

# Retention and Succession Planning Is Critical for Client Loyalty



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By Ioana Good

A large part of the U.S. population is reaching retirement age. As they do and a huge wave of baby boomers march into retirement, law firms are shifting resources and focusing on business continuity plans, including recruitment, retention, crisis response, and succession planning. These plans often take more time than estimated, often years. Careful consideration needs to be taken to address strategic priorities, management needs and client relationships. Yet all too often, unavoidable events such as the current pandemic, health issues, and economic uncertainties have a dramatic impact on the success or failure of plan development, execution, and revenue. Currently, law firms seem to have a better handle on the recruitment and retention aspect, but succession planning is more complicated.

Peter Johnson, the founder of Law Practice Consultants, says the COVID-19 pandemic has not accelerated succession planning in law firms; he finds that most law firms do not have a strong succession plan in place. “Only 10% of the law firms I work with have a solid plan in place,” says Johnson. “There is a psychological component that leaders are facing. It’s difficult to think about our

mortality, and it's tough to tell someone look, you lost your fastball after many years of leading a successful career."

A successful transition is not only about the person who is leaving the workforce but also about the transition of the client. "That is a stumbling block for a lot of law firms," says Johnson. "There's a link between the client and the responsible attorney, and it's important the attorney effectively transitions the client to the next generation, so the clients stay on. After all, it's all about relationships because there are a million attorneys who can do the job."

The firms that have found success with succession planning are the ones who have put an age limit on retirement and have a strategic plan in place, along with a timeline for those who are retiring.

Ball Janik LLP, a bicoastal firm with offices in Oregon and Florida, is pivoting as the legal industry experiences rapid changes and moves towards new models, shedding historical operational models. Heather J. Oden, the firm's Chief Operating Officer, works closely with the firm's Management Committee along with the firm's Managing Partner, Jim Prichard, and Steve T. Janik, one of the firm's Founding Partners, to ensure the firm's mission is upheld amidst these changes. Their focus on hiring and retaining the next generation of leaders reflects a thoughtful and strategic approach to the firm's growth and succession planning. "We want to stay the course and encourage positive change," said Oden. "Our goal is to build transparency for opportunity and to build a healthy, "emotionally intelligent" culture."

To achieve this, the firm uses data to create metrics that identify what works for retention of talent and what lowers turnover rates. Their teams meet regularly with up-and-coming leaders to identify strengths, provide professional development, and map out plans for strategic, smart growth. Additionally, the firm continues to be laser-focused on mental health, having dramatically expanded the resources that are available to their employees and their families. The firm encourages diversity, equity and inclusion through numerous internal programs and [outside] organizations that offer continuing education. Women's leadership teams meet regularly and help female attorneys support each other. "Building a healthy culture that will sustain our firm's growth begins with our executive leadership team and is carried throughout our organization," says Oden.

More commitment exists in training future leaders and paying attention to crisis planning. Jessica Grayson, Chief Business Development Officer at Phillips Nizer LLP, says that retention and recruitment have ramped up significantly at her firm in the last 12 months. In February 2020, the firm hired Alexis Zager as its first Chief Talent Officer, a position that was created to oversee recruiting, retention, and human resources. Zager has streamlined the firm's onboarding process for new hires and partners, implemented a HRIS system for digital benefits enrollment and time management processes, and rolled out an enhanced benefits package.

Additionally, the firm holds several social activities that Grayson hopes will continue after the pandemic in some form, including Zoom lunches, chair yoga, happy hours, trivia and games events, virtual family trips to animal sanctuaries, and more. "We also send a weekly newsletter where we include family and pet pictures and personal happenings," says Grayson. "This has become very popular, and we receive great feedback on the feature every week." The firm recently participated in its first employee engagement survey, which will help leaders design future programs.

Like many firms, Phillips Nizer's practice groups hold regular virtual meetings, which include a mix of educational components, workshops, and information sharing to assist with retention. Their newly-created Racial Equity, Diversity and Inclusion ("REDI") Task Force provides lawyers and professionals the opportunity to help shape firm culture by recommending initiatives for inclusion education, as well as strategies for the recruiting and retention of diverse lawyers and professionals.

Phillips Nizer is a member of the Ally Law Network, which recently launched a Young Leaders program for attorneys to participate in a mentoring and development program with peers worldwide. The firm's partner makeup has changed over the years. Presently, several women serve in leadership positions, including the executive committee and chairing or co-chairing several prominent practice groups, which has also help attract more women attorneys to the firm. Quarterly, the firm's Managing Partner hosts virtual town hall sessions, where he discusses the roadmap for the next three months so people can plan for their personal lives. "I am very proud of the many initiatives we put in place over a relatively short time, while also navigating a global pandemic. The health of our employees, attorneys, and clients has always been paramount. Over the past year, we have helped our firm and clients experience as much predictability as possible in an otherwise unpredictable environment."

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