Test Your Performance on the PSF Leadership Model

Based on many years of research and experience with professional service firms, Broderick has developed an organizational model that identifies the 10 critical management areas of focus that leaders must monitor to run a successful business. Test your performance on each of these areas by answering the questions below.

**Vision, Values and Culture**

1. When was the last time our senior team spent time reviewing, discussing, and agreeing on our vision for the firm?

2. Are partners/equity owners of the firm aligned around our vision?

3. Can everyone from the back office to the leadership team articulate the values of the organization and their respective obligations to uphold these values?

4. Do we enforce our values? Are performance evaluations and ultimately compensation affected if values are violated? Will we “fire” a heavy revenue generator if he or she doesn’t uphold these values?

5. Do we reward and celebrate good behavior?

6. How would we describe our culture?
7. Have we proactively determined what we want our culture to be or has it just “happened”?

8. Do we proactively cultivate and reinforce our culture?

9. Is “cultural fit” one of the most important criteria in our hiring decisions?

10. Do we like our culture?

11. If we don’t, do we know how to change it?

**People**

12. Where would we place ourselves on the following continuum on talent management?

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1 2 3 4 5 6 7 8 9 10
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- Our firm’s talent pool has grown opportunistically. There is no formal planning and management process.
- We have some firmwide talent management processes, but most talent decisions and management are done at the business unit level.
- We have a formal firmwide strategic process for reviewing, planning, and managing all aspects of our talent pool.

13. Do we have a “stewardship mindset” – a belief that the firm has a responsibility to develop its people – or a “we own them” organizational mentality?

14. Do we require that all professionals – from first year recruits to senior partners – devote time to recruitment and talent management?

15. Is participation in talent management monitored and reported in performance evaluations?

16. Do we do a good job of strategically analyzing, profiling, and recruiting the people who are a good fit – both culturally and technically – for the organization?

17. Where would we place ourselves on the following career development scale?

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1 2 3 4 5 6 7 8 9 10
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- “Sink or swim” – professionals are expected to manage their own careers with minimal support.
- We provide some career development support through the performance evaluation process.
- Performance requirements are clearly defined and are clearly communicated for every career stage and carefully managed and evaluated.
18. How would you rate your investment in professional training?

1  2  3  4  5  6  7  8  9  10

1: We don’t provide or support training.
2: We support training and offer a few periodic programs (new recruits orientation, new associates, new partner, etc.).
3: We have a formal on-going training program and planned curriculum (could be in-house and/or through outside resources) that is required and monitored for all professionals.

19. I

20. How frequent, thorough, and effective is our performance evaluation process?

21. How do we rate ourselves on diversity?

1  2  3  4  5  6  7  8  9  10

1: Bad
2: Trying
3: Excellent

22. Where would we place ourselves on the following client portfolio planning scale?

1  2  3  4  5  6  7  8  9  10

1: The client base has grown opportunistically with no strategic planning or periodic review.
2: Practices develop client targets as part of the planning process, but new work is at the discretion of partners.
3: Our firm has a formal process for strategically planning and managing the client mix and regularly reviews the portfolio against profitability metrics.

23. When was the last time we conducted a thorough review of our client base?

24. Are we willing to fire clients that do not strategically fit our firm or are not profitable?

25. Do we have a vision of the ideal target mix of clients that will drive the firm’s strategic direction?

26. Do we have a formal process for onboarding new clients into the firm?

27. Where would we place ourselves on the following client relationship scale?

1  2  3  4  5  6  7  8  9  10

1: Client relationships are managed individually as determined by the engagement leader.
2: Client relationship plans are developed as part of the planning process but adherence to them is at the discretion of engagement leaders.
3: Client relationship plans are made, reviewed, and followed according to a firmwide process. Performance against plans are linked to compensation.
28. Do we strategically segment our clients into categories based on their level of value and potential?

29. Do we require an account plan for every key client in the firm?

30. Do we have a formal, consistent client feedback program? Are results shared? Are problems aggressively addressed?

31. Is client feedback factored into the senior team’s evaluations?

**Services**

32. Where would we place ourselves on the following service portfolio management scale?

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<tbody>
<tr>
<td>Our services seldom change.</td>
<td>Partners are responsible for assessing/updating the service mix.</td>
<td>We formally incorporate service portfolio strategy into our long-term and annual planning cycles.</td>
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33. Do we regularly test and review our mix of services to identify weaknesses and gaps and spot opportunities for new offerings?

34. Are we willing to retire a service offering that is no longer profitable or valuable to our clients?

35. How do we rate ourselves on service innovation?

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<tbody>
<tr>
<td>Our offerings seldom change.</td>
<td>Our service innovation is reactive – driven primarily by client needs and partner ideas.</td>
<td>We have a proactive formal process for innovating our service portfolio.</td>
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36. Are we actively stimulating and rewarding new service ideas?

37. Do we have a process for capturing and selecting the best ideas and taking them to market?

38. How do we rate ourselves on knowledge management?

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<tr>
<td>Our process for sharing knowledge and our collective experience is ad hoc and informal.</td>
<td>Service methodologies are formalized and taught, but client experience and knowledge is not formally shared.</td>
<td>We have made a significant investment in systems and resources to capture and track our knowledge, service expertise, and client experiences and have institutionalized the process.</td>
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Finance

39. How do we rate ourselves on financial management?

40. Do we have a clearly articulated financial strategy and planning process that establishes revenue and earnings goals?

41. Do we track both lagging and leading financial indicators?

42. Do we produce very thorough, timely reports on all of the relevant metrics to run the business?

43. How closely do we manage cash flow from collections and working capital?

44. How transparent are the financial goals and results to the partners/equity owners?

45. How do we rate ourselves on accountability against financial goals?

46. Do we invest in the people and tools to appropriately manage and track financial performance?

47. Do we have any of the following early warning signs of failing financial health?
Positioning

48. How do we describe our positioning – what we do, how we do it, and why we are different – to a new client or potential recruit?

49. When was the last time the senior team spent the time to conduct a positioning analysis and evaluation?

50. Do we have an articulated and communicated service delivery and buyer experience philosophy? Are people evaluated and compensated based on their adherence to this philosophy?

51. How do we describe our brand – the image our clients and the marketplace have of our firm?

52. Do we really understand what brand is and how we get one?

53. Have we ever tested our brand reputation, awareness, and strength?
54. Where would we place ourselves on the following continuum in describing our marketing activities?

1 2 3 4 5 6 7 8 9 10

- We have no formal marketing strategy, plan or infrastructure; partners are responsible for bringing in work.
- We have a marketing team but activities are reactive to partner needs, not strategically planned and measured.
- We have a formal marketing strategic planning program, infrastructure and measurement process.

55. Are we satisfied with the performance of our marketing team?

56. Do we need to take the step to hire/build a non-billable marketing leader and department?

57. How do we motivate ALL of the senior team to promote the firm and bring in business? Is it working?

58. Do we have an on-going thought leadership program to position the business, build brand and sell services?

**Partnership**

59. How would we describe our partnership “ethos”?

1 2 3 4 5 6 7 8 9 10

- It’s difficult to get us all to agree on new carpeting, let alone a vision and strategy.
- We are collegial, meet regularly, generally agree on the direction of the firm, but we are essentially independent operators of our own book of business.
- We are aligned around a shared vision, values, and strategic plan. We have a culture of teamwork, collaboration and integration.

60. Regardless of our actual ownership structure (Public/private C Corp, LLP, LLC, other) do we treat the senior team as owners of the firm?
61. How would we respond to the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
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<tr>
<td>Equity participation requires a capital outlay.</td>
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<td>Ownership progression is well defined.</td>
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<td>Risk and reward escalate with degree of ownership.</td>
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<td>The business remains strong and viable when senior partners leave.</td>
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62. Is our reward structure and process to distribute the annual proceeds well understood by the partners, transparent, and perceived to be fair?

63. How clearly do we communicate the partnership performance criteria? Is it based solely on revenue contributions? Do client relationships, talent building, intellectual capital and firm leadership responsibilities weigh into the equation?

64. How thorough and fair is our partnership evaluation process?

65. Do we have a clearly communicated standardized set of performance criteria for selecting new partners? Do we have a formal nomination and approval process? Is it transparent and collaborative?

**Strategy**

66. Where would we place ourselves on the following continuum in describing our level of planning and accountability?

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<tr>
<td>We do not have a strict or formal planning process. Our plan provides a general roadmap for our firm’s growth and development.</td>
<td>We engage in a planning process and partner responsibilities are assigned, but progress is not reviewed on a regular basis and performance against goals is not linked to compensation.</td>
<td>We have a regular formalized planning process that engages key constituencies inside the firm. Status of plan actual vs. goals is regularly reviewed and achievement of plans is directly linked to compensation.</td>
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67. How would we respond to the following statements?

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<tr>
<th>Statement</th>
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<tr>
<td>We view strategic planning as a continuous cycle, not a one-time event.</td>
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<td>We incorporate external as well as internal analyses into strategic planning.</td>
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<td>To ensure buy-in, we collaborate with stakeholders to develop plans.</td>
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<td>We regularly review progress against goals and communicate results.</td>
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68. Do we have a long-term strategic plan?

69. How often do we review/update our long-term plan?

70. Do we have a formal annual planning and budgeting process? Is the development of the plan a collaborative process or strictly driven from the top? Do the numbers drive the plan or does the plan drive the numbers?

71. How often do we review progress against goals?

72. Are business unit leaders held accountable for achieving goals? Does performance really impact compensation – really?

Structure

73. Do we have a clearly defined and understood organization chart that delineates organizational layers and reporting hierarchies?
74. How would we respond to the following statements?

<table>
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<tr>
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<td>We cultivate a one-firm collaborative, non-siloed operating environment.</td>
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<td>We operate transparently.</td>
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<td>We train professionals on both business and technical skills.</td>
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<td>We use professional non-billable support teams to help us manage the business.</td>
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<td>We emphasize process efficiency both back office and on client engagements.</td>
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<td>We clearly define roles, responsibilities, policies, and procedures.</td>
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<td>We adapt our structure and governance when appropriate.</td>
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75. Is there a clear “seat of power” i.e. a business unit or geography that owns the P&L?

76. Where would we place ourselves on the following governance style continuum (obviously size will influence your response; there is no wrong answer here)?

1  2  3  4  5  6  7  8  9  10
Technically, a dictatorship: A small group of owners make all the decisions.  Much like a typical corporate environment with a board of advisors, executive team, and management committees. Consensus-driven partnership: Key decisions are made collaboratively and voted on by all the partners.

77. Do we have any of the following warning signs that it may be time to reevaluate the structure and governance model?

- Clients start complaining
- Partners don’t know each other anymore
- It takes too long to make important decisions
- Communication among the partners seems to go awry too frequently
- Professionals regularly don’t follow the rules
- Some senior professionals start to feel like second class citizens
Style of Leadership

78. As firm leaders, how would we rate ourselves on each of the following characteristics of a successful leader?

<table>
<thead>
<tr>
<th>Characteristics of a Successful Leader</th>
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<td>Good influencer / builder of coalitions</td>
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<td>Inspirational and passionate</td>
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<td>Visionary</td>
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<td>Good listener</td>
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<td>Good communicator</td>
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<td>Understands the business</td>
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<td>Able to gather followers</td>
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<td>Has empathy for others</td>
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<td>Has a high level of integrity</td>
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<td>Courageous</td>
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<td>Humble</td>
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<tr>
<td>Respects others</td>
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79. Do we have a good process for identifying future leaders in our firm?

80. Do we have a training and/or mentoring program in place to teach up and comers how to be good business and people leaders?

81. Are we paying attention to our own professional development?

82. Are we happy in our role as leaders?

83. What do we wish we could learn to do better?