

IS THERE “LIFE” AFTER BEING MANAGING PARTNER?

Of course there is. Be careful not to let the best options slip through your fingers!

The role of managing partner – also commonly known as Chief Executive Officer – is demanding and totally consuming which removes the partner from practice of law. What becomes of the partner when the term as managing partner ceases?

Retired managing partners of large Australian law firms, who have resumed practice, it is hard to identify any.

There are three categories of managing partner relevant to this issue. First, the firm founder model. This is the senior partner who has founded the firm as it is known today. He (invariably) has key client relationships and “runs” the Firm. This style of managing partner is not the focus of this commentary.

The second category is the partner appointed to be managing partner while concurrently retaining client relationships and billing responsibilities. This appointment is generally for a short period, two years, and the expectation is for the appointee to resume full time practice. The managing partner role is then assumed by another partner as part of an agreed rotation. If the process operates as planned there is no issue to be concerned with on retirement as managing partner.

The third category concerns the appointment of a partner to be managing partner without client responsibilities and to be fully engaged in the management role. Such appointments are generally for a four year term; frequently a second term is served. It is those who take appointments of this nature that we are concerned about in this commentary.

Concerns arise because four years and certainly eight years, is a very long period not to be practicing. It is obvious that the partner will lose touch with legal developments and will be forced to cease dealing with clients. It is very difficult, but not impossible, to bridge the knowledge gap and, even with assistance, develop a client base. In fact, it is not uncommon for the terms of the managing partners’ appointment to have a period of time, up to two years, in which the retired managing partner can resume practice.

Not with standing the offer of time to return to practice not many, if any, do. Former managing partners can be found as company directors, investment bankers, consultants and in industry. Some have left their firms to take management roles in other firms.

It is suggested the reason for the failure to return to practice comes from a change in mental attitude. Once a partner makes a substantial change it is very difficult to return to the former thinking. To be an effective managing

partner, the partner must approach the Firm and fellow partners quite differently to that required to manage client matters.

A managing partner cannot seek certainty. Practising partners constantly seek certainty; what is the law?; can this be done?; is this enforceable?; is this taxable? etc. There is little certainty in management. This difference requires a significant adjustment in thinking and the approach taken to risk. It also makes it difficult to convince partners to undertake ventures that may be seen as speculative because they are surrounded by so much uncertainty. The search for certainty develops a natural conservatism which is not a comfortable bed fellow for a progressive managing partner.

The manager works with a group of partners who are proprietors of the business and the generators of the revenue. Further, the partners have day to day contact with a Firm's greatest resources – staff and clients. It is little wonder that the skills the managing partner needs are not appropriate for, or aligned for practice.

Perhaps of greater significance is the huge decision to accept the position of managing partner, this is a dramatic step in the evolution for the individual that all partners will experience albeit more slowly. Partners change as time passes – they mature, their reputations evolve and they develop teams under them. That an evolution is occurring should be acknowledged and catered for in the planning undertaken by the individual. To be appointed managing partner accelerates the process dramatically.

At the time of appointment the new managing partner will acknowledge the potential difficulties of returning to practice. Few face the inevitable in an active way by planning for the day the role finishes. They are excited by their appointment and are focussed on the new job. It is a very busy and all consuming role leaving little room to plan for the post managing partner period let alone do anything about it. Even when faced with the certain knowledge of their retirement many continue to fulfil their role with total dedication to the exclusion of planning their next role.

It is to be noted that not many partners think about, plan for or actively engage in process of managing their careers. Once made partner most stop being engaged in their management of their careers. The question being considered could perhaps be re-titled– Is there life after partnership?

The answer is, yes, of course. For managing partners life will most likely not involve practising law. But as for all high achievers in the work force there are many opportunities after being managing partner.

There are particular issues for a managing partner to deal with when the term ends. The office is highly regarded and carries significant esteem both within the firm and in the wider business world. High levels of support are on hand for anything the managing partner wants. There is usually a significant amount of travel which brings with it a level of interaction with others in the upper echelons of the business world. All this ceases on completion of the

term as does the total engagement in challenging and absorbing day to day work.

If the nature of the work appeals to the individual considerable thought and planning is needed to replicate that environment. As noted above, few managing partners return to practice. It is a matter of engaging in a process to discover what might appeal. It is a second chance in a life time for most to actually select what they really want to do and pursue it. The change opportunity generally arises when the retiring managing partner is in his/her 50's and enjoying good health with plenty of energy. A wonderful point to carefully think about, a new phase and take steps to realise whatever the dream may be.

Not only is there life after being managing partner, it can be the best part of life.