





PLANNING FOR THE *Future*

Law firms can avert a long-term inability to effectively serve clients – or even extinction – by developing a viable succession management program.

Many law firms are in danger of a kind of extinction – one that can come from a shortage of talented leaders. A large number of partners and senior associates may soon seek less stressful work opportunities or consider retirement, and workers from younger generations are entering the legal profession with different work ethics and priorities.

SETTING THE SCENE

Consider this scenario: You have just hired three new associates, a senior associate has just made partner, and you think your law firm is in good shape. Two weeks later, a partner announces her retirement, another is so brash that no one will work with him, and a senior associate announces that she is going on maternity leave. Within two weeks, the talent pool and bench strength in your firm has shrunk.

Now imagine developing your firm to the point where circumstances such as these and the loss of a key attorney or paralegal would be less traumatic and the transfer of clients and caseloads would be seamless.

How can clients be retained despite attorney transitions? What can be done to preserve the firm's positive reputation, which has been so carefully cultivated? What can you do to ensure that the next time a partner takes a sabbatical she does not need to check in every day to put out fires? The answer is simple: succession management.

THE FUNDAMENTALS

Succession management ensures that highly qualified people fill all positions in a firm – not just today, but also tomorrow, next year, and five years from now. Although the process includes identifying and preparing suitable employees through mentoring, training, and job rotation to replace key players within an organization as they leave, it is more than just a replacement process. Succession management is a comprehensive employee development system that helps guide the firm's future and its approach to leadership, all while improving employee retention and commitment. By creating a process that combines each law firm's unique context and culture with business goals and an understanding of employees' skills and abilities, succession management ensures that a firm is operating efficiently and stably, even in turbulent times.

KEY STEPS

There are a variety of approaches to functional succession management programs. Each of these approaches contains, in some form, the following five steps:

1. **Engage in strategic planning and determine competencies.** This first step helps to envision where the firm is heading. This includes a critical look at the behaviors and skills that drive the firm's culture and business practices. During this step, an honest discussion between members of the management team, including the office administrator, is needed to gain consensus about technical competencies (industry expertise) and leadership competencies (performance management expertise such as integrity, mentoring, and others) that define success for the firm. These competencies will serve as the foundation of each attorney's path to partnership.
2. **Assess each employee's competency, focusing on key positions in the firm.** The second step requires each practice leader to independently and honestly assess all individuals on his or her team, focusing on knowledge, skills, and abilities as they relate to each relevant competency for the position held. This is often done by rating participants (See Figure 1: Succession Planning Grid, page 31). It is also helpful to have uniform templates for this process, which guide partners through the process and ensure consistency and the proper focus on competencies determined in the first step.

The Case for Succession Management

When executed correctly, a comprehensive, well-thought-out succession management program delivers many positive returns that far outweigh the cost and resources required to make it happen. The benefits:

- The firm has an effective management team – today, in one year, and beyond.
- Firm leaders spend less time on management of daily operations and more time billing, developing business, and developing employees.
- Highly qualified people occupy key positions.
- The firm attracts and retains top talent.
- Attorneys and staff have "role clarity," confidence, and initiative.
- Client and leader transitions during critical times become seamless.
- Revenue growth is more likely and consistent.
- A common vision guides law firm operations, decisions, and strategies.
- The firm's legacy is established.

3. **Identify the gaps.** This step involves facilitation (ideally by an impartial third party) of a candid group assessment about each practice leader's individual assessments from the second step. Consensus should be reached regarding the rating of each individual who has been evaluated in relation to the competencies identified for that person's position. This process will spotlight the "bench strength" of the law firm as a whole, particularly as it relates to key leadership positions. During this process, at least one successor should be slotted into each key position identified. The difficulty or ease of this process will be a strong indicator of actions that need to be taken in the next step.
4. **Plan for action.** The fourth step has two parts: Creation of development action plans for firm members identified as successors for key positions and group discussion of these plans. During the first part of this two-part step, firm leaders develop action plans for attorneys and support staff in their practice areas to address the results in Step 3. This is usually done with the aid of a coach or consultant who can provide suggestions and guidance that may be outside the firm's normal scope, such as peer coaching, mentoring, 360-degree assessments, expanding connections to clients, and transitioning client responsibilities. Later, the firm's leadership team discusses each action plan to gain a strategic, birds-eye view of development that may be needed.

One benefit of engaging in the process in Step 4 is revealing a need for firmwide development of competencies such as communication, business acumen, and client-relationship building. This can become a turning point in strengthening overall firm leadership and strategy.

5. **Ongoing support and execution.** Succession management is not an annual event; it is an ongoing process, and the fifth step is critical to making the effort successful. Principal administrators and/or human resources specialists must follow up regularly on action plans to ensure they receive adequate attention from firm leaders. Just as important, firm leaders need to confirm that if there was a promotion or a transfer in the firm, the succession management action plans have been implemented as appropriate. For instance, if there is an opening for a senior associate, firm leaders will need to assess if internal candidates were considered (per the succession management strategy) before pursuing external hires.

The presence of a third party during each of these steps may help to facilitate dialogue and guide what can be a contentious and seemingly insurmountable process.

THE BOTTOM LINE

Succession management can be a complex and time-consuming process, but it is essential to

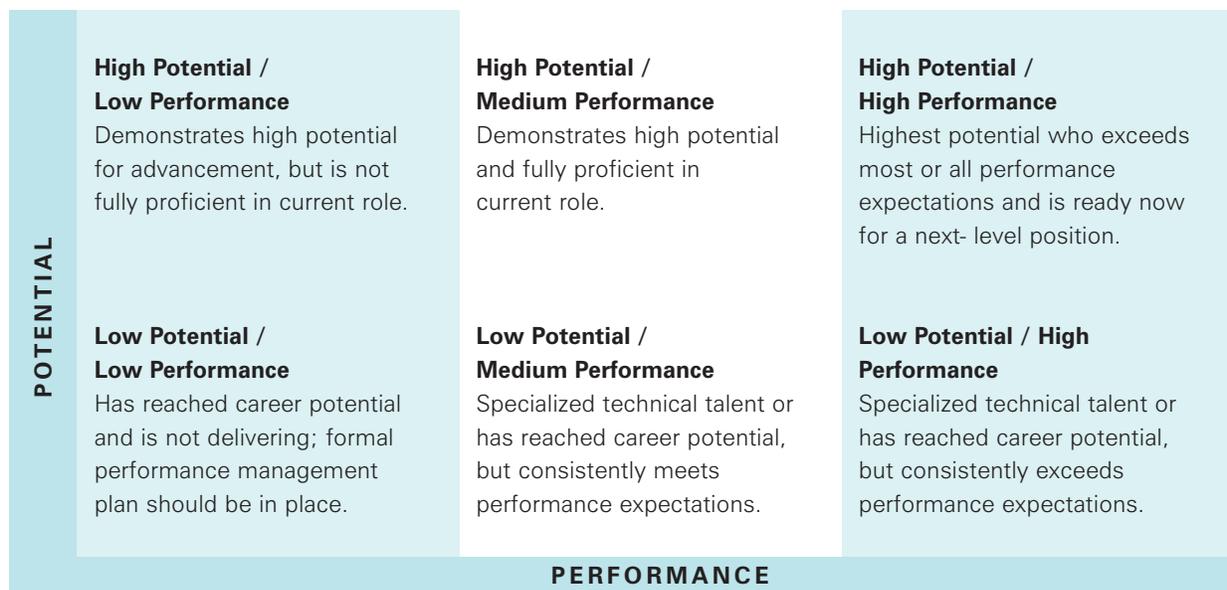
QUESTIONS RELATED TO YOUR SUCCESSION MANAGEMENT PROGRAM

Implementing an effective succession management strategy will require answers to many key questions along the way. Among them:

- How many leaders will we need, and when and where will we need them?
- What do we need our leaders to do, and what competencies do they need to have?
- What constitutes a "high-potential employee" in this firm?
- What are the common aspects of exemplary job performance in this firm?
- How should the firm plan to fill key positions?
- What percentage of open positions should be filled within the firm, and which ones should have at least one successor?
- How should high-potential lawyers and support staff be prepared for advancement?
- How do we integrate succession action planning into our hiring and promotion processes to ensure solid returns on investment?

Figure 1: Succession Planning Grid

This chart assists in evaluating employee competency as part of the second step of five in an effective succession management program.



your firm’s sustainability, legacy, and reputation for developing and retaining talent. Saving costs in the short term by avoiding this process can lead a long-term inability to effectively and successfully serve clients – and perhaps even to your firm’s extinction. ✨

about the authors



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LEARN MORE

Want to learn more about succession management strategies? In the January/February 2008 issue of *Legal Management*, Paul Burton shared his insights in “Illuminating the Path: Succession Planning as a Strategic Initiative.” To read the article, visit the *Legal Management* archive section of ALA’s Web site at www.alanet.org/publications/legalmgmtarchives.aspx, click on the front cover of the January/February 2008 issue, and scroll down to the proper article link. (The Publications archive can also be accessed from ALA’s home page – www.alanet.org – by clicking on Publications on the left-side navigation, then on Legal Management in the drop-down menu, and finally on the “past issues” hyperlink on the *Legal Management* landing page.)