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MAKING A CASE

**HOW MARKO MRKONICH
DRIVES GROWTH AT
LITTLER MENDELSON**

Making a case

How Marko Mrkonich drives growth at Littler Mendelson

BY KRISTY J. O'HARA

The past couple of years have been stressful for most businesses, and Marko Mrkonich can relate — in some ways. While the past two years have been crazy for him as president and managing director of the employment and labor law firm Littler Mendelson PC, it isn't because the economy has been hurting his firm. It's been a result of staying ahead of the growth that has taken the firm from \$240 million in revenue in 2006 to \$370.5 million in 2009. "Growth simply to say you've grown is not necessarily a good thing," he says. "When you find yourself in a position where the best reason you can come up with to undertake a new initiative is because it lets you grow, that's not enough. That's missing the point. Growth is an indicator of success, and it shows that there are positive things going on."



He says that if you are an average company with average people and you add more average business and average employees to what you already have, then it's not going to be the success you likely envision. You have to make sure you're making your firm better with the people you add and the new projects you take on.

"When you're on a growth curve, every once in awhile, you need to take a deep breath and assess what you've done and where you're going and try to see the pattern and the trend of the line that you're on and if you're going where you want to go," Mrkonich says. "You can get caught up in the excitement of the moment and start on a path without realizing exactly where it means you're going."

To make sure he's stayed on the path during the past few years, he's focused on hiring better people, creating the right environment and making sure he prioritizes what matters.

Hire better people

As Littler has grown, one of the keys to making sure the firm stays a strong organization has been hiring people into only the top half of the firm in terms of talent.

"If you're average to start with and you add people no better than what you were, you're going to remain average," Mrkonich says.

To make sure he gets people who will only move the firm forward, he goes beyond their experience. Littler has such a niche focus, experience is a given. He goes further and looks to see if they'll fit in.

"When you're looking at whether someone would be a good fit, focus on the person's long-term goals and ambitions and see whether they align with your organization and if they fit with your organization," he says. "So often, short-term goals dominate."

He says you have to look at what their motivations are for leaving their current position. For instance, is someone interested in moving on because something unpleasant happened in his or her current company or is the person simply looking for a better opportunity? If it's the former, that could happen anywhere, and you don't necessarily want your people looking for a new job each time something unpleasant happens.

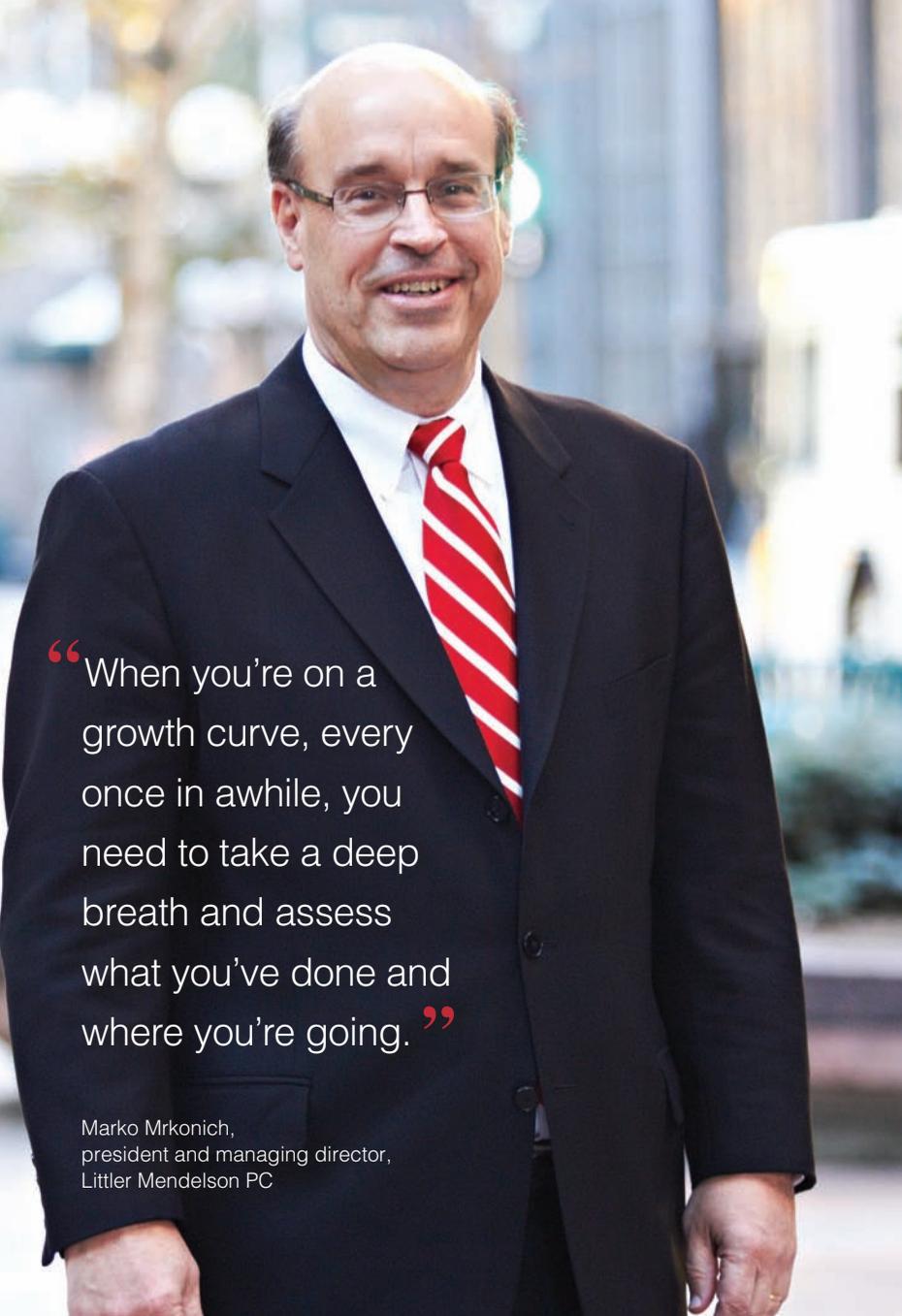
"You sort of start to focus on what the person's ambitions are — what they hope to do professionally, what they hope to do personally, what they hope to do financially," he says. "You sort of see and explore paths within that would bring that person in."

You also want to make sure that the main reason someone is leaving another position is not simply for more money. Sometimes a person may have specific needs that require looking for a position with a higher salary. But you have to distinguish between that and just chasing the next dollar, and the only way you can do that is to make sure you're not enticing them instead of focusing on the attributes of your company.

"Generally speaking, people want to know that economically, they can, in the long run, do better," Mrkonich says. "However, it's our general practice that we don't go buy people. Ultimately, if you recruit someone because you're willing to pay them more today than someone else is, that can change tomorrow."

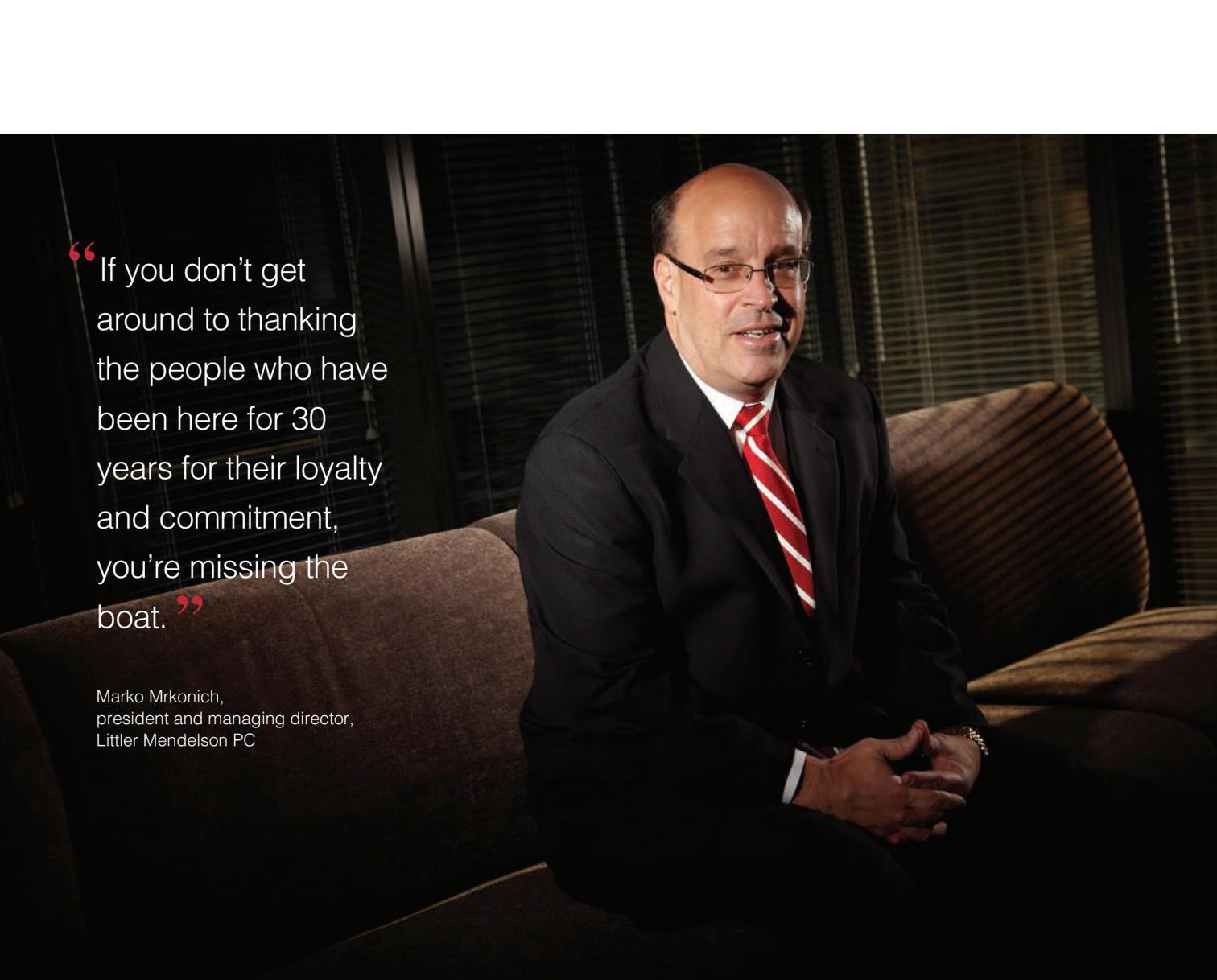
Once you get past a person's ambitions, you also have to look at his or her personality and who he or she is as a person.

"Get to know the person at a more human level," he says. "What are their hobbies? What are their interests? What do they like



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to do in their nonwork time? What do they like to do within their work time? What part of the practice do they like the most?

“Once you break down a barrier or two, then you start to go beyond the interview-speak and hear what people are really thinking and feeling.”

This also helps you learn about not only why they’re interested in coming to your company but also what barriers they face in leaving their current position. For some people, they may only make one or two major career moves in their life, and if you’re a possibility, you have to understand that about them.

“If it’s someone who moves a lot and all the time, it’s not that we won’t find someone that’s a great fit, but that’s a ... warning signal that you want to make sure it really is a great fit,” Mrkonich says. “If it’s someone considering the one move they might make in their career, you say, ‘Well, they’re more likely, if they find the right place for them that solves their long-term aspirations, to be a long-term team player for you.’”

When you have someone like that, you need to be respectful and careful in what you say in your attempts to recruit them.

“One rule is, I never bash the place they are, because they’ve devoted a fair amount of their professional career and their personal time making that firm and that place all it can be, and that doesn’t get you very far,” he says. “To me, I like to focus on the future and the positive things that we bring as a firm.”

Have the right environment

When a lawyer in Los Angeles came forward with the idea of opening an office in Orange County, he wasn’t shot down. He explained that while working in L.A., he saw a huge market opportunity in the neighboring county and that the firm would benefit by having a ground presence there. He got the OK, and now there are about 15 lawyers in the office. A similar situation occurred with Minneapolis, which now has about 30 lawyers.

“It’s building a business case for the idea, making sure there’s sufficient number of others that buy in, and it’s developing a budget and plan,” Mrkonich says. “If it makes sense, we do it.”

Empowering employees to bring forward new ideas has been one key to Littler’s

growth, and doing so creates an environment of teamwork and collaboration.

“They believe that if they have an idea and they can articulate a reason to pursue it, they will never be told no,” he says.

If you haven’t had that kind of environment in the past, you clearly can’t just start implementing a bunch of ideas, but you can start somewhere.

“I don’t think you can take someone else’s system and graft it onto your own,” he says. “It starts with looking at your own values system, your own culture, your own business model and see where opportunities exist for new ideas and new ways of doing things, and then trying to work and focus on that aspect of the business.”

He says you have to look at what you’re completely committed to and what you’re completely not committed to in order to make decisions.

“If you’re committed through hard cost investment to a particular business model, and someone wants to come in and say that business model is wrong, that doesn’t help you much,” Mrkonich says. “You want to focus on the areas where, from a structural standpoint and a values standpoint, you’re

open to new ideas, and then build systems that are compatible with your culture and understand and reward people for taking chances and identifying opportunity.”

Another element to having the right environment that promotes growth is making sure you are fostering and encouraging collaboration and teamwork.

“You have to have a rewards system that includes your ability to work together and how well you work with others,” he says.

This can be a series of metrics that are specific to a department or set of people or it could just be one super metric. Either way, as the leader, you have to demonstrate this.

“If you or the people at the top are always claiming credit for good things and passing blame for the bad things that happen, it’s never going to work,” Mrkonich says. “There has to be a culture of accountability at the top, a culture of sharing and a culture of teamwork at the top. ... If you do it at the top level, there’s some hope that it will filter out and be seen by those trying to work themselves into positions where they’re part of the leadership team as the right way to do things.”

And lastly, you have to make sure you’re communicating in an honest and fair manner with all of your employees.

“When there’s bad news, you can’t hide it,” he says. “One of my colleagues says bad news does not taste better served cold. That’s very true. It’s being realistic and being honest, making sure communication is frequent and also personal.”

Prioritize

Mrkonich is an avid fiction reader, and while he doesn’t read a lot of business books, Stephen Covey’s “Seven Habits of Highly Effective People” resonated with him when Covey spoke about prioritization.

“Obviously, if something is urgent and important, you’re going to do it,” Mrkonich says. “If something is neither urgent nor important, you’re only going to do it if you need a break — like playing solitaire on your computer — and then you have that, ‘What if it’s urgent but not important versus important but not urgent?’ How you balance those two things determines the effectiveness of your organization and you as an executive.”

And those decisions can also determine how well — if at all — your organization can grow. So when the phone is ringing, he has 10 e-mails to return and an employee is about to celebrate his or her 30th anniversary with the firm, how does he prioritize what to do?

“It’s time for you to sit down and write a thank-you note to the person who just reached their 30th anniversary with the firm,” he says. “Which one is more important? This is a time when each is more

Born: I was born in a town called Thief River Falls, Minn. The nickname of the high school sports teams is the Prowlers — which today sounds like a felon in waiting, but it’s a nocturnal cat that was sort of the logo. I don’t know that a school would knowingly pick that these days. I grew up in Duluth for most of my childhood.

Education: Undergraduate and law degrees, Harvard



What was your first job as a child?

My first job with a paycheck was cleaning schoolrooms and desks in the summer time for the Duluth School Board. I was 16. I learned, to a certain extent, no matter what you’re doing, showing up on time and prepared is important.

As a child, what did you want to be when you grew up?

I wanted to be a professional athlete. I wasn’t even picky. I probably wanted to be a pro football player.

What has been the best advice you’ve received?

It’s interesting, because over the years I’ve been fortunate to have had many people share many pieces of wisdom. There are two I would say — one is from my father, which was, ‘Work hard every day, and people may not agree with you, but they’ll respect you.’ And [the other is,] ‘Worry about yourself and what you’re doing — don’t get caught up in looking at what other people are doing, because that’s a recipe for disaster.’

What’s your favorite board game?

Trivial Pursuit, because I think that it’s social, and I just have a fondness for trivia.

important, but in the end, if you don’t get around to thanking the people who have been here for 30 years for their loyalty and commitment, you’re missing the boat.”

He says you have to develop a system for determining what’s important versus what’s urgent and weighing how tasks fall into those buckets.

“Make sure you don’t fall into the trap of doing things that are urgent but not particularly important at the expense of those things that are truly important but don’t have the immediacy that other things do,” Mrkonich says.

“You sit down, and you devote the time to planning and deciding. There’s no one answer. Sometimes things are urgent for a reason — even though they’re not important,

they have to be done. Other times, you have to make sure you have time to do those things that are important but may not be urgent.

“Think of it as Saturday date night with your spouse or partner. That’s important. It may not feel urgent each Saturday night, but you recognize that if you don’t do it, you’re not investing enough into your relationship. ... You start running around and saying, ‘I have to have this done, and I have to finish this and finish that, and you have to look at, ‘What if I’m a day late with that? What am I giving up?’ You have to know. It’s all about prioritization.” <<

HOW TO REACH: Littler Mendelson PC, (888) 548-8537 or www.littler.com