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## There are Fifty Ways to Leave Your Law Firm

Jerome Kowalski Kowalski & Associates January, 2012

Parting is such sweet sorrow.

 $\mathbb{A}$ s I <u>predicted</u> last November, the early weeks of 2012 have marked a surge in lateral partner movement at every stratum of the profession. Some partners are leaving their firms because they feel that their firms no longer provide them with an adequate platform and there are alternatives. Others are leaving their firms with the same spirit in which they arrived: <u>Fired</u> with enthusiasm. Other partner will be seeking more hospitable climes because of <u>law firm failures</u> in the coming months.

Few articles or pundits address the art of departing. Some law firm partners intuitively depart with grace and dignity. Some departures create unneeded disruption for the new law firm, the prior law

firm, the partner or clients; sometimes all three. Accordingly, with due deference to <u>Paul Simon</u>, I shall briefly address the ethos of smoothly creating a fresh start.

**Pou just slip out the back, Jack.** Bad idea. Some departing partners, particularly those who have left under less than voluntarily, burn bridges and simply leave and do not capitalize on personal relationships that yet may be of some real future value. Law firms that are constrained to ask partners to leave or enforce <u>mandatory</u> <u>retirement policies</u>, similarly do themselves a disservice by further fostering a culture of <u>partner free agency</u>, unhindered by institutional loyalty, when they promote quietly slipping in to the night. We have recently seen what may be perhaps the most poignant and sardonic



example of this in a recent departures memo from a Sidley Austin retiring partner.

Be are all painfully aware that law firm partners are no more than employees at will and the notion that partnership results on lifetime tenure and certainly not a sinecure, as was the case, arguably, a half century ago. Be that as it might, slipping out the back, without further cultivating personal relationships established during partner's tenure at a law firm is just plain counter-productive. From the departing partner's perspective, presumably, he or she has developed important relationships which will likely result in future referrals. From the law firm's perspective, the departing partner himself or herself can be the source of future referrals because of conflicts or perceived expertise. Thus, a departing partner should make the round and bid proper adieus. A law firm, urging a partner out the door, should not set an arbitrary deadline at which time the partner will be stripped out of the firm's web site or shoved out the door within an arbitrarily short period. Transitions, although always difficult, require careful planning and mutual planning by all of the stakeholders involved. Law firm management should not suggest, for internal or external consumption, that a partner's departure was welcome (he or she wasn't any good, he or she was overpaid and goodbye to bad rubbish and the like). We have seen the management of one law firm announce during the fall of 2010 that a rash of partner defections was welcome and part of the law firm's strategic realignment (read: we got them just where we want them: our nose squarely in the jaw of impending implosion and we're not letting go) only to see that law firm be 2011's most spectacular law firm failure.

The point here is obvious: The loss of a valued partner can have a cascading effect and has been seen to be fatal. Law firm management should be honest in assessing when the loss of a partner will cause pain and then shore up its other productive partners in a positive, candid and constructive fashion. If a partner will be missed, because of contributions made by the partner to the law firm at any level, say so. Publicly and privately wish him or her well.

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Grace, dignity and mutual respect, even through clenched teeth and feigned, serve all stakeholders best.

**#Hake a new plan, Stan.** The essence of smooth transitions is careful planning.

The departing partner, as part of his or her practice integration plans, should set forth carefully his or he plans with regard to each of the myriad matters requiring attention as he or she extracts himself or herself from his or her prior firm. All steps necessary must be taken in



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accordance with a partner's fiduciary obligations to his or her former firm, The Model Code of Professional Responsibility and other legal or ethical constraints. When in doubt, always consult an appropriate professional. Most certainly, a departing partner is best served when guided by an experienced professional, well informed of the various contingencies that lay ahead.

The steps range from the mundane to the sublime: assuring that all contact lists and related information is stored on someplace other than a law firm's server, documents, pleadings, agreements, correspondence, templates, forms and other written information, not the property of the law firm, should be downloaded and stored on a safe site, such as <u>Dropbox</u>. Ethically

compliant conversations should be had with clients as early on as possible (yes, do let the clients know that you are considering alternatives as soon as possible; be assured that many law firms will seek to retain relationships that you have introduced to the firm).

Law firms contemplating the compelled or likely departure of a partner should be assaying matters brought to the firm by the soon to be erstwhile partner and identifying those matters and clients that the firm may be able to hold on to. Similarly, the firm should identify those other lawyers who are part of a prospective partner's team and determine which, if any of these teammates would be of value to the law firm. Law firm management should reach out to those lawyers, again, early on in the process and incentivize those lawyers to stay and reach out – together with those lawyers – to those clients which the law firm believes it can retain. Both lawyers involved in this process and affected clients should be offered real financial incentives.

At the same time, departing partners should not be shy about identifying clients of the former firm that might be amenable to a strong marketing pitch as soon as the partner has landed in his or her new home.

**Pou don't need to be coy, Roy.** While we're on the subject of the futility of timidity, the fact is that while otherwise constrained by various ethical and legal obligations, candor (and certainly not rancor) should be the watchword of the day. A departing partner should have his or her backstory lined up and be frank and open to one and all. The same is incumbent of the law

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firm. In a mature and respectful setting the backstory should be the subject of mutual agreement and be a consistent thread of conversations and disclosures to all affected parties. Neither a departing partner or a law firm should be in a situation in which a colleague, one day passing a dark and emptied office, ask "what *ever* happened to Roy?"

Partners should also insist that all future callers to the law firm will be forwarded to his or her new home. Optimally, the firm and partner should also enter in to a mutual nondisparagement agreement.

Coyness has its limitations during the search for a new home. As partners seek new homes, they must be realistic and conservative in projecting their likely future production. Giddy, unwarranted optimism will only inevitably result in real pain for all concerned. Similarly, skeletons in the closet must be disclosed early on. They will doubtless surface. Google, Lexis and online court data bases makes all of our live public and transparent.

Just get yourself free, Lee. Once the planning and various required mutual

understandings are reached, both the departing partner and the law firm should plan on lives apart. It's time to move on.

Departing partners are too often wont to eagerly hear about the internal politics and vicissitudes of his or her former firm. Gossiping by former partners who either seek repeated personal assurances that they made the right decisions or who wish ill of their ouster is simply counterproductive and impairing. Recognize that it's time to move on. Revenge, while frequently desired, is best had when it is simply achieved by doing well.



**Just drop off the key, Lee and get yourself free.** Transitions are always by definition disruptive in every sense.

However, approaching a transition with careful and deliberate aforethought, vigilant planning and maturity serves the law firms affected, the partner and his or her client best. Anything less invites less than unfettered success.

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