what we can do to help along the way.

Michael Cowen:

Absolutely, and also we tried for awhile sharing, on a weekly attorney meeting, sharing what each lawyer had brought in in fees, and the immediate effect of that was good because it created some pressure on people that were at the bottom of the list to work a little harder and to get some cases closed, and to realize that their performance was way out of line, because we had a couple people that were like 10% of what other people were bringing in.

Michael Cowen:

But in the long-term and maybe it's because of the group of people we had, maybe it would be different if we did it now, but it created some real jealousy, because not all dockets are equal, and when you have a long time high performer like Malorie, and you get a really big case in, you're going to be more likely to give that case to a Malorie or a Sonia because they've earned the trust, rather than somebody that's newer. Not that they're not good lawyers, but it's like my best cases go to my best lawyers, and if you want to get one of those, then work your way up.

Michael Cowen:

We have lawyers who are making great progress and a great job, but it's still not a truly equal allocation of cases, and so I found that it created some issues that way. But what I have done is I've finally, and maybe it's my own courage, I'm giving people kind of this is what you need to bring in every year to break even. This is what you need to have a good year. This is what you've done so far. This is what you've done on a rolling 12 months basis. Basically, let's say it's November 1st, so let's look at November 1st of last year until October 31st of this year.

Michael Cowen:

Because that's the fair way to look at a contingency firm because you have all the ups and downs. If we're looking at June and we're only looking at the first six months, well, that's not as accurate of a measurement as just looking at what have you brought in the last 12 months. But we look at both because people's bonuses are based on the year and what they bring in in a calendar year. I think it's been a really good thing to share that information because I think that some people, they don't realize where they need to be or that they are behind because they're working and they're not keeping track of that.

Delisi Friday:

Absolutely, and I also think lawyers are competitive. Well, the best lawyers are competitive. I think sharing that information is really important for them. Also it helps with transparency because the lawyers are working on their cases and they're bringing money in, but they don't have the conversations like we do about well, how much does it cost to actually run the firm? They don't realize what is profitable for them. They might just think profitable for them is making more than what we pay them, but it's not.

Delisi Friday:

Helping them see the bigger picture and what is profitable, I think has been really critical in making sure that they understand what they're doing, and when they do become profitable, and lawyers need goals. The only way they're going to reach their goals is if you tell them what their goal is so they can do it, and check in with them and help them along the way so they know where they're at. But I think that's been really important for us.

Michael Cowen:

Yeah, and what I find is some lawyers are more motivated by goals than money, and so I thought by putting people on a system where once you exceed a certain threshold you get a certain percentage of what you bring in. But some people, it's like if their base is high enough that it's like well, I'm making enough money that I'm not really worried about that. That's not going to motivate me. But when you give them a goal, like to pass you need to make this grade basically, you need to bring in this much money, then they get motivated to meeting the goal. It's kind of weird.

Delisi Friday:

Right.

Michael Cowen:

Because I would be very much motivated by... I mean, when I was last working for someone else I even gave up my base just to give me a better percentage and you don't have to pay me a base.

Delisi Friday:

Right.

Michael Cowen:

Just was very motivated by it, but not everybody is motivated by money, or they are motivated by money, but they have a number in their mind of what good money is, and then once they get that, that no longer motivates them, so you have to find a different motivation.

Delisi Friday:

Absolutely.

Michael Cowen:

What advice would you give then to someone who wants to, they have a firm... First of all, how big do you think you'd need to be to make it worth having a leadership team?

Delisi Friday:

I don't think there is a firm that's too small that doesn't need a leadership team, and that might shock some people but I think even a firm that just has six employees is still a firm that needs a leadership team. Maybe it's not as large as ours. Maybe it's just the firm owner and the accounting manager, or whoever else you have in place that helps make important decisions with your firm. Maybe that's your leadership team. But I absolutely think everyone should have some kind of leadership team in discussing things like this.

Delisi Friday:

For those that have a firm that's even smaller than that, then I think it would be a great idea for someone to then say let me reach out to someone else and have these discussions. If you're not large enough to have a leadership team, maybe you need to have a quarterly meeting with your CPA, and talk about financials in that aspect. Maybe you need to reach out to mentor and say hey, once a quarter can we meet and go over some things that I have going on at my firm? Because the only way you improve is when you look at what you're doing and think of the areas where you need to improve, set a goal and then reach it.

Delisi Friday:

But if you're not talking about it with someone else, then you're strictly hoping that you help yourself get there along the way. I think you need a team of people, whether it's internal or a mentor, or again, just talking to your CPA, to reach those goals. I think everyone should have a leadership team, and if you can't have it internal, then figure out who that person is. But I think as business owners we have to. We need to talk these things out and address them, and hold ourselves accountable and do it regularly.

Michael Cowen:

I agree, and I think even if you're like a four employee firm, you can still have at least one trusted person, if not two. I think three you get better. I think there's something about the dynamic of three or more. You don't want it too big. You don't want it more than five or six people because then it just gets too big to have real discussions, but I think just having something where you're talking things through, you're sharing ideas, and trying to get to the best decisions, and you're also getting input about what else is going on at your firm, because we don't always know and people don't always tell us.

Delisi Friday:

Right. I agree, yeah. For those people who don't have a leadership team that's as large as ours, maybe your medians look a little bit different. We talked about all the things we discuss in our weekly meetings. Well, if not all of those apply to your firm, then don't talk about all of them. Come up with what your top two or your top three are and discuss it with that other person. If that other person doesn't have that trust that we've worked on, we've created, and we have right now, then start small and then work your way up.

Delisi Friday:

Because like you mentioned, it was not easy for you to share all of this information with us right away. It did take a little bit of time before you got comfortable with it, so understand that maybe that's how it is for you in the beginning. Maybe it's going to take you a little bit of time before you feel comfortable sharing some of this information with whoever your leadership team is when you start it.

Michael Cowen:

Yeah. Other thing is, the book, The Advantage, by Patrick Lencioni, he's got lots of books with the theory, it's kind of like the step by step guide of how to do this, it's cheap. If you're going to think about doing this, get it. Some people hire consultants and stuff. I've had mixed results with consultants. I've learned something from each of them, but they're all always a reason that they're consulting and not actually running a business too.

Michael Cowen:

But I find that if you just read the book and follow the method it will improve your firm, so I encourage everybody. We spend more time with our work families than we do with our own families. Let's try to make this the healthiest, happiest family, and most pleasant environment we can do, and so that we can actually prosper, do great work for our clients, and have fulfilling lives.

Delisi Friday:

So well said.

Michael Cowen:

Were those modest goals? I hope everyone has a great day, and I look forward to our next episode of Trial Lawyer Nation.

Outro:

Thank you for joining us on Trial Lawyer Nation. I hope you enjoyed our show. If you'd like to receive updates, insider information and more from Trial Lawyer Nation, sign up for our mailing list at triallawyernation.com. You could also visit our Episodes page on the website for show notes and direct links to any resources in this or any past episode. To help more attorneys find our podcast, please like, share, and subscribe to our podcast on any of our social media outlets. If you'd like access to exclusive plaintiff-lawyer only content in live monthly discussions with me, send a request to join the Trial Lawyer Nation Insiders Circle Facebook group. Thanks again for tuning in. I look forward to having you with us next time on Trial Lawyer Nation.

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