

The Key to Succeeding at Succession: Continuity of Client Relationships

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The Lawyers at Grossman & Ripps

Grossman & Ripps is a small firm in Norwich, Vermont. Our three lawyers practice every day in both New Hampshire and Vermont. Our website is at www.GrossmanandRipps.com.

Dan Grossman has been practicing law in New Hampshire and Vermont for going on 38 years. He has been in the same location in Norwich, Vermont, 100 yards from the Vermont-New Hampshire border, for over 30 years. We split our practice almost equally between the two states. Our practice includes real estate transactions, estate planning, and estate administration. The “Ripps” of “Grossman & Ripps” is Markell Ripps. She and Dan are in their ninth year of working together.

Dan and Markell met when she was in her third year at Vermont Law School. Dan has always liked having law students as interns. Markell was a two-day-per-week intern at Dan’s office in a for-credit course in her final semester of law school. She and Dan just clicked. Dan asked Markell to join his practice five weeks into the internship. Markell took the bar exam in July of 2010 and joined Dan in the fall of that year. They practiced together for a few years, then in 2012 Dan asked Markell to become his partner—and they have been practicing as Grossman & Ripps since the beginning of 2013.

Cara Albert joined them in the practice just over a year ago. She joined Dan and Markell after working for five years at other law firms in the Hanover/Lebanon/White River Junction area. Cara had been working in areas of the law that primarily involved advocacy and litigation: family law and civil litigation and a little real estate. After five years, she concluded that her skills and interests as a lawyer would be more suited to an estate planning and transactional practice like that of Grossman & Ripps. In the last year, she has settled into a varied and challenging practice with Markell and Dan.

We are ALL continually on the learning curve. Some lawyers have merely been on it for a longer time. That doesn’t mean they have *learned* more, it just means, perhaps, that they have *seen* more. In this essay, we are going to call lawyers who have been on the learning curve for a while longer “More-Experienced Lawyers.” Beginnings of careers don’t last that long. All of us spend a long time in the *middle* of the learning curve. So we will call all of those people “Mid-Career Lawyers.”

Naming the Process of Moving a Practice Into the Future

Let’s talk about what you call something. What’s in a name that you use for a process? What’s the name for describing the process of a business moving forward into the future. Many people speak of “succession plans” for law practices. The three lawyers in OUR office always say, “We

are making continuity plans.” When we think of our practice, we think of its history, of what our practice is doing right now, and of where we would like our practice to go in the future. Dan often offers this example of the concept of “continuity” in a professional practice.

Dan’s family spent 42 years with the same family medical practice. Doctors came and went. For their last 15 years there, Dan and his wife had the same doctor, who was born in 1945, making him a few years older than Dan.

Each year, at Dan’s annual check-up, he would ask his doctor, “What are your plans for the future? Who will continue this practice?”

Dan asked about the future because he and his wife wanted to know who would be their doctor for the next stage of their lives.

But the doctor didn’t have an answer. He said that he had not yet found anyone to take over his practice and that he was still looking.

Finally, in 2015, when Dan and his wife were in their mid-60s, they decided they just had to make a change. They liked their doctor, but, even so, they switched to another family practice with several doctors in the mid-career phase so that they could be sure that they would have doctors to care for them over the next couple of decades.

Clients and Customers: The Key to Continuity

What was the key here? Dan and his wife, the patients, the customers, were looking for *continuity*. They really did not care about the *succession* of the medical practice, they did not care who *owned* the practice; they wanted *continuity* in their care.

On whom does continuity focus? It focuses on the *customer*. In medicine, the customer is the *patient*. For lawyers and other professionals, the customer is the *client*.

When you say, “*succession* planning,” we think that focuses on an “older” professional winding up her career and selling her business to a professional who is “younger.”

“*Continuity* planning,” on the other hand, focuses instead on selling *clients* or *customers* on the idea that a practice or business built by a professional who is now a “More-Experienced Lawyer”—that is, someone of Dan’s age—will continue to serve them for years to come. It aims to help customers and clients see that “Mid-Career Lawyers”—that is, someone of Cara and Markell’s age—will provide services similar in character and quality to the services provided by the “More-Experienced Lawyer.”

By definition, “*continuity* planning” means that someone in the next demographic category has undertaken to continue the practice of the “More-Experienced Professional.” Finding that someone is always a challenge. And, in fact, you come to realize that it is a *double* challenge. First, the More-Experienced Professional has to settle on a lawyer who will continue the practice. But we can tell you that, as soon as a More-Experienced Lawyer and a Mid-Career Lawyer have plotted a continuity path together, they have to immediately begin looking for a lawyer to

ultimately replace the More-Experienced Lawyer. In our case, for instance, as soon as Dan and Markell had started on their path together, they had to begin looking for Cara.

Finding a Lawyer to Continue a Practice

There is no magic to finding a Beginning or Mid-Career Lawyer to continue a practice. It's about as easy as finding a spouse or a life-partner! All we can say is to try everything you can think of. Here's what ultimately worked for us.

Over the years, Dan has engaged dozens of interns. He has had two types of interns: college-student interns and law-student interns.

Many interns have continued on in the law. Out of several dozen college-student interns, three of them went on to law school and are now lawyers. One practices here in New Hampshire, one in Virginia, and one in France. Three of our other interns went on to two- or four-year paralegal programs. One paralegal was graduated from a two-year program, worked with Dan for nearly 26 years, and recently headed off on a new career path. Another graduated from a four-year paralegal program, worked with us every summer through high school and college, and is now in our office in her eighth year of paralegal work. And the third intern who is now a paralegal works with "notaires"—the French equivalent of real estate lawyers—in Paris. (We had a lot of French students for about 10 years.) And a fourth college-student intern got her college degree in fine arts, now works for us, and is on the paralegal learning curve.

We continue hiring bright college students who are interested and interesting because that has been a great way to identify the paraprofessionals we need to staff our office. As we work with college students over the course of two or three months, we are able to evaluate their skills and see how they fit in with our office and our clients.

For many years, we have also engaged law-student interns. Most summers we have a summer law clerk from May until August. Because we are 25 minutes from Vermont Law School, from which all three lawyers in the practice were graduated, we also often work with law students who do internships as a for-credit part of their coursework. Vermont Law School has two programs: a two-day-per week internship, which is the program Markell took part in, and a full-time semester in practice.

Dan always says he has had *such* fun working with law students over the years. He has gotten to see eager learners in action, and they got to see a law practice in action. We provide them with an intensive program. We are careful to ask them to do only what a lawyer would otherwise do (or would otherwise SKIP doing because there wasn't enough time). And he—and now Markell and Cara—have quietly looked every one of them up and down to see if she or he might be well-suited to helping us continue in practice. Here is a bit of information about Markell's internship in our office.

Finding Markell Ripps and Cara Albert

Markell was in the third and final year of a dual-degree program at Vermont: J.D. and Master of Environmental Law and Policy. She thought she was preparing to practice in the environmental area, but she had neither a job nor a set plan for environmental practice after graduation. For her

final semester, Markell thought she had set up a two-day-a-week internship with a law firm in Burlington, Vermont. Two weeks before Christmas, that internship fell through! She had to scramble. The internship coordinator at Vermont Law School said, “I know a lawyer in Norwich who’ll take anybody!” Markell called Dan; she went for an interview the week before Christmas, Dan administered his typical intern test—essentially, if she’s got a pulse, she’s got the internship—and Markell started the third week of January 2010.

The second week in March, Dan asked Markell to join him in his practice after she graduated. She had not expected such an offer. Nor had Dan. Dan has been heard to say that things just seemed to be working out well. Because Markell hadn’t really finalized her plans for after graduation, she said she wanted to think about it. A few weeks later, she committed to join Dan and his practice.

We have learned with college students and law students that you never know. With the for-credit law-student interns, whom we do not pay, we really do have an inclusive attitude. We are willing to give anyone a try. If she can fog a mirror, she can be our intern! Dan thinks that, with Markell, that sure worked out exceptionally well!

With the college-student interns and law-student summer clerks, we do interviews and are a bit more selective. We pay them for their work, so we try to avoid clinkers.

But the whole process of interviewing interns and law students, and then working with them over a period of time, has given us a chance to meet and evaluate a wide range of potential employees and colleagues.

Finding Cara took Dan and Markell down another path. After Markell joined Dan, we continued our law-student internships. Markell is now most often the primary lawyer to work with law students because we are looking, essentially, for a lawyer with whom Markell could work well in the future.

Cara had graduated from Vermont Law School and begun practicing a year after Markell. Most of Cara’s practice in the first five years of her career were in areas of the law in which we did not intersect with her. But she did do a few closings. And Cara was active in the Grafton County Bar Association. Dan met her at a couple of closings. Markell’s husband practices law in Hanover, and the two of them have been active in the Grafton County Bar Association. Dan and Markell gathered that Cara wanted to refocus her work in the law. We all found ourselves essentially on the same page.

Cara always enjoyed her interactions with Markell at Bar Association events. Cara knew of Dan’s reputation as someone who was always willing to share his experience with those who wanted to learn—and who would listen to his jokes! When Cara decided to sell her house two years ago, Markell was more than happy to work with her through the process and answer Cara’s questions so that she could begin to learn the ins and outs of a sale of real estate. As it became clear to her that she wanted to shift her area of practice, it seemed to her that joining Grossman & Ripps would be a good move.

Convincing Clients to Embrace Continuity

When it looks like there might be the *people* in place to provide for the continuity of a practice, there are only two things left to do: one—convince the clients or customers to stay with the practice after the More-Experienced Lawyer leaves; and two—convince the Mid-Career Lawyers who have joined the More-Experienced Lawyer that this is a practice worth continuing! Did we say “only” two things? Those are pretty big “onlies”!

Let’s start with the clients. A few weeks ago, a real estate broker with whom Dan has worked for 15 or more years asked him, “When clients call or come in, how do you decide which of the three lawyers ‘gets’ the client?” He wanted to know if, for economic reasons, we try to beat each other to the best clients. I told him that *our* economics relating to billing and compensation don’t matter in this situation. Rather, I told him, we focus on the client’s needs and wishes and try to help the *client* be paired with the lawyer who can best serve that particular client.

Here is an example from our practice. A client with whom Dan had worked in real estate and estate planning for 35 years came to us for some estate planning updates. The client spoke with both Dan and Markell. He asked them, essentially, if it would be all right if he made the transition from working with Dan and to working primarily with Markell. He noted that, when the time comes, his children would be working with Markell and Cara—his children being about the same age as Cara and Markell.

Dan and Markell together said, “By all means!” Markell and Cara have available to them all of the files from Dan’s 38 years of practice. With a client such as this, Dan can provide historical context and help whenever that’s needed. By eagerly accepting this *client’s* choice, we kept a very good client from being forced to choose between seeking out some other lawyer in Markell’s and Cara’s demographic or staying with More-Experienced Dan as he approached the end of his practice.

We now have three lawyers in our office, two of whom are Mid-Career Lawyers. We now offer all clients the choice of whom to work with on any given matter.

What choice do the clients usually make? There really isn’t a “usual” choice. Clients who have worked with the firm over the years choose each of the three lawyers.

And it is part of our financial model that we are trying to maximize revenue for the whole practice. We do have numbers that we try to hit each month. But those numbers are for all three lawyers together, not for each individual lawyer. We think of each client as a client of *the practice*. Individual lawyers do not, as a result, have a financial incentive to try to make given clients “their own.”

Convincing Clients to Embrace the Next Generation of Lawyers

Here’s something that we think about a lot. We think about how we use various words and terms to encourage clients to stay with our practice long into the future, and to make our Mid-Career Lawyers feel supported.

We said it earlier and we will say it again—“What’s in a name? Does it matter what you call something?” What’s in the names we use for the professionals in our business? By that we mean “What do the titles and the references we use bring to mind? We want clients to be eager to continue with our practice after Dan’s participation in it ends. We want clients to feel confident about the services offered by *all* the lawyers in our office.

Cara and Markell are in their early thirties. Markell was 25 when she joined Dan, right out of law school. But both Markell and Cara will say that Dan has *never* used any of the following words to refer to either of them: “new” or “young” or “associate.” As in “I’d like you to meet Markell Ripps, our new, young associate.” Or “Cara is a new lawyer here, but I can help her with your file if need be.” Or “I’m really busy, but I could have my associate Cara help you.”

And everyone in the office, including the paralegals, is absolutely forbidden to ever use any of these words about the lawyers in the office.

We try to think of how we would feel at the hospital if the doctor tells you that she’s awfully busy, but she “has a new, young resident neurosurgeon who should be able to do the surgery on your brain just fine.”

Clients are just like neurosurgery patients: They aren’t looking for new. They are looking for *competent*. They aren’t looking for young. They are looking for *competent*. They are not looking for a subordinate professional, a resident doctor, or an associate lawyer. They are looking for a *competent*, fully functional professional.

In our office, we don’t have some “new” and some “experienced” lawyers, nor some “older” and some “younger” lawyers, nor “partner” and “associate” lawyers. We have only one kind of lawyer: *competent*. And clients, we think, like that. We try to sell every one of our clients on the idea that they will benefit from having three equally competent professionals, with skills that are not the same but that are interlocking and cooperative, who will serve those clients well, both now and into the future.

And we are really hard-core about *never* saying “young” or “old” when referring to lawyers. When people ask him about the future, Dan always says, “Well, we have these two lawyers who are in the next demographic category.” People know what he means, and he never has to use the dreaded “Y word.”

Find the Future in Technology

We think an important element of providing continuity to our customers/clients is constantly looking to the future. When Dan went for his first appointment a few years ago at the new family medical practice he and his wife switched to, the nurse who took his blood pressure and history carried a notebook computer just like the ones we all carry around our office. When his new doctor came in a few minutes later, she also had a notebook computer, with all the information the nurse had just entered. Dan was impressed. By contrast, when Dan saw him last, his former doctor was still using paper files and was typing with two fingers.

We have always striven to use technology in our practice. Dan had one of the first word processors in a local law office, in the early ’80s. Dan was the first lawyer in our area to have a

fax machine, also in the '80s. (This was all before Cara and Markell were even born!) Dan scanned all of the practice's back files in 2005, and our office is pretty much paperless now. We strive to lead with our technology so that clients can see that we are *not* behind the times, that we are looking to the future—our clients' future.

And here's another big reason that we lean forward with technology: So that Mid-Career Professionals—the ones “in the next demographic category,” the ones you want to join you in your practice and keep it going—can see that same technology and be attracted to working in your practice. We would guess that any mid-career doctors who've considered joining Dan's former doctor's medical practice might feel some reluctance about signing on when they get a look at its reams of paper files.

In our small practice, as a further example, all our technology is backed up and redundant. We have not one but *two* 55-page-a-minute copier/printer/scanners, so if one breaks down we can use the other one. We have up-to-date workstations for every lawyer and paralegal, each with 3 or 4 screens, as well as laptops or notebooks for work at home or on the road. We also have iPads and iPhones for everyone in the office, lawyers and paralegals alike. Markell and Cara, our two Mid-Career Lawyers, certainly like that.

And clients like that, too. Clients can see in our office, in our meetings, and on our website that we are not an office that is hoping to arrange a “succession plan” to be put into effect by an older professional, but, rather, an office with a technology-powered plan for continuing our practice's competent service to them well into the future.

As lawyers and other business owners reach their mid-60s, they may have a tendency to question the need to spend money to update technology. But, for the sake of continuity, updating is essential to the people—clients, as well as colleagues—who will continue the practice on into the future.

Learning to Make Decisions for the Future

Here's an interesting comment Dan heard from two finance professionals a couple of months ago. Dan and his wife went to see their financial planner for an annual review. The planner asked about Markell and how things were going in Dan's partnership with her. And then he asked Dan, “Do you let Markell make decisions?” That is, he was asking if Markell had the autonomy to make decisions for the partnership, for the practice.

Then, the very next week, Dan was at a commercial closing at which a More-Experienced Doctor was passing his practice on to two Mid-Career Doctors with whom he had worked for many years. The commercial banker for the transaction used to work in Hanover, but he had changed banks so Dan doesn't see him much anymore. So after the closing they were catching up a bit. And the banker asked Dan nearly the exact same question: “Do you permit Markell to make decisions?”

Clearly, both of these financial professionals thought that it is important to have Mid-Career Professionals making decisions in a practice.

Markell and Cara can tell you that, in our office, the answer is “Yes—Dan not just allows but pushes both Markell and Cara to make decisions!” We push to have all the professionals in the practice participate in all significant decisions for the practice. All three lawyers make individual decisions related to clients, as well as business decisions. All three lawyers know that the other two professionals will not only accept, but stand behind, the decisions each of us makes.

“Do the Mid-Career Lawyers make decisions?” applies to clients and to our work with clients. In our practice, all three lawyers consider all clients to be the clients of the office. Any lawyer can make any decision pertaining to a client or to that client’s work. The Mid-Career Lawyers make, and Dan has always encouraged them to make, any decision about a client or legal matter—as well as to consult with each other to determine what is best for a client.

And besides eschewing labels such as young and old, new and experienced, partner and associate, we try to immediately integrate lawyers who join the practice into the *business* of the practice. When Markell joined Dan in 2010, she immediately took over one of the five server backups that we do every day. Markell also soon took over the processing of the records we send to our outside payroll service. Dan and Markell have talked the dollars and cents of our practice from the first week that they worked together.

Dan has been making sure Markell knows everything about how the business runs—and Markell embraced gaining that knowledge. When Cara joined the practice last year, she was given business-related work to do her first day. She had to deal with an issue we had with the railroad that abuts our office. Then she also identified and ordered an air conditioner to replace one that didn’t work when it was reinstalled last spring. That kind of stuff is little, annoying, important—and something that is done by any lawyer in a small practice. And now Markell and Dan talk the dollars and cents of the practice with Cara every day, as well. The business of a law practice may seem less significant than work for clients. But keeping a business running smoothly requires a lot of expertise, a lot of effort, and a lot of time. We think it is critical to pass business skills on to the lawyers who will continue the practice.

These are all important things. Things that need to be done by a lawyer or business owner in a small enterprise. The three of us try split all of these business matters up as equally as possible.

If a business is to continue to serve its clients and customers, the owners of that business must have the skills to operate the business. By sharing the decisions of our business, we exercise and expand the skills we will use to continue our business.

If Your Name is On the Door, Your Heart is in the Business

And, once again, we ask “What’s in a name?” Shakespeare might say, “A law practice by any other name would smell as sweet.” In other words, what is the best way to implicitly say “I have every confidence in this Mid-Career Lawyer?” What is the best way for customers and clients to see that a Mid-Career Lawyer is a continuing, long-term part of an established enterprise? What is the best way to have a Mid-Career Lawyer feel that *she* is a continuing part of that established enterprise? The answer, of course, is to put *her* name, together with the More-Experienced Lawyer’s name, above the door. It will make the More-Experienced Lawyer feel like the future is coming. It will signal to the practice’s customers that the future is coming. And it will make

the Mid-Career Lawyer know that the future is coming, and that she is a part of it. In law practices, we do this literally by putting her name above the door and on the letterhead.

Markell and Dan formed their partnership after just a few years of working together. They both were confident by that point that it was going to work over the long term. And Markell and Dan expect that Cara will join their partnership soon, and all three of them look forward to that. So you may not be able to worry about titles until later. You may have to gather more information and then worry about finances later. But get your Mid-Career colleague's name above your door, literally or figuratively, just after yours, as quickly as possible.

Financing Continuity

We just mentioned finances. Everyone knows that finances are a significant aspect of continuity, aren't they? And, boy, it is a challenge to figure how to make the finances work out in a way that is fair and reasonable, and, most importantly, workable for the Mid-Career Lawyers.

Law practices vary. Some practices own their office building, some don't. Sometimes different lawyers in a practice have different ownership interests. Practices have different ways of gauging and dividing income. There can't be any one way to deal with the continuity of all of these varying practices.

It would be great if the lawyers could agree that when the More-Experienced Lawyer gets to be a certain age, he turns over the keys, the code to the front door (we're digital, remember), and the Mid-Career Lawyers give him a 20-pound sack of \$100 bills.

We all know it doesn't work that way. It's the rare Mid-Career Lawyer who can pay out that kind of cash. (FYI—a 20-pound sack of \$100s is about \$900,000!) In addition, the More-Experienced Lawyer may not want to just quit practice. It may be useful for the More-Experienced Lawyer to be available to help the continuity team on an occasional, part-time, or temporary basis as the practice moves into the future.

We know an accountant who recently retired and sold his accounting practice to a larger accounting firm. He will be paid a percentage of what his former clients are billed for a period of time. For accountants it's as simple as that. Law practices are not that easy to value. But, speaking of accountants, talk to yours; she can give you some rules of thumb for valuing a professional practice.

Take our situation—Markell and Dan have worked together for going on nine years. Cara has worked with them for one year. As we all move into the future, those two Mid-Career Lawyers have to work out a financial arrangement between themselves. Then all three of us have to finalize an arrangement.

But we will once again emphasize the key idea that guides our continuity plan—that our clients must feel well served in order to keep the business strong. The More-Experienced Lawyer must make sure long-time clients know their needs will be met—and met exceedingly well—as the practice transitions to the ownership of the Mid-Career Lawyers.

Everybody involved with the continuity plan understands that serving clients is the key to maintaining client relationships into the future. Clients are the key to a strong business for the practice in the future. And it is only strong business results that will enable a fair financial arrangement among all the parties.

Conclusion

Dan gave two presentations on continuity to lawyers in Vermont last year. As he prepared, he asked Markell and Cara to consider his remarks. Here is what Markell and Cara, two Mid-Career Lawyer told Dan to conclude those presentations with:

It is so important to *just get going*. Once you have a potential colleague, *get going*. Sell her to your clients as the best thing since sliced bread. That's what Dan did with Markell. That is what Markell and Dan are doing with Cara. And Dan would add, before you do that, sell her your potential colleague on *herself*. Dan let Markell know that *she* was going to be continuing his practice. Dan and Markell together let Cara know that she and Markell would be continuing the practice. Dan let his two colleagues know that all together, they will put the technology in place to make it a successful practice, and a successful business, long into the future. Dan, Markell, and Cara know that together they will eventually find another lawyer to take up Dan's place whenever he retires.

Business owners talk about “buy-in plans” and “buy-out plans” and “business purchase agreements” and similar documentation for transferring businesses to Mid-Career Professionals. But if you can't sell the Mid-Career Professional to your customers, who cares how much she makes? If you can't convince the Mid-Career Professional that she is an integral part of the business, who cares if you have a 40-page agreement for the sale of the business? If you don't have a vibrant, up-to-date facility and technology, who cares how the lease of the office building is going to be assigned to the Mid-Career Professional?

Think of your *clients*, your *customers*, first. What can you give them to make them want to continue as your practice's or your business's customers.

Then think of your Mid-Career Professionals. Help them along the learning curve in their careers and in the operation of your business.

And then, *just get going*—onward into the future.