

Follow the leader

Diana Bentley examines how firms can effectively approach succession planning, and develop a suitable pipeline of potential future leaders



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The coronavirus (COVID-19) pandemic has illustrated just how rapidly, and radically, our social and business environments can change. More than ever before, law firms have needed strong leadership over the last year or two, to navigate through the myriad challenges COVID-19 revealed, and to address those of the post-coronavirus future. Little wonder, then, that the selection of a new firm leader is a vital process and that the stakes are so high. "The risks of not selecting the right leader are considerable and include harming the firm's culture, eroding its productivity and profitability, and suffering reputational damage," says Andy Harris, a partner of Hazlewoods, an accountancy firm and adviser to the legal sector. Firms lacking people with the right blend of leadership skills may find themselves rudderless when new stewardship is needed. "They can be forced into unsuitable mergers, or even go out of existence," warns partnership law specialist Ronnie Fox, of Fox & Partners. Those that can deftly manage leadership succession, however, can well avoid such risks and give themselves the best possible chance to thrive.

Planning ahead

Planning ahead is crucial to achieving a seamless leadership transition. "Succession should regularly be on the agenda and firms should at least be looking three or four years ahead of an appointment," says Harris. This can help avoid unforeseen problems or tricky situations. Leaders can be lost suddenly to illness, while others may be reluctant to retire. In sole practices and smaller firms, issues like run-off insurance and finding successors can be particularly problematic, meaning succession issues

can't be resolved quickly. Some policies and practices can encourage advance planning, says Harris. "Many firms now appoint a leader – be it a senior partner or managing partner – for a fixed period which can lessen the risk of people not wanting to retire or avoiding the succession issue. They can also consider controlling the number of retirements that can take place each year, or at least encourage partners to be open about their retirement aims, which can help the firm plan well ahead."

With approximately 8,680 firms having 10 partners or less (last counted in 2020), such strategies can be particularly useful.

Whatever the size of the firm, though, the terms of its constituent documents, the payment to retiring heads and the search for the most capable new leader must all be addressed and are best considered well in advance. Edward Allen, managing partner of Enyo Law, who took up his three-year appointment in May, confirms that his firm found exactly that. "We actively started the leadership selection and transition process about a year ahead of the changeover. But we were actually considering the matter for several years and I think that with all the issues involved, giving yourself plenty of time is crucial." Burges Salmon also appointed a new managing partner, Roger Bull, for a four-year term in May 2018, following a structured process that allowed for a good deal of reflection. When Bull was appointed for a second term in May, the same procedure was followed. "We knew that our managing partner, Peter Morris, was retiring 18 months ahead of my appointment. To choose a new leader, one person on our management board is tasked with identifying candidates and coordinating the search. That person asks department heads if they have anyone who's interested in the role, and this can also be raised in the annual partner reviews. Partners then elect the new managing partner from among the candidates," Bull explains.

However, good succession management should also look beyond the next leader, according to both Fox and Harris. "A law firm that intends to endure should plan to facilitate the recruitment, training and promotion of the next generation of leaders," says Ronnie Fox, a contributor to the recently published, *Succession Planning: Ensuring Smooth Transitions for Lawyers and their Firms*, who also helped found the Law Society Law Management Section. Andy Harris agrees that firms should have an eye to the future generation of managers: "You may have rising stars among your trainees, and you should look out for them," he notes.

Burges Salmon has embraced this issue and has good visibility of people coming on at all levels, according to Roger Bull. "In our annual partner reviews, we explore whether partners are interested in management and leadership. If so, they're encouraged to participate in our various management committees so they can gain experience and progress towards more senior management roles. But even before our senior lawyers become associates or partners, they begin to take on more management responsibilities, so we have a long view of leadership progression."

At Bird & Bird, leadership succession is regularly discussed at board and wider management meetings as part of its regular planning process. The firm has just had its first change in CEO in over 25 years. The selection process took several years and was led by the chair of the board of the firm, Graeme Maguire, alongside the wider board. Recommendations were also taken from a strategic consultancy when it was designing the process, which had several stages including consultation with partners on the CEO role and considering the future direction of the firm. The entire partnership was involved in the leadership selection and the process facilitated beneficial discussions about the firm's future direction, Maguire says. "We wanted to come out of the process with a stronger, more connected and engaged partnership and I think we managed to achieve that." Maguire also points out that the firm is a part of the Diversity Lab's Mansfield Rule Certification programme in the UK, which requires that 30% of candidates considered for leadership roles in the firm come from underrepresented backgrounds.

As to looking ahead, Bird & Bird's future leaders programme provides individuals with

the chance to focus on what they want from their careers, what being a leader means and what it takes for individuals to get there. Their new CEO, Christian Bartsch, says he urges all colleagues to think about leadership positions, and that seeking and embracing broader outlooks is valuable. “Legal services and our client’s needs and expectations will continue to change rapidly so it’s really important that we bring fresh perspectives into our leadership group to contribute to the future direction of the firm.”

What is needed?

So, what skills must law firm leaders have? If the person to take over as leader isn’t obvious, considering job specifications for the top executive role can help make clear what skills are needed and what the firm is looking for, Fox suggests. As the founder of two successful law firms, Fox says leaders need a variety of talents: “A leader must be able to inspire confidence, they must be able to attract and keep business, and attract and retain talented people, understand management and keep the firm profitable.” The ability to delegate is also important, he stresses, particularly in firms where the chief leadership role is not full-time. Good strategic skills are required to shape and realise the business objectives of the firm and on a broader level, the leader must well understand and embody the culture of the firm.

Yet management topics do not form part of traditional legal education. Some lawyers may well learn on the job, but many others benefit from specific training. “Lawyers engaged in firm management, or those who aspire to it, should undertake training on subjects like marketing, HR, and finance if they can and partners should be encouraged to train and develop younger colleagues not just in legal work but in business matters and practice development,” Fox insists. Some firms proactively address this – at Burges Salmon, new partners attend the Judge Business School, which provides bespoke courses for the firm. “It helps the partners start thinking more about strategy, business and relationship building, and what skills leaders require,” says Bull. “We also provide individual coaching to partners. I started coaching when I became head of the employment law team in 2011 and it’s a great way to share ideas and develop.”

At litigation specialist Stewarts, the Stewarts Academy was established by a founder and former managing partner, John Cahill, to strengthen partner performance and to support the next generation of leaders. Coordinated by the firm’s learning and development team, the Academy provides a programme of twelve modules which address subjects like strategic thinking and working in a high-performance environment. Presented by experts, the modules are designed to motivate partners to develop their strategic and commercial skills.

Soft skills are vital too. Harris notes that while leaders must be able to command respect, they need to be collaborative in approach and not too overpowering. “Very strong personalities can go wrong,” he says. An ability to communicate is essential. “You have to understand what all the teams are doing and have a full overview of the firm and how you can all collaborate on business, but the leader must also be a good listener and be consultative. You must have empathy and be aware of the concerns of others and be able to bring people along with you on strategy and projects,” says Bull. A leader must also not have any bias, he advises: “Being a firm leader is a non-partisan role. Everyone must be treated equally and fairly. You can’t just be a representative of the largest part of the firm.”

Structure and transition

Firms should structure their leadership roles according to what works best for them. When Enyo Law, which has 16 partners, appointed Edward Allen as managing partner, George Maling was also appointed senior partner. Both replaced Simon Twigden, a founder of the firm and its former senior partner. “The partners decided that as George and I are both still full-time fee earners, having two partners occupying senior management roles would work more effectively,” Allen explains. In practice, he says, they operate as joint heads of the firm. At Burgess Salmon, which has 106 partners, the senior partner role is akin to a chairman in a corporation and has an external ambassadorial dimension, while the managing partner resembles a CEO, and is responsible for strategy and the firm’s smooth operation.

Whatever the structure, using transitional handover periods and creating positions like consultancies, can aid the succession process. At Bird & Bird there was a four-month transition period. The two new leaders of Enyo Law were gradually eased into their roles over a slightly longer time. “Nine months before George and I assumed our posts we began handling some of Simon’s work so we benefited from his advice and guidance.

When the transition took effect, it was a smooth takeover,” says Allen. The former managing partner of Burges Salmon, Peter Morris, stayed an additional year after his planned retirement to help acquaint Roger Bull with the post. “I was elected about a year before I took up the position and helped Peter on some projects and shadowed him on some of his committee work so I was familiar with all the issues. I’ve spoken to some managing partners who haven’t been eased into the role and they’ve had a massive learning curve. The transition period was very helpful,” Bull says.

Time may be needed to manage external relationships too, says Harris. “New leaders may need to meet with representatives of banks, insurers and landlords and key clients.” Indeed, new leaders may well have to relinquish their fee-earning work where their new role is a full-time one, and handing clients over to colleagues in the firm needs planning and careful management. Some leaders may still find this hard; outgoing leaders may well need to be credited and remunerated for work with a client if they’re still involved to some degree, which can help in the handover process. Keeping outgoing leaders involved in the firm in some capacity can also ensure that their experience and knowledge are retained and used. At Bird & Bird outgoing CEO, David Kerr, is working on several strategic projects for the firm. Enyo Law’s former senior partner, Twigden also remains in the firm as a consultant.

While leadership selection is undoubtedly a critical issue which requires time and effort, it can also be viewed as a very positive juncture for firms. “I think it’s important to position this topic as an opportunity for the firm and the partnership to come together and engage with one another on the future of the firm,” says McGuire of Bird & Bird. “We’ve found it to be a process that has enhanced our focus on our strategy and on our culture.”