On June 10 William Voge, Latham & Watkins’ London-based global project finance head, woke at 4:45 a.m. to catch the first flight to Frankfurt. Voge, 57, needed an early start: Over the next 20 hours, while juggling pressing business on four giant proposed energy projects, he visited his partners, first in Frankfurt, then in Brussels, as part of a campaign to succeed longtime chair and managing partner Robert Dell. The roadshow for Washington, D.C., corporate partner Paul Sheridan Jr., who was also vying for Dell’s job, began that day at 5 a.m. in Hong Kong and ended at midnight in Singapore; the day encompassed campaign visits with partners and work on four separate deals. And Los Angeles finance partner Jeffrey Greenberg, the third candidate, recalls trying to give his partners full attention on a campaign visit to Los Angeles that day, while email after email was pouring in on the financing of a deal.

For the three rivals, winnowed from an original field of 38, the last leg of an eight-month succession process “was intense,” says Voge (pronounced Vogue-y). But all three agree that the open and participatory succession process at Latham, the second-largest U.S. firm to choose a new leader this year, after DLA Piper, was a worthy expression of the firm’s culture. On July 14, after two rounds of balloting, Voge was declared the chair-elect. “Partners in our firm now really own and embrace their decision,” says Voge.

Across the country, the past 20 months have seen a remarkable torch-passing; new leaders are beginning at nearly one in four Am Law 100 firms since January 2013 [see “Who’s In, Who’s Out,” page 58]. Departing firm executives since 2012 include a dozen lawyers in their 60s who, like Dell, steered their firms from regional shops to the billion-dollar global businesses they are today. “It’s the giants who have left, the people you most respect,” says longtime Ropes & Gray chairman R. Bradford Malt.

The new generation, meanwhile, is stepping in to manage firms vastly larger and more complex than when their predecessors took over, and at a time when growth in demand for legal services can no longer be assumed. With some recent firm failures pointing to mismanagement and lack of transparency as contributing factors, the process of selecting a leader has become both more fraught and more critical than ever.
Yet surprisingly, more than one in five (22 percent) of Am Law 200 firms that participated in The American Lawyer’s July succession survey don’t have a leadership succession plan, a finding echoed in other recent surveys.

But that is changing. One in four respondent firms reported that they have recently modified succession practices or are doing so now. Many are seeking outside help to create such a plan. Firms are “looking to avoid the mistakes they may have made in the past,” says Julie Wolf, a senior partner at RHR International who has consulted with a half-dozen law firms on succession in recent years. “It’s ‘Wow, we are on the bubble, and we need not to blow it and we need to get this transition right.’” [See “How to Succeed at Succession,” page 60.]

Many firms are also using a leadership change to modernize governance structures. While most firms traditionally have had a sole man-
aging partner, the job may have become too large for one person, says Bradford Hildebrandt, a longtime law firm management consultant. “A lot of firms have grown tremendously and the old system is still in place,” Hildebrandt says. “It may be time to see if it still works.”

Interviews with 14 firms that recently underwent successions reveal that practices for identifying and selecting leaders vary widely, with many leaders describing their practices as expressions of “firm culture.” Preserving culture and talent “are a really important part of what we, as leaders, do,” says Akin, Gump, Strauss, Hauer & Feld chair Kim Koopersmith, 55, who succeeded R. Bruce McLean, 65, in 2013. “The succession process sets the tone, and getting it right is so important.”

THE NEW DEMOCRACY

Latham’s electoral system puts it in the minority among large U.S. firms. In contrast to Magic Circle firms, where leadership campaigns are lively and public affairs and elections are viewed as a genuine referendum on leadership, the vast majority of U.S. firms that have a vote don’t have a real horse race. Two-thirds of firms responding to our survey had a partner vote, but only one in four had more than one candidate on the ballot.

Though Latham has always had contested elections for executive committee and chair seats, a lot has changed since 1994, when its 225 partners were concentrated in Los Angeles, and Dell, a San Francisco litigator, ran as a relative dark horse against two better-known partners. Now, with offices in 14 countries and triple the partner head count, the challenge was different. “How do we create something that will allow our partners to feel their opinion is meaningful and that it’s not a decision that’s going to be dictated from above?” Dell says.

The executive committee tapped Miles Ruthberg, the global litigation chair, to update the firm’s electoral system. “It was important that people walk away with the feeling that the process had been fair,” he says, “and that it had been dignified.”

Ruthberg, a math major who studied up on voting theory for the task, put together a 15-member committee dominated by younger partners from diverse practices and offices. “We wanted to make sure the people involved were those who were going to live with this future leader,” Dell explains. Dell didn’t nominate or endorse anyone, even in subtle ways, he says.

Interviewing all 640 equity and income partners, now spread across 31 offices, was no longer feasible. The committee spoke only with those interested in contributing their thoughts about where the firm should be headed. Ruthberg interviewed Dell on camera about his job, uploading the video onto the firm’s intranet. “Many partners apparently had no idea what I did,” Dell says, laughing [see “A Day in the Life,” page 59]. In January the committee formally opened a two-week nomination period. “We actually—deep breath—got 38 nominees in a two-week period,” Ruthberg says. The committee spoke with each nominee to ascertain interest.

A dozen candidates stayed in the race, but most weren’t known outside of their office or practice area. Videos of interviews with each were posted on the firm’s intranet. In February the committee ran a straw poll, where partners submitted unranked lists of the five strongest contenders. That narrowed the field to seven.

To give every partner a chance to interact with every candidate, however, the number needed to be smaller. In March, after candidates had a chance to mingle with their partners at the annual retreat, partners were asked to rank their top three choices. By late April, the numbers were crunched, and the three whose names would be on the actual vote were announced. For the next six weeks, Greenberg, Sheridan and Voge each visited more than a dozen offices for meetings and presentations.

Though some older partners complained that the process was too involved, Ruthberg says that all steps were necessary. “We wanted to give dark horse candidates a chance,” he says.

For Sheridan, the race ended abruptly on July 11, a week after the Gates deal closed, when he placed third on the first ballot. “It was a little disappointing,” he says, “but to be one of the last three of dozen partners put forward—I felt privileged to be part of the process.”

Greenberg, who made it to the final voting round, also has no regrets. As a relatively young partner working mostly in the United States, the whirlwind visits gave him invaluable time with partners around the globe whom he otherwise would not have met, he says. Neither will have to wait long if they choose to run again: Voge promised to serve just one five-year term. “I told people I don’t think I’m in this beyond age 63,” he says.

TO LATHAM PARTNERS, THE UPSIDE OF ELECTIONS IS OBVIOUS: the sense that partners have a real say and that in a public contest, the strongest ideas and talent will rise to the top. But while the process worked for Latham—a top-tier firm where Dell is revered, where earnings have consistently increased and where no candidate proposed to break with Dell’s strategies—any contest pitting the firm’s most powerful lawyers against each other presents risks. “You come up with a vision of how the firm should be run, but partners choose the other version,” says a leader of a firm that shuns such contests. “Best case, there are one or more visible losers. Worst case, you lose one of your most valuable lawyers.”

White & Case’s partnership voted to institute direct partner enfranchisement in 2007. Any partner can put his or her name in the hat, and the winnowing process is unmediated by a committee; rounds of balloting alone determine the winner. In his successful run for chair in 2007, Hugh Verrier, then head of the Moscow office, initially faced seven nominees, which narrowed to four and then two. After the election, two finalists left, and three others retired. (Verrier’s reelection four years later was uncontested.) “You have powerful rainmaking partners...
running for the position, who have no experience of losing anything, so they take the loss very personally,” says a White & Case partner, asking not to be named.

The risk of alienating a firm’s biggest assets—rainmaking partners—remains as long as there is any kind of a balloting process, even if the voters are a subgroup of the partnership. At Baker Botts, for instance, 30 of the firm’s largest equity holders nominate and choose the next managing partner, with candidates facing as many rounds of secret balloting as it takes to reach a majority for one candidate, who is then presented to the entire partnership for an up-or-down vote.

In 2003 Walter Smith won in a contested race following four ballots. But a partner who had been initially interviewed as a potential candidate soon left the firm. “Everything we did was designed to minimize hard feelings and to emphasize teamwork and collegiality,” says Smith’s successor, Andrew Baker, who was elected in 2012, “but it’s impossible to control.” (Baker says neither of the two other 2012 contestants have left the firm.) Despite the complications that the electoral system may introduce, “having an open system builds confidence,” Baker says. “Transparency has its burdens, but the benefits are that people know where they stand. There’s no hiding the ball.”

THE HAND-PICKED SUCCESSOR
At the other extreme are the firms that see little or no need for formal consultations; about one in four firms in our succession survey said that no partner participation was required in the selection of new leadership.

Typically in such firms, management or the executive committee appoints the top executive. In rare cases, including Jones Day, the incumbent selects his or her own successor. The firm has no executive committee, and partners have no vote, period. “Put aside for a second democratic concerns,” says one senior Jones Day partner. “Who should know better what kind of skill set is good for a firm than the person who’s been running the firm for eight to 10 years and who has that skill set? It's a very logical system.” The practice, in place since 1928, eliminates voting blocs and political cliques. A consultant described it as “seamless.”

“You have to look at the results. It seems to be working,” the Jones Day partner says, referring to the firm’s consistent financial growth and stability. “Why would we even think about changing it?”

Jones Day’s practice is exceptional, but even at firms with a voting tradition, powerful and popular leaders may dominate the process. Four years before Scott Edelman, now 50, took the reins at Milbank, Tweed, Hadley & McCloy in 2013, Mel Immergut—elected chair in a two-way contest in 1996—announced to the partnership that Edelman was his choice to succeed him. Immergut, a commanding presence who reshaped the firm into an elite player in the high-end legal market, knew that Edelman was approaching the two-term limit on his executive committee seat, so he sought permission to create a vice chair position and then asked partners to elect the young partner into it, portraying the move as an intermediate step to the top job. In March 2013 Edelman, who by that time had built broad support for a bid during his six years in management, ran unopposed for chair.

The lengthy transition, far longer than the six months that consultants generally recommend, had an upside. “During that period, both our partners and potential lateral partners knew exactly who they were getting as a leader in the future,” Edelman says, “and they took comfort from the greater certainty about the future direction of the firm.”

Most firms don’t have such a clear-cut choice: Milbank has very few partners in management roles (though the firm has recently expanded its executive committee from three to five).

Having the incumbent pick his or her successor promotes stability, but it has a downside, says Patrick McKenna, a law firm leadership consultant. “It sends the message,” he says, “that there is really only one way to get things done.”

THE MIDDLE GROUND
Firms have moved toward greater financial transparency in the wake of the Dewey & LeBoeuf scandal as well as the implosion of firms including Brobeck, Heller Ehrman and Howrey. But such high-profile management failures have not triggered a stampede to more vigorous electoral systems, consultants say. “If anything, in the long run, we’re moving in the opposite direction,” says Hildebrandt.

Few U.S. firms have the stomach for Magic Circle-style open contests. But most, in a nod to partner input, include partners to varying degrees in the nomination process; an actual vote, if there is one, may be an afterthought, with a single candidate presented for an up-or-down vote.

Hogan & Hartson’s leader had always been selected by the firm’s board, putting it toward the Jones Day end of the continuum. But Lovells, which merged with Hogan in 2010, had a robust elective tradition. In U.K. firms, “there is a tradition that people who don’t win, leave, and sometimes they’re your best people,” notes Hogan Lovells former co-CEO J. Warren Gorrell Jr. Ultimately, prompted by Gorrell, Lovells’ vote was abandoned, but as a compromise, partners were individually consulted by the board prior to Stephen Immelt’s appointment as CEO this July. “Whilst we didn’t have the hotly contested element we had,” says Nicholas Cheffings, the firm’s board chair, “we do have a very, very extensive engagement with individual partners.”

Some other firms with dual U.S. and U.K. roots established a hybrid system. For example, DLA Piper, the largest firm to undergo a recent succession, announced new global co-chairs and global co-CEOs in February, effective next Jan. 1. But while the appointments of co-chair Nigel Knowles and co-CEO Limon Levine required formal ratification by partners in the interna-
tional verein, the appointments of co-chair Roger Meltzer and co-CEO Cameron “Jay” Rains didn’t require approval by the U.S. partnership, according to the firm.

Other firms have also resisted moving toward a more open contest. When Robert Giles announced he was stepping down after 29 years at the helm of Perkins Coie, the firm reached out to Dell and several other firm leaders to learn about their succession processes. “We were a little out of practice” at successions, says Bruce Dick, who oversaw the Perkins effort. Ultimately, Dick’s task force chose a middle road. The new, formalized process includes partner consultations and confidential interviews with nominees. A nomination committee recommends a single candidate to the executive committee, which makes the final decision. In May the process led to the appointment of John Devaney, 56. “Latham has a vote for every position,” Dick says. “It’s in their DNA. But there are different ways of achieving the same result. This wasn’t a popularity contest. It was a very intensive outreach effort, and partners felt they were included.”

Ropes’ policy committee likewise followed a process of intensive consultations with individual partners ahead of naming David Chapin managing partner at the end of 2012. “Our culture says it’s important that partners have a say,” says Malt, the firm’s longtime chair. “But we don’t believe in a process where you say you’re collegial, then you have a forum where you pit partners against each other. That’s not the way industrial companies work. When IBM changes its CEO, they don’t call for a shareholder vote; the board makes the decision.”

Even in the moderate middle, the vetting process may be intense. Long before the end of his term, Bryan Cave chair Don Lents began pulling together detailed material about his role and what the job involves, as well as historical background about past succession procedures. But in a new wrinkle this time around, five finalists winnowed from an original 11 were subject to six hours of psychometric testing, including a battery of online questions and an interview with consultants.. The finalists faced the executive committee twice for interviews, and were asked to run a mock executive committee session. Ultimately, just one, Theresa Pritchard, was put before the partnership for ratification. After a nine-month transition, her five-year term begins next month.

### THE FUTURE

While experts say that there’s no groundswell toward either extreme, there is change afoot in governance structures. “Size has changed everything,” notes Hildebrandt. Firms like Milbank and Orrick, for example, expanded the number of management roles as part of governance reviews triggered by a succession. Hildebrandt says he expects to see more “partner boards” to evaluate policy and strategy; such boards are typically large enough that many offices and practice groups can be represented, in contrast to the smaller management or executive committees that have traditionally helped the managing partner run the firm.

Future leaders are likely to serve shorter terms, given that they’re often older than their predecessors [see “Class Profile,” page 56]. “It’s the right thing to have turnover more often, to have fresh perspectives. More people are concluding that 20 years may not be the optimal length of time to run a firm,” says Akin Gump’s Koopersmith. Like Koopersmith, a former U.S. managing partner, they will also generally be very experienced in management, whether as practice group leaders or in top committee roles.

And increasingly, they will be found in places beyond the home office. The location of the person filling the seat “doesn’t really matter as much anymore,” says Hildebrandt. More global firms may follow Baker & McKenzie or White & Case’s example, where leaders come from all over the world. Recent chairs at Baker, for instance, came from Paris (Christine Lagarde), Chicago (John Conroy Jr.) and Sao Paulo (Eduardo Leite, the current chair).

In the end, there is no right or wrong succession process, say consultants and law firm leaders. The best is one that takes into account a firm’s history, traditions and partner expectations and that produces the strongest and broadest mandate for a new firm executive to carve his or her own path. “What all of us are doing is struggling to find the place on that continuum that feels right for our culture,” says Malt.

But becoming the firm’s new leader is actually the easy part. “What’s clear is this: A law firm leader’s legitimacy is earned through performance in the job, not conferred by this or that process,” says Peter Kalis, K&L Gates chairman for 17 years. “No process can immunize a failed managing partner from the consequences of his or her failure.”

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**Firms with mandatory retirement age for leaders**

| Percentage | 47% |

**Average age of firm leaders in our survey**

| Average Age | 59 |

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