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LEGAL SERVICES CORPORATION

Top Leadership Succession Planning Workshop

By Joel A. Rose*

- I. Planning the Orderly Succession of Top Leadership to Other Professionals in the Organization
 - How and When to Begin the Transition Process;
 - Identifying Leadership Potential;
 - Developing Management Skills in Top Leadership for Roles in Administrative and Substantive Management; and
 - What to do if there are no “Natural Leaders” Who Would be Satisfactory?

- II. Action Plans to be Considered by the Successor Leadership
 - Before and After the Successor Leadership Assumes Control

- III. Role of the Incumbent Leadership During the Transition and After the Transition has Occurred

I. Planning the Orderly Succession of Top Leadership to Other Professionals in the Organization

A. Introduction

Succession planning of senior lawyer managers is frequently not given adequate attention until the seniors attain retirement age, announce their plans to retire, reduce their active involvement in the organization or leave, or the issue of retirement is addressed by another senior executive.

1. Succession Planning is a distasteful subject to deal with:

The reasons for addressing succession deal with issues that significantly change the lifestyles, financial posture and status of partners and managers within their respective organization, i.e., death, disability, retirement, involuntary departure, personal problems, etc.

a. From personal and political perspectives, no one wants to be perceived as the individual(s) who:

- (1) Is orchestrating the departure of a senior lawyer manager who may have devoted years of service developing the office, or**
- (2) Has to tell another senior lawyer manager to identify, develop and delegate their work to someone who will be their replacement.**

2. Reasons for Planning for the Orderly Succession for Administrative and Substantive Management

a. Expiration of a term

b. Changes in the Firm's Management Phases

- (1) Entrepreneurial phase**
- (2) Management phase**
- (3) Institutional phase**

c. Personal considerations

- (1) Time available**
- (2) Better use of resources**
- (3) Ability to manage more sophisticated organization**
- (4) Recognizing tomorrow's needs**
- (5) No one is indispensable**

- d. Planned departure
 - (1) Planned departure, i.e., retirement
 - (2) Mid-life crisis
 - e. Unplanned departure
 - (1) Death
 - (2) Illness
 - (3) Accept another position
3. Succession of lawyer managers calls for developing and implementing plans that influence:
- a. Office governance and leadership,
 - b. Lawyer and staff retention, service and relationships,
 - c. Insuring the continuity of substantive expertise,
 - d. The office's fiscal security and position within its geographic region,
 - e. The office's ability to manage its financial affairs, human resources, IT, marketing, facilities and related administrative management activities in an orderly and seamless manner, most of which take years to develop.
4. How the office approaches the succession issue will be influenced, in part, by its historical experience, culture and/or the lawyer managers and attorneys' attitudes towards management
- a. Is management an activity that "real lawyers" perform?
 - b. Are the lawyers willing to be managed?
 - c. Is management an activity that is forced upon lawyers that they will be expected to "fit in" when they can between their full work load?
 - d. Is the management function an activity that lawyers take seriously and are willing to devote the time and effort to the process?
 - e. Which, if any, of our lawyers possess the technical skills, business acumen and personal characteristics will be willing to devote their time to manage the office?
 - f. Will the lawyers be compensated for managing the office or are they expected to manage because it is the appropriate thing to do and some lawyer (or group of lawyers) has to do it?
5. Selecting and Developing Leadership Potential

In an ideal world, seek as lawyer managers, attorneys who:

- a. Have the trust, confidence and respect of others (or has the potential for developing these attributes);
- b. Are natural leaders/managers;
- c. Have an “office” ego, rather than a personal ego;
- d. Are team players, rather than a solo player;
- e. Are consensus builders rather than a dictator;
- f. Is the person who can do the job, rather than the person who wants the job;
- g. Can lead where there are identified or perceived areas in which change or stabilization is needed in the office;
- h. Possess the technical skills, business acumen and personal characteristics.

6. But we live in the real world and oftentimes it is difficult to identify one lawyer who satisfies all of the above requirements.

- a. Future leaders are frequently, but not always, those who push themselves to the front of the pack.
- b. The lawyers who actively seek leadership and management responsibilities are easy to identify.
- c. The office will be missing some potentially good prospects if it does not offer opportunities and seek potential from those who are less assertive.
- d. Lawyers who may be “trustworthy” may not always possess the qualities to be “leaders.”

7. Give Different Lawyers an Opportunity

- a. Some lawyers may demonstrate leadership potential while young, others may be “late bloomers.”
- b. Leadership potential, along with other criteria, should be one of the points for evaluating potential lawyers assigned to the office.
- c. Good practitioners do not necessarily make good managers and some of the best lawyers are the worst managers.
- d. Watch out for “loners.”

8. Training Successor Management

- a. No law school teaches lawyers how to manage a law office.

- b. Lawyers learn to manage a law office by:
 - (1) On the job training – mentor/mentee relationship;
 - (2) Being mentored by experienced lawyer managers;
 - (3) Attending bar association meetings;
 - (4) Attending law/office management seminars;
 - (5) Working with management consultants; and
 - (6) Working with skilled and experienced law office administrators.

- c. Good lawyer managers have a “second-sense” for people and management, but even the best can improve their management skills by practical “hands-on” experience.

- d. Areas in which management skills may and should be developed include:
 - (1) Professional and personal networking relations, including origination, development and retention of funding and other resources;
 - (2) Systems for the intake of new clients and matters, assignment of work to attorneys and staff, and management of performance of legal work in specialty areas;
 - (3) Attorney recruitment, development, nurturing and promotion/termination;
 - (4) Administrative staff relations and utilization;
 - (5) Budgeting and profit and loss accounting;
 - (6) Technology, i.e., software and hardware, other equipment and technical support from specialists who are not lawyers;
 - (7) Leases, purchase and build-outs.

- e. Short term management assignments and rotation of multiple lawyers in multiple management areas may be more effective in developing management skills than developing particular lawyers as specialists in specific management areas.
 - (1) Try prospective lawyer managers out on short term-low risk management activities before trusting them with the key management jobs;
 - (2) Lawyers should be invited to participate in appropriate office committees, not just members, but as the person in charge of a particular project or activity;

- (3) Within proper limits, and depending upon your office's attitude towards business matters, potential leaders, especially younger lawyers, should be involved in the decision making;
 - (4) Make other attorneys plan and execute an office firm event, either internally or externally;
 - (5) Create teams and put younger attorneys in charge;
 - (6) Encourage other lawyers to take the lead role in an office activity consistent with his or her demonstrated skill and knowledge;
 - (7) Give other lawyers an opportunity to make presentations;
 - (8) Establish other lawyers as the firm's future.
9. Other lawyers who have administrative assignments should be closely supervised and assisted, but not smothered - the same as is done with their legal assignments.
- a. Successful efforts and accomplishments should be acknowledged and rewarded:
 - (1) Rewards need not always be monetary, but can be recognized within the firm and encouragement to undertake additional projects.
 - (2) Unsuccessful efforts should be halted and explained, but never punished
10. Accountability/Evaluation/Reward of Performance of Potential Leaders
- a. Require each lawyer who is assigned administrative responsibilities to develop a plan for the year, including goals and proposed actions, and present/discuss that plan with the senior lawyer manager to whom he or she is accountable.
 - b. For all appointed positions have the senior lawyer evaluate performance and recommend corrective actions, as required.
 - c. Identify and provide other non-compensation forms of recognition to successful lawyers who are assigned administrative responsibilities. A public pat on the back/ "atta boy" can do wonders.
11. What to do if the office does not have any "Future Leaders."
- a. Have to face strategy for the future of the firm.

II. Action Plans to be Considered by the Successor Leadership

- A. The successor's first few months as Lawyer Manager may be the most crucial in setting the stage for a tenure that hopefully will last for years.**
1. Formal decisions, informal behavior and symbolic acts will be closely scrutinized.
 2. Everything the successor does and says will send messages, set the tone, establish expectations and communicate direction about what is of priority to the successor.
- B. The first three months of the successor's tenure:**
1. A new successor signals to attorneys and administrative staff that change may be expected to be made.
 2. Represent a unique window of opportunity;
 3. Hold the potential of being misunderstood; and
 4. Have peers "label" the successor's management style, i.e., thoughtful, rash, indecisive, being fair or arbitrary, a visionary, or a cautious bureaucrat.
- C. Seize Your Opportunity**
1. Build your credibility within the first 30 days.
 2. Pay attention to personal habits, i.e., personal and professional as examples.
 3. Make symbolic gestures.
 4. Convey basic information to the lawyer and administrative staff.
- D. Whom the successor consults with on early decisions, will reinforce the belief that he or she is inclusive, authoritarian, or "playing favorites."**
- E. Ask the board of directors:**
1. What are the specific objectives and goals you are tasking me with?
 - a. What are the expectations – qualitative and quantitative?
 2. How will you define whether or not I have been successful?
 - a. What will constitute success?
 3. What are the "must-dos" and what is my level of authority?
 - a. Limits of authority, before having to turn to the Board of Directors for approval.
 - b. Frequency of contact and for what matters/issues?
 4. What will really frustrate you as board members, and how can we prevent that?

F. Establish Performance Standards

1. Identify and establish specific metrics for success, i.e., substantive, administrative, funding, etc.

G. Ask each attorney in the office:

1. What are the issues that this office has not been able to deal with to your satisfaction?
2. What are the most promising and unexploited opportunities to improve the quality and types of service offered by this office?
3. Upon what would you focus your attention if you were me?
4. What will facilitate a very positive and constructive working relationship?
 - a. What will impale such a relationship?

H. Plug Your Gaps

1. Figure out what is needed to know and learn it as quickly as possible.
2. Establish an advice network, internally and externally.

III. Role of the Incumbent Leadership During the Transition and After the Transition has Occurred

A. **Behavior of the Former Executive Director Following the Orderly Transition of lawyer management**

1. The former Executive Director must allow the successor to manage.
2. A recent telephone call from the newly elected managing partner of a mid-size firm located in the southeast. The caller said, "As new managing partner of this firm, I am the new king, but the real king is still alive."
3. In private practice firms, from time-to-time we find that former Managing Partners believe that no one else at the firm can manage the firm as well as they can and therefore serve as an obstacle to allow the new management team to manage.
4. Following with LSC executives, it was my impression that former Executive Directors may feel the same way about their successors.
5. Who should be responsible for addressing this problem: the successor, the Board of Directors, other LSC executives, etc.?
6. How should this issue be addressed?
7. The former Executive Director may facilitate the transition process by mentoring/grooming his or her replacement, allowing the successor to manage and offering recommendations and suggestions to the new management team, as requested.

*About Joel A. Rose

Joel A. Rose is a Certified Management Consultant and President of **Joel A. Rose & Associates, Inc.**, *management consultants to the legal profession*. The firm, national in scope, is headquartered in Cherry Hill, New Jersey.

Mr. Rose received a B.S. from New York University and an M.B.A. from the Wharton Graduate School of Business, University of Pennsylvania. He has extensive experience consulting with private law firms, corporate law departments and government agencies. Mr. Rose performs and directs consulting assignments in law firm management and organization, strategic and financial planning, lawyer compensation, the feasibility of mergers and acquisitions and marketing of legal services. He has extensive experience planning and conducting retreats and special expertise resolving problems among and between lawyers.

Mr. Rose is a guest columnist on law office management and economics for the New York Law Journal and has had numerous articles published in the Philadelphia Legal Intelligencer, the Pennsylvania Lawyer Weekly, The New Jersey Law Journal, NJESQ, The Law Firm, Inc., chapter publications of the Association of Legal Administrators and other state and local bar association journals. Mr. Rose is a contributing author of the book, Model Partnership Agreements for New York Law Firms, published by the New York State Bar Association and of the monograph The Quality Pursuit, Assuring Standards in the Practice of Law, published by the American Bar Association. Mr. Rose is on the Board of Editors of Accounting and Financial Planning for Law Firms and Law Firm Partnership and Benefits Report. He Chairs the Finance and Management Sub-committee of the Law Practice Management Committee of the New York State Bar Association and the Continuing Legal Education Committee of the New York State Bar Association. Mr. Rose is a member of the Law Practice Committee of the American Bar Association and the coordinator and moderator of the 22nd Annual Conference & Workshops on Law Firm Management & Economics. He frequently presents tele-seminars and webinars for bar associations and national legal organizations, and speaks at bar association meetings and at chapter meetings of the Association of Legal Administrators. For five years, Mr. Rose Chaired The Acquisition and Merger Committee and Co-Chaired the Large and Extra-Large Law Firm Interest Group of the Law Practice Management Section of the American Bar Association. He is a member of the National Panel of the American Arbitration Association, the Economics Section of the New York Bar Association, and an associate member of the American Bar Association. Mr. Rose is a fellow in the College of Law Practice Management and is listed in Who's Who in America.