

BUSINESS & CAREERS



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Vice President & General Counsel

The purpose of this position is to provide legal, regulatory and compliance counsel to ACE Canada's business divisions and executives, both directly and through assigned legal staff. Responsible for managing the legal and compliance functions and staff and to identify, monitor and provide legal counsel relating to regulatory and legal developments. The incumbent will keep management and compliance informed of relevant new and amended laws and regulations, through regular counsel, reports, publications and presentations and conduct or manage legal, regulatory and compliance research on issues. Additional responsibilities include review of existing and creation of new company policies and procedures to ensure compliance with laws, rules and regulations and to minimize liability; hiring and legal staff development. Requirements include: excellent legal research and writing skills; excellent communication and interpersonal skills, with a track record of building relationships and effective partnerships across constituencies; strong leadership and management skills; and a law degree and bar admittance with 10 or more years of legal experience in the field of property and casualty insurance, reflecting a record of accomplishment. **To view the posting in its entirety, please visit our website at www.ace-ina-canada.com.** Please submit your resume to: Dayle Hawkins; Fax: (416) 368-9825; Email: dayle.hawkins@acegroup.com. **We thank all applicants for their interest, however, only those considered will be contacted.**

Firms struggle to find right bonus structure

Bonus season is coming, and it seems no matter how much time firms invest in trying to devise the best structure to reward the efforts of their lawyers, someone is always left complaining about how their system is lacking. Why is it so difficult to get bonus structures right? Is your competitor's structure really that much better than yours? How do you know if you're getting it right?

As a general rule, the test of your bonus structure—indeed, your overall compensation system—is whether it results in keeping the lawyers you want.

The typical bonus structures in the market fall into three categories.

Discretionary model

A full discretionary bonus structure is one in which no objective, measured elements determine how bonuses are paid out by the firm. Firms using a discretionary model typically provide some guidelines as to what factors are taken into consideration but, ultimately, the decision is subjective and typically made by the partners.

When done properly, fully discretionary bonus structures afford the firm the ability to measure a broader range of categories beyond hours recorded or fees collected, recognizing contributions that have a net positive impact on the firm. Bar Association involvement, teaching, mentorship, community stewardship, or other non-financial contributions are more readily recognized under such models, ideally establishing a reward system that encourages lawyers to adopt an approach to practice that reflects a

broader contribution to the firm beyond pure (typically financial) metrics.

The challenge for discretionary models is frequently the lack of transparency as to how individual bonuses are arrived at. More to the point, many associates cynically see discretionary models as code for "no bonus," which can easily happen—particularly in a down market.

The key to establishing a functioning discretionary model is to set out the full range of considered criteria, explain why they are valued, and create as much transparency as possible. Moreover, it is important to be honest when setting out the range for eligible bonuses. That means being able to show examples of those who achieved at the various levels within the structure, to help give others a sense of matching achievement with outcome.

Metric driven model

A pure metric bonus structure is one in which bonuses are paid out based on a strict formula, most frequently associated with billable hours and/or fees collected. Under such models, lawyers have the advantage of knowing exactly what their reward will be for a given level of performance. Firms typically provide a grid or payout chart, based on various thresholds or performance levels, with associated payouts at each level.

Metric-based bonus structures have the advantage of predictability: Those operating under such models have great certainty as to how their compensation will be affected based on specified performance

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THE HEADHUNTER



WARREN SMITH



INSURANCE DEFENCE COUNSEL

Are you looking to join a growing firm? If so, Zarek Taylor Grossman Hanrahan is the place for you.

From our 6 lawyer inception in 1997, we have grown to 34 lawyers in 2012. We are an insurance defence boutique law firm, located in Downtown Toronto, with excellence in providing defence of tort, accident benefits, property and general insurance litigation matters.

We are currently looking for two associates to join our growing firm.

What we are looking for:

- You have 2+ years of prior experience as an insurance defence or plaintiff lawyer; experience with accident benefits, bodily injury, property and/or comprehensive general liability will be considered an asset.
- You are a member in good standing with the Law Society of Upper Canada.
- You demonstrate excellent judgment
- You are able to work well independently as well as in a team environment.
- You possess exceptional organizational skills
- You are able to work in a fast-paced team environment and meet demanding deadlines.
- You possess excellent written and oral communication skills as well as research skills.
- You are a self-starter.

Salary based on experience. Benefits package available.

Please forward your resume to careers@ztgh.com quoting "Insurance Defence Counsel" in the subject line of your email application.

*We thank all applicants.
However, only those selected for an interview will be contacted*

BUSINESS & CAREERS

Plans fail without honest assessment

Success

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ates darkness, your assessment must unravel the mystery of self-hood. It must critically evaluate your beliefs, fears and learned mental blueprints about what constitutes success and failure.

A good measure of whether the self-assessment is accurate is whether someone who really knows you well—a parent, spouse or advisor—would agree with your analysis. Being truly

objective often requires bringing in a knowledgeable third party to confirm or amend the conclusions reached. A path to success can be charted once skills and limitations are identified.

If the self-audit pinpoints a weakness in people skills or in the ability to artfully promote oneself, there are several options. You might turn to literature on these topics or take a personal or professional development course that can assist in learning how to read, impress and influence others.

Another strategy might involve finding good advisors or mentors. There is no such thing as a self-made person—everyone needs the support, counsel or resources of others, especially when uncertain choices with profound consequences must be made. No one is smart enough, objective enough or experienced enough to consistently know what to do or how best to do it.

The self-assessment should explain what must be done to get to where you want to be. You may need to better understand such things as risk taking, the value of failure, overcoming blind spots and cognitive biases, reconciling the paradoxes of success or finding the 'drive' to succeed.

We know, for example, that motivation is a renewable resource. It gets used up and must be replenished. Knowledge

of the original commitment to succeed can help maintain focus on it and keep you energized to continue, assuming the goal remains worth the effort. It also helps to remember that incremental gains are sustainable but that quantum leaps are usually destined to fail.

Here, too, is where a supportive network can prove helpful. What separates the average from the exceptional is an inability to sustain the journey through the valley before ascending to the heights. In life, those valleys—low points—are inevitable. Hence, strong relationships with friends, family and colleagues are invaluable resources to rely upon along the way.

It's never too early or too late to consider developing or altering your map for success. What will distinguish you will be defined by what you do with

what you have in the time you have left. Many of the most successful people the world has known made new life choices and career changes well into their advanced years. The important thing is to have a good map, a strong moral compass and a reliable flashlight to guide you on your journey. Don't leave home without them. ■

Dr. Jim Murray has been in business of optimizing human potential for over 40 years. His website is www.SmartLeaders.ca. His course, 'Achieving Success: Essential Ingredients and Critical Realities' is offered by the Institute of Chartered Accountants of Ontario. Contact Lawrence Wong at lwong@icao.on.ca for more information.

✉ We want to hear from you!
Email us at: comments@lawyersweekly.ca

ANNOUNCEMENTS



Robert G.W. Lapper appointed as Chief Executive Officer of The Law Society of Upper Canada



Law Society Treasurer Laurie H. Pawlitza is pleased to announce the appointment of Robert G.W. Lapper, Q.C., as Chief Executive Officer of The Law Society of Upper Canada.

Lapper, who joined the Law Society on February 1, 2012, was formerly the Deputy Minister of Labour for the Province of

British Columbia, a post he held since 2009. From 2007 to 2009, he served as the Deputy Cabinet Secretary and Associate Deputy Minister, Cabinet Operations and Intergovernmental Relations, in the Office of the Premier. He was responsible for providing strategic advice and logistic support to the Cabinet, the Premier and government on the relations between British Columbia and other governments.

For seven years, beginning in 2001, Lapper was the Assistant Deputy Attorney General, Legal Services Branch, for the Province of British Columbia. He oversaw a complete organizational and service transformation in the Legal Services Branch during his tenure there. He was honoured with a Queen's Counsel appointment in December 2002.

In 1994, after clerking with the British Columbia Supreme Court and then working in private practice for 10 years, Lapper joined the Ministry of the Attorney General for British Columbia, to focus on aboriginal law issues. He acted as one of the counsel to the Nisga'a negotiations, which concluded the first "modern" treaty in British Columbia. In 1998, he was appointed to head the Aboriginal Law Practice Group in the Legal Services Branch.

The Law Society regulates the lawyers and paralegals of Ontario in the public interest. The Law Society has a mandate to protect the public interest, to maintain and advance the cause of justice and the rule of law, to facilitate access to justice for the people of Ontario and act in a timely, open and efficient manner.

Law Society Announcement

Mixed model most common

Bonus

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criteria. They also closely align the firm's lawyers with the bottom line: Lawyers under such models are more likely to understand the financial elements of practice, as their rewards are more closely tied to the financial success of their practice.

The challenge with pure metric bonus structures is twofold. First, they can focus lawyers on a very narrow set of contributions, often to the overall detriment of the firm. If lawyers receive no perceived reward for making any non-financial contributions, the firm may struggle to encourage their lawyers to take on pro bono matters, engage the broader community, or assist in mentorship or other valuable internal activities. Secondly, if the system triggers rewards only at threshold levels (bonus at 1,700/1,800/1,900 hours, for example), lawyers may step down their activities and "coast" if they feel they are unlikely to reach the target by the end of the fiscal year. Again, if the firm provides no additional mechanism to reward non-metric-based activity, such models can inadvertently work against the best interests of the firm in the latter part of the year, when lawyers may see no further incentive to push through to year end.

The key to establishing an effective metric-based bonus structure is to create an escalating reward system that includes incentives to actively seek out the next level of bonus. Additionally, it may be worth considering some mechanism to reward perform-

ance between thresholds to ensure maximum performance for the duration of the fiscal year.

Mixed model

Perhaps the most common model combines the aforementioned models, creating some rewards associated with performance-based metrics, while leaving room to recognize

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Warren Smith,
The Counsel Network

broader contributions to the firm. Such models afford the firm the ability to combine the benefits of both models, while seeking to limit their identified deficiencies.

The challenge with mixed models is figuring out how best to balance the two elements. If that's not achieved, it's possible that pure performance lawyers may not receive the benefit they might otherwise enjoy under a pure metric model. Similarly, those lawyers who display a broader skill set beyond pure bill-

ings may feel their contributions are underappreciated by the firm.

Again, the key with mixed-model bonus structures is to set clear criteria for both elements of the bonus structure. One international firm has a well-defined chart that sets out a percentage range of salary paid—half of the bonus is based solely on billables, and the remainder is paid based on broader, subjective elements of contribution to the firm and profession. Interestingly, this particular model sets out that the subjective element as payable only if the billable target is first met. This serves to remind all lawyers the practice is a business first, while recognizing additional contributions are valued at the firm.

In the end, the key to any bonus structure is to be clear on what is being measured, how it is measured, and what the associated reward will be for those who excel in the measured categories. In doing so, you create the greatest opportunity to align your lawyers with your desired objectives, ensuring they will be encouraged to pursue those aspects of practice the firm most clearly values. ■

Warren Smith is a Managing Director of The Counsel Network, Canada's oldest and most respected lawyer recruitment and career consulting firms. He is also the only Canadian elected to the Board of Directors for the National Association of Legal Search Consultants (NALSC), North America's leading legal recruitment industry association. You can follow him on twitter @lawheadhunter.