

Avoiding The Brain Drain: Do You Have A Succession Plan?

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By the year 2010, a large percentage of the workforce will be retiring. Many of these retiring “Baby Boomers” will include General Counsels and other senior-level legal counsels in the majority of the largest corporations in the United States and Canada. It begs the question. Avoiding the brain drain: Do you have a succession plan?

As current lawyers reach retirement age between 2010 and 2015, most companies lack formal succession plans to prepare for the eventual departure of these senior attorneys. According to a Robert Half Legal Survey, 53% of corporate legal departments said they had no formal succession plan in place for key leaders, only 41% had one, and 6% did not know.

One of the most critical components of business survival for most companies, but yet most often overlooked, is the planning for the internal succession of key leaders, including those in corporate legal departments.

That said, creating and implementing a succession plan takes time, resources, and most companies do not give it the attention it deserves. However, without a formal succession plan, companies may find themselves confronted with a costly brain drain.

Companies may stand to not only lose institutional knowledge and relationships, but also experience a lag in productivity, and bear the added financial costs associated with not having someone readily available to take on a key position.

It may take many years to identify and groom an attorney to advance into a leadership role; therefore, companies should start to invest the time and resources to develop succession plans as soon as possible.

While succession planning is not an exact science, here are some suggestions for corporate legal departments to consider when developing a succession plan:

1. Identify Potential Successors

Starting with a short list, select the attorney(s) who show the most potential and who work(s) well with the organization. Is there a likely candidate or an unlikely candidate missing from the list?

2. Develop a Formal Training & Mentoring Plan

It is important to implement training and mentoring programs for high-potential employees, and include them in strategy discussions relating to the operation of the department. This will provide succession candidates the opportunity to build their skills and leadership abilities in practice management, new business development, marketing, strategic planning, and client service.

3. Establish a Timetable

Orienting an individual into a successor’s role takes time. At minimum, a 12-month window gives both parties the opportunity to transfer knowledge and manage relationships.

4. Plan the Transition

Let employees learn from the person they will be replacing. They should work together on projects, interact at the board of directors meetings, participate in client meetings, and otherwise get involve in the day-to-day activities and responsibilities of the position. Having the successor shadow his or her successee can be one of the most valuable way to impart and retain knowledge.

Skillfully done, succession planning can safeguard legal department from the “brain drain” that the Baby Boomer retirements might cause, as well as the high financial costs of finding a replacement.

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