

# The rise of the COO

The rise of the Chief Operating Officer (COO) is arguably one of the most important developments in the sector in recent years. As firms have faced increasing competitive pressures, and business services functions have grown to support internal and external change, the COO has taken a central position in determining the efficiency and consequently productivity of the modern legal business.



Our research conducted in August 2022, showed:



**65%**

of the top-50 UK law firms now have a COO



**27%**

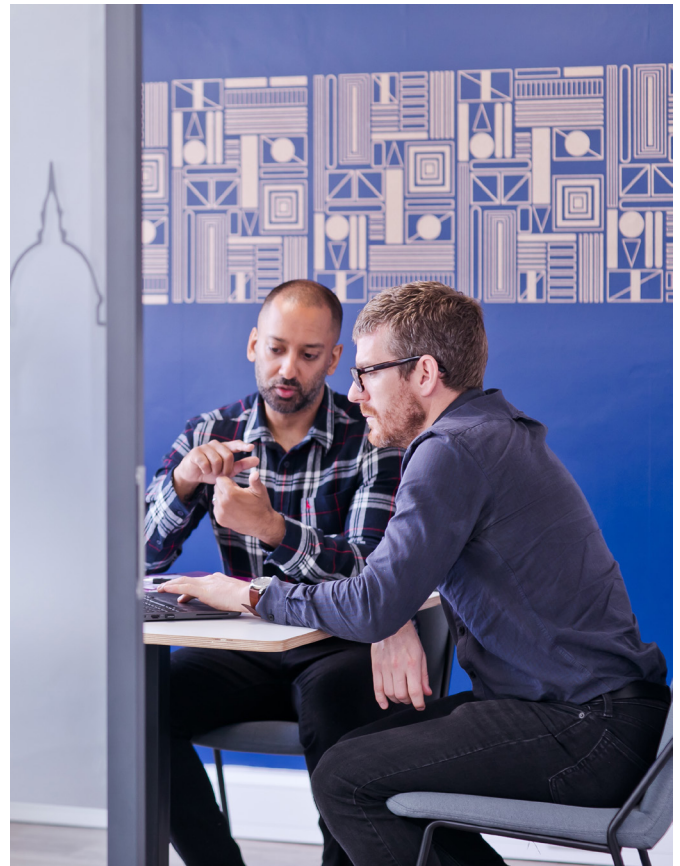
of COOs are female

## Defining leadership: Why COOs?

There are a few broad reasons for the dramatic increase in the numbers of COOs in recent years: rapid market change, increasing competition/pressure on fees requiring rapid efficiency improvements, and the need to align the considerable capabilities of fast growing business services functions, to name but a few.

But a simple and yet pressing reason is that the workload involved in running a modern legal business now exceeds the capacity of the Managing Partner alone. Where once the Managing Partner would have taken responsibility for overseeing internal operations, setting strategy and even, sometimes, fee-earning, myriad demands make this an untenable balancing act in firms of any size.

The most effective COOs are those that can integrate into the unique cultural make-up of a firm, provide the right skills to fill strategic and operational gaps, and add a new but complementary dimension to existing talent in the firm – at that point in time. This has fast created considerable variety in the kinds of COOs we are placing.



## Makings of a modern COO

When we started hiring these roles, the rule of thumb was that COOs came from finance. Typically a Finance Director would get promoted to COO, providing the financial heft to head up operational efficiency while the Managing Partner focused on strategy.

An interesting dynamic arising more recently, however, is the separation of the Chief Financial Officer (CFO) and COO role. This has allowed more firms to source COOs from non-financial backgrounds, to meet other pressing needs in an organisation. This might occur, for example, in a firm that has a strong finance leader but needs leadership support in a different area, perhaps to support change around people, market repositioning or critical technology transformation. This means that over time we have seen the role broaden out as other functional areas have morphed into it.

We have made placements of candidates into COO roles from backgrounds including management consultancy, HR and business development, as well as from IT, a trend we expect to see increase as technology dominates today's decision making. Another area of increasing interest is project or programme management because these roles often involve managing big programmes and making sure functions work together efficiently. Figure one shows the background split of current COOs in top-50 firms. Just under a third still come from an accounting background but it is striking how many encompass a wider breadth of experience.

## Structure and remit of the COO

Not surprisingly given the above, the structure and remit of COO roles vary considerably. It is not uncommon to find COOs taking responsibility for all business services functions and reporting into the Managing Partner, a set-up that establishes firm-wide leadership credibility right from the start. But there can be variations and functional carve outs in individual firms. Figure two shows the current breadth of responsibilities of COOs among the top 50 law firms, showing an outlook that extends well beyond finance.

Figure One: Top 50 law firms with a COO v employment background

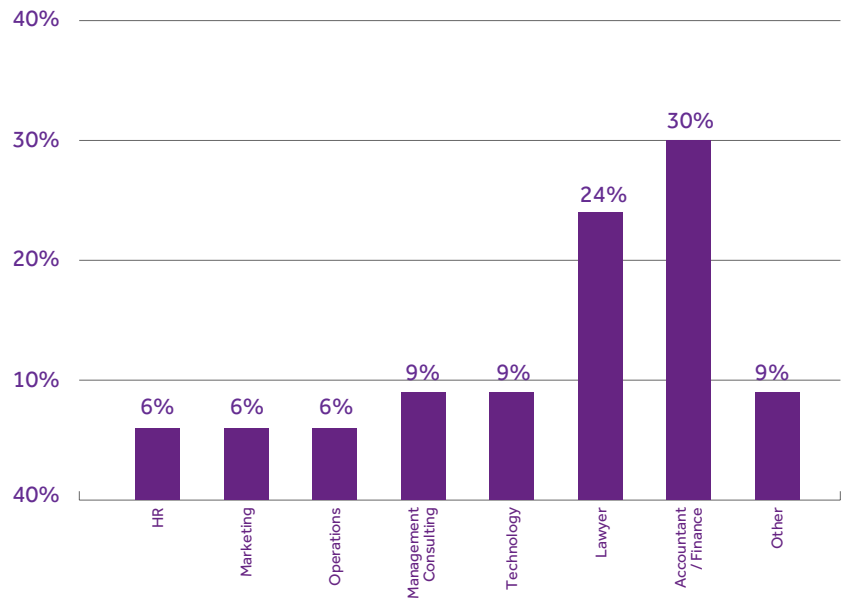
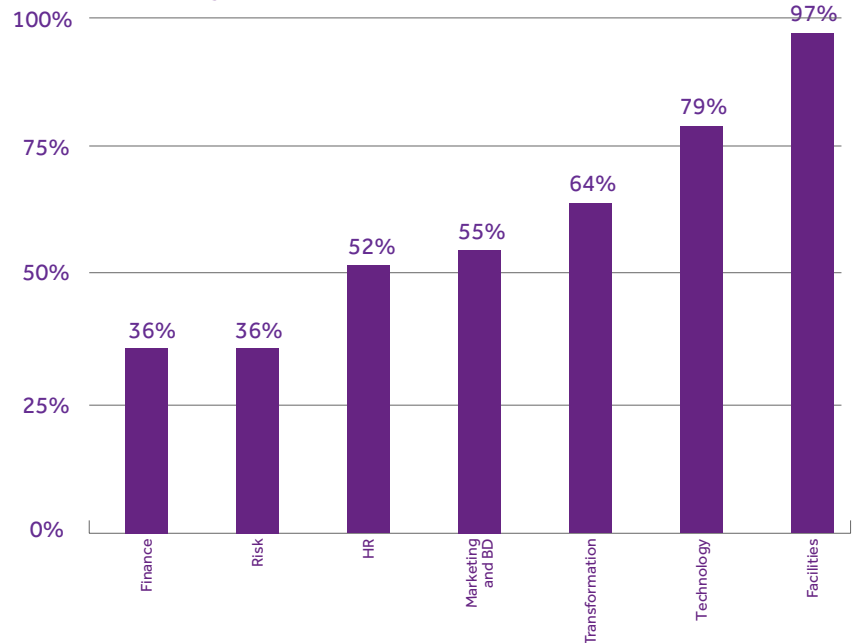
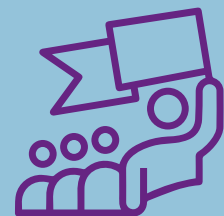


Figure Two: Top 50 law firms with a COO v job focus



## What makes a great COO?

Despite differences in the specifics of the role, good COOs share essential qualities: the ability to create a sense of togetherness, inspire and influence but also be honest and consultative. Important too is political astuteness to read situations and know how and where to gain support for change, taking an innovative approach to analysing and solving complex issues, and building relationships with a transparent, inclusive and open communication approach/style.



The COO role is one that requires a breadth of leadership experience, high levels of credibility, excellent people skills, business acumen, gravitas and an exemplary work ethic. COOs have to be able to build consensus and trust at all levels – while juggling myriad responsibilities. It is a pivotal business role in today's legal sector and one that is destined to shape law firms long into the future.