

Why is Succession Planning Important?

- To preserve the accumulated value in one's law practice
- To enable the law practitioner to retire
- To minimize disruption with their law clients
- To minimize the potential problems caused by a deteriorating law practice
- To protect your family and your reputation

Why aren't more attorneys concerned with Succession Planning?

- Too many are practicing well into their 70's & 80's, why?
 Age 60-69 22.6%

 - Age 70 79 15.4%
 Age 80 89 2.3%

 - Age 90+
- Live forever inertia
 Identify very closely with their law practice
 Can't afford to retire

Prep/Plan

- Especially important for Solo Practitioners & Small Group practices
- Start early; decide when to retire.
- Successful transitions take time
- First potential successor might not work out

Options

- Wind the practice down and close
- Find a successor
- Sell the practice to another attorney
- Move your practice to another firm and become 'of counsel', selling your client portfolio to the new firm
- Do nothing

Finding a successor

- Background & work experience
- Do they need to be productive from day 1?
- Look for
 - Attitude
 - Intelligence
 - Empathy
 - Values
- Is there a fit?

Getting them up to speed

- Mentoring
 Make sure that they know the 'business' of law
 - Getting new clients
 - Office operations
 - Compliance/Regulatory

Where clashes often occur

- Values
 - Shapes the way the current attorney practices law
 Will the potential successor meet expectations?
- Not everyone is suited for private practice
- If it doesn't work out, recognize it early
 Help them find a better fit somewhere else

The financial aspects

- Determine a value for the practice
 - Purchase agreement
 - Cash salePayment terms
- Solo practice vs group practice

Life after Law

- Develop a plan for one's life after law
 Travel

 - Pro bono workCommunity involvement



