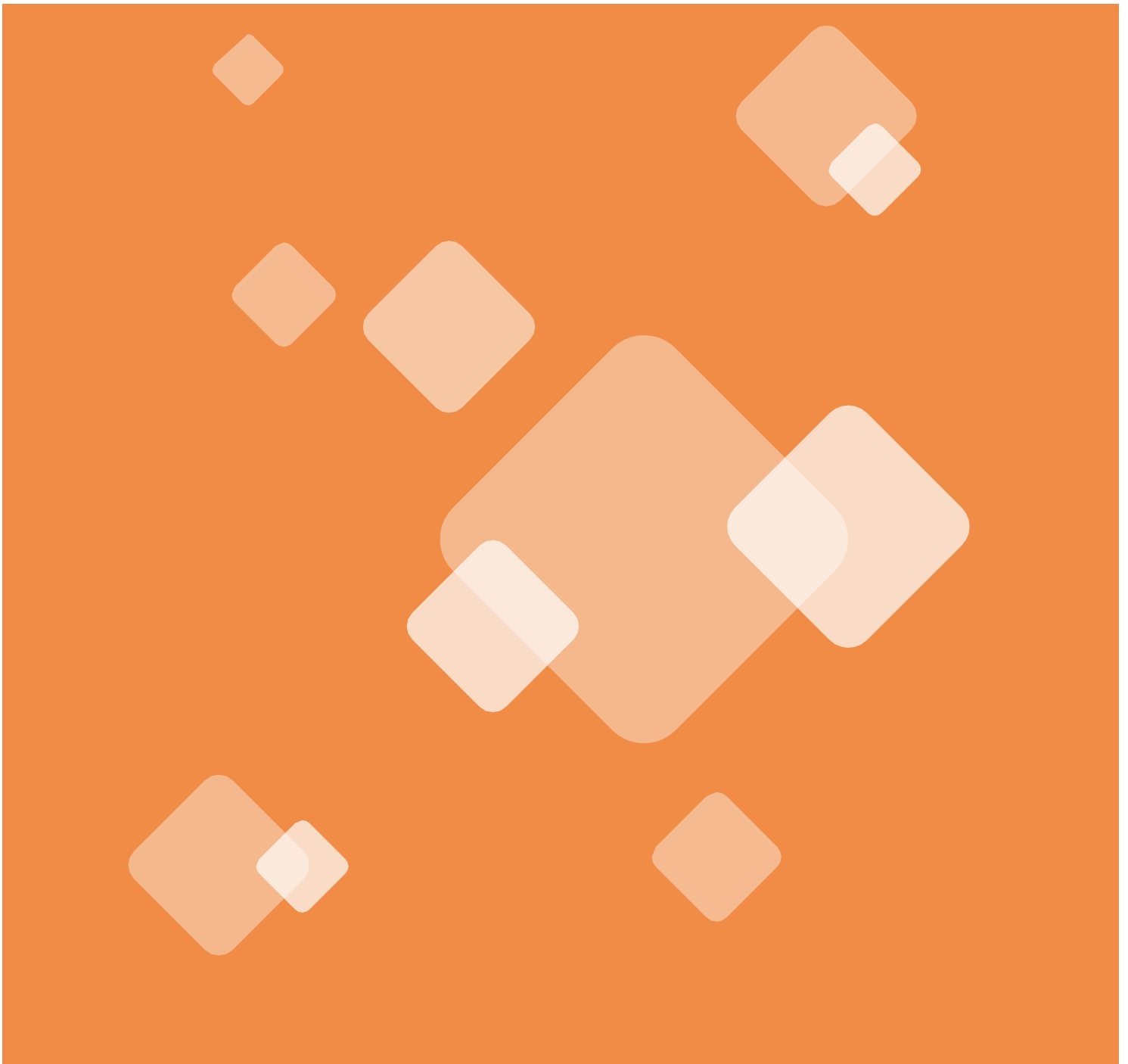


Virginia Clegg: Transition to Senior Partner

CASE STUDY: PSFI 21-500-001

Authors: Carrie Fletcher & Dr Henry Marsden

June 2021



Case questions

When reading this case, please consider the following questions:

- How well has Clegg transitioned into the Senior Partner role at DAC Beachcroft?
- What has she prioritised in her mandate? How well has it been delivered?
- Was her decision to stand for a second term the right thing to do? Why?

As Virginia Clegg reflected on the past five years, she felt pride and gratitude mixed with a sense of unfinished business. Her transition to Senior Partner had been unlike any leadership move she'd ever experienced before – she'd both adapted and, sometimes, missed the mark as she found her way. Now that her first term was coming to an end, she had to decide whether to stand again in a potentially contested election by the partners.

Clegg had more work to do and believed she could have a further positive impact on the firm's future . . . and she absolutely loved the job. "Of course I'll stand again," she thought.

Then she hesitated. She'd always put the needs of the firm ahead of her own personal wishes. Were her reasons for seeking a second term the right ones? She'd worked hard to help build a strong cultural foundation and was proud of the progress – but the decision to stand again wasn't so clear cut. Might it be time to step aside and let others come forward to ensure fresh ideas and energy? Was the best choice for her personally the best choice for the firm? Were there others who might bring greater value to the firm?

It was time to take stock on the achievements of the first term and determine what should be the focus of a potential second term. Clarity on the latter was paramount -

regardless of whether other partners came forward to stand.

About DAC Beachcroft

DAC Beachcroft is an international law firm with approximately 2500 employees working across the UK, Europe, North America, Latin America, and Asia-Pacific. It is a partnership of 600 equity and salaried partners, has a ranking in the top 25 law firms and has a turnover of over £250million. *See exhibit 1: DAC Beachcroft – Track record.*

With a broad client base, the firm is regarded as a market leader in the insurance, health and real estate industries, and prides itself on the ability to combine in-depth sector insight with an increasingly global reach.

Within its chosen sectors, the firm provides solutions to the most complex legal problems as well as more routine processes that must be done efficiently, increasingly valuing broad service offerings rather than operating in just one slice of the market.

Entrepreneurial and business focused, the firm has recently expanded through mergers and joint venturing arrangements around the globe and embracing alternative business models. Since 2014, DAC Beachcroft has had double digit growth in profit per equity partners (PEP), margin and fees per lawyer.

Clegg's path to Senior Partner

Clegg began her career as a real estate lawyer. She originally trained in a firm that has since gone on to form part of Bryan Cave Leighton Paisner LLP (BCLP) before relocating to her childhood home in Yorkshire on the

birth of her son. By 2002, she was leading multi-disciplinary teams for some of the UK's most significant property developers and owners; she went on to head up the real estate practice of Beachcroft Wansbroughs, until the merger with Davies Arnold Cooper in 2011.

In 2010 Clegg became the Regional Senior Partner of Beachcroft Wansbroughs' Leeds office, a role she retained until 2015 throughout the firm's subsequent mergers. This role involved supporting the firm's leaders on both international and local initiatives.

During this time, Clegg had also been elected to serve on the LLP Group Board, the senior decision-making body of the firm where she gained important insights into the workings of the firm and the responsibilities of the senior leadership team.

By late 2015, Clegg's leadership skills were recognised, and pressure was mounting for her to stand as Senior Partner. She had to admit that the idea had some appeal. She was deeply invested in the success of the merged firm, had learned key lessons in her previous roles and was known by many across the business.

As she contemplated the run, she was well aware that her strong profile was important in considering whether she could persuade the equity partnership to vote for her.

You can't forget that these roles are the outcome of elections by your peers. If they don't have a sense of who you are, what you stand for and the values you bring to the role then you can't expect their support. As awkward and uncomfortable as it can feel at times, you have to pay

attention to your profile and visibility with the partners.

At that time, the Senior Partner role wasn't clearly defined and was probably seen as a secondary role to the Managing Partner. Clegg was nonetheless drawn by the role's potential:

It struck me that the role was ultimately about leading others by influencing, motivating and engaging them. It was about people, values, and building culture. All aspects of the firm that I hold very dear. Rather than a secondary role, I chose to meet it as a blank slate to move these objectives forward - but I had to figure out how to create change and growth by connection and consensus.

In November 2015, Clegg was elected, becoming the first female Senior Partner in the firm's history.

Shaping the Senior Partner role

When asked about her transition process, Clegg smiles and says, "There was no transition! One day, I just had the job." It seemed to take a good two years before she was confidently in her stride (which is significant given the role's five year term). Clegg describes the experience of learning the role while designing it:

Defining the role of senior partner was hard. Everyone knows what the managing partner is supposed to do, but no one really knows what the senior partner does. Not only is the role less visible, but it's often shaped by the unique skills and experience that a particular person brings. You're flying somewhat blind . . . and yet you still need to set the right leadership tone from the outset.

She cheerfully adds that being thrown in feet first actually solidified her view on the need for formal succession planning – for this role and across the firm.

Today, it wouldn't happen that way; we've got systems and process in place that are reviewed on a regular basis. We support our upcoming leaders through significant investments in world class development programmes, as well as spending significant internal time and energy to support them.

Healthy tension with the MP

While she maintains a high degree of collaboration with DAC Beachcroft's Managing Partner, David Pollitt, Clegg is clear that the separation of their roles and responsibilities has been key to their collective success.

My relationship with David is absolutely critical to my ability to perform this role effectively. I actively ensure that my board members and I stay focused on what is in our remit. It is tempting, and sometimes more comfortable, to "give the answer" when we face a challenge - but that is not the Senior Partner's role. It's critical for the business that the Executive – not the Senior Partner - own the decisions and ideas they bring forward.

Clegg sees her role as walking a careful line using influence, persuasion, impact and questions while holding the strategy and culture of the business to inform what really matters. She is a key advisor to the Executive, while also staying out of the way. At the same time, her reach across the business helps the Executive tune in to what is

essentially a complex people business with challenging owner-producer dynamics.

For example, I am not directly involved in the budgeting process, but David and I will speak regularly about it and how it's going or what he's seeing. He will talk about the strategy for pushing the business forward and making us successful and it involves difficult choices that we talk through. We "bash" things out and make sure we take soundings from the market, clients, people and teams as we work towards making difficult judgment calls.

Clegg is pleased that the relationship they have built avoids the potential for competition between the roles that many other firms seem to have. They have found a way to operate through mutual respect, leading to better business performance and decision-making as they debate whether they have got lost in the weeds of a decision or are pushing too hard on an issue they feel passionate about. Clegg reflects:

We have had a few robust exchanges on issues but to be honest most of our discussions relate to timing. Is this the right time to tackle this issue? What can the business take at the moment? How does this relate to other priorities?"

The benefits of this relationship are clear to the firm in sustaining the leadership, culture and performance of the business. That said, it did not happen overnight:

We didn't know each other well when we started and lawyers can be quite like islands. We began as strangers with mutual respect and worked through a melding process as we got

to know each other better. We have learned to adapt to each other's strengths and potential blind spots. Sometimes we have "the list" which we work through, but as Covid has taught us, we also still need to react to changes and be able to pick up the phone to each other.

In a partnership, surrounded by clever people with strong views and who are good at getting their own way, there is always the potential to split a leadership team. If a group or individual don't like the answer they get from one leader then they often turn to the other. Clegg explains how she and Pollitt chose to show up to the partnership:

In front of the business and in public, you really can't get a piece of paper between us. David will point people my way when he thinks that's the right thing and I will do likewise. We don't try and solve one another's problems. That closeness, that ability to back one another up, even when you come from a different perspective is key. I dread to think what it would be like if we had competition in this relationship.

Was there a risk of collusion between the two of you? Clegg notes:

Yes, that is a worry but when you are delivering a direction for the firm, we have to have absolute clarity on the direction travel. If we can get 80% of people on the bus, I know that 10% will jump on and then a further 5% will hang on the outside. On big decisions, however, there will often be 5% who say they're not coming. You have to get used to that and to saying, "OK but the bus is going regardless". I

don't think you can have a firm with 100% agreement on all things.

Clegg knew that, in a second term, there would be the question of both developing a successor for Pollitt and working to define a new working relationship with that successor. She was pleased, and somewhat relieved, that Pollitt shared her view on the importance of careful succession planning. That said, she also knew that the Senior Partner typically must adapt to the personality, strengths and mandate that any incoming Managing Partner would bring, observing that "it would be about building a new equilibrium rather than presuming it would happen from day one."

Clarifying purpose, vision & values

One of Clegg's earliest priorities, which ran in parallel with a significant governance review, was to tackle the purpose, vision and values of the business.

Prior to her and Pollitt's election, the firm had struggled to articulate a clear direction for its future. It had also experienced some significant financial problems and had needed to make some tough decisions. Despite this, the partnership had become even stronger and demonstrated a glue and togetherness throughout.

Clegg and Pollitt now needed to build on this. The dream was to create a clear sense of how the firm could compete in a very dynamic market for legal services and, crucially for Clegg, articulate "how" the firm would behave to achieve this. Together they wanted to provide clarity to everyone in the firm.

Articulating the purpose, vision and values

Clegg was both passionate and laser focused on the firm's values. She was convinced they needed to be built in a meaningful way that resonated across the organisation.

So often firms have values statements that don't reflect how people actually behave and don't really translate into their culture. It was important to me to really get it right, which meant I needed to understand what our colleagues believed about – and wanted to see – in the firm and, perhaps more importantly, what colleagues saw and didn't like.

Committing to a high engagement process, the firm went out to its people (under Clegg's sponsorship) and over 1600 (65% of the firm) participants signed up to attend workshops exploring what they felt the firm's values were. While a significant investment in terms of effort and time, the outputs of these sessions formed an invaluable, strong foundation for the firm's ultimate articulation of its cultural principles.

Clegg and Pollitt firmly believed that vision and purpose had to be based on what people really cared about and believed in. Clegg laughs:

We adopted a different approach when determining our purpose and vision. It was mainly discovered by locking a small group of people in a room with a whiteboard! Throughout this process, courageous conversations became key, we had to pay attention to how words and ideas made people feel, and we had to get comfortable calling each other out and disagreeing.

The efforts, with many iterations, ultimately produced a clear statement of cultural principles for all colleagues in the firm. Clegg was clear that these were stretching and aspirational "this is us at our best and something we should be striving to attain

every day". See table 1 and exhibit 3: Purpose, vision and values.

Table 1: Cultural Principles for the firm

<p>Our Cultural Principles</p> <p>Our Cultural Principles represent our shared commitment to each other, our clients and our communities. They describe the way in which we work together to deliver our strategy, achieve our vision and fulfil our purpose.</p> <p>SUPPORTIVE - We are approachable, open minded and <u>inclusive</u>. We take time to listen and understand and we value and respect others' abilities, contribution and views. We are trusted, appreciated as individuals and embraced as part of a team.</p> <p>CREATIVE - We share knowledge and insights and encourage constructive debate and challenge. We work collaboratively to generate new ideas and provide imaginative solutions.</p> <p>DETERMINED - We act with integrity and are relentless in our pursuit of quality and excellence. We are confident and empowered to do our best for our clients, our colleagues and ourselves, to deliver whatever the challenge.</p> <p>CLEAR - We have clarity of purpose, objectives, roles, reward and lines of communication. We are transparent and straightforward in our behaviour and intent.</p>
--

It took the better part of 12 months to generate, but doing so created a sense of deliberate direction for the future of the business, as well as a strong cultural anchor to recognise those with the right behaviours and call out where other behaviour fell below expectations.

Bringing them to life

In talking about the gap between writing things down and getting them into the DNA of the firm, Clegg glosses over the numerous town halls, webinars, induction sessions, written materials and other creative and innumerable tools, people and techniques they used to convey the message. She leans forward and says:

Values are constantly demonstrated – or not – in our actions and words. For

example, we thought a lot about language, and began to refer to our “colleagues.” Not “staff” or “people”, but colleagues who work together to make this organisation succeed. A suggested change in language became accepted, and then expected – this was part of setting an overall tone for the kind of culture we aspire to.

When challenged for an example, she clearly hesitates before relating some of the more extreme instances of poor behaviour that seem to land on the desk of all Senior Partners. While being unprepared to commit such personal stories to paper, Clegg agreed that they need to be acknowledged as a critical part of the Senior Partner’s role in setting the tone in the business, a lesson that came within days of Clegg taking up the role, as a challenging, public conflict arose between some partners.

I knew I had to speak to the partners involved as their behaviour was concerning for so many reasons. At the same time, what leg did I have to stand on to chastise them? I wasn’t an authority figure, I wasn’t their boss – and I’m not that tall, so I certainly wasn’t going to intimidate them.

Yet Clegg believed, unequivocally, that such incidents needed to be tackled head-on. Everyone knew what had happened, and she wasn’t prepared to simply ignore it. She finally determined to have a private conversation:

There was further finger-pointing, strong emotions and “he said, she said”. After some patient listening, I made it clear: the reasons don’t matter. Your behaviour was unbefitting: end of discussion.”

Word travelled like wildfire; suddenly, people knew that poor behaviour simply would not be tolerated, nor would it be ignored. “And,” Clegg notes, “there’s never been another recurrence.” More importantly to Clegg, her decisive action had sent a signal about culture being front and centre - even if it had come within a few days of her election and had required her to dig deep to step into the situation.

Agile working provides a slightly less sensational example of where the firm’s values were enacted. As Regional Senior Partner, she had introduced an agile work system in the Leeds office where there was no longer any assigned desks or “owned” office space. It was dramatically different to what the firm’s lawyers were accustomed to – but had nonetheless gone relatively smoothly.

“It wasn’t painless and many of my colleagues had concerns,” Clegg admits, “but it ultimately worked, and everyone adjusted.”

With the Leeds success under her belt, Clegg was a natural choice to guide the London rollout – and it was one of the few instances where she intentionally came into the executive space (after a discussion with Pollitt). The plan was part of a move to the new Walbrook premises, which was a great investment for the firm and a strong integration statement to bringing the pre-merger locations together. It was also ambitious: eight desks for every 10 people; clear desk policies every night; reduced printing infrastructure; electronic filing and a very different concept to client meeting space.

The transition was rough, and Clegg bore the brunt of her colleagues’ frustrations:

Lawyers love their desks! We realised we were asking people to embrace a big change, and we did try to hear and incorporate feedback. At the same time, some of the feedback was simply inconsistent with the agile philosophy – for example, erecting tall screens or walls is defeating the concept of open space. Finding the line between accommodating some requests and not budging on others was tough. I got a lot of pushback; one partner even accused me of trying to “break the business”! People were unhappy and they did not hesitate to make sure I, and everyone else, understood that.

Despite the disagreements and stress, once implemented, the move proved transformational for the business. “They now tell me that they love it - it's beautiful, it flows, and they see one another and are connected in a way that is different to before,” Clegg explains. “People simply interact and collaborate more because the space supports that; it's easy to talk to each other in a casual way and ideas cross-pollinate like never before.”

The switch also allowed the firm to improve its green credentials by massive reductions in use of paper, storage, equipment and the like.

It all works. The space represents our values and our philosophy – we used the words of “moving from ‘mine to own’ to ‘ours to share’”. The truth is, you shouldn't be in any space where it is not an affirmative asset and that you don't love. The London office is a physical manifestation of what we love about this organisation.

Given the impact of Covid on the need to work remotely and to rethink the use of office space, the move to agile workings has also positioned the firm well relative to peers who are only now beginning to start the journey in rethinking real estate.

Changing governance and building a Board

Clegg was also particularly proud about how the leadership team transformed the firm's governance system. On taking up the role, she described a membership agreement that had been in place for some time, with many amendments, to bring it ‘sort of’ up to date. It really was not fit for purpose any more as it was full of exceptions, compromises and generally didn't help steer the firm.

Responsibilities between the Board and Executive teams were unclear and, quite frankly, frustrating. Furthermore, there seemed to be little scope to engage with the strategic, longer-term issues that any good business needs to get ahead of.

While the board she inherited wasn't broken, it was somewhat stuck in the weeds.

We felt that we were often second guessing or re-reading Exec papers. We just repeated the same discussions that had happened with the Exec team, which was frustrating for David and unrewarding as a Board. It felt like were just checking their homework.

Changing the governance

It did not take many of these experiences before Clegg named the issue with the Board and started to build the appetite for a root and branch review of the membership agreement. This needed to be far more than a tweak or an away day to see how to improve things.

Alongside a lack of clarity on roles, audit committees, international structures and decision making, we also saw the current arrangements acting as a brake on what was needed. On the one hand, there was huge expectations on David to deliver change – and yet the governance gave him no ability to manage the membership, work with the remuneration system or reserve funds for investment. We just couldn't continue to run the business like this.

Transforming the governance structures would also enable the firm to address the merger integration that was still a work in progress, and to put the firm's vision and values into the mainstream of the partnership.

Getting the Board on-side, choosing the right external advisors and building credible structures formed the basis of Clegg's consultation process. The team visited every office to share the rationale for change and the key issues they were looking to address – then they listened at great length to the partners' questions, concerns and suggestions.

The partners had been diligent and came with many questions, all of which were documented and replied to on a full transparency basis. There were strong debates about the core issues such as reducing the extent of reserved matters requiring partner approval, the definition of "good and bad leavers" and partner expulsions.

Looking back, Clegg notes how important it was to review the governance, but also to hold meaningful discussions with the partners.

David and I had had a good start but were still new to the roles. The merger was still in a relatively early state and so we had partners who were curious and trusting, as well as those who needed a lot of reassurance on our intent and who wanted to make sure we weren't slipping things in through the back door.

DAC Beachcroft retained an outside firm to support them on this, which Clegg notes was a pricey but effective approach. This firm were wise advisors, came to nearly all consultations and gave a professional focus to the key issues.

To this day I am impressed with the work they did. Any question I have received today that we had not imagined at the time are often answered by the set of documents they delivered. They have a strong corporate knowledge about us and we continue to work closely with them.

Clegg also found valuable the many conversations where partners shared observations on the governance review.

Some asked us "this is all very well for you and David but what happens if we have a maniac MP?" Or another asked about the voting "will we have options on the vote for the bits we like and the bits we don't want?"

Clarity

The proposed structure for the firm was to operate within a dual system overseen through the clearly defined Managing Partner and Senior Partner roles. The Managing Partner is accountable for building their own Executive, which is responsible for all operational matters through delegated powers from the Board. The Board is chaired

by the Senior Partner and would ultimately be accountable to the partnership “Importantly, the LLP Group Board can retract these powers if necessary,” says Clegg.

The LLP Group Board is the senior decision-making body and is comprised of five elected members, two non-execs, the Finance Director and the Managing Partner. Its purpose is to work at a strategic level: promoting the success for the firm for the benefit of Members; considering the likely consequences of any decision in the long term; the interests of colleagues and the impact of the firm on the community and the environment; holding the Executive to account for delivery of strategy. It is not a static brief as the regulatory, political and legal industry dynamics are constantly evolving.

Looking back Clegg was surprised that this transformation process had started early in her tenure in 2016 and was not fully delivered until 2018. However, by creating this engagement the new structure had received over 75% approval in the partnership vote for the change.

When probed about how bold the review had been and how far they had wanted to take things, Clegg acknowledges that they had to balance the priorities.

Getting the right governance structure was absolutely critical to us in this work. We now have a workable system which allows us to make decisions. We have also affirmed that, ultimately, the partners can pull back all delegated authority from the leadership team.

Developing the Board

While the Board had been very much part of the governance review, it had also been fundamentally changed in its contribution to the business.

Reflecting on the end of her first term, Clegg describes a Board that she is now delighted with and proud of. “They have become a powerhouse for the firm and an extraordinary resource during the pandemic.” She describes their move from politicking on behalf of whoever elected them to understanding their role is a “firm first” position where they can stretch the thinking of the Executive and focus on the longer-range issues.

Discussions have shifted from “let’s look at the budget to see if they have missed the PR costs” to “how do we get the best from the Board discussions relative to what the Executive is doing really well”.

While delighted with the progress made, Clegg is clear that their success is not self-sustaining – the process needs constant attention:

Our NEDs have been fantastic, but can serve a maximum of six years so I will need to be starting the process to find a new one soon. There are also Board elections taking place so at least one of my elected partners will be new and it will be interesting to see how they settle, particularly when all the Board meetings are being held virtually during the pandemic.

Keeping up the quality of Board papers is a constant challenge. There is a strong centre of gravity to use the Executive's paper, or to provide just information rather than something that positions a quality debate. Hiring a Company Secretary has been transformational to support the Board and partnership work.

She's good and getting stronger all the time. She reminds me if I've missed things, or we haven't managed to reach a decision on something. But more than this she has significant corporate governance experience and insights that we draw increasingly and adapt to what is right for us.

A discussion about the inevitable corporatisation of law firms prompted the following observation from Clegg:

At our core we still feel like a partnership, but it does feel that the more corporate structures we adopted are standing us in good stead. I don't think the old ways were sustainable for us. Clients were requiring us to change, colleagues were asking for clarity and, above all, I don't think equity partners were happy with how things were working.

Clegg continues to lead on improvements to Board effectiveness. These include "breakfast briefings", a suggestion from the Company Secretary, where we knew that we needed the Board to come with a different mindset to how they turn up at a typical Board meeting. Baking in an induction process for new Board members is also making a significant difference, as are clearer role descriptions to support partnership elections. That said the constant gardening continues.

An identity rather than a job

Spending time with Clegg and hearing more about what has been achieved over the last five years, it becomes increasingly apparent that the Senior Partner role is as much an identity as it is a job.

Her original mandate for election may have been about improving the firm and laying long term foundations, but it is now clear that the job is very much about who she is and how she does it. She has increasingly become the figurehead for the heart and soul of the business.

In one conversation, almost as an aside, Clegg describes that she had to write some bereavement letters:

I handwrite them to every colleague that I am told about. I have two on my desk at the moment, and another one to write. I find it both difficult and incredibly rewarding. But I don't really do it for me personally - I also want them to know that the firm cares. It is the individual acts of kindness that make the partnership.

She hesitates when asked if we can include this, worried for how it might come across. Others may look to copy it as a good idea, but of course it risks becoming superficial. Clegg so clearly cares about the firm and all the people in it; this is one small example of how the role and her use of it makes a difference.

Stand again?

When asked what she would advise someone who is considering the Senior Partner role, Clegg pauses. "It's got quite a lot to do with knowing yourself well. Second to that, it means really understanding the role as it

exists in your firm: the limits, the opportunities, the key relationships.”

Her top advice includes the following:

1. Think carefully about whether the level of influence power would satisfy you – the Managing Partner role has far more direct control and might be a better fit for what you want to do.
2. Be in it for the long term - establishing yourself and shifting the organisation takes time, energy and commitment.
3. The role is very personal to you - be prepared to shape it rather than expect it to be clear. I also think it is best met as a strategic role that brings value to the firm.
4. Stay out of the exec space - this can be hard, especially if you’re a “doer” by nature. Be clear on who is in charge of what and respect the boundaries.
5. The relationship with Managing Partner is key – you need a united front to be effective.

What has she learned about the role?

Holding this role is a bit like the tide. Whichever way you're going, you go forward a bit . . . then back a bit. Then you consult, listen, and go forward again. And then back again – this time, hopefully, bringing a few more people along with you when you shift forward. And then you just repeat that process again and again and again.

When asked if she has anything that she wants to deliver in a second term, Clegg

throws her arms wide and almost falls off her chair with the exclamation that “there is sooo much to do!!” There is a clear fire that burns inside which tells of her ambition to make the business all it can possibly be. Something that she hopes she, or her successor, would bring to the role.

So will you stand again? “You bet,” she says. *See appendix 4: Second letter to the partnership.*

EPILOGUE – MAY 2021

The elections took place as scheduled in November 2020, following a number of discussions about whether they should be postponed due to the pandemic.

Clegg stood again and was re-elected for a second five year term. No other partners put themselves forward for the position. She has wasted no time on delivering her second mandate...

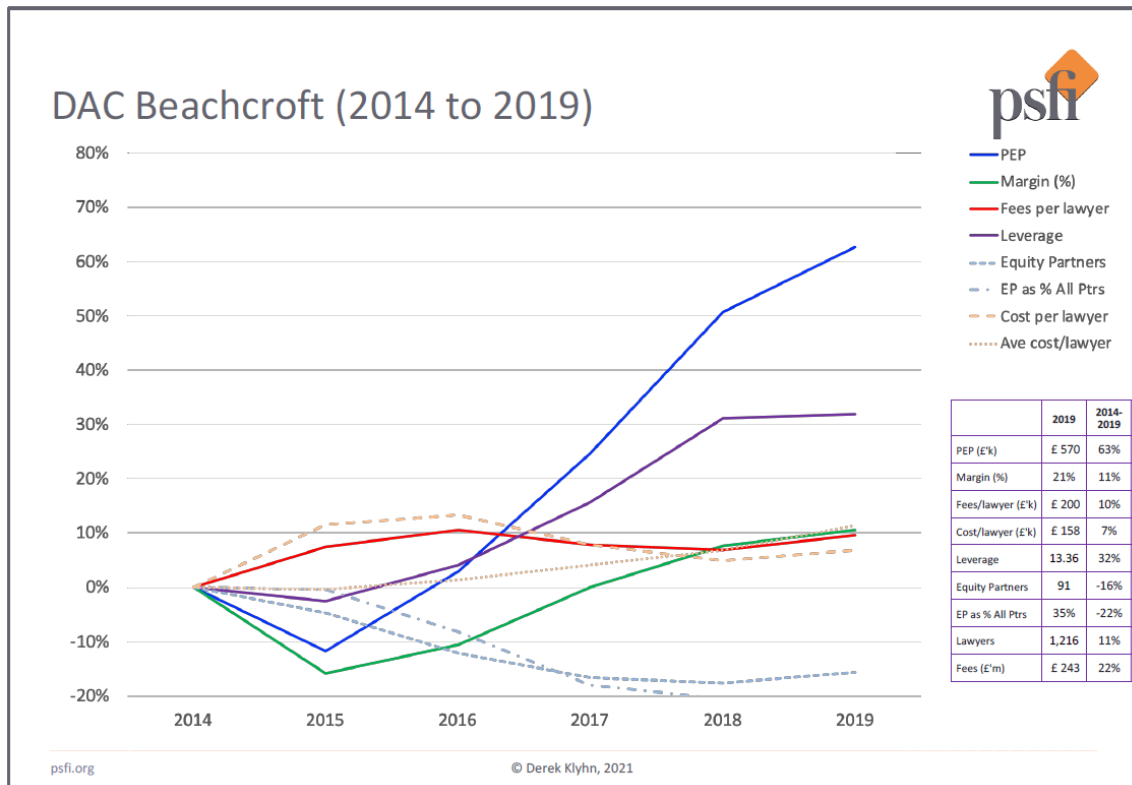
Exhibit 1: DAC Beachcroft - Track record

Analysis of the firm's performance from 2014 to 2019 based on publicly available data.

D. Klyhn, May 2021

Graph 1: Relative financial performance

Relative financial performance has been zero based in 2009 to track the year-on-year relative performance.



- During the last 5 years, DACB's PEP has increased by 63%.
- Leverage increased by 32%, in part due to a reduction of 16% in equity partners.
- Margin has increased by 11% despite a reduction in leverage.
- Fees per lawyer increased by 10%, reflecting a change in the leverage mix.
- Total partner numbers up 8% despite the number of Equity Partners down by 16%.

The firm has increased its international presence, with a focus on insurance and re-insurance and the building out of its claims solutions business.

David Pollitt became the firm's MP and Virginia Clegg took on the SP role in late 2015

The Lawyer

"there has been a noticeable change. In London, the firm moved to offices

more representative of its standing as a top 50 firm, and the towering debt levels, once a whopping £36m, have been brought down significantly. DACB has been steadily moving to a position where it has a strong balance sheet and is visibly a well-run, sustainable business likely to attract talent."

Recent timeline

- 2015 – New leadership team including new MP and SP
- 2015 – Open up Miami office (by former AIG lawyer). The new office will act as a liaison between the firm's international network in Chile, Mexico and Colombia, and to insurance and reinsurance clients operating in Miami. The firm looks to strengthen its Latin American offering by connecting local insurance clients to the rest of its network. The move means the firm has a presence in two leading insurance and reinsurance centres in Latin America, São Paulo and Miami. It also builds on the merger of its Brazilian associate office, JBO Advocacia with full service firm Demarest Advogados earlier in 2015. (DAC Beachcroft has been building its presence in Latin America for some years and became the first UK firm to open in Chile in 2013 with the acquisition of two local outfits).
- 2015 – DACB entered the alternative business structure market, gaining a license for its claims solutions business in England and Wales, a move that will allow the firm to bring in outside investment and make non-lawyer partners in the business.
- 2015 – DAC strengthened its presence in Latin America with insurance associations with Torres Carpio Portocarrero & Richter (TCPR) and BLP in Peru and Central America. The associations are in addition to DAC's existing presence in Latin America, where the firm has offices in Mexico, Colombia and Chile, as well as an alliance in Brazil and a hub in Miami. The arrangement will see all three firms work together to share best practice and meet mutual clients' key business needs in Latin America.
- 2016 – DACB became one of a few firms to take advantage of the liberalisation of the Malaysian market as it applied to the country's Bar council for a joint venture (JV) licence with Kuala Lumpur-based association firm Gan Partnership. The Malaysian practice, is hoping to expand its offering in reinsurance and insurance through formalising its relationship further with DACB.
- 2016 – DACB has signed a three year 'best friends' agreement with Belfast's McKinty and Wright in a bid to expand its network. 'It's the last piece of the UK and Ireland jigsaw for us and from an insurance perspective being able to look after our clients for all parts of the UK and Ireland is important.'
- 2016 – DACB pick up a team from its insurance competitor Clyde & Co with four partners and up to 30 fee earners making the move to the firm. Two of the partners will bringing their strong ties to insurance group Zurich. DAC said its claims solutions group would 'continue to seek investments that help them sustain and build on the service they provide to their clients'.
- 2017 – DACB has signed up to a collaborative new insurance alliance, Legalign, along with three others: German firm BLD Bach Langheid Dallmayr, US firm Wilson Elser and Australian outfit Wotton + Kearney. According to DACB, the model is designed to deliver legal services seamlessly across jurisdictions in three primary areas: insurance / reinsurance coverage, insurance / reinsurance defence and insurance regulatory and compliance. The alliance will comprise more than 2,000 lawyers across the four firms.
- 2017 – New remuneration system allowing more flexibility (cap removed to allow the firm to reward top-performing partners) – part of introduction of new members agreement
- 2017 – DACB forms collaboration with Oldham, Li & Nie, Hong Kong.
- 2017 – DACB forms association with Lopez Saavedra & Villarroel Abogados, Argentina, expanding its offering to clients across Latin America.
- 2019 – DACB opens office in Paris, forming DAC Beachcroft France. The move adds a third office in Europe outside the UK, along with Dublin and Madrid.

- 2019 – DACB formally joins forces with Northern Irish firm McKinty and Wright, taking the ‘best friends’ relationship formed in 2016 to the next level and opening DAC Beachcroft Belfast.
- 2020 – DACB merges with law firm Asjusa in Spain. The move adds a three-partner and 20-strong specialised team of professional liability and insurance lawyers, focused on the healthcare segment of the insurance market, and significantly bolsters DACB’s existing Madrid office.
- 2020 – Virginia Clegg and David Pollitt re-elected as Senior Partner and Managing Partner for second terms.
- 2021 – Legalign expands its reach, adding Canadian law firm Alexander Holburn to the alliance and bolstering DACB’s abilities to serve its clients’ needs across North America.

Exhibit 2: Letter to the partnership - seeking election for the first time

Virginia Clegg: My proposal for Senior Partner

My decision to seek election as your Senior Partner results from careful thought and discussion with many of you as to the role and what you think is needed to deliver success.

There is a strong, shared view that the challenges and opportunities of an ever more competitive, complex market require your Senior Partner to fulfil a critically important leadership role at the heart of our business. Key areas of focus must include protection and development of the business by nurturing and supporting our people, our clients, growing our brand and reputation and being respected for our culture and values.

Effective leadership in this context demands a clear understanding of the intrinsic collegiality that binds us, our culture and values and how to define, measure and deliver success. It is for us to define this but within the measures must be growing and sustainable profitability. This will require many things but it is vital to our ability to retain, attract and grow our talented people and with that a real sense of optimism and pride in being part of DAC Beachcroft.

We must embrace change and remain agile to opportunity at every level - to stand still or respond indecisively is simply not an option. As Senior Partner, I will challenge the status quo. I sense enthusiasm for change which is exciting. The quality of the decisions made in anticipation of change will ensure we remain united behind clear objectives, have a business that achieves its potential, is equipped to serve our clients and beats off our competitors.

Our culture is what defines us. As our clients and markets continue to develop across the globe, our culture will be the glue that holds us together. Getting ownership of our DNA by clearly defining and communicating it will inspire loyalty and pride and motivate people to do the right thing. I believe we can achieve a dynamic and modern culture – one that stands out and rewards high performance and operates with mutual trust and generosity of spirit. We can create a business that is as great as the talented people within it deserve it to be.

We will achieve our ambitions by being more demanding of one another, by rewarding the behaviours that we value and dealing robustly with those that we do not. A business with a strong culture, confident partners and forthright leadership delivers the most compelling message at every level and its value to our business cannot be underestimated.

Confidence is a topic that is discussed and neglected in our business in equal measure. I will work to ensure that we make time to celebrate when we win and openly and constructively reflect upon and learn from our disappointments. I consider that we need to improve communication, both internal and external. Progress in this will enhance and promote confidence and adherence and as Senior Partner I am fully committed to acting as advocate and ambassador for our business.

We need to review the relationship between our LLP and Executive Boards and then be clear as to the basis on which we will work together. I have the qualities required to lead our LLP Board in this review coupled with the strength to ensure our business at all times benefits from consistent good governance, devoid of self-interest. I am committed to leading a decisive Board where we communicate our activities and outcomes and always finish the job we start. This aspect of the role will run in parallel with my responsibility as Senior Partner to help and support partners in our business.

I have heard it said that what is needed is a Senior Partner with an extensive "black book" of connections whom we can tap into. On this point I say we have a collective "black book" that is the envy of our competitors. Strong client development is one of the fundamental skill sets of an effective partner – I am not convinced we have to elect someone before we can have access to it! We need encouragement, confidence and support to capitalise on what we have as well as build on fresh opportunities. As Senior Partner I will work tirelessly to build that confidence, enabling us to make the introductions and unlock the connections so we fulfil our potential.

In my discussions, some people have observed that the roles I have held have been largely operational and perhaps not what might be regarded as 'traditional' Senior Partner territory. I am not convinced that the environment in which we operate can rely on tradition. My contribution has enabled me to develop a high degree of understanding of our business operations providing me with the benefit of working with our fee earners and business services, building and nurturing teams. Having worked with client pursuit teams winning multi-service line target clients, leading national teams for some of our biggest clients, I understand winning and delivering services to our clients. I believe this experience will be invaluable for what is now needed. As your Senior Partner, I will be committed to supporting fellow partners in developing existing client relationships and winning profitable new business.

As a member of your LLP Board and Regional Senior Partner of our Leeds office my roles have required strategic vision coupled with courage in delivery – one is nothing without the other. I have developed a transparent and accessible leadership style and I always listen. Perhaps most importantly, I have demonstrated an ability to inspire our people to own change and embrace it with confidence.

The Senior Partner role offers an opportunity for refreshed balance and I have the courage and drive to complement, support and challenge our Managing Partner as he delivers the strategy required to achieve the vision for our business.

Finally, I am passionate about our business and the opportunity to serve as your Senior Partner will be a huge honour.


A handwritten signature in black ink, appearing to read 'D. Quinn', written in a cursive style.

Exhibit 3: Purpose, vision and values

The firm's published statement on its purpose, vision and values:

Purpose, Vision and Cultural Principles

Our Purpose
Our purpose is to help our clients and our colleagues succeed, creating sustainable value.

Our Vision
To be leading business advisers, recognised for our insight and our outstanding commitment to clients, and for being the place where talented people want to work.

Our Cultural Principles
Our Cultural Principles represent our shared commitment to each other, our clients and our communities. They describe the way in which we work together to deliver our strategy, achieve our vision and fulfil our purpose.

SUPPORTIVE
We are approachable, open minded and inclusive. We take time to listen and understand and we value and respect others' abilities, contribution and views. We are trusted, appreciated as individuals and embraced as part of a team.

CREATIVE
We share knowledge and insights and encourage constructive debate and challenge. We work collaboratively to generate new ideas and provide imaginative solutions.

DETERMINED
We act with integrity and are relentless in our pursuit of quality and excellence. We are confident and empowered to do our best for our clients, our colleagues and ourselves, to deliver whatever the challenge.

CLEAR
We have clarity of purpose, objectives, roles, reward and lines of communication. We are transparent and straightforward in our behaviour and intent.

A graphic created to animate the interrelationship and support communication:



4: Second letter to the partnership - seeking re-election

Virginia Clegg: Senior Partner Election 2020

I am standing for re-election as your Senior Partner after careful reflection and having relished the opportunity to serve you over the last five years.

I sought your support in 2015 based on a commitment to bring leadership and vision to this role at the heart of our business, complementing and supporting David in his role as Managing Partner.

A great deal has been achieved in the last five years. We have:

- Focused the Board on delivering its purpose as an essential source of support and constructive challenge to the Managing Partner and the Executive Board;
- Uncovered our vision and purpose, and created respect and understanding through our shared cultural principles. These have proved to be a sure foundation for us during the recent pandemic;
- Developed our brand and enhanced our reputation; and
- Driven forward our Responsible Business agenda with a much improved corporate responsibility programme and a more determined focus on diversity and inclusion.

As Chair of the LLP Board I have provided strategic vision coupled with courage in its delivery. I have role modelled a transparent and accessible leadership style and always sought to make myself available to listen to, inform or guide, as required, not only members but also our colleagues, our clients and other external stakeholders.

By any measure we have been successful in collectively delivering on our strategic objectives. It is no coincidence that during this period our shared purpose has seen growth in revenue and profit and recognition in the market demonstrated by our new clients, lateral hires and the increasingly strategic work we are winning. Being runner up in the Law Firm of the Year category in all of the major legal awards is a huge achievement.

But there is much still to do and we cannot afford to stand still. The challenges created by the pandemic and Brexit loom large but should not define us. The future will bring even greater challenge and with that real opportunity for our business. We will build on the foundations that have been laid over the last five years, harnessing the trust and renewed confidence we have engendered with clients and colleagues to meet the most demanding opportunities and threats.

If you give me your support for a further term as Senior Partner, areas of focus for me will include:

- continuing our transformation, always ensuring that we align ourselves to those who matter most – our clients and colleagues;
- further developing our inclusive culture to ensure we attract, develop and retain the very best talent;
- acting as a connector across our business and in the market, enabling us to work in creative and collaborative ways with each other and our clients;
- using the many platforms and forums into which I am invited to showcase and promote our firm to the market; and


- leading an LLP Group Board that promotes the success of the firm for the benefit of members, carefully balancing risk and opportunity, whilst always considering the longer-term consequences of our decisions, our impact on the community and the environment, and looking after the interests of our colleagues.

Finally, I will work to enable each of us to inspire our colleagues to own change and embrace it with confidence.

Our strategy and its implementation has served us well. Over the next five years we must continue to challenge and shape it and be agile and adaptable in the delivery of our objectives. In doing this we must not lose sight of the cultural principles which have provided the open, supportive and collaborative environment in which we have achieved so much in the last five years.

Together we are delivering on our purpose – we are helping our clients and our colleagues to succeed and, in doing so, we are creating sustainable value.

Playing my part in our success has been a source of huge personal pride and my determination to help our business to succeed has only increased over time. Five years ago I described the opportunity to serve our business as your Senior Partner as an honour and that statement is as true today as it was then.

A handwritten signature in black ink, appearing to be "D. Quinn", written in a cursive style.

The case has been developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording or otherwise — without the permission of PSFI LLP. To order copies or request permission to reproduce materials, please contact info@psfi.org and the publication is available in large print format upon request.