

PROFESSIONAL DEVELOPMENT

Leading Succession

Facing Generational Change
And Succeeding

By Alan S. Becker

The majority of law firms faced with generational change do not survive into the next generation after the founders retire. This risk of decline or dissolution can be greatly mitigated if your firm plans ahead of time for succession.

In 1972, my law partner and I started our law firm with two lawyers and no clients, but a pretty clear vision and a lot of ambition. Today, the firm has nearly 200 lawyers and lobbyists in offices throughout four states and Washington, DC. Three years ago, I handed off the role of managing shareholder to the next generation, and they continue to do well.

Yet despite this successful generational handoff, in hindsight, we made a pretty big mistake in our earlier years. You can take some lessons from other firms' mistakes and successes, so when the time comes for such a transition, your firm will have a good chance to thrive through a change of leadership to the next generation of partners.

A PARADOX

One early mistake which arose paradoxically from our success was the "just be a good, hard worker" philosophy we implemented at the start. We had identified a new field (condominium law) which was about to take off, especially in Florida. We focused on this niche practice for the first 15 years. The client base grew rapidly from one

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condominium association client to 5,000 associations in Florida and New Jersey, now accounting for approximately 35% of firm revenues. We hired the best lawyers we could find, but we told them they did not have to think about the business side of the practice or worry about bringing in business. "Just work hard, care about the clients and get good results," we told them. It worked. To a point. Eventually, the business was so large that two people (or three or four) could not generate all the business to support 100, let alone 200, lawyers or handle every aspect of running a law business.

We evolved into a firm with a number of legacy partners who had never developed the skills to run a business, nor the mindset or skill set to originate new business. Fortunately, a decade prior to the turnover, we recognized our dilemma. There would be a time in the not-to-distant future when, if the firm was to survive the careers of its founders, some fundamental changes had to be made.

We gradually strengthened the criteria for admission as a partner to include at least some evidence of community involvement, management interest — like supervising or mentoring others — and business development. We consciously identified the potential candidates to assume the mantle of leadership and began to send them to seminars and require that they read books on management, marketing and leadership. Only a small handful showed interest or aptitude, but we had our candidate pool for succession. Now it was time to put them to the test, and observe.

THE SUCCESSION PLANNING PROGRAM

Three years prior to my retirement the succession planning program was implemented. The two people who had the strongest support among the shareholders were identified (all were already on our

Management Committee) and began the mentoring process, including them into business critical meetings, discussing my decision-making process, and seeking their advice. The strongest potential candidate was invited to shadow me in the most significant meetings involving risk management, finance, facilities management, and personnel. Next, I delegated some of these responsibilities to him in order to position him out front where other partners could see his involvement and competence. The shareholders selected that person as my successor. He has performed well.

Unfortunately the job does not end there. With the next generation of partners having taken over, they are only, once again, a decade away from facing another generational change. This time, they are starting from a better place and approaching it with an organized plan. The lawyers who become equity partners now know what is expected of them in terms of management involvement and business development.

LEADERSHIP CLASS

This time, the firm is also approaching it in a more strategic way by organizing a leadership training program, Leadership BP. Each year, the Management Committee selects four attorneys from among the non-equity shareholders and senior attorneys. This is a voluntary program, so all attorneys interested in participating, must complete and submit an application that includes questions concerning what they have done as a member of the firm to build their skills and reputation, what they have done as a member of the community to be engaged, what they consider the strengths of the firm, areas they think the firm might improve.

The Leadership class embarks upon a two-year program led by our Professional Development

continued on page 8

Professional Dev.

continued from page 7

Director. Class participants visit all of our offices. They spend a day with each of our Department Heads (HR, IT, Marketing, Finance, Professional Development) to get an in-depth explanation of each department's responsibilities, and they travel to the World Business Forum in New York to hear some of the world's best opinion leaders in topics ranging from management to marketing to governing. In addition, the Leadership group selects videos from the Stanford Business School library, which they view together and then lead a discussion before our Management Committee. Finally, we ask them to choose a problem they think the firm is facing, offer solutions for improvement, and present

that verbally to the Management Committee and the Practice Group Leaders.

At the end of the program, the participants have learned far more than is taught in most law schools about the business of running a law firm. The value of this program is in exposing lawyers to the information, attitudes, and skills they will need to succeed in one day leading a law firm. An additional value is allowing the senior management to see these participants in action. Sometimes people perform far better than anyone would have anticipated, demonstrating leadership qualities and potential that might otherwise have gone undeveloped and unnoticed; and in other instances there are people who fall below expectations and disappoint. That is okay too. It helps the current leader-

ship identify the best candidates for the next generation of firm leaders.

CONCLUSION

Whether your firm adopts the approach we took in the past (identifying one person to groom to take over the helm) or the approach we have identified now (the Leadership program, which is essentially a succession planning program) to prepare for the future, this is clear: Generational transition does not happen automatically or without preparation. It requires a thoughtful approach, planning and execution, beginning well before the day when it is time to hand over the reigns of the firm. When it succeeds, the cost and effort will have been well worth it.



Associates

continued from page 2

LinkedIn and Google+ to attract clients. (This is part of the "Eureka Method" that I describe at <http://bitly.com/EurekaMethod>). Emphasize the points that clients are looking for:

- Familiarity with particular industries.
- A representative list of clients you've worked for.
- The results you've obtained.

An effective bio should be 300 words maximum. Skip the boilerplate about where you're admitted and the bar associations you belong to, and instead focus on client service — describe how well you explain options to clients. It helps to include just a little personal information, especially if it's charitable work or an activity with which other people can identify.

STEP FIVE

It is essential to join an organization of clients. Your goal is to be visible in the organization, not warm a

chair. Accordingly, pick a single organization that you will "major" in. Don't make the mistake of joining lots of organizations, or your efforts will be spread thin. A good way to pick a group is to ask clients which meetings they attend.

Your mission is to get on the Board of Directors, because everybody in the organization knows who they are. Start by asking the president for a chore you can do for him or her. The president will reward you with an appointment. Once you get on a committee, your goal is to become the chair. Another way to start is to offer to write for the newsletter, with the goal of becoming the editor. Again, offer to speak to the group, with the goal of becoming the program chair.

STEP SIX

Get active on an online social network. You are probably all over Facebook and Instagram, but this time it's different. You are being active for business development purposes. The best place to start is on LinkedIn, which you can demonstrate your expertise in many ways:

- Write an article and publish it as part of your profile.
- Record a quick video at your desk about a hot legal topic.
- Join a LinkedIn group that your clients belong to. Start by commenting or amplifying other people's posts, and graduate to submitting a post yourself.
- Contact the owner of the group and volunteer to be a moderator (I've done this in several groups).
- Get to know other people in the group and keep track of them.

YES, YOU CAN

It may feel overwhelming as you start your journey to becoming a rainmaker. But if you approach it one step at a time and break things down into specific activities, you'll start to get results. The trick is to prune away other activities that you have and treat business development just like billable work. It's that important to your career.

And the best time to start is today.

