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Success in succession planning

Tony Williams of Jomati Consultants, previously Managing Partner at Clifford Chance, gives an insight into the planning needed to ensure successful succession.

For many managing partners, considering succession planning is akin to writing a will. We know it is a sensible and prudent thing to do but it reminds us that our time is limited. We put it off for as long as we can.

A large corporate may actively groom a successor for the CEO's role or at least develop two or three candidates from whom to select a successor. But the structure and operation of a law firm is very different from that of a large corporation. In general, law firms elect their managing partner and as this is one of the few matters on which partners still have a vote, they have a strong aversion to any Soviet-style put-up ballot of one 'approved' candidate. Indeed, in 2002 when a new managing partner was being elected at Clifford Chance, Peter Cornell won after making it clear that he was not the preferred choice of the incumbent management team. More recently, late last year when Lovells was electing a new senior partner it appeared that the managing partner endorsed a losing candidate. The managing partner has now announced that she is standing down!

Given the difficulty of anointing a successor, how should a law firm go about providing for succession planning? I believe that this involves a number of related steps over a number of years.

Training

Law firms are increasingly large and complex organisations. It is difficult and probably unfair to pluck out a candidate who has been completely focused on client work for his or her entire career and put them into a management role without any prior assistance or training. Fortunately in larger firms leadership roles are available in a number of areas. These include running practice groups, running offices, running specific client teams and client relationships, or leading a partnerselection process. If a range of people is used for these roles, then rather than a familiar cabal, the firm will develop a range of people who, although still primarily focused on fee generation, will also have developed a range of other skills. Some firms will supplement this by some formal management training provided by a business school. For example, Clifford Chance uses Harvard Business School to provide a bespoke programme for many of its partners. As a result the partners become aware of the wider range of strategic and management issues that their firm faces and how to address them. Although such an approach may not be appropriate for all partners it does give the firm a wider group of potential leaders to use in a variety of management-related roles.

Expose them

It is very easy for a practising partner to be immersed in the operation of his or her own practice, practice group or office. If that person then assumes a senior management role he or she comes with only one perspective of the firm. The candidate may have no understanding of, or empathy with, other parts of the organisation. This can emphasise the notion of a favoured or ruling practice group that ignores or tramples over the needs of other parts of the firm. If a partner has developed some wider roles, perhaps as a leader of a firm-wide client relationship or industry group then they should start to develop an awareness of the personalities in and the strengths and weaknesses of other parts of the business. The partner will also become more widely known in other parts of the firm, which should, hopefully, enable the establishment of a broader and less potentially divisive support base.

In addition to internal exposure the partner should be encouraged to gain some profile in the business and legal media. Perhaps this can include making the partner a spokesperson for the firm on specific areas of practice. This will be particularly useful if the partner can speak from a business rather than a purely legal perspective, as it will improve the profile and standing of the firm in the legal and business community. This will also have the additional benefit of reducing the demands on the managing partner to be the sole spokesperson on every issue of relevance to the firm. Indeed, a collateral advantage will be to demonstrate the depth and breadth of the firm's expertise. Once again, appropriate media training will be required and proactive support needed from the firm's marketing and PR team.

Energy and focus

If a partner has been given some of the roles mentioned above it will be necessary to monitor performance and delivery. Unfortunately, often the most likely candidates for roles lack the ability to make difficult decisions, are not prepared to consult or to respect contrary views, or fail to focus on the key actions that need to be taken. Monitoring such performance and quiet but firm counselling may promote a substantial improvement or at least help to avoid costly mistakes!

Leading a law firm requires a very different approach to lawyering a deal. On a transaction or major piece of litigation there are highs and lows but a strong sense of achievement and the adrenalin kicks in at the key stages. Also, the partner is focused solely on that transaction or litigation to the exclusion of almost everything else. In a leadership role it can be an exhausting grind. A massive amount of 'stuff' has to be dealt with by the managing partner. In a larger firm, large amounts of international travel and endless meetings with partners can grind even the strongest leader down. I remember that at Clifford Chance I calculated that if every partner wanted three hours with me a year that would take up over half my time (and the firm now has over 50% more partners). Fortunately most of the partners were very supportive and very low maintenance.

Accordingly, a leadership candidate will need a clear sense:

- of where he or she wants to lead the firm to;
- of what he or she should do and what should be delegated to others;
- of how to listen to colleagues;
- of how to build a consensus; and finally
- of how to execute decisions when reached.

No matter how good a practitioner the candidate may be, these skills are very different from a traditional lawyer's role and therefore they need to be developed and tested over a substantial period of time.

Mentor

It will be tremendously helpful if a leadership candidate has at least one mentor. Inside the firm this may be a member of the management team or another senior partner. This should be a strictly private arrangement. They should be capable of discussing any issue openly. It is also important that they are not likely to be rivals for a particular role. This may help steer the prospective leader through the myriad of personal relationships, petty jealousies, large egos and political posturing which typically are an integral part of large modern law firms. It may also help them to really understand the culture and motivation of the firm and the views of the usually silent partners.

At a later stage of the succession process the use of an outside mentor may be appropriate. This may be the CEO of a major corporate, the managing partner of another professional firm or an external consultant. In any case this mentor must not have any direct connection with the firm. They must establish a rapport based firmly on a sense of friendship, support and willing the candidate to succeed. Leadership can be a lonely role and such support both before and after assuming a leadership role can be invaluable both as a personal sounding board and by ensuring that the leader remains properly focused on the successful implementation of the firm's strategy.

Be self-aware

Finally it is necessary for the existing management to be sufficiently in touch to know when they are approaching their own sell-by date. Law firms have developed substantially over the last ten years. They will face even more demanding challenges over the next ten years. The leaders need to recognise when it is appropriate to let go and to pass the baton to those able to take the firm to the next stage. It is the leaders' responsibility to ensure that the transition is orderly.

Unfortunately incumbent management can too often become remote and arrogant and fail to appreciate that the mood in the partnership has changed. In the past few years there have been two very high-profile examples of senior partners of top ten UK firms standing for reelection and losing. There have been numerous other examples of the partnership equivalent of 'the men in dark suits' persuading a managing or senior partner either to stand down or not to seek reelection.

In this respect the leaders of law firms are no different from CEOs or leading politicians. Leadership of a larger firm is a demanding but exciting task. Giving it up is difficult, especially if the partner is before retirement age and may therefore face the prospect of rebuilding a fee-earning practice or leaving the firm to continue a career elsewhere.

It is clear, however, that it is an integral part of the role of a leader to provide for his or her succession. In a law firm this requires a subtle and discreet process of development of potential candidates over a number of years. In the current challenging climate for law firms to fail to do so risks permanent damage to a firm. Not exactly the legacy that any management should want to leave behind.