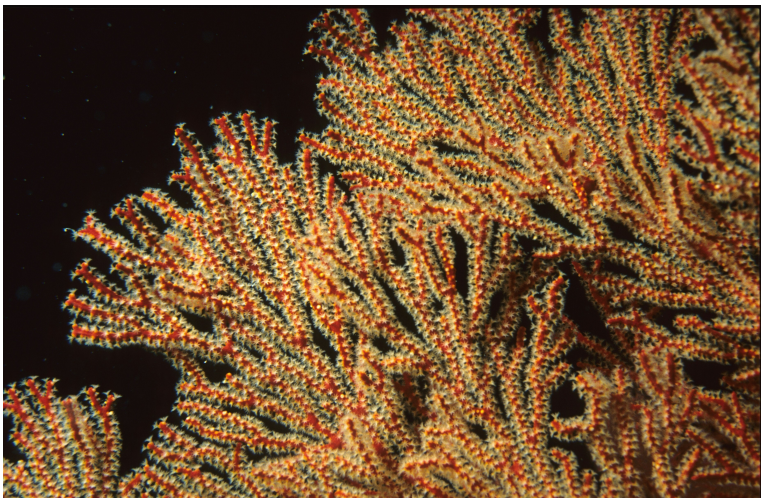
Six Conversations Every Partnership Should Have

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Four years ago I wrote a piece about my friend Fred Dust's book, which I titled Making Conversation, As If Our Lives Depend On It. Nowhere in business does performance and the quality of lives at work depend more on having conversations well than in the small partnerships at the top of boutique firms in fields like consulting, investment management, marketing and law. When the partners in these firms have the right conversations to shape their future, those conversations pave the way to greater differentiation, growth and satisfaction in the work they choose. Failures to have the right conversations can result in partners finding themselves trapped in bad marriages at work, which at best erode motivation and performance, and potentially lead to messy, costly professional divorce.

I've co-founded and led two boutique firms, have taken equity stakes in a handful of others, and advised many firm leaders formally and informally over the past couple of decades. Building on all this experience, I've distilled down what I've learned to six conversations that can enable any small group of partners*(1)* to reach deeper alignment regarding their aspirations, how they develop their firm together and how they invest in the most important relationships of their professional lives. Each of these conversations begins with a central question:

1. **Why are we building this firm?** As I've explored in a previous pair of posts, every business is a product of two "logics" of why it exists: a market logic of what needs it is built to serve profitably and an internal logic of what the people building the business are seeking it to achieve.

   The internal logic of partnership firms often involves at least four distinct forms of motivation:
   - Intrinsic motivation to create a platform to **practice a valued craft** with excellence
   - Desire to work in a **community of like-minded practitioners**, who value one another's collaboration and colleagueship, and to work with clients who share their values and appreciate their contributions

- Drive to **achieve impact**, defined in terms of professional outcomes (the "best" projects, clients, results, etc.) and/or advancing social impact goals or a vision for a particular domain
- **Financial goals**, defined in terms of income and wealth creation

The valuable conversation here isn't about conceptual categories – it's easy enough to name those – but about the specific commitments that matter to partners and how those commitments rank. It's easy for partners to pass over a deeper dialogue about money, taking for granted that of course they'd like to achieve the highest level of profitability they practically can, reducing a deeper question of motivations to a tactical matter of business planning. However, there is real personal nuance to questions regarding what level of income matters and why; what level of risk regarding income feels acceptable, not just at a financial level but at a psychological level; and how different partners weigh the importance of income today against the potential to create wealth over the longer term. The other dimensions of motivation are just as nuanced. Unless the nuance is surfaced and mutually understood, partners are at risk of talking past one another regarding what matters most and of defaulting to prioritize outcomes that might not be the most important ones (e.g., pushing into the red to produce income past the point of diminishing return, when in fact they would value greater selectivity about the work they do and whom they do work with).

The ultimate objective of this conversation among partners in this first conversation is, as they listen to one another's individual views of these questions, to seek to progress toward a collective view of what we as partners collectively take to be the most important ends we're pursuing as we build the firm. Of course, that's hard to land a full answer to in a single conversation, but there's great value in figuring out where there is alignment and clarity, and in understanding where there are differences among the group.

2. **What do our clients value most?** Any group of partners will have a set of high-level answers readily at hand regarding what their clients value. Just as with the first conversation, the road to insight here is to compare and contrast specific cases, to learn from what their juxtaposition yields. Each partner might begin by choosing two stories of clients they see as exemplary in terms of the depth of value the client experiences in the firm, selecting clients who they view as valuing the firm for somewhat different reasons. For each client, the partner shares:
   - The context and need that led to the client hiring the firm
   - What the client bought and why they chose us and our specific services
   - What about the work created the greatest value
   - What specific capabilities enabled us to deliver that value
   - What the client would say about the experience of working with the firm *(2)*
   - How the relationship has evolved, and what the partner's aspirations are for how the relationship could evolve in the future

   In a group of a half-dozen partners, illustratively, the first half hour could be spent going around the table listening to one another's stories – with some preparation, a pair of rich stories could be told in five minutes each, with just enough detail that they come to life, and with a few observations embedded in the stories about what feels similar and different across the pair. The conversation that follows could then explore three lines of inquiry: first, what the firm's best clients most consistently experience to be powerful and differentiating; second, how the differences in what clients value illuminate breadth and diversity that the firm can

harness more purposefully; and third, how the partners imagine that these stories might need to evolve, in order for the firm to achieve meaningful growth and development beyond the current level of performance.

This third line of inquiry begins to set up Conversation #4, regarding what it would look like for the firm to reach the "next level of the game." Where strategy exercises can easily feel dry and abstract, there's a tangibility and emotional resonance that comes from partners immersing themselves in stories about what their clients value and then taking the leap to imagine what new ways of being valued could unlock a new level of achievement.

3. **What are our personal aspirations, worries and constraints?** Conversation #1 begins with the *we* of partners building a firm together; Conversation #3 makes space for the complementary *I* of what individual partners want and need. Aspirations, worries and constraints provides a useful three-part framing for this conversation, as it makes room for people to explore the interplay between what they're seeking to move toward and what they're determined to avoid.

   As with the prior conversations, the art of setting this one up for success is to invite depth of mutual exploration, such that each individual not only comes to see their partners more fully but uses the conversation as a vehicle to explore something important about themselves. To enable this, it is helpful for individuals to share professional observations in the context of broader aspirations for what they want from this broader moment in their lives. In exploring their worries, it is powerful to invite exploration of why these particular worries take on an outsized importance – and what it feels like to be worried about X, how that colors the partner's experience of work, not just what the worry is. A conversation about constraints unpacks "what is the envelope I'm committed to work within?" Three kinds of envelopes can be powerful for different individuals to explore. One envelope that can be useful to explore is a partner's time horizon: how long do I plan to be in this game; what is important to me to complete within that time? Another envelope to explore is the envelope of risk: what risks am I willing to take and what risks am I determined to avoid; how do I experience risk not just through a financial lens but through an emotional lens? A third envelope to discuss is how each partner thinks about the boundaries they're seeking to create around the time and emotional energy their work demands, in order to make space for the other dimensions of what they value in their lives.

   One way in which these conversations can be unlocking is when a partner comes to see that there are worries that stand in the way of their having both more of what they want inside their professional lives and more of what they want beyond their professional lives. For instance, many partners in professional firms struggle to develop the people under them to the level that would free up space for both pursuit of higher-level professional goals and for greater emotional freedom from the demands of the day-to-day. Understanding what the worries are that stand in the way of that leap – for instance, worries about giving greater ownership of client relationships to high-potentials earlier in their careers – begins to make it feel possible to make new choices and reach for new results.
4. **What would raise us to the next level of our game?** Bad partnerships default to dysfunctional patterns. Good partnerships have productive defaults, such that when things go wrong, the partners tend to right them and restore an effective equilibrium. Where great

partnerships differ from good ones is that they're able to see the default path they're taking and choose to leave it in order to walk a higher path.

The first three conversations create just this potential. These conversations engage partners to look deeply at why we are building this firm together; what our clients already value most about our work and what they potentially*could* come to value about us in the future; and what pulls us forward and holds us back as individuals. Together, these three lenses frame the question of what it would mean for the partnership to achieve something dramatically greater – not more for the sake of more, but more for the sake of what we as partners and what our clients value most.

As I've written about in this piece on strategy for entrepreneurs, businesses grow by developing through a series of eras, each of which is like a level in a larger game. The default path for a partnership is to focus on how to score as many points as possible in the current level of their game. It is far more valuable to ask: what is the next level of the game, in which we can play for larger stakes in all the ways that count? What do we need to accomplish in order to complete this level that we're playing and graduate into the next higher level?

5. **How would it be most impactful to develop our people and develop ourselves?** In the plot of a good movie, for the protagonist to achieve their outer objective, they need to confront some limitation in themselves and learn to overcome it. Conversation #4 opens up a further horizon of aspiration and illuminates the challenges that need to be addressed in order to move beyond the current level of the game. Conversation #5 turns the focus inwards to ask how *we* need to change and grow to make this progress possible.
   A powerful conversation about development might focus on both the individual level and the collective level, moving back and forth through four opportunities:
   - How can we accelerate the development of the team under us, so that we as partners can focus on what we uniquely need to contribute in order to help the firm reach the next level of the game?
   - How can we invest in our own development, in order to achieve this next level? What do we need to learn and what do we need to unlearn?
   - In order to get to the next level of the game, how do we need to team differently in the work, achieving together something greater than what we are achieving today?
   - What will it mean to take a step forward in how we team to lead and build the firm? What is it most powerful for us to do collectively? What might no longer be necessary for us to do collectively and how could we free up the energy spent here?

   Bob Kegan and Lisa Lahey, in their wonderful book *How the Way We Talk Can Change the Way We Work*, contrast the Language of New Year's Resolutions with the Language of Competing Commitments. A powerful discussion of development doesn't stay at the level of a resolution, but dives more deeply into the competing commitments that cause us to "put our foot on the brake" even as we try to "put our foot on the gas" of changing some aspect of the way we work. This fifth conversation represents an investment in partners committing to stretch and support one another to push through whatever they experience to be limiting today
6. **What is the rate-limiting factor gating our performance as a business, and what will it take to move the needle on that factor?** Strategy demands focus. The final conversation in

> this series of six interrogates the question of where the partnership needs to focus: the one factor or critical few factors that most importantly gate the firm's ability to progress to the next level of the game. The prior five conversations have what we think of as a diamond shape: beginning from the "point" of a single powerful question, purposefully exploring to widen the dialogue, and then converging back to a synthesis of what's been learned. This sixth conversation should be tight and convergent. Success in this conversation is to get crystal clear on what objective is so important that other important objectives should be sacrificed in order to move it forward – and to translate that clarity into a specific view of how to harness this energy and focus on this defining objective.

These six conversations are designed to move back and forth between a more introspective, inward focus (conversations 1, 3 and 5) and a more outward focus on value, strategy and performance (conversations 2, 4 and 6). In most firms, some partners will be drawn more outwards (and perhaps resist introspection as "fluffy") and other partners will naturally be drawn more inwards (and perhaps feel that only when these internal questions are addressed is the discussion getting to "what's real"). It's valuable to move between these complementary focal points rather than to dwell exclusively in either, so that partners – whichever pole comes more naturally to them – connect the dots between the two.

The arc of these six conversations positions a group of partners to step back and synthesize a through line that connects them all:

- A vision that connects the client, firm and personal dimensions
- A strategic focus in order to move the firm to the next level of the game, pursuing outcomes over a 2 -4 year horizon that will remain out of reach if the firm simply optimizes for current-year performance
- A critical few areas of focus to advance toward this next level of the game, with clear definition of who will take responsibility for what actions and outcomes to advance this critical path
- An ongoing process of reflection and dialogue to build on what's been learned and achieved through this series of conversations, as well as specific disciplines to build into the firm's management process in order to ensure progress is made on priorities identified

The clarity such a through line represents isn't simply of immense instrumental value, but gets at the heart of what makes partnership so meaningful. A group of partners who have come to know each other more deeply through the crucible of conversations like these six, and who have used deep dialogue to shape a clear, mutually held agenda, will feel a rare and beautiful sense of shared purpose and mutual support. There are few professional experiences as significant as achieving that level of deep partnership, in which *I* can be realized to its fullest in the context of a larger *we*.

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(1) The design for the six conversations I have envisioned here is for a partnership that's small enough that the partners can fit around a single table and readily have a single conversation – perhaps a group of anywhere from two to a dozen. The same questions could readily be adapted for firms of as many as 20 - 30 partners through a combination of breakouts, report-outs and discussion in plenary. Larger partnerships might still benefit from these questions, but they're

different beasts. Once a partnership grows beyond a certain size, the firm comes to feel less like an expression of each partner's individual relationship to one another and to the firm as a whole, and more like an enterprise with a partnership ownership and governance structure. Conversation has a uniquely dynamic power to shape and reshape the smaller partnership. This piece focuses on how to tap into that dynamic power.

(2) It will deepen this second conversation if every partner actually interviews the two clients they've chosen. Inevitably this creates greater meaning and value from the client relationship as well.