Keeping the Success in Succession Planning:

Practical Steps to Ensure a Smooth (and Lucrative) Transition

By Terrie S. Wheeler, MBC

As lawyers who graduated from law school in the 1980s, you are likely facing the same situation as many of your peers. You have successfully been practicing law for over 25 years; many of you for over 30 years. You have labored long and hard to build a solid reputation and likely have built a successful, lucrative practice. At parties and bar association events, your contemporaries are using the R-word quite regularly, causing you to pause and ask yourself, "What does the word retirement mean to me?"

At this stage in the game, many lawyers begin to look with enthusiasm at the idea of scaling back, possibly moving toward an of counsel role with their firm. As you look at the next phase of your career, keep in mind that in many ways, you are your practice. As the old saying goes, clients hire lawyers, not law firms. Leaving relationships you have built unattended will limit your ability to maximize the value of your practice and possibly minimize the quality of your retirement.

Whether you are a solo practitioner looking to transition your practice to the next generation of leadership, or a lawyer in a larger firm, you are incented to keep your relationships strong and to produce a steady stream of revenue into your firm. Now is the best time to maximize and leverage your years of experience and name recognition to maintain and even grow your practice. The valuable client and referral relationships that you have cultivated over the course of your career thus far will be key to setting the stage for future success as you ultimately transition out of practicing law.

As you look at transitioning your practice, consider the following tips and suggestions to help you maximize the asset that is your practice versus simply riding off into the sunset and hoping for the best.

- **Identify your Time Horizon** – Are you looking to scale back in one year, three or five? Make sure you set a realistic deadline for when you would like to reduce your time commitment and start spending more time pursuing your hobbies and passions.
- **Continue Building Relationships** – As you have likely experienced, a number of your best referral sources are also retiring from their own careers, leaving you with an opportunity to build new relationships within those organizations. Be proactive. When you know one of your best referral sources is contemplating retirement, ask them to introduce you to others in their organization and endorse the work you do as a lawyer.
- **Transfer your Knowledge and Keep your Profile High** – Now is not the time to slowly fade away. Redouble your efforts to expand your name recognition in the marketplace. Write articles and give presentations, focusing your efforts on reaching groups of prospective clients and referral sources. Doing so will help you maintain your contacts and ensure your relevancy as an exceptional lawyer. Transfer the knowledge you have to those most interested in learning what you know.
- **Invest in Technology** – If you have a smaller firm, now is the time to make sure you are up to speed on the latest practice management technologies. Assess your document management system, time and billing, and communications databases. If you are still using old technology, you are not going to appeal to today's generation of lawyers who have been raised on technology gadgets and Web-based solutions.
- **Use LinkedIn** – Make sure you are actively adding contacts to your LinkedIn profile. At your level you should have well over 500 contacts. If not, proactively connect with everyone in your "real" network. Then, post and comment on LinkedIn. Show contacts you are still extremely relevant by providing links to interesting information and news. Take notice of promotions, awards received, and interesting updates by commenting on your connections' news and accomplishments.
- **Give your Website a Facelift** – Nothing will turn a possible successor off more than going to your website and seeing a blocky, visually unappealing site your nephew created for you 10 years ago. With the advent of platforms like WordPress, website development has become more accessible to smaller firms. Find a website developer and invest in a new website. It underscores the perception you are creating of being actively engaged in your practice.
- **Identify your Successor** – It's time to actively search for that person to whom you will pass the torch. Search for a stellar,

high talent lawyer who is genuinely interested in your practice. Take this person under your wing and mentor them so that when you do reduce your hours, your practice will sustain itself and grow. As you meet with your contacts and referral sources, bring your successor to meetings and suggest that your contact bring one of their high talent younger professionals.

- **Have Open Discussions** – When you have found *the* person to take over your practice someday, schedule at least two or three honest, open discussions where you each share:
  - Your top inherent strengths (take the Gallop Organization's StrengthsFinder).
  - The top three-to five-year goals you have over the next five to 10 years for your life personally and professionally.
  - Traits and characteristics you need in a business partner.
  - Roles and responsibilities you would play in the practice as one lawyer ramps up and the other ramps down.
  - Potential barriers you see to forming a successful partnership.
  - Your individual approaches to handling potentially difficult situations.
  - How income and expenses will be managed including how you would be compensated.
  - Any concerns you have about becoming business partners.
  - Timelines and next steps on when to pull a corporate lawyer into the mix to create the partnership agreement, operating agreement and buy-sell agreement.
- **Pull in an Expert** – The closer you get to finding the one, hire a business and marketing consultant who can lead the meetings and help you pursue the activities above. Having a third party facilitate discussion creates a more comfortable environment to share your thoughts and concerns.

There are no set rules or magic eight balls to consult to determine the right time to begin executing a succession plan. Some lawyers plan to practice law until they are physically or mentally unable to do so. For those of you who want to enjoy the life you have worked hard to build a little earlier, however, follow the ideas shared above over the next three to five years and you will be well on your way to scaling back with grace, safe in the knowledge that your legacy will continue.

Terrie S. Wheeler, MBC, is a marketing and business consultant in Minneapolis, Minnesota. She has successfully assisted many lawyers in developing and implementing succession plans for their practices. Through her proven business and marketing processes, her clients are motivated to take the next step in their lives and careers. Terrie holds a master's degree in business and marketing, and speaks across the country on topics including marketing ethics, succession planning for lawyers, and overall best practices in client retention and growth. She teaches marketing and client service at three Midwestern law schools, and serves on the executive committee of the Lawyers Board of Professional Responsibility in Minnesota. You can reach Terrie at (320) 358-1000 or via email at twheeler@psm-marketing.com.