

IN-HOUSE AND LAW FIRM MANAGEMENT

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Often overlooked or relegated to the back burner, transitioning clients after a lawyer retires is critical for a firm's ongoing success. This useful summary offers practical advice for setting up a plan to address this important issue.

Transitioning Clients for Law Firms

ABOUT THE AUTHOR



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ABOUT THE COMMITTEE

The In-House and Law Firm Management Committee educates IADC members on the latest trends and developments pertaining to the “business of law,” so as to allow in-house legal departments and law firms to establish best practices for providing excellent legal service in a cost-efficient, effective, and responsive manner. They serve as a resource for IADC members, leadership, and staff on strategies for managing law firms and in-house legal departments in a manner that enhances client service and business relations; as well as improving economic value and profitability; marketing and business development; leadership succession and planning; and culture, diversity, and ethics. Learn more about the Committee at www.iadclaw.org. To contribute a newsletter article, contact:



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Clients are the lifeblood of all law firms. Whether one-time clients or institutional clients with many files, clients provide the revenue that fuels operations, pays salaries, and compensates attorneys. For this reason, law firms often devote substantial resources to attract, develop, and market clients. Not surprisingly, when lawyers move from firm to firm, there is usually anxiety on both sides. Will the law firm retain “our” clients? Or will “our” clients follow the transitioning lawyer?

But what about the fate of clients when lawyers retire? These clients are potentially larger and more lucrative than the clients that might follow a lawyer to another firm. But is it always guaranteed that clients will remain with the law firm when a lawyer retires? Are there any steps to retain clients when a client’s primary contact retires?

1. Have a Plan that Everyone Understands

As simple as it sounds, the first step is to create a plan, understanding that one size does NOT fit all. Think about the best way – within the culture and context of your firm – to transition clients. Since the plan must be implemented within a firm’s culture, think about a plan that will work within your firm. Ideally, the plan should be in writing, but it is more important to have a process in place, whether formal or informal.

When creating a plan, ask these questions:

- How can the client’s trust/confidence be transferred from one attorney to another?
- How much lead time should be allotted for the process to be successful?
- What is the most effective way to communicate with the client about the transition?
- Which attorney will receive and be responsible for the clients?
- How is the receiving lawyer educated about the client?
- What is the best way to introduce the client to the receiving lawyer?
- What is the best way to foster attorney/partner buy-in to a strategic approach?
- How is the success or lack of success measured, evaluated, and reported?
- Is there a staffing need or other firm resource or protocol that must be considered?

Above all, err on the side of simplicity. Articulate the reasons for the effort and create a plan that all lawyers can understand. Involve the retiring lawyers (or those close to retirement) in the planning process.

2. Communicate, Communicate, Communicate

Regardless of the plan you create, communicate the details to both lawyer and

staff. Then communicate the details again. And again. Make the transition plan part of the firm's culture. Regularly touch base with the retiring and receiving lawyers and solicit feedback. Then listen to it. Stay ahead of any issues and try to address any problems or glitches quickly.

don't wait for the perfect plan or the perfect time.

3. Make Transition Worthwhile to the Transitioning Lawyer.

Take a close look at how transition of clients could impact a retiring lawyers' compensation. Why would a retiring lawyer voluntarily transition clients if that lawyer's compensation is reduced during the transition period? If the impact is negative, consider adjusting your firm's compensation structure to neutralize -- or even enhance -- the financial impact of a successful transition of clients. To get buy-in from other partners, calculate and consider the financial impact of the clients if they left the firm when their primary contact retires. This is a long-term goal that is worth paying for.

4. Don't Let "Perfect" be the Enemy of "Good."

Finally, remember that no plan will retain all clients. There are too many variables, unique relationships, and individual circumstances. The goal is to successfully transition as many clients as possible, but 100% success is rare. And plans can always be adjusted and tweaked. If something does not work, change it. If something works very well, enhance it. Make the plan flexible and fluid and revisit regularly. But above all,

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