



Alan R. Olson

Transitioning Key Clients

Note: This is the final article in a three-part series. It can be read alone, or in conjunction with the previous articles: “Keys to Building Key Clients: The Key Client Principle” (Report to Legal Management, February 2007) and “Keys to Key Client Marketing” (Report to Legal Management, March 2007).

By Alan R. Olson

With the importance, by definition, of key clients, and the huge wave of baby boomer lawyers facing imminent phase-downs and retirement, the need to transition key clients has become so prevalent it affects most law firms from mega- to mid-sized, and smaller. Law firms that are able to successfully transition key clients to their next generation of lawyers will have huge competitive advantages over firms that do not.

The traditional maxim that “Clients hire lawyers, not law firms,” has evolved into a much more complex equation. Certainly, clients must be comfortable with, and trust, their lawyers, and particularly their front-line lawyers, their main contacts and relationship managers. But large clients are also hiring law firms and in many instances, are more aligned with a firm’s overall reputation — a law firm’s *brand* — than with a single lawyer. The chart below, taken from the Altman Weil law firm client survey database, depicts the maxim that “Clients hire law firms *and* lawyers.”

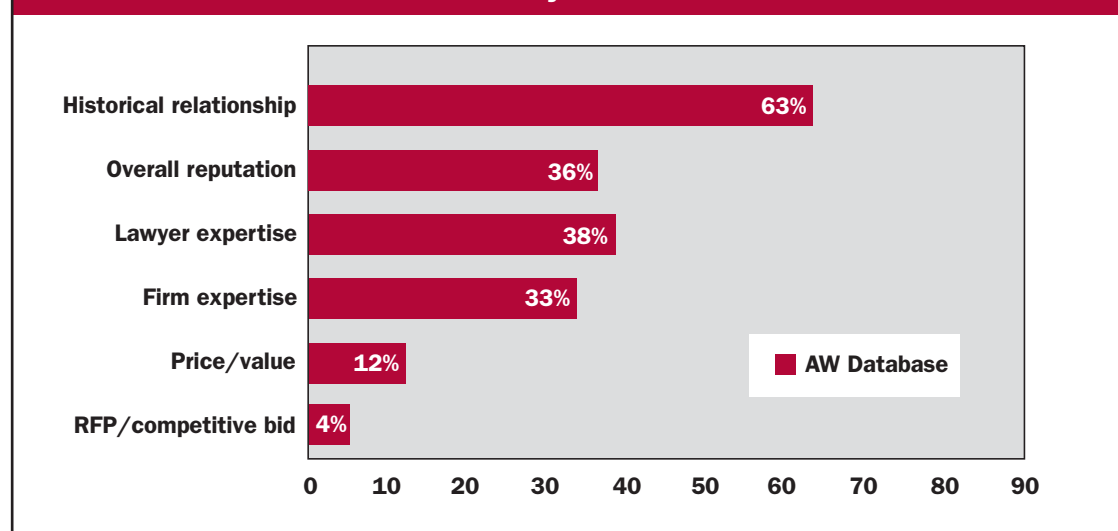
For more than 15 years, Altman Weil has pioneered law firm client surveys, including written/online surveys and in-person client interviews, and has surveyed thousands of law firm clients. The chart below reflects composite data from client surveys conducted over the last 18 months in response to the question, “Why did you select the firm?”

Since respondents could check all that apply, the total of primary responses appearing on the chart is over 100%. Note that 63% of respondents cited “historical relationship” as a reason for selection, meaning that the respondents, or someone else in their organization, hired the law firm based on prior work. This can be interpreted as supporting the likelihood of successful client transitions.

The next highest responses are lawyer expertise (38%), generally indicating a selection based on an individual lawyer; followed by overall reputation (36%) and firm expertise (33%), both relating to selection based on the firm. Moreover, the percentages of responses

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Why did you select the firm? (Check as many as apply.)
Primary Sources:



relating to selection based on firm factors have been increasing over the last decade.

The implications are diverse. Selection of a law firm is based on a variety of primary factors, including law firm and individual lawyer factors — depending on the client.

critical planning does occur. For example, establish individual goal-setting for all lawyers during the year they reach a given age (e.g., 58 or 60), so that transition planning can occur without individuals feeling they have been singled out. With many individuals, the first few years will involve

client can be considered in one of three categories:

1. clients that can be transitioned relatively easily;
2. clients that are perceived as being ultimately amenable to a transition to one or more other lawyers in the firm, but which will require some time to feel comfortable; or
3. clients that identify so closely with the transitioning lawyer that it may be difficult to achieve a successful transition, regardless of time.

“...the firm should have established a transition plan five years in advance of the transition of a key client’s main contact...”

Overall strategies and themes must be developed, but implemented on a client-by-client basis.

A firm should be developing its brand to help differentiate it with current and future clients, and to answer the perennial question: “Why are we hiring the XYZ firm?” A firm must develop a process for transitioning key clients, because successful transitions take time, and planning. The choice of which lawyer(s) to be positioned with the client as new relationship managers can still make the difference between success and failure, however. Also, firms need to be sensitive to individual clients, their decision-makers, and priorities, as well as the likely decision-makers of the future and their priorities.

Develop and Execute a Transition Plan

Transitioning a key client can take many years. As a practical matter, the firm should have established a transition plan five years in advance of the transition of a key client’s main contact — the client relationship manager or billing attorney. There are two main elements in this process.

First, establish a standard date or age to begin transition planning for all lawyers in your firm, so that this

positioning and mentoring, much of it behind-the-scenes. With some, more rapid transitions will be framed. Planning at senior levels will be easier if all partners are expected to set individual goals or develop individual business plans on an annual basis. The process will also be enhanced if such planning occurs at the practice group or specialty level.

Second, try to cover contingency planning for unanticipated events in your standard transition planning. While “Plan A” might cover an organized, gradual transition over a period of five years or longer, “Plan B” might establish some critical points of contact between the firm and client in the event of an unforeseen health problem or the like.

Transitions can be flexible, to some extent. In some circumstances, two or more lawyers can be placed in critical positions with a key client, to build more bridges toward the future relationship. With some clients and some lawyers, it is feasible to pass the baton to the new steward of the client relationship, while the previous steward, as senior counsel, remains active in serving the client as a practicing lawyer.

For planning purposes, each key

In each of these categories, advance planning is necessary — even if an easy transition is envisioned. When a transition is deemed to be particularly difficult, the firm should try to identify the elements of the client’s special reliance on a particular lawyer, and seek to replicate those elements with another highly qualified lawyer, or team.

As a final note, clients themselves are not immune from the need for transition planning, and in many corporations, formal succession planning is mandated for executive management. This means that the law firm must also be in tune with possible future transitions on the client side of the equation, which further compels formal, advance planning. This also indicates that clients are likely to begin wondering what their law firm’s succession plans are for their business. Altman Weil client surveys and interviews confirm that clients often begin wondering — even if they have not expressed it openly to the law firm — who will be taking on their legal work, and managing their relationship, when their main lawyer, or their team leader, retires.

Conclusion

The likelihood of successful key client transitions is enhanced by building the firm’s overall brand, and building the reputations of specialized practice groups and practitioners

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comprising the firm. Planning key client transitions should become a standard process in the law firm, otherwise, it won't happen, or won't happen soon enough.

At the same time, advance planning must be undertaken one client at a time, in order to be successful. Individual key clients are successfully transitioned based on their particular combinations of needs, goals, preferences, and chemistry – plus, anticipated future needs, goals, preferences and chemistry. Some key clients will be easier to transition than others. Some key client decision-makers might value the chemistry and relationships with their lawyers as much as the legal service itself; others might not particularly value, or even want, a close relation-

ship with their lawyers, beyond trusting them as professionals.

Is all this effort — firm-wide, practice level and one-on-one — worth it? Unequivocally, yes. Successful transitioning of key clients to the next generation of lawyers is a critical factor in most law firm's future success — if not their very survival. ♦

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