

THE SENIOR PARTNER'S SIX LEVERS OF INFLUENCE IN A CEO TRANSITION

By Henry Marsden





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A change in the top leadership positions in the business can be a nervous moment for all involved and ensuring a good transition in Managing Partner roles is far from straight forward. At PSFI we have modelled, discussed and advised many partnerships on how they manage this process given their unique histories and approaches. We help get the best candidates to come forward, ensure they are fit to stand and minimise the risks of things going awry in election and handover phases.

In this article we look at the fundamental role the Senior Partner can play in influencing and managing a smooth transition. By addressing the right dilemmas thoughtfully and strategically, Senior Partners can make a transformational contribution to the Managing Partner succession planning process. If addressed correctly, these dilemmas can be transformed into six powerful levers to influence and manage the process.

The dilemmas:

Do I sense that the current MP is succession minded?

How supportive are they to developing the future potential candidates and involving others in leading the firm?

Can I get involved in who stands?

The principle of “any Partner can stand” can lead to questions around encouraging humble future stars to go forward and determining whether some candidates should not.

“There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.”

Niccolo Machiavelli,
The Prince (1532)

Do we need to re-think strategy?

In the view of the partnership and Board, is there a need for a new direction for the business or is it a matter of continuity with the current one?

Should we change the model?

With the growth in scale and complexity, should we change the model of leadership succession (e.g. elections, Board appointments)?

How do we ensure elections are fair to all involved?

How do we balance the need for visibility, profile and clarity on the candidates’ plans especially if they are from minority parts of the firm?

How to manage the potential fallouts?

There may be splits within the firm around “our candidate” through to looking after those who would have done well but were not elected.

THE SIX LEVERS OF INFLUENCE

1 Setting the field The opportunities to influence in this phase...

- To change the model of leadership to ensure the role fits what is needed and can be sustained (e.g. the roles defined, diversity & inclusion, whether positions are appointed/elected, creation of new roles COO, Chair/SP).
- To reshape the Managing Partner role (e.g. greater/less empowerment, bodies/committees, strategic influence).
- To change election protocols (e.g. candidate nominations, milestones in the timetable, permissible processes, election systems) to reflect the market, evolving good practices and as a fierce friend to the firm.

How to pull this lever...

- Standing item as a Board – regularly reviewing the pipeline of future leaders, the development offered, the on-the-job learning through roles etc.
- Board away days – at the right time engaging the supervisory Board on the MP role changes (through growth, mergers, scale etc.) and the role of the Board in an election.
- Appoint independent advisors – work with existing INEs, legal counsel and partnership specialist consultants as trusted advisors to the Board in determining the process.
- Change the governance – a consultation exercise and vote to change the membership agreement/deed to reflect what is right for the firm.

2 Long listing candidates The opportunities to influence in this phase...

- To encourage people to come forward to increase the diversity of candidates in all senses.
- To influence the “tone” of the elections by building relationships between candidates and identifying potential conflicts or splits.
- To minimise the likelihood of last-minute candidates standing on a disruptive position.
- To ensure candidates appreciate what the MP role really is rather than what they think it might be.

How to pull this lever...

- Personal influence – talking to potential candidates and advising/coaching them on the MP role and considerations on whether to stand.
- SP/Chair programme – sponsoring better succession

planning by combining on-the-job experiences, collective internal/external development and coaching.

- Think up to two years ahead – support and develop candidates by starting succession planning early. Set the tone for diversity and fair access to leadership roles.

3 Candidate nominations The opportunities to influence in this phase...

- To ensure a manageable number of candidates so the firm is not too distracted by an election and there is sufficient support for potential candidates.
- To minimise negative politicking creating a positive tone for the process, minimising potential splits within the firm between sub-groups.
- To provide a fair process for all candidates in an election.
- To ensure all candidates are fit to stand in the election.
- To ensure a clear outcome from the election and minimise “outliers” being elected.

How to pull this lever...

- Set the timetable – building a short, focused set of steps and dates for a relatively quick election process.
- Agree nomination process – set levels of support required for candidates to come forward (e.g. seconders, minimum number of partner nominations).
- Agree assessment/development – undertake sufficient diligence (internal, external, client,

personality fit) into each candidate so the leadership team believe they are fit to stand or pose a reputational risk.

- Determine the election process – issue steps, parameters and guidance governing the canvassing of the partnership (e.g. papers, office visits, interviews, standard questions).

4 The election **The opportunities to influence in this phase...**

- To manage a transparent, fair process that inspires confidence in the outcome.
- To answer any questions creating a positive tone for the process.

How to pull this lever...

- Hold elections – implement the agreed voting system (e.g. first past post, single transferable vote), who will oversee it (e.g. internal partner, 3rd party) and the number of rounds required.
- Identify who will run the process – set levels of support required for candidates to come forward (e.g. seconders, minimum number of partner nominations).

5 Navigating the outcome **The opportunities to influence in this phase...**

- To ensure a smooth transition that minimises disruption, confusion and enables growth.
- To support unsuccessful candidates as they make their choices about their future (e.g. alternative roles, stay in the firm, leave the firm).

How to pull this lever...

- Agree the handover timetable – this should provide sufficient time for the new MP to transition their current work, build relationships with key people and take up the leadership reins. This may depend on the successful candidate's experience and past leadership development.
- Personal influence – work with all those involved individually and collectively to implement the election outcomes.
- Rem Com and Board papers – bring sufficient clarity on what is agreed to the relevant bodies in the firm and the broader partnership.
- Undertake external PR – manage the reputation of the firm by maximising the opportunities in the transition and minimising any potential negative narratives.

6 MP exit **The opportunities to influence in this phase...**

- To support the outgoing MP as the firm implements its protocols (e.g. glide arrangements, return to fee earning) and they make their choices about the future (e.g. alternative leadership roles, firm exit).

How to pull this lever...

- Personal influence – work with the outgoing MP to support their transition.
- Rem Com and Board papers – bring sufficient clarity on what is agreed to the relevant bodies in the firm and the broader partnership.

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Henry has worked with firms in an advisory capacity over the last 20 years in the field. As an experienced consultant and advisor as well as coach, Henry designs, develops and delivers development programmes to professional services clients. His work focus is on leadership development, supporting partner conferences, succession planning and top team development.

Understanding that professional and financial services firms are all different, we take an expertly nuanced view, underpinned by decades of experience to be able to work alongside leaders of professional and financial services organisations to bring transformational change. Our clients, many of whom have been with us for more than 20 years, trust us to support them on their most complex issues around business & leadership strategies, senior people capabilities, and strategic decision-making. We are building an independent, international, and diverse organisational development and leadership consultancy to help you access, navigate, understand and apply the most relevant leading edge thinking and research to help your business grow. We offer evidence-based thinking combined with years of hands-on experience and tailor our work and advice to suit each client's needs. Above all we care deeply about our clients, placing the highest possible value on our relationships with you, balancing warmth and support with curiosity, insight and challenge to get to the heart of the issue so we can help you make a real and lasting improvement to your business.

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