Aligning Your Stars: Succession Plans for the Administrative Team

Presented by
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Aligning Your Stars
Succession Planning for the Administrative Team

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Our focus for today

Future Shock: Why should we care?
Gaining Lawyer Buy-In
Getting Started
Retention Strategies
Leadership Development
Succession Planning means effective knowledge transfer

Change is the new constant

“Change is the process by which the future invades our lives. The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”

Alvin Toffler
Future Shock
Demographic Trends

In 2012 4.6 adults turned age 65 each minute. By 2020 that will be 8 per minute. In 2012 more than 50% of the available work force was over 40. By 2020 more than 50% of the available work force will be over 55.

Future Shock
The Brain Drain

Based on current trends, many organizations face a 20% drop in skilled workers due to retirement.

However a recent SHRM study found only 12% of Human Resource managers were actively implementing knowledge retention strategies.

You need a “knowledge inventory” of key knowledge assets such as people, functions and methods.
Specialized Talent Proving Elusive

57%

Of Law Firm leaders surveyed by Robert Half said it is very challenging to locate skilled legal professionals today.

Employment Trends

• In-demand professionals possess:
  • Specialty practice and sector expertise
  • Business acumen, collaborative mind-set and technical expertise
• Legal professionals are serving more as business advisors to clients
• Consideration of talent from outside the law profession
• New dynamics for compensation and accommodation.
Future Shock
Lack of Planning

Lawyers were asked,

“Does your law firm intend to develop a succession plan for its key leadership roles?”

Their responses:

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at this time</td>
<td>49%</td>
</tr>
<tr>
<td>In next 3-5 years</td>
<td>34%</td>
</tr>
<tr>
<td>Within 1-2 years</td>
<td>17%</td>
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</tbody>
</table>

Source: Survey of 175 lawyers among the largest law firms and corporations in the U.S. and Canada. The survey was commissioned by Robert Half Legal and conducted by an independent research firm.

Future Shock
Lack of Planning

Aversion to Planning Process – Things have always worked out.

Retention Concerns – Don’t bother the key employees.

Client Service Disruption – We are focused on quality of service activities, we don’t want to consider change.

Lack of leaders – Reality that our bench is weak.
Succession Planning

Rules of Professional Responsibility

Rule 1.1 Competence: “[a] lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.”

The duty of competent representation suggests, at a minimum, that upon the death or disability of the attorney, the attorney ensures that someone will step in to avoid client prejudice that could occur if telephones go unanswered, mail goes unopened, or deadlines pass without attention.
Succession Planning
Rules of Professional Responsibility

**Rule 1.3  Diligence:** “A lawyer shall act with reasonable diligence and promptness in representing a client.”

Commentary 4 explains that “[u]nless the relationship is terminated as provided in Rule 1.16, a lawyer should carry through to conclusion all matters for a client.” Taken literally and in order to “carry through to conclusion all matters for a client,” the attorney should anticipate and address the needs of his/her client upon death or disability. Commentary 5 now makes it very clear that “[t]o prevent neglect of client matters in the event of a sole practitioner’s death or disability, the duty of diligence may require that each sole practitioner prepare a plan, in conformity with applicable rules, that designates another competent lawyer to review client files, notify each client of the lawyer’s death or disability, and determine whether there is a need for immediate protective action.”

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Succession Planning
Rules of Professional Responsibility

**Rule 1.6  Confidentiality:** “A lawyer shall not reveal information relating to the representation of client unless the client gives informed consent.”

Commentary 16 provides that “[a] lawyer must act competently to safeguard information relating to the representation of a client against inadvertent or unauthorized disclosure by the lawyer or other persons who are participating in the representation of the client or who are subject to the lawyer’s supervision.”

Arrangements should be made prior to an attorney’s death or disability to form a succession plan to keep client information confidential. In addition, the firm policy manual or employee training should address confidentiality during emergency situations.
Succession Planning
A Business Imperative

Succession planning is a process for identifying and developing new leaders who can replace old leaders when they leave, retire or die.

Succession planning increases the availability of experienced and capable employees that are prepared to assume these roles as they become available.

Succession Planning
Key Benefits

Smooth transfer of power
Financial health
Business continuity
Staff motivation and retention
Tips to Building an Effective Succession Plan

- Analyze workforce demographics
- Identify critical positions
- Zero in on leadership skills
- Establish a knowledge transfer process
- Appoint a mentor to work with identified high-potential professionals
- Use trial runs as a developmental tool

The Difficult Conversation

Agonizing over the Inevitable
Difficult Conversations

Focus on actual activity, not your impressions.
Be specific. Not generic or vague.
Start with the positive.
Try to see through their eyes.

Sustained Adaptability

“It is not the strongest of the species who survive, nor the most intelligent, but the one most responsive to change.”

Charles Darwin
A culture of sustained adaptability

Retention Strategies
Cross Training & Skill Development
Internal Escalators to Leadership
Getting Started

Retention Strategies
Alternative Rewards
Alternative Rewards

- Time Off
- Recognition
- Flexibility and Accommodation
- Celebrations

Top Perks for Recruiting, Retaining Legal Staff

- Flexible work hours or telecommuting: 69%
- Free or subsidized training or education: 50%
- On-site perks (childcare, dry cleaning, fitness center, cafeteria): 33%
- High/higher compensation (salary, bonus, stock options): 14%
- Free or subsidized snacks or lunch; Matching gifts program for charitable contributions: 9%

Source: Robert Half Legal survey of 350 lawyers with the largest law firms and corporations in the United States and Canada.
Flexibility and Accommodation

Four Dimensions

- Pace – Options designed around career progression
- Workload – Options based on quantity of work produced
- Location/Scheduling – Options based on when and where work is to be done
- Role – Options in position
Cross Training & Skill Development
The foundation for success

Formal and informal methods
- Internal programs
- Mentoring programs
- Job Rotations
- Outside resources
Building Internal Escalators

Making NextGen Leaders

Who are your leaders now?
Who could be future leaders?
Create opportunities for leadership
Alignment and Measurement
Leadership Qualities

Financial and strategic thinking skills
Good people and communication skills
Courage, patience, a sense of humor
Dedication to the success of others

Creating a Competitive Advantage
The leader’s contribution

- Identify needs
- Provide solutions
- Focus on execution

Succession Planning for the Administrative Team

Your Challenges and Opportunities?

Michael Moore, J.D.
Your opinion matters

Please take a moment now to evaluate this session.

Succession Planning for the Administrative Team

Michael Moore, J.D.

Thank You!