

## Senior Partner Forum – Deep dive

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### Leadership Succession and the SP role

5<sup>th</sup> June 2025

The Walbrook Club

It was great to see those who could make it to our third deep dive event and a huge thanks to the facilitators and all attending for making the session so insightful. Below are our attempts to capture the main topics and themes discussed throughout the session as an aide memoir for those who were there and to keep those who could not join in the loop.

## Leadership succession

For this deep dive our conversation drew from the 6 levers of succession planning paper that is also attached to this follow up. In summary they are:

1. Setting the field – ensuring that the fit for purpose leadership structure is in place ahead of the appointment or election to come.
2. Long listing candidates – ensuring there is diversity and sufficient experience in those contemplating standing for the leadership role.
3. Candidate nomination – working with those who choose to stand to encourage them, create a level playing field and managing the risks from the firm’s perspective.
4. The election – holding a fit for purpose election process
5. Navigating the outcome – working with the candidates who were successful or unsuccessful in the process to get the best possible outcome for the firm.
6. MP exit – how to support and challenge those vacating the role.

### **1. Setting the field & Long listing candidates– Peter Duff**

We had a great exchange in plenary and in table groups and the following themes emerged:

- This can be a delicate topic for the SP to address if the MP feels threatened by discussions relating to succession planning.
- SPs will often wonder how involved they can be in the MP succession process without losing (or being seen to lose) their independence.
- It is critical that the SP knows the MPs intentions. Do they want a second term? Are they thinking of stepping down?
- It is important to take the context of an election into account. For example, has the firm been performing well? Does the strategy need a reset or does the partnership want a ‘continuity’ candidate to succeed the incumbent?
- SPs should be familiar with what the requirements are as set out in the Articles. What is the latest date an election can take place? Work back from there to create an initial timetable that can then be adapted to allow more time if that is what is needed.
- Many firms (50% in our recent Board Survey) have a Nominations Committee. What is its remit? What role does it play? Who Chairs it? There are pros and cons in the SP chairing – it can give the SP authority to lead the process, but it could lead to criticisms about ‘manipulation’ of the process.
- Does the NED have a formal role? Could they play an informal role leveraging the sense of their independence.
- How many candidates are you required to put before the partners. Can it just be one and the vote becomes an affirmatory one or is there a requirement for the partners to have a choice? If there is no requirement, is a contested election likely to be well received by the partners or is an unnecessary

distraction? Can the election be used as a method of engaging partners in a discussion about future direction.

- Some firms have switched to a corporate structure where the Board selects the leaders to take on roles (with some retaining an affirmatory vote of the partners).
- What role as SP do you have in shaping the field – the number of candidates, the diversity of the candidates?
- Who can support you with this process – Partnership Secretary, Chief People Officer, NED?
- How are candidates identified and encouraged to stand? Many SPs are proactive in encouraging candidates to come forward particularly from minority or diverse backgrounds (e.g. women, international candidates, smaller practices)
- How ready is the firm for more formal succession planning and the leadership development interventions that are usually associated with it?
- Early talent identification is crucial to identify and extract promising individuals early from their current roles to provide them with exposure and experience.
- Comprehensive talent mapping helps the Board to identify potential contenders as well as ensure there are quick replacements should current role holders be unable to fulfil their roles.
- How can you get younger partners interested in leadership roles and willing to stand given the uncertainty about rebuilding a practice after some time off the tools?
- One group explored the reasons why candidates choose not to stand as a basis for seeing what can be done to set up the firm for success:
  - Health factors – pulling out due to poor health or perceived sense of the demands of the role.
  - Family system – withdrawals due to the personal situation they face
  - Strategy weakness – candidates believing they lack the strategic capability perceived in the role and that others may not be able to provide it.
  - Unsustainable role – due to the past role holders, number of reporting lines, requirement to fee earn etc. candidates withdraw seeing the role as something that would have too high a cost.
  - Giving up my practice – is this the right time or right thing to do. What if I am not good as an MP and only have 1 term vs. a practice that might sustain me to retirement.
- To what extent would external consultants be helpful in advising on and managing the process? To what extent would 'executive assessment' reports be a useful input to support the identification or nomination of candidates.
- Remuneration and value of leadership. There is a significant challenge in overcoming the resistance to "paying for leadership" and ensuring remuneration adequately reflects the value of roles in the firm.

## ***2. Candidate nomination & elections – Henry Marsden & Peter Duff***

Once candidates have come forward to stand in the election we noticed how the role changes in emphasis from encouraging to risk managing the firm. The latter brings with it some responsibilities that the Board or nominations committee are confident that each candidate in the election or appointment are fit to stand.

We noted the following:

- The Nominations Committee can a line of defence against inappropriate or unqualified candidates
- Is the role of the Nominations Committee to ensure that all the candidates meet the minimum criteria or are they more actively engaged in making an assessment of the candidates and whittling a long list down to a short list to be put before the partnership?
- The Board or the Nominations Committee may need to spend time ensuring the job description and the requirements of the role are clearly defined.
- What are the candidates steered to put into their hustings papers or mandates. Is the strategy set and the role is about execution? Is there a need for a new strategy? These types of questions need to be addressed to determine what experience and qualities the candidates will need to be successful.
- Often with a new MP it is the SP role that needs to flex the most to accommodate the way the new MP wants to operate.

### *Candidate assessment and development*

Some firms are deciding to put candidates through a more rigorous leadership assessment (psychometric tests, business psychology assessments etc.) as part of standing. It is seen as routine in the Corporate world for the conversation it opens up in the decision making and is debated in the PSF world on the basis of what further insights it would add value to given how well known the candidates are in the partnership.

- Psychometric assessments can be helpful in building a picture of the capabilities of candidates both for the candidates themselves and to the Board/nominations committee.
- If the SP or NomCom want to undertake some assessments the first challenge is to get the prospective candidates comfortable and engaged with the process (e.g. why they are doing this, what it involves, who sees the reports)
- The data can be used in different ways:
  - It can be shared only with the candidate for their own self-reflection and development planning
  - The Board of NomCom could be given access to the data to help them create a shortlist of the most suitable candidates.
  - A high level summary only could be produced rather than giving all the data to the Board/NomCom
- The reports are often a powerful development tool for those who undertake them.
- SPs will often have a role in deciding how the nominations process is run of the Articles are not prescriptive about it.
- It can be important to develop a set of 'rules' for the candidates that relate to campaigning, travel, expenses, negative campaigning etc

### *Election processes*

We also had a brief exploration of the systems the firm's use to run the elections where voting is required.

- The voting system may be set out in the Articles.
- Firm's use different systems – and there seems to be no perfect one:
  - Simple transferable vote
  - Weighted voting

- Simple majority
- Affirmatory of single candidate
- Beware “split” votes with more than 2 candidates and the outcomes it can lead to.
- More than one round of voting may be necessary.
- While varied most could see the advantage of quick rounds of voting. Others preferred to allow candidates to revise their hustings/papers between rounds.
- Consider the impact of transparency in the voting outcomes – can be bruising to those who receive few votes as often this doesn’t reflect the conversations they have had with their partners.
- Who is conducting the election – handled internally (SP/Board, trusted partner) or by a third party (e.g. external professional, auditor)?
- Given the increasing size of the group, what voting rights do the Fixed Equity partners have relative to the equity partnership?

### 3. The SP role in the outcome – Kevin Hogarth & Mike Mister

The final part of the day was to explore the handing over process between the incoming leader and their outgoing predecessor. We had a great conversation in plenary and found the following themes emerged:

- **Underestimated Stress:** The election process places significant stress on both candidates and the Senior Partner overseeing it.
- **Candidate Awareness:** Candidates must be proactively informed about the entirety of the election process and imagine or feel prepared for their being unsuccessful.
- **Board Engagement:** The board, especially if there have been recent changes, needs to be engaged early and have clarity on their roles in the election process. This is particularly the case where a long-standing leader has been in place the balance between the Board and Executive may need to be redressed.
- **Interim Period for MP/CEO Elect:** Clear guidelines are needed for the Managing Partner/CEO elect's role, responsibilities, and involvement in board activities during the interim period. There are differences in terms of duration of overlaps, but many prefer a relatively shorter time of 3 months and absolutely clarity that the current leader is in post until xx date.
- **Managing Campaigns:** Direct engagement and "flesh pressing" with partners appear to correlate with success in elections, highlighting the importance of managing campaigning. It also highlights the importance of overseeing a “fair” process where minority candidates are standing that may not be as well known in larger offices but would be a highly effective leader.

We went on to explore in table groups 4 fictitious scenarios that were drawn on our mixed experiences of working alongside firms during this phase. The conversations were rich and varied suggesting that these are a resource for Boards in advance of an election to support their preparation for and oversight of the election process.

- **Oversight and leadership** – there does need to be a clear and firm sense of direction overseeing the entire election process to ensure that undesirable outcomes are prevented and there is adaptation to the variety of things that can happen in this critical handover phase. The sense was that this is currently the case for the managing partner but can be lacking in the Senior Partner election process.
- **What next for the outgoing leader** – this is an emotional and important topic that often is addressed far too late in the process. Without clarity of internal roles, glide arrangements or a sense of the

leader's desires to be known, then things become difficult for the incoming leadership team to address and the firm to manage.

- **Coaching the new team** – there is often a resetting in the working styles, agendas and requirements of the top leadership team. It will naturally take shape over 12 months, but this can be significantly accelerated with a coach to the process to unearth the areas of alignment, prepare for conflict and establish new working partners between what can be two strangers in the most important leadership roles.

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