



## 2023 Future Leaders Seminar

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Succession Planning: “The Future is Real. The Past is All Made Up.”

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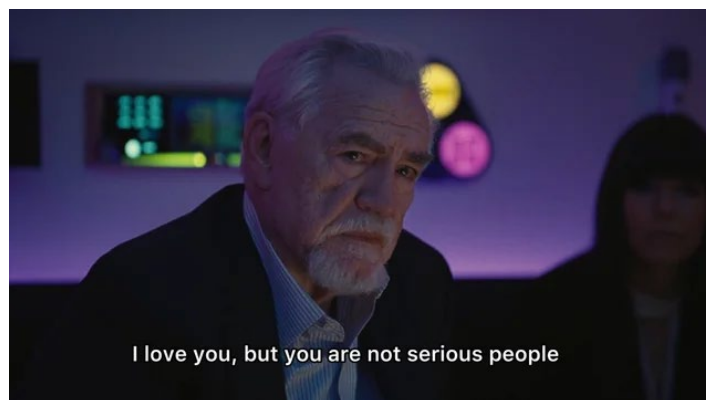
## What is succession planning?

Succession planning is an ongoing process in which an organization identifies and develops talented employees to take on future leadership roles within the organization. A law firm’s failure to prepare and implement a succession plan for firm leadership, partners, and other senior attorneys may lead to disastrous results, including client and revenue loss.<sup>i</sup>



## Why do firms/businesses struggle with succession planning?

1. Law firm management does not take succession planning as seriously as it should.
2. Many firms do not think about it until they must.
3. It is treated as a “lawyer issue” rather than a “firm issue.”
4. Firms that delegate succession planning to the current management create incentives to delay succession.



## Why should you care about succession planning?<sup>ii</sup>

### 1. Clients. Clients. Clients.

Clients are not blind to the ageing of the law firms they employ. Clients depend on continuity, steadiness, and reliability in their law firms. A firm deficient in addressing succession is vulnerable to client poaching. Consistent results from year to year depend on a seamless transition from one generation of workers and leaders to the next. Advance planning also enables attorneys to quickly assume affected client matters when an attorney becomes ill or disabled, retires, or leaves the firm.

### 2. Quality of work product and workplace.

The process of succession planning results in a disciplined look at the things the firm does well, the things that need improvement, and the future initiatives that can help a firm achieve sustained success. The identification of persons that will lead the succession creates processes, procedures, and training that elevates a firm’s work in the present. The thought process about leadership succession prompts important self-examination. A bridge will be created between current firm leaders and the future leaders. Moreover, knowing that the firm pays close attention to its succession plan creates a performance incentive for attorneys to work harder for promotion.

### 3. Recruitment.

The challenges posed by succession plans have resulted in gaps between generations of attorneys. Firms with an evident succession plan becomes an appealing opportunity. Young lawyers see opportunity at firms that contemplate training in leadership and client service skills. Security and stability are just as important to talent as profits, culture, and quality of lawyers. It further encourages top performers to remain with the firm rather than leave to advance their careers elsewhere.

### 4. Stability.

Firms with a succession plan are more likely to see the underperforming sectors or elements of the firm that require attention. By keeping abreast of the elements of a firm’s performance it is more likely that any problems that surface will be fixable. A firm committed to a succession process is far less likely to steer itself into a crisis.

## What are the keys to successful succession planning?<sup>iii</sup>

### 1. Start succession planning early.

Prioritize early succession planning to minimize the potential disruption caused by the loss of the affected attorney’s services due to voluntary departure, retirements, illness/death, promotions.

### 2. Consider key issues before preparing the plan.

Consider the following issues before starting your succession planning:

- Ethical issues. Some states have mandatory rules requiring the designation of a successor in the case of an attorney’s disability or death.
- Potential malpractice claims.

- The firm’s short-term and long-term business needs.
- Demographics of the firm.
- Who will be implementing the succession plan?
- How long should the plan be set out for? 3 years? 5 years? Longer?

### 3. Identify the successors.

Define the criteria for a successor and compile a list of qualified candidates. Inform individuals early that they are under consideration for future leadership positions. Diversity is essential to the succession plan. Look for diverse ages and backgrounds. These diverse voices and characteristics are good for the creativity and dynamism of the law firm’s future culture.

### 4. Prepare a written succession plan.

The succession plan should be in writing. It should have detailed instructions for the successors and administrative staff. It should include access information for all relevant files, records, etc. Computer, voicemail, and other file passwords. The plan must specify how to implement the succession plan, including transitioning the new leadership. The plan should be periodically reviewed and updated.

### 5. Transition the successors.

A successor may transition over a period of months, years, or suddenly. Identified successors should be actively mentored and given opportunities and access to firm management, partners, and key clients.



## How do you start the succession planning conversation?

Starting the succession planning conversation with your management team can be intimidating and sensitive. You do not want to hurt anyone’s feelings, but the truth of the matter is they will not be around forever. If the firm/business is to persist, succession planning needs to be discussed early and often.

- You can build a succession planning conversation into annual evaluation processes. Prior to the meeting, alert those in management that you would like to discuss future plans.
- Do not be afraid to advocate for yourself. Get involved in the firm (committees, blogs, etc.), but also in the areas that your firm cares about. Does your firm have a particular community initiative that it donates resources to? Is your firm involved in the local arts community? Join a local community board or offer your services to a nonprofit. Show the firm that you care about maintaining the established connections to the community and clients it serves.

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<sup>i</sup> “Law Firm Succession Planning.” Reuters: Practical Law, The Journal. <https://www.reuters.com/practical-law-the-journal/legalindustry/law-firm-succession-planning-2023-04-03/>

<sup>ii</sup> “Five Reasons for Law Firms to Succeed at Succession Planning.” Hayes LLC Advisory.

<sup>iii</sup> Attorney Succession Plan Checklist, Practical Law.