



## Clinging to the ivy

When it comes to retirement, law firms – and their partners – don't make life easy, say **Mairi Eastwood** and **Bill Knight**

this well, is that if you want to manage the demographics in line with appropriate partnership values and create a constructive and healthy situation when partners leave, you need to take the initiative and invest in preparing the partners ahead of time.

### What do retiring partners face?

'Retirement' is, in many ways, an outdated term. The root of its meaning comes from withdrawal and a sense of leaving behind. It conjures up an image of bowing out backwards from the presence of the Grand Pooh-Bah. A century ago, when retirees had little energy and life expectancy left, this may have been appropriate. In 2011, many partners are contemplating leaving their full-time career in their early or mid-50s and, with 60 being the new 40, they have considerable energy and can expect to live as long again as the time they have worked in the law.

Most partners at this stage want to continue with something that uses their mind and intellect and, for many (not all), that will include something in the business world in which they have operated. Naturally, many turn to the idea of building a non-executive portfolio. If you have operated at senior level and advised board members of FTSE companies, you probably feel that you would like to move across to join that group that you see as peers in terms of status, if not career experience. The bad news is that the legal skills that have got you where you are now are not seen as valuable characteristics by FTSE boards. When Bill Knight retired from being senior partner at Simmons & Simmons, he made it his campaign issue, as Master of the Solicitors Livery Company, to promote the cause of more lawyers on FTSE boards. Interviewing chairmen, he found that the reason there are so few is that boards see lawyers stereotypically as

For many years retirement has been something individual partners have instigated and managed themselves, except when the firm has wanted someone to leave. In too many cases partners have hung on, not wanting to face up to the prospect of retirement, in denial that it is about to happen, discussing it with no-one until the last possible minute – "clinging onto the ivy", as one partner describes it.

This neither serves the firm's succession planning well, nor does it serve clients well.

As long as retirement is a difficult and taboo subject, it also makes life difficult for the leadership of the firm –

frequently the senior partner – whose role it is to have these discussions.

Finally, it doesn't serve individual partners well – they are unprepared for the practicalities, for being in the best position to do other interesting things in business and they are left isolated in terms of the psychological adjustment to their change in status.

The commercial importance of this for firms has been placed in sharper focus in the current economic environment. The only way to create space for the ambitious young partners who will sustain the firm going forward is for older partners to

retire. Many firms are currently sitting on a demographic time bomb with a bulge of partners in their late 40s/ early 50s created by the strong market growth 15 years ago. Many dyed-in-the-wool lockstep firms are currently looking at adjusting the 'back-end' of the lockstep to mitigate the issue. These older partners are also the very people who have seen their pensions diminished, often have expensive lifestyles, still have lots of energy and want to go on working if they can.

The very clear message from those ex-partners who have made the transition, and from the senior partners who have grappled with managing

advisers, not principals. They are wary of them being stuck in the mode of 'on the one hand... and on the other hand...' "If we wanted advice, we'd ask our retained lawyers and pay for it," they said. As one chief executive said: "I don't put my dentist on the board; why would I put my lawyer?"

Therefore, for everyone aspiring to significant non-executive director (NED) roles, and most particularly for lawyers, you need to build up credentials in this different job market. As well as highlighting the transferable skills from your career so far (opening up new offices, managing profit streams and so on), you need to go back to climbing the initial rungs on this particular ladder. And this takes time.

So, if you want to be an NED candidate for a FTSE board, you probably need to get started at least five years ahead and build up experience on other boards. Charities, educational institutions and smaller organisations are much more interested in your skillset and much less discouraged by the stereotypes. Your ability to read

including mediation, arbitration, academic work and so on.

Unfortunately, the current situation is that many firms, concerned about time and about potential conflicts, still actively discourage outside business interests while you are still a partner.

#### Where might you start?

The dilemma we hear from many senior and managing partners is: "I really want to do something about this, but where do I start? If I offer a course, partners will be frightened to volunteer in case I think they are volunteering for retirement and I'm immediately in their office, saying 'why don't you go now?'"

The general insecurity that has arisen as a result of the 'right sizing' of the last few years has left many partners very unwilling to open up to these kind of discussions.

The most effective way is initially to take a cohort approach and do something for all partners at a certain stage (for example, partners of 10 years' experience or more) or possibly in a particular

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strongly in this approach and the value it brings to the firm both immediately and in the future when partners retire. We have been running a series of one-day Life Outside Ashurst workshops – one every four months – working through all partners from age 45 upwards. Geffen and his partners have noticed a real culture shift over the past year.

The firm has encouraged partners to take on external roles and made space on the partner performance review forms for experience gained in this way, so that this activity is valued as much as chargeable hours on the clock. Since last May, between 40 and 50 partners have been through the programme and four partners have obtained non-executive or trustee roles.

#### What works

There are benefits to partners sharing some of the conversation about retirement and making the whole topic an open and shared one, whatever they may be planning to do. Group workshops have the benefit of allowing partners to share these common challenges. Partners in workshops have particularly valued hearing directly from people who have themselves been through the experience and what they learned.

But there is also a great deal that needs to be done individually to be effective. This is perhaps the first time since the start of their career that the partner has had the chance to consider a whole variety of options and this time has more freedom to choose what most appeals and identify what would be energising and fulfilling. One-to-one work is really valuable for partners who, for whatever

reason, have been suddenly confronted with the prospect of retirement and are both upset and, in practical terms, unprepared.

Those who have been successful in obtaining portfolio careers verify that to get to an effective CV took them at least half a day, which was generally spent with a business friend or coach helping them to see what is genuinely transferable. Many lawyers' first stab at a CV overrates the potential reader's interest in legal detail and underrates some very important leadership or interpersonal skills they have gained in the process. Many have not had a job interview for many years and would benefit from some practice before presenting themselves for one.

Many firms are now poised to do something in this area. We believe that not only will the retiring partners benefit, but the firm will benefit with its clients right away. Partners will become more visible, engage in more business-focused conversations with senior executives and will begin to relate as principals, not just advisers. Firm leaders will find it easier to manage the demographics. Longstanding partners will be more energetic right to the end and clients and younger partners will benefit from better handovers and more mentoring.

Partners will have more fulfilling retirement and younger partners thinking of joining will see it as an attractive example of the firm's values. Eventually, also, there will be more lawyers contributing to the running of industry and the country.

Mairi Eastwood and Bill Knight are coaches at Praesta Partners. Knight was also previously senior partner at Simmons & Simmons.

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and process complex paperwork will be valued and their ability to draw on your legal skills without paying corresponding fees will be of great help. So the very clear message is that if you want to go down this route – and not everyone does – and you are not the managing partner or senior partner of one of the magic circle firms, then the sooner you start to build your CV, the better.

This advice is true too for many other intellectual avenues you might contemplate,

age bracket (for example, all partners over 45). Of course, the material will be of more immediate value to some partners than others, but the process will gradually decrease the taboos around the topic. It will also allow those partners who would like to build their CVs in preparation for non-executive directorships sufficient time to do so. Most importantly, it shifts the culture in the firm.

Charlie Geffen, senior partner at Ashurst, believes

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