

TRANSITION PLANNING

Perpetuate the life of your law firm



Developing an effective transition plan will not only ensure a law firm's longevity but will also reward deserving, longtime partners for their hard work and contributions to the firm.

We recommend that our clients evaluate each transition as if it were an individual transaction. Along with helping clients to assess the relevant risk factors and create a buyout structure, we help remove the economic disincentives for senior partner requirements. All of these things increase the chances of a successful transition.

THE NUMBERS



- **Information gathering:** financial information request, transition, operations and strategic surveys and interviews
- **Who is retiring and when?:** clarifying timeline and retirement type and defining skills and hours needed for a successful transition
- **How much is the firm worth?:** book value and goodwill calculations/considerations
- **How much do we need for buyouts?:** payments for book value, goodwill and intangibles
- **How do we pay for buyouts and for how long?:** payment schedules, earnings and cash flow projections

DELIVERABLES:

Financial model, Firm valuation, Capacity plan, Buy-out schedule

RESULT:

A thorough financial model to support the buyout and business continuation process

THE AGREEMENTS



- **Ownership transfer:** equity analysis, buy-in process and retiring equity ownership surrender
- **Compensation agreements:** equity owner and retiring owner compensation plans
- **Lease and debt guarantees:** new owner endorsement and release from obligations
- **Retiring equity owner transition support:** client and management transition maps and support
- **Ownership agreement revisions:** ownership transfer, compensation agreements and liability transfers

DELIVERABLES:

Equity owner compensation plan, Updated ownership agreement, Client transition maps

RESULT:

Orderly transfer of equity and firm ownership

THE STRATEGY



- **Marketing systems:** strategy, systems and team development
- **Attorney development:** training guides, performance evaluation process and progression paths
- **Compensation and incentives:** salary and bonus structures
- **Systems and technology:** software needs assessment and upgrade support
- **Firm leadership and management:** leadership/ administrative management structure & accountability

DELIVERABLES:

Strategy map, Firm management structure

RESULT:

A roadmap to continued prosperity post transition

THE REALITY



- **Implementation schedule and responsibilities:** task identification and assignment
- **Project management:** project plan, milestones and monitoring
- **Leadership and management:** equity owner responsibilities, transition plain oversight

DELIVERABLES:

Strategy map, Firm management structure

RESULT:

A proper implementation schedule to ensure a successful transition