



PASSING THE BATON

THE LAST 100 DAYS

PATRICK J. McKENNA

PASSING THE BATON – THE LAST 100 DAYS

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PATRICK J. MCKENNA — PROFESSIONAL PROFILE

A SEASONED LAW FIRM STRATEGIST and leading management advisor, Patrick McKenna is a partner in Edge International, a consultancy serving law firms worldwide. McKenna did his MBA graduate work at the Canadian School of Management, is one of the first alumni of Harvard University's Leadership in Professional Service Firms, and holds professional certifications in both accounting and management.

He co-authored one of the first text's on law firm marketing, *Practice Development: Creating a Marketing Mindset* (Butterworths, 1989), recognised by an international journal as "one of the top-10 books that any professional services marketer should have on their bookcase". His subsequent work includes *Herding Cats: A Handbook for Managing Partners and Practice Leaders* (1995); and *Beyond Knowing: 16 Cage-Rattling Questions To Jump-Start Your Practice Team* (2000), both of which achieved recognition as management top 10 bestsellers.

One of the profession's foremost authorities on practice leadership, his co-authored text, *First Among Equals: How to Manage a Group of Professionals* (The Free Press, 2002) topped business bestseller lists in the United States, Canada and Australia; has been translated into nine languages; is currently in its sixth printing; and received an award for being one of the best business books of 2002. In 2005, the book *Management Skills* (John Wiley/Jossey-Bass) named McKenna among one of the

leading thinkers in the field of management; and in 2006, his e-book *First 100 Days: Transitioning A New Managing Partner* (NXTBook) earned glowing reviews and has been read by leaders in 83 countries.

His published articles have appeared in over 50 of the leading professional journals, newsletters, and online sources; and his work has been featured in such publications as *Fast Company*, *Business Week*, *The Globe and Mail*, *The Economist*, *Investor's Business Daily* and *The Financial Times*.

Since 1983 he has worked with the top management of premier law firms internationally to discuss, challenge and escalate their thinking on how to manage and compete effectively. He has served at least one of the top-10 largest law firms in each of over a dozen different countries on issues associated with creating differentiation, improving profitability, client service excellence, and effective firm management.

McKenna undertook the research and interviews for this Guide during 2007.

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PASSING THE BATON

WHETHER AS A RESULT OF YOUR firm having set term limits or your personally deciding to step down from office, sooner or later every firm leader will be the central player in a leadership transition. It is an issue that many firm chairs and managing partners grapple with ... when is it time to move on, and how do you create a sensible departure plan and manage the transition in a way that enhances your reputation? After all, the last impression you make in your leadership tenure may be the most important to capping your legacy.

Top leadership transitions are the process that occurs between when the announcement is made that you are stepping down and the time before your successor is selected and officially

takes office. Once your stepping down is announced, relationships and roles immediately begin to shift, so there are a few things you need to do before any announcement is made.

In situations where there is not a formal successor identified, encourage your executive committee to appoint a 'nominating committee' or 'transition group' to actively select your successor, and discuss your appropriate role with both the executive committee and the transition group.

Don Lents, chairman of Bryan Cave in St. Louis, commented: "In appointing a 'transition group' to guide the selection of a successor, I think it is important to have someone leading the group who is not himself or herself viewed as a candidate

for succession, but is rather respected within the firm both for their fairness, their judgement, and their ‘firm first’ attitudes.”

Determine with your executive committee a clear picture of what needs to be done in the interim period.

“The only thing I would add is the timing issue,” says Leighton Lord, chairman of Nexsen Pruet in Columbia. “It is tough to take over at the end of the year, so I am trying to move our managing partner election to mid-summer. No one should have to deal with

compensation issues, new partners and a budget during their first days in office.”

Celebrate your relationships and accomplishments, saying goodbye in ways appropriate to you.

From Ben Adams, chairman of Baker Donelson in Memphis: “You need to have some things that excite you to sink your teeth into as soon as you can whether practice, bar, industry, civic or other activities, and that do not involve firm management. “

Accept that you may have a lot of mixed feelings and discuss them with a trusted colleague.

“I suspect it is difficult to overestimate the impact of this change, and that



it is very difficult to be adequately prepared for it no matter how much you may think you are,” explains Don Lents. “As a result, I think it is very valuable to have a clear conception of what you want to do once you step down – how you will spend your time, and particularly where you will gain your satisfaction and sense of accomplishment.”

Compose your 30-second ‘elevator speech’ to tell people, in a positive way, why you are making the move and to convey your excitement about the future – yours and the firm’s.

Whether you are ultimately resigning your office under the best of circumstances or not, get clear about how you are going to convey it to the world in a way that will place you and your firm in the most positive light. You create the perception of the conditions of your departure with your story. And perception is often the only reality.

Ben Adams adds, “If this is your decision, you need to articulate clearly and strongly, at least in private conversations, why it is time for you to step down so that folks don’t play up to you and beg you to stay. They will do that both because they fear change and just to stroke you, whether genuinely or not. They need to really understand why change is needed if possible, so they embrace it.”

One of the seductions of leadership is that we can easily come to think that we are indispensable or at least that the firm may stumble without us. Every one of us who has ever held a leadership position may maintain some secret fantasy of one day announcing our plans to resign, and

INDICATORS THAT IT MAY BE TIME TO MOVE ON

- Does the prospect of going into the office tomorrow morning seem exciting?
- Are there interesting and meaningful initiatives on your agenda that are yet to be accomplished?
- Do you feel that you are still learning and growing in your management position?
- Do you find that it is still easy to exercise patience in working with some of your more challenging partners?
- Can you still picture yourself in this position, at this time next year?

then leaving office amidst sorrowful tears and a standing ovation from partners and staff. Things will be different, but in most cases the firm will survive and even thrive without you.

From John Langan, the managing partner of Hiscock & Barclay in Syracuse, came this confirming observation: “I will not have been a successful leader if I don’t bring to bear the same skill and attention to transition as I did to running the place and growing it. Our tendency is to want to appear indispensable so secretly we want the place to stumble when we step down – but true success in leadership is institutionalising the success of the firm so it can continue thriving no matter who is in charge.” ■

SELF-EVIDENT TRUTHS

EFFECTIVELY PASSING THE BATON is about leaving gracefully and paying careful attention to the details and processes that surround your departure. In my work with firm leaders, I've observed both effective and ineffective transitions. I've learnt that for your transition to be effective, you need to accept seven self-evident truths:

1. Even under the very best of circumstances, you are not likely to complete all of the tasks that you feel need to be done;
2. There are some sensitive issues that you did not feel comfortable addressing during your tenure, but that need attention before you leave;
3. Some pet projects, that you held near and dear, may not receive the same attention from your successor;
4. You have an obligation to help your successor quickly get down to business;
5. You should be sensitive to your professional staff during the process;
6. You need to work harmoniously with your successor; and
7. You must move on.

Let's take a look at each of these issues with a focus on what you, as the departing leader, can do to navigate them.

1. You are not likely to complete all your tasks.

"Of the things that I didn't get done, the reason was that I wasn't equipped

to get them done, didn't want to get them done, or was afraid to face them. So why try to do something at the very end that I couldn't get done in the course of 10 years?"

Most of us want to tie up all of the loose ends before we leave. But unfortunately, our to-do lists continue to grow ever longer and the firm must continue to move forward. You need to clearly identify all the things that you want to have completed and then figure out which of those you really have the time to accomplish before you leave.

You may want to meet with members of your executive committee to have them help you identify which issues they think you should address. Shift your priorities to short-term actions that you and your executive committee agree will strengthen the firm before your departure.

2. There are some sensitive issues that need attention before you leave.

"The new managing partner should be able to integrate smoothly. The last thing that partners want to do is to welcome a new leader who's going to disrupt things."

A leadership transition is a good time to deal with annoying operational problems or troublesome personalities, so the new leader can come in and immediately

begin to address the more important and strategic issues.

Perhaps it was your strong sense that the demands of the office required a better compensation package, but to suggest anything would only have seemed self-serving. Or, maybe it was the continual difficulty in getting one of your practice leaders to really manage their group and accomplish the objectives that they had set for themselves, but you were reluctant to change that practice group leader for someone who could be more effective. Conferring with your successor and with their concurrence, confronting these often sensitive, and sometimes messy, situations now is one of the best gifts you can give your replacement – a clean slate from which to work.

3. Some of your pet projects may not receive the same attention.

“I had to shut-up and allow my successor to make some decisions that I sure as hell would not have made, and can honestly say I was not all that comfortable with.”

When one thinks of ‘passing the baton’ one is immediately reminded of a relay race. In a relay, each runner can be fast but if the passing of the baton is inefficient, the race is lost. In actuality, a relay race is a poor example of what happens in a leadership transition, because the athletes compete in the same sport. You don’t have a runner passing the baton to a swimmer, who then passes the baton to a bicyclist.

However, in your world, you may very well come from having been a trial lawyer

now passing along the responsibility to a corporate lawyer; or a tax specialist resigning office to your successor who comes from the labour and employment department. Each of these different backgrounds suggests that different people are likely to think and see the world differently.

One of the keys to the success of your transition process is a clear definition of roles and your willingness, as the departing leader, to let your successor lead the firm unimpeded. It is up to you to adapt to the new situation. You must allow the new managing partner to run with things, even when they might be in stark contrast with one of your previous initiatives or convey a complete change in the firm’s strategic direction.

Your role, assuming you remain with the firm, is to transform yourself from firm leader to firm statesman.

4. Help you successor quickly get down to business.

“Succession is a little bit like shooting clay pigeons; everyone has got to understand that every aspect of our client’s needs and our market is constantly shifting and changing. My primary task, while going out the door, was to help my successor hit the ground running.”

Think about what information you would want at close proximity, if you were now about to embark on accepting this leadership position. You owe it to the next leader to provide detailed information about critical tasks and deadlines. And your potential for



being of immeasurable assistance goes well beyond just administrative minutia.

You typically know more about the firm and its operating nuances than anyone else in it. Much of that information, or how to find it, is stored in your head. Think about how you might codify and share those things that you wish you knew when you first took office.

You also probably have the broadest range of contacts with associated firms, referral sources and service providers. These relationships need to be transferred. Think about how you might provide introductions to any important or strategic contacts (particular community leaders you've met, other managing partners in alliance firms, even your accounting firm's audit partner, etc.) that would benefit your successor.

5. Be sensitive to your professional staff during the process.

"I once asked of our executive director, an extremely talented individual, 'Do you ever regret that you'll never be this firm's managing partner?' He said, 'No. When I was in school my favourite professor said that the better second fiddle you play, the better first fiddle player you sit beside.' "

Many of your firm's key non-lawyer management staff can have significant anxieties during any change in firm leadership. They may have developed a close working relationship with you, but now fear changes to their reporting arrangements, their status, their career prospects, or to their individual responsibilities. I have seen staff cling to the operating style of some departed

leader long after that individual was gone. To help allay any concerns, you need to keep these professionals constantly informed on the status of your transition process and the overall timelines.

In some firms, I've observed some key staff become actively involved in the firm's assessment process, suggesting possible candidates, and perhaps even offering individual leadership replacement candidates their personal advice. My experience strongly suggests that you need to caution your non-lawyer professionals from taking any formal role on the selection committee or in the selection process. Any involvement can lead to possible resentment by some new leader who feels that a particular staff member may have actively supported a competing candidate.

Further, I would advocate that before you depart office, you have an 'honest one-on-one communication' with any of the existing professionals whom you suspect may not have the necessary strengths to prosper with the new leadership or support the firm's future strategic directions.

6. Work harmoniously with your successor.

"People will absolutely go around you to the former managing partner, under the best of circumstances. And everything depends on what that individual does then. If he chases them right back to the current leader, you've probably got a good working relationship."

While not wishing the firm any ill will or wanting to see the place fall apart without

you, it is only human to secretly hope that your successor will not perform quite as well, in some measurable way, as you performed. Fortunately, memory tends to enhance the stature of those who move on – a marginal leader is often remembered as a very good one and a particularly good leader can become a saint very quickly after departing. The unrealistic expectations that result from this dynamic can create unnecessary hardships for your successor.

Your obligation to the transition is doing all that you can to assure the success of the new leader. Under no circumstances should you ever speak with any members of the executive committee, or anyone in your firm, about the new leader's performance. Being perceived to be negative or unsupportive of the new regime only reflects poorly on you.

What is also not acceptable is for you to allow any of your partners to say, "Well that's not how we handled things when [you] were the firm leader" without your verbally and visibly taking issue with that kind of disloyalty. While it may be gracious of partners to acknowledge your good work, your focus should be on supporting and cultivating the strengths of the new leader.

Whether your successor was chosen by you or through some form of partnership election process, you need to meet and determine some sensible guidelines for how the two of you will respect each other's positions.

In other words, you and your successor need to come to some clear agreements governing how you will support the new firm leader and not have discussions with individual partners behind the individual's back (and how the

new leader will forgive any shortcomings they might notice that you had). You need to set out how you will be sensitive to the influence that you may still have and determine ways that you will not undermine the efforts of the incumbent, and how you might even be of service with some projects that the new leader would like to have you champion.

"Also, resist the temptation to give your successor unsolicited advice, no matter how well intended," cautions Lois Van Deusen, retired managing partner of McCarter & English in Newark. "He/she will have his/her own agenda and way of doing things that will be different from yours. Accept that and support him. Then if you see him/her heading into dangerous waters and try to sound a warning, he/she will welcome the advice."

7. You must move on.

"I've come to the painful conclusion that when the firm leader steps down he should step down from the executive committee as well. He's served his time and he will cramp the style of the successor. You don't need the old chairman hanging around."

The best advice for any leader leaving office is to 'let go'. Even though your partners said all of those wonderful things about you and what you have accomplished for the firm at the resignation luncheon they hosted in your honour ... you are now 'history'. The firm is going to learn to live without you, so the sooner you get out of the way, the sooner they can get down to business. ■

**ONCE THE
ANNOUNCEMENT
TO DEPART IS MADE ...**





THERE IS NO EASY ANSWER TO the question of how long an outgoing leader should stay in office after announcing his or her departure. I've known a few managing partners who have continued on in the position as long as a year after their successor had been determined. Meanwhile, the leader elect is usually feeling like a lame duck and chomping at the bit to get going. The consensus among those firm leaders that I have discussed this with is that three months is the maximum an outgoing leader should remain at the helm. Research undertaken by Burson-Marsteller (a leading global PR firm) confirms that the 'countdown period' for the transition of an 'internal' CEO – the amount of time between the announcement of a newly promoted CEO and the date the executive officially takes office – is 64 days.

Avoid lingering periods of uncertainty. After all, you do not want to be known as the managing partner who remained at the end of the diving board until a group of your partners started saying, 'jump already'.

One of the unintended effects of a protracted transition period is that staff begin to feel uneasy about what is going to happen when the new leader finally does take over. That uneasiness can sometimes manifest itself by

key non-lawyer professionals floating their résumés within the community.

Symbolism and ritual are a powerful way to communicate a positive hand-off of leadership. In the case of one prominent Chicago firm, the chairman of some years visibly moved out of his office and asked his successor to move in, complete with a change in inter-office telephone extension numbers. At yet another firm, the outgoing managing partner staged a somewhat humorous but effective ceremony, at an all partners meeting, where he literally passed a baton engraved with the firm's name, to the new leader. These fairly simple gestures, symbols or ceremonies, help everyone deal with their feelings while bringing the existing leader's tenure to a psychological conclusion and opening people's minds to new possibilities.

If after stepping down you remain an active member of the firm's executive committee, you need to be especially sensitive to how you may cast an unhelpful shadow on the new leader's tenure. If at all possible, it is advisable to have some form of physical separation from the job starting the day your successor assumes office. I have observed more than one retiring chair schedule a lengthy month-long holiday in some distant place not easily reachable, starting on the very same day that their successor took over.

"You need to think long and hard about the wisdom of staying on any executive committee," cautions Ben Adams, the Chairman of Baker Donelson. "In most businesses, when the CEO retires, he or she leaves. In ours the resigning person

does not in many cases leave the firm, but staying on the management committee is a good way to prevent the new person from blossoming or succeeding. In some cases it may work fine but my preference would be for you to resign initially and after a while they may want you back and you may want to go back into management after the new person has grown into the job.”

Retired president Richard Mark at Briggs and Morgan jokingly suggest that: “You should know:

- I was ‘indispensable’ even though the firm has not ‘stumbled’ under my successor’s leadership.
- I don’t like it one bit, but the firm is ‘thriving’ without me.

- I have been very positive about my successor and his new leadership team and believe me it has not been easy! I never agree with the probably hundreds of my partners that constantly complain about the new leadership team and want me to start a coup. Can’t you tell – I have moved on!”

If you are a long-serving firm chair, you need to make sure that you are really willing and ready to give up the position when you hand off the title. Learning to let go may be one of the hardest things a firm leader can do. Those who have been through it say, ‘there is life afterwards’. ■

A FREQUENTLY TOLD STORY SURROUNDING THE ISSUE OF LEADERSHIP SUCCESSION

The departing managing partner gives his successor three envelopes, numbered one, two and three, with instructions to open them, in sequence, ‘if ever you should feel like you’re in over your head or facing some crisis’.

Several weeks into his tenure the new leader encounters his first thorny situation and remembers the three envelopes. He opens the first and finds the message ‘Blame me’.

He follows those directions and the strategy works like a charm.

A few weeks pass and this managing partner encounters another difficult problem. Eagerly he seeks guidance from the second of the envelopes. The message says, ‘Point to either the economy or our competitors as the source of our collective problems’.

Again the advice seems to remedy the situation and buys him some time.

Another month passes and a real crisis emerges. Going to his final envelope the leader reads: ‘Time to prepare three envelopes’.



END WELL

'I learned a lot during the process of stepping down from being our firm's managing partner for the past 11 years. Most of my life and my professional career has all been about beginnings; exciting new beginnings. During this transition I learned about the importance of endings and ending well.'

It is important to note that a leadership transition can be an emotionally charged time, not only for you, but for everyone involved. For you, succession is a time to confront the passage of time, whether you truly achieved your dreams, sometimes the end of a career, most often a new beginning. Your transition can provoke significant disorientation, but it may also create conditions under which the firm can be improved and refocused in new and exciting ways. The degree to which you can help facilitate that is truly the final page in your legacy. ■

LAST 100 DAYS LESSONS ON SUCCESSION

WHILE THERE HAS BEEN SOME talk, for some time, about leadership succession, most law firms these days do not seem inclined to either proactively identify or anoint their next firm leader.

Ray Werner, managing partner at Arnstein & Lehr in Chicago, believes that, "If the firm culture and organisational documents permitted, it might be best to designate a successor before announcing that the current managing partner is stepping down. While that approach may take a vote of the partners or the executive committee, doing so avoids the uncertainty and potential divisiveness of a contest."

Firm leaders like John Hern, CEO at Clark Hill in Detroit, while in total agreement are asking how: "The one nagging question, is how, and perhaps when, should firms select a successor? In my mind, before making an announcement to the partnership, serious thought should be given, perhaps even resolution, of the who question. I am not sure if this will apply in most cases, but I imagine that prior to the end of the term there would be a

conversation, or, more likely, a series of conversations, with the CEO, and with the leaders of the firm without the CEO, about change. Getting those involved to reach a consensus is a bit clumsy, but I am not sure how to do it better."

Yet others, like vice-chairman of Littler Mendelson, Bob Millman, comment that: "We just amended our governance document to create an eight-year managing directorship term – but we will now select the new managing director at seven years, so that there is a year for the new MD to work with the old MD on 'getting up to speed'. This will enable the new MD to hit the ground running."

What follows are first-hand reports from a few firm leaders who have been involved with formal systems that involve a specific plan for succession, either where one particular candidate is chosen to assume office (as is the case with Angelo Arcadipane and Jim Hill) and where there is a succession process involving the selection of an heir from a number of possible leadership candidates (as we learned from speaking with Brian Burke). ■





FROM THE FRONTLINES: **ANGELO ARCADIPANE**

Angelo Arcadipane is the retired managing partner of 400-lawyer Dickstein Shapiro, which has offices in Washington DC, New York and Los Angeles. In Arcadipane's 12 years as managing partner, Dickstein Shapiro grew from 175 attorneys to 325, and from \$48.4m in revenue to \$220m while profits per partner quadrupled, the firm says. Arcadipane now has the title of managing partner emeritus.

I SPOKE WITH ANGELO ABOUT HIS experience in having a formal leadership selection process, about how long the transition period should be and about his firm's experiences. Here is what Angelo had to say.

ANGELO: "The principle focus of a transition plan should be its impact on the firm's partners and employees.

Everyone has anxieties about abrupt change, especially when the new circumstances are a mystery. This can cause real and measurable harm to the firm. Therefore, I believe the firm should know what's going to happen on the day of transition, both in terms of the new MP's style and the policies and practices going forward. Which leads me to believe the transition period should be lengthy, not short.

I managed Dickstein for 12 years; and during 10 of those years Michael Nannes was my deputy. I announced that I would not stand for election as managing partner two years before I stepped down. During this 'transition' it was understood by everyone that, absent something unexpected, Mike would be the next MP. While this approach may have some negative emotional impact on both the outgoing MP (the dark horse syndrome) and the successor (the lady in waiting syndrome), it has tremendous benefits for the firm. Basically, it relieves the firm of the 'trapeze performer anxiety' (don't let the swing you are holding onto go until you know where the next one is and that it can hold you). It also gives the successor an ample training period during which the partnership can observe the individual's performance.

During this period, considerable responsibilities and deference must be given to the successor and, most importantly, no decisions with long-term impact should be made with which the successor disagrees. On the event of the transition, it therefore can be anticipated that there will be no major policy or practice changes (of course, such changes may evolve thereafter over time). This is critical!

The transition must be seen to be complete. Two 'bosses' don't work! But this doesn't mean that the former MP can't play an important role in the firm, so long as it does not even appear to interfere with the firm's management. In this regard, it is important, I believe, that there be a clear understanding within the firm of the former MP's new role."

PATRICK: Angelo, I suspect that there is a huge difference in what you've done compared to what most law firms do... From my experience, most, I'm guessing 95 per cent of firms operate on the basis of having no managing partner successor clearly identified. I suppose one advantage of that is that the executive committee can look over the available talent; while a disadvantage is that competition for the position can ensue and result in losers being demoralised or leaving the firm. I have been directly involved with two AmLaw 100 firms in helping them facilitate the choice of a new managing partner, wherein the selection is made and then there is a period of months where the managing partner elect serves as a lame duck knowing that he can't really make any decisions or do anything meaningful, and

the incumbent is trying to figure out how to conclude those projects that he wants to complete before the official hand over.

You, on the other hand, seem to have worked on the basis of having a formally designated successor, an heir apparent with a deliberate period in which to properly acclimatise the individual to the realities of the job. So now please tell me even more...

Some might say that the risk with a formal system is that the occasion for rethinking the role and the type of leader best equipped to take the firm to the next level may be missed. How did you deal with that skepticism?

ANGELO: "There are certainly many risks in all transitions, including the one you mention. However, I am convinced that the greatest risk by far, is wholesale anxiety resulting from uncertainty, which is often compounded by the turmoil of certain transition schemes such as open elections, accompanied by campaigning, and so forth. The occasion to rethink should therefore be made early on in the process, with changes made gradually and openly."

PATRICK: How did you announce to the partners your successor and get them to buy-in to a system of real leadership transition?

ANGELO: "It was not quite an announcement, but a common understanding reached after lots of consultation and meetings among the firm's leadership and various constituencies, followed by open discussion within the firm."

PATRICK: Okay, so what were the expectations for billable time, responsibilities, leadership progress, etc., of Mike as your deputy during the two years?

ANGELO: "I think Mike started out at half time, and by the end of the two-year transition period had no budget for billable time, largely at the urging of the firm's leadership. Mike's responsibilities grew commensurately during that time, until he was virtually running the firm by the end of the two-year period. There were no formal 'evaluations' but, as Mike will attest, his colleagues, and particularly his peers, were not silent during that time."

PATRICK: Are you recommending then, that where possible, the managing partner should give a lengthy notice of their intent to step down?

ANGELO: "Yes!"

PATRICK: Does Mike now have a deputy or successor selected and how has that been communicated to the partnership?

ANGELO: "No, he is spreading the job out among a number of individuals."

PATRICK: Was there any provision for the executive committee, the board, or the partnership to veto your choice of successor or call for elections?

ANGELO: "Yes, the MP is required to be elected, upon the nomination of the executive committee. Only Mike was nominated." ■

FROM THE FRONTLINES: JAMES M. HILL

James M. Hill is the retired chairman and managing partner of 150-lawyer Benesch Friedlander, with offices in Cleveland, Columbus, Wilmington, Philadelphia and Shanghai. Mr. Hill continues to be an active member of the firm's executive committee.

I SPOKE WITH JAMES ABOUT HIS experience after nine years of being managing partner, with having an associate managing partner selected, in the wings and ready to officially assume office at the end of the calendar year. Here is what Jim had to contribute to these discussions.

JAMES: "Here are some suggestions from my experience in going through the transition.

Get your successor very enmeshed in what you are doing on a day-to-day basis, at least nine months before the change.

Let your successor know straight up what you feel still needs to be done both short term and long term – he or she may not agree but you should have that discussion, and not with the whole management committee until you have had it with him or her. That will cause you to determine what to discuss with the team as a whole.

Make sure that partners who have absolute loyalty to you, or key administrators, are comfortable that you

are fine with the change and confident in your successor.

Always be gracious and never undercut your successor. You can disagree with him behind closed doors but not in public.

Be optimistic about where you can take your career after your transition – if you love client service and doing work, then hopefully you can get back in the flow fairly quickly. And you are still a key firm player so use that to the firm's advantage as to business development.

Don't disappear from the business community as a key player – just coordinate with your successor so you are not stepping on his feet.

Change is good – remember that. Think of all the meetings, mostly internal, that you had to go to because you were the MP and the attendees would have been disappointed were you not there – even if not terribly important to you. Now you can miss some if not all of those meetings and be doing more productive things for the firm. Not bad.

My successor who holds the position of associate managing partner starts on 1 January and I am very enthused for him and about him." ■

FROM THE FRONTLINES: **BRIAN K. BURKE**

Brian K. Burke is the retired 17-year leadership veteran at 350-lawyer Baker & Daniels. In his years as chair and chief executive officer, Brian led Baker & Daniels' expansion geographically across Indiana and around the globe, as well as doubling the number of lawyers and consultants practising from offices in Indiana, Washington, D.C. and China.



AT THE TIME THIS WAS WRITTEN, Brian had just announced that he would be retiring a bit earlier than originally planned and I was grateful to have him tell me about the entire leadership transition process at Baker & Daniels and how things were progressing. Here is what Brian reported.

BRIAN: “Your monograph ‘Last 100 Days: Passing the Baton’ thoughtfully anticipates many of the issues that I have experienced in the transition to new leadership that we commenced at our firm in July.”

PATRICK: In deciding to step down earlier than expected, could you describe your thought process and tell us what has occurred to date in your leadership transition?

BRIAN: “In approximately mid-July of 2007, during a meeting of our firm’s strategic and policy board (what we call the ‘board’), at which we reviewed the firm’s progress under the strategic plan that we adopted in September 2004, I outlined for the board what I regarded to be our successes with the plan, as well as what I viewed to be areas where better execution in the future would be desirable. Among the suggestions that I made in the course of this discussion was one about which I had reflected at great length – that the firm might benefit from a change in leadership sooner than at the conclusion of my term at year-end 2008.

I explained that accelerating the change by one year might well provide the opportunity for fresh insights and more vigorous leadership than I felt that I could provide. I also urged that selecting our new leader now would present the opportunity for the firm to assess its progress, to recharge its batteries, and to refocus in anticipation of future progress. I told the board that I saw no benefit in delaying for one year a transition that we all knew was before us.”

PATRICK: Were there any advantages to moving your timetable ahead by one year?

BRIAN: “An advantage of accelerating the transition was that the process would have to be placed on a relatively quick timeline, and I am firmly persuaded that we can make as good a decision if we have six weeks to consider the question as we can with six months to ponder it.

After reflecting on my suggestion for several days, the board responded that it would honour my judgement on the issue and that if I concluded that accelerating the transition would be desirable, the board would support my decision. We thereafter began the transition, and the first step was to begin the selection process for the successor chair/CEO.

Our partnership agreement contains explicit provisions governing selection and election of the firm’s leadership. In a nutshell, we are governed by a strategic and policy board comprised of seven

members, including the firm's chair and chief executive officer. Members of the board are elected for three-year terms – with unlimited potential for re-election, and members have staggered terms so that two board positions are filled through election each year. The chair/CEO is elected to a four-year term, with unlimited potential for re-election. We hold elections for board positions at our firm's annual meeting on the second Saturday of October each year.

Under the partnership agreement, our board appoints a five-member nominating committee, which is charged with receiving input from partners, consultants, and associates about the positions up for nomination, and then with making a judgement about the persons to nominate for the open positions. The nominating committee nominates one person for each position. The partnership agreement provides for nominations 'from the floor', which must be supported by at least eight partners and must be submitted in advance of the election and within 10 days of the publication of the report of the nominating committee.

When I began my current term on 1 January 2005, I knew that I would not serve beyond the end of the term, 31 December 2008. Accordingly, I devoted considerable time and attention to succession during the period 2005 to 2007. We are fortunate that there are several partners who have performed important roles in the firm's leadership who would be well qualified to serve as the firm's new leader. As the nominating process began, therefore, I believed that we were well positioned for the nominating committee to select a person who would be well qualified to take on the role of chair/CEO."

PATRICK: So amongst these four candidates, there is still no guarantee as to who will ultimately be selected?

BRIAN: "Under our system, there can, of course, be no guarantee about who the nominating committee will select, but assuring that there is a well-qualified field of candidates mitigates the risk that the nomination committee will make a poor choice. The last conditions that any firm should want to foster in this process are a free-for-all or a contentious public contest for the leadership position. The optimal condition, from my standpoint, would be one in which the firm's partners generally understand that there is a shortlist of partners who should be considered. That is what happened in our case."

PATRICK: When and how did you let people know that you were stepping down from your leadership position?

BRIAN: "On 21 August, I announced my decision to our partners at a regularly scheduled partnership meeting, and later that day, I communicated the decision via group voice-mail to the entire firm, including the staff. I was aided in these communications by a colleague who is a consultant to our firm on communications issues. In advance of the partnership meeting and the general communication to the firm, he and I worked out a detailed communications plan, which included internal and external components. As part of this plan, I identified people within and outside the firm to whom I wanted to communicate and explain my decision in advance of the general internal and

external announcements. To a person, the individuals appreciated that I made the special effort to speak with them in advance.

The centerpiece of the plan for the external communication dimension was an exclusive interview with *The Indianapolis Star*. The resulting piece in the *Star* could not have been more positive, and reaction to the piece has been affirming, with many people outside the firm sending their good wishes. One person picked up on the reference in the article to client assessment meetings that I conduct, and he asked to meet with me to learn about our process. I obliged, of course, and in the process, I think that we made a friend for the firm.

We next arranged an appearance on the local business television programme that reaches markets throughout Indiana. The interview went very well and served, along with the piece in the *Star*, to convey to the communities we serve that the change in leadership that will occur at the end of this year is a positive development that will strengthen our firm. All of the internal and external communications stressed that I would remain with the firm and that I decided to accelerate the change in leadership because I concluded that the timing was right to do so. I cannot over-emphasise the importance of a thoughtful communications strategy in approaching the leadership transition. Firms would be well advised to think seriously about engaging outside professionals to help with communications, which set the tone for the entire transition."

PATRICK: How long after you announced your decision to step down, did the

nominating committee get to work on selecting your successor?

BRIAN: "The nominating process commenced immediately following the internal and public announcements of the intended change in leadership. The nominating committee issued its report on 24 September, nominating Tom Froehle, a partner who is very well qualified for the position. As you know, I was out of the country during the final stages of the committee's work, and I think that that was a beneficial coincidence. I had my say, but I don't think that I left the impression that I exercised disproportionate influence over the process. The 10 days for submission of nominations 'from the floor' closed on Thursday 4 October, and none was submitted, On Saturday 13 October, the partnership unanimously elected Tom as our new chair and chief executive partner (we concluded that we preferred CEP to CEO)."

PATRICK: Is there then a period of time in which this individual gets mentored by you and prepared for the magnitude of the job they have just accepted?

BRIAN: "Tom will take office officially on 1 January but he has been intimately involved in virtually all facets of the firm's affairs over the past five years. He currently is a member of our executive committee, which is responsible for day-to-day leadership and management of the firm. I have related to him over this time as though he were 'second in command', and his access to information has been extensive.

Our firm sets compensation during the last quarter each year for the following

year. We already have agreed with our compensation committee that Tom will sit in on the compensation committee's sessions this fall as part of the transition.

Tom and I have a good relationship developed over many years. He is a public finance lawyer, so we don't have much in common in our law practices, but I think that our experiences in firm leadership have yielded a respectful appreciation of each other's strengths. I already have begun to defer to Tom's judgement on matters, and I hope that he appreciates that I am beginning the process of 'moving on'."

PATRICK: So where to next for you?

BRIAN: "I do not expect that I will have any official role in firm leadership after 31 December, but I have offered to continue to perform some of the functions that I now perform, including conducting client assessment visits and serving as liaison to our professional liability carrier and to Lex Mundi. None of these requires that I be part of the leadership team. I can draw on and pass along institutional memory without being 'at the table'. And, I don't think that having the chair emeritus participate as a member of the board or executive committee would be consistent with 'moving on'.

I couldn't agree more with the points made in your monograph about the psychological challenges of stepping out of a role held in my case for 15 years. I don't know yet how it will feel on 1 January to wake up and not have the responsibilities and the prerogatives that I have had for so long. I must say, however,

that with each passing day, I am more and more confident that I made the right decision and that I made it at the right time.

My plan for the near future is to be available to provide any and all assistance that I can, but to assume a 'low profile' within the firm. I completely agree that all outward manifestations must be supportive of the successor, and I have to be willing to pass along any intelligence that I receive as constructively as possible. I must confess, however, that I harbour some 'fear of the unknown' in stepping out of a familiar role into one with which I'm not yet acquainted. I don't fully know what I'll do next year and beyond, but as you've pointed out, the transition is both an end and a beginning. The daunting part is that the end is better understood at this time than the beginning."

PATRICK: Any final observations that you would like to share about the transition?

BRIAN: "Your points about finishing difficult tasks before leaving office are very well taken. This summer, I devoted much more time than I wanted, or felt was justified, to resolving some very sticky personnel issues. Although there still are plenty of personnel issues for my successor (isn't that always the case), we have addressed some of the more difficult ones.

My most important 'pet project' has focused on expansion of our firm and our practices, and I think that we have a good process established to help drive this initiative forward. Although the work is far from finished on this front, we have a good start." ■

