LEGAL COMMUNIQUE…
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Of all that has been written and spoken about succession planning, I consider the following the most intelligent and constructive discussion of this sensitive issue. It was posted yesterday on Attorney At Work and is reprinted with permission.
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Your Boomer Retirement Problem Won't Just Fade Away

By Ida O. Abbott | Feb.28.17 | Daily Dispatch, Law Firm Management, Professional Development

When we talk about generational issues — and we do that frequently — we tend to focus on millennials. That's only natural because we depend on them to carry law firms into the future. But we also need to pay close attention to baby boomers, the lawyers who are in their mid-50s to early 70s. Boomers, especially older ones, created and now dominate the present legal landscape.

The future also depends on them, but in a different way.

What Happens When Baby Boomers Go?

About 60 percent of law firm partners are baby boomers and 25 percent of all lawyers are 65 and older. Moreover, lawyers in their 60s control 25 to 35 percent or more of the revenue in many law firms.

Since even the most productive senior partners will not work forever, what will happen when these baby boomers leave?

How many of your firm's partners are in their 60s, 70s or even older? How long will those partners stay in practice? Who will take over their leadership roles? What will happen to their clients when they leave? What will be the impact if you lose their institutional knowledge, contacts and public esteem? What if they leave suddenly and unexpectedly? What if a large number of them leave at once?

If your firm can't answer these questions, how will it remain professionally, financially and culturally stable when baby boomers go?

Few Firms Plan for Senior Partner Departures

Whether dragging their feet or simply avoiding a subject they consider awkward, firms cannot put it off any longer. No matter your firm's size, planning for partner retirement and succession must become a priority because:

- **Risk management requires it.** When senior leaders and decision makers leave suddenly — whether for another job, a retirement they were afraid to discuss in advance, or due to illness or death — the firm must scramble to replace them. New leaders who are not fully prepared for the role may jeopardize the firm's ability to tackle the complex business and management issues confronting it.
- **Client relationships demand it.** Clients are upset when their relationship partners leave suddenly. Without a prepared successor known to and accepted by the client, clients may use a senior partner's departure to reassess the relationship and possibly change firms. In addition, many in-house counsel are baby boomers who are also retiring and being replaced by younger lawyers. Those younger replacements may want to work with younger outside counsel. If they do not see junior partners they can relate to in your firm, they will look for them in other firms.
- **Future leaders expect it.** Young partners — the firm's future leaders and rainmakers — must believe that if they stay at the firm, they will have good prospects for business growth, professional advancement and leadership. If senior lawyers cling tightly to their clients and leadership roles and fail to support younger partners, these future leaders will perceive their chances as blocked and they will leave. What's more, the firm will be handicapped when trying to attract new leadership and rainmaking talent, as well as younger clients.
- **Firm culture depends on it.** Senior partners are vital to continuing business, reputation and culture. They represent institutional knowledge, acquired wisdom, role models of professionalism and success, and networks of critical business and professional contacts. Without a transition process, senior partners who leave take these intangible factors with them.

A Systematic, Uniform Way to Plan the Later Stages of Lawyers' Careers

To address these challenges, firms should adopt a systematic, fair and uniform process that applies to all lawyers who reach a specified age. A uniform system that applies to all partners treats retirement as a natural career stage. Just as associates are advised to plan ahead early in their careers, this process expects senior partners to plan for the later stage of their careers.

Emphasizing retirement as a process that requires long-term planning — rather than an event that occurs quickly — also encourages partners to plan sufficient time for identifying and grooming successors. It provides time for senior partners to transfer their wisdom, contacts and institutional knowledge to other firm lawyers.

A systematic process initiates conversations about the future and provides a setting for clarifying firm and personal expectations. It provides guidelines, examples and discussion points for transition issues such as changes in partners' work responsibilities, including:

- Billable work and possible multiyear phase-downs;
- Changes in client responsibilities, including how and when clients will be prepared for the transition;
- Impact of different transition scenarios on compensation; and
- Options for partners who desire to continue working part-time or to stay on at the firm in a different capacity.

This framework informs everyone about how the transition to retirement takes place and what can and cannot be negotiated. And it allows time to resolve any differences over retirement terms.

This approach takes much of the apprehension out of retirement discussions. All partners understand that when they turn a designated age the firm expects to discuss both their short- and long-term career plans. Knowing that all other partners their age are having similar discussions can reduce partners' anxiety that they are being targeted or pushed out. Set against a context of stated retirement guidelines and uniform procedures, these conversations give partners a chance to express concerns they may have and receive assurance that their interests will be considered and protected.

Discussions about partners' future plans should be initiated when lawyers reach a given age and then revisited every year or two. Questions about their plans can be included in their annual business plans or in a separate format, but the timing should be consistent.

Life-long Career Development

In addition to addressing partner retirement in terms of the firm's interests, firms should also consider the transition needs of senior partners from the partners' perspective. Unlike career planning earlier in life, when a lawyer can see many possible career paths and options while moving ahead, retirement is very different. When senior partners leave the work that has been at the center of their life and identity for decades, the future is entirely uncharted territory, full of unknowns and uncertainties, and without guides or guideposts. Many lawyers find the prospect terrifying.

Firms can demystify and normalize retirement by treating it as an integral part of lawyers' life-long career development and providing transparent retirement processes. They can also alleviate lawyers' fears by offering relevant education and programming, along with personalized support such as coaching and mentoring.

There's no reason to keep putting off this very important subject. An open process for asking partners about their future plans, and for supporting, protecting and assisting them when they are ready to phase down or transition out, can help senior partners and the firm manage the process together, on good terms, to the benefit of all.

Ida Abbott *specializes in developing and retaining professional talent. An expert on mentoring, sponsorship and leadership, much of her practice is devoted to helping senior partners choose and transition to what's next after practice. Look for her "Management Solutions" newsletter at IdaAbbott.com.*

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