

PRACTICE MANAGEMENT: PLANNING FOR SUCCESSION

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As the median age of Nevada's legal population continues to increase, it is time to start thinking about two things no one likes to discuss: mortality and succession planning. Now might be a good time for attorneys to start thinking about and putting into place succession plans in case of an untimely death or an illness that could prevent them from properly handling client matters.

Such planning is particularly important for solo practitioners. When lawyers are part of a firm, there is an assumption that the other lawyers in the firm will step in to handle these matters, according to *Wisconsin Lawyer*. However, sole practitioners have fewer resources at their disposal.

The state bar and ALPS have put together a comprehensive checklist for closing a practice and winding up your business. These topics are never easy to discuss and plan, but this checklist will help you get started:

- Build out a timeline and assess the status of all active matters.
- Notify staff of your plans; you will need their help.
- Cease taking on any new matters.
- Bring to completion and close as many active matters as you can.
- Give notice of termination for all rental or lease agreements.



A proper succession plan will help you and your clients. Look at management positions: the vital roles in the organization that need to be filled to function successfully.

- Notify all clients about your plans on matters you are unable to complete.
 - This letter should advise them that you are unable to continue representing them and that they will need to retain new counsel. Also:
 - Inform them about relevant time limitations and time frames important to their matter. Explain how and where they can obtain a copy of their file and set forth a deadline for doing so.
- Provide active clients with copies of their file and keep your original files. Tips include:
 - Clients who pick up their file should sign a receipt.
 - Clients who wish to have their file transferred to another attorney should sign an authorization for you to do so.
- Notify the court, including:
 - Discuss pending court dates, depositions or hearings with each applicable client.
 - Request extensions, continuances and the resetting of hearings when appropriate.
 - Send written confirmation of these changes to opposing counsel and your client.
 - Obtain permission to submit a motion and order to withdraw as attorney of record.
- Confirm your withdrawal. If you have matters pending before an administrative body or court, pick an appropriate future date to check and confirm that a substitution of counsel has been filed and/or that your motion to withdraw has been granted, and then follow through.
- Notify all clients of your file storage arrangements, including:
 - Letting them know where files will be stored, how they can obtain a copy if ever necessary, and if not previously addressed, set forth your file retention policy.
 - If closed files will be stored by another attorney, obtain client permission to have the closed files transferred and provide contact information for this attorney.
- Close out your trust account once it has been audited and reconciled, including:
 - If funds are to be transferred to a new attorney, disburse those funds by making the checks payable to the client and the new attorney.
 - Notify the bar that your trust account has been closed, and maintain your trust account

records in accordance with the rules in your jurisdiction.

- Review your malpractice policy and contact your carrier in order to understand the options and cost associated with the purchase of an extended reporting endorsement, commonly referred to as a “tail.”
- Notify relevant bar associations and professional organizations.
- Deal with client property still in your possession such as original wills, clients’ corporate books, unclaimed funds, etc.

A proper succession plan will help you and your clients. The full checklist, including the list for winding up your business, can found at: <https://www.alpsnet.com/media/774120/checklist-for-closing-your-practice-nv.pdf>.

Large firms might be wise to come up with a plan before starting on the checklist. XYZuniversity.com compiled a list of five keys for building a solid succession plan:

- Make a succession audit. Look at management positions: the vital roles in the organization that need to be filled to function successfully. How many of those positions have a successor already inside the organization? For each role, consider which employees are ready to step into that spot if the current person leaves and which would be ready with some training or mentorship.
- Collaborate with leadership team. Those employees currently in those roles will have a good perspective on what will be necessary to replace them, as well as who in their departments shows leadership potential. Collaboration with the team will also lead to a stronger understanding of what is needed, who is needed and how to carry out the succession plan through career development.
- Communicate plan to involved employees. The best way for your employees to find out you value them and want to see them grow within the organization



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is to tell them. Make it clear that they have a place to grow, and challenge them along the way while training them for their move. Send them to leadership programs, assign mentors, allow them to job-shadow, expose them to others who can help or coach them and give them opportunities to let you know what they want to learn.

- Know where else to look. Not all vacancies can be filled with internal candidates. It's important to bring in new employees outside of your organization who have different ideas and a new perspective. Know who you can trust to help recruit new talent before the need arises.

- Review plan regularly. Businesses evolve and organizations' needs shift. It's important to make sure the succession plan evolves and shifts with the organization and the right employees are receiving the proper development. Regular review will give you an opportunity to make sure the plan is realistic and working.

Don't let a failure to plan put your practice at risk. In addition to the resources listed above, look for a succession planning guide to come from the state bar, which will include sample forms, helping you prepare for a smooth transition out of your practice, should the need arise. **NL**

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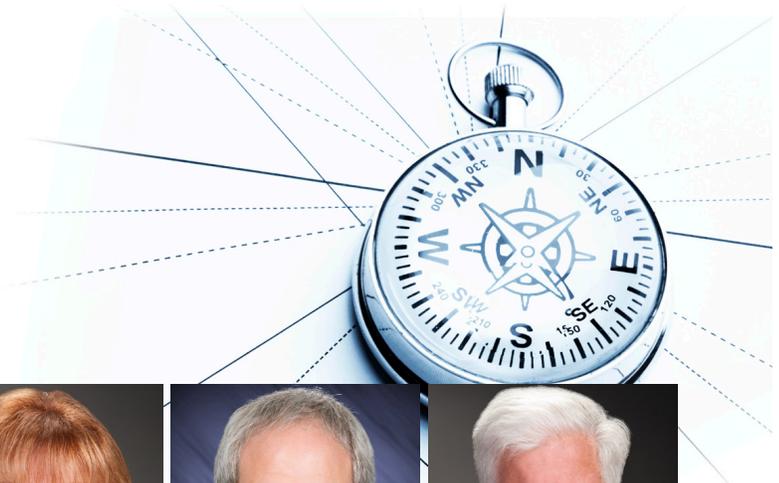
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