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The New Managing Partner

This year, the managing partners in a number of law firms around the country will step down from their posts and watch as new leaders take on their firm's top management position. Most often, the change in a firm's leadership happens smoothly, is viewed as a positive move internally and has little immediate impact on the firm as a whole. Unfortunately, we also have witnessed problematic transitions that disrupt the firm and invariably lead to hard feelings. Given the leadership changes planned throughout the country, it is a good time to address some of the challenges former managing partners and their successors may face during the transition period.

Former Managing Partners

After leaving office, some managing partners tell us that they had no idea how challenging the transition would be. The difficulty seems to come from three main areas:

Desire to remain in control. Periodically, individuals reach the top position in an organization and come to believe that no one else can do the job as well as they can. In a law firm, this kind of thinking leads to a managing partner who is unwilling to step down and let someone take over. Not surprisingly, a managing partner who clings to power tends to do a lousy job grooming a successor. In contrast, the smoothest transitions happen when the managing partner is among the first to recognize that the firm needs someone new in the top position. These individuals do a much better job grooming successors and, perhaps more importantly, get out of the successor's way and avoid the urge to second-guess the new leader's decisions once out of office.

Re-entry to practice. We have witnessed many managing partners make extremely successful transitions back into the full-time practice of law. In some cases, it seems that the leadership skills and community contacts developed while managing the firm and the general desire to return to practice allow former managing partners to re-build their practices more quickly than they had envisioned. Still, the need to get current with any changes in the law and revert to a daily operating mode that they left years ago can be a daunting task. In our experience, managing partners who maintain some portion of their practice are able to more easily slip back into the full-time practice of law at the end of their term.

Compensation anxiety., Prior to taking on the managing partner role, most law firm leaders have significant books of business. Once in the leadership position, however, these lawyers usually give up a major portion of their practice as they transition their client relationships to others in the firm. Consequently, upon stepping down, the managing partner may be in an awkward position since his or her current contribution is nowhere near the level it was while leading the firm or prior to taking on the top role. While some firms maintain the former leader's compensation while he or she tries to re-establish a practice, many firms do not. In our experience, protecting the managing partner's compensation (e.g., two year's guaranteed compensation or a guarantee based on the length of time spent managing the firm) helps smooth many a transition.

Given these challenges, managing partners may choose to take a break from the firm before jumping back into practice a wise move, particularly for those who were doing the job full-time. Of course, during the course of unwinding, some will decide to move on to a **new career**, often outside the field of law. While understandable, the departure of a managing partner is unfortunate since that person can play such a positive role in helping and supporting the successor and the firm's future initiatives. We find that managing partners who willingly step down, maintain part of their practice while leading the firm and have some sort of compensation protection are more likely to remain valuable contributors to a firm after leaving office.

New Managing Partners

Most new managing partners are, at least initially, reluctant leaders worried about what they have agreed to take on. Their anxiety has a number of dimensions: worrying about transitioning their practice to other lawyers (not to mention re-establishing it when they step down), worrying about their ability to keep current in their field of law, worrying about appearing disrespectful to their predecessor if they implement change and worrying about their ability to manage a multi-million dollar business.

Prior to assuming the managing partner role, the new leader should have some sort of agreement with the firm regarding how much time will be spent managing the firm versus practicing law. Right now, we seem to be witnessing a trend toward full-time managing partners, particularly in larger firms. Full-time does not necessarily mean that the individual spends 100 percent of his or her time managing the firm. Instead, the commitment may fall closer to 75 percent, with the remainder of the time spent practicing. In our experience, law firm leaders with significant managing partner roles cannot commit to spending more than 25 percent practicing, for risk of allowing client demands to usurp the firm's leadership needs.

Once in the position, managing partners can break their role into six major areas: strategic planning and implementation, practice management, client relationship management, lawyer counseling, financial management and communication. While this list looks exciting, in practice, managing partners quickly learn that their new role can be frustrating and full of compromise. Without proper delegation, managing partners may end up focusing on interpersonal conflicts and other internal issues, rather than dealing with strategic planning and the firm's future. It is usually the managing partners who fail to delegate that end up unfulfilled by the position and see it as a supreme burden, rather than a professional achievement.

Proper delegation of responsibilities also allows managing partners to focus on strategic leadership and avoid being swept into administrative management. A strong administrative manager, like an executive director, can help make sure the managing partner focuses on strategy and not office supplies. Law firm leaders who accept weak (or non-existent) administrative management are setting themselves up for an unhappy time in their new role.
Finally, to help ease the transition back to practice at the end of the term, managing partners should try to maintain some portion of their practice, gradually develop a successor and ensure that their compensation is protected on the way out. By allowing this, law firms should benefit from a more fulfilling leadership environment that helps facilitate transitions in the future.