



**SUCCESSION PLANNING CASE STUDY:**

# Macpherson Kelley

This straight-talking law firm found a clever approach to creating its own succession pipeline and to helping clients with leadership change.

# Keeping future fit for business

**At progressive law firm Macpherson Kelley running its own business school helps to deepen understanding of clients' succession issues and to bring on a new generation of leaders.**

Succession planning is high on the business agenda of commercial law firm Macpherson Kelley. It's currently transitioning ownership to its next generation of shareholders and has developed its own business school to equip its lawyers with the commercial smarts required to help clients and for future leadership.

Grant Guenther, Macpherson Kelley's National Managing Principal lawyer, says the business school serves both as a valuable attraction and retention tool at the firm, which operates offices in Australia's eastern states, as well as an important succession pipeline.

"Law schools don't train lawyers to think about the commercial side of business," Guenther says.

"However, it's something that our clients demand of us, and we are now moving into the latest group of stewards who will see the firm through the next 10 or 20 years.

"Of the group of 18 that are undergoing this succession, about 80 per cent have participated in the business school at some point."

## Leaders of tomorrow

Macpherson Kelley has been in practice for 117 years and employs approximately 300 people. Its core client segment comprises medium-to-large privately owned businesses across a range of industries.

Guenther says succession planning is an important advisory skill for its lawyers. "We act for clients where succession is on their mind almost all of the time," he says. "This is something we

live and breathe from a client point of view. We also need to understand how their business operates, and that's another motivation behind our business school."

Macpherson Kelley's business school was launched more than 15 years ago with a single program and has expanded over the past five years with a series of programs for junior to senior employees.

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GRANT GUENTHER, NATIONAL MANAGING PRINCIPAL LAWYER, MACPHERSON KELLEY.

Its Business Bootcamp program, for instance, is designed to teach junior lawyers about the basics of being in business, while the Your Career II program helps senior associates to understand the kind of business that they would like to develop.

"We have designed the business school framework, but we get external support on various topics along the way," says Guenther.

"We recently held our Your Career II program and 37 people within our senior lawyer group came together," he adds. "This is an extremely important group for ▶



## GRANT GUENTHER'S TIPS FOR SUCCESSION PLANNING:

### 1 FOCUS ON CULTURE

"Build the kind of firm that people want to be a part of."

### 2 CREATE TRANSPARENCY

"Be clear about what outcomes are important to achieve and what succession and ownership would look like."

### 3 CHOOSE SUCCESSORS WISELY

"Do it with people that you can see yourself in business with for a long period of time."

us, so we need to keep them engaged in thinking about how they can help us get to where we want to be.”

### Future fit

A progressive firm with clearly defined values including ‘talk straight’ and ‘play as a team’ and ‘better each day’, Guenther says Macpherson Kelley is also committed to building a diverse workforce.

Two of the firm’s four office managing partners are women, as are seven of its 18 upcoming successors. “Of those seven, four or five of them will work part-time,” says Guenther. “We are mindful of the value that diversity achieves at all levels.”

The firm’s process for succession has evolved in recent times along with its ownership model. Over the past decade, it switched from having three main owners who were active in the business, to being about 25 per cent owned by a wide collection of people from outside the firm.

In the past two years, it’s changed again to having all of shares held by people inside the firm, says Guenther. “During this time, our next group of stewards have grown their ownership from less than 5 per cent to more than 25 per cent. Within about six months, they will take over majority ownership of the firm and within 24 months, they may own hundred per cent,” he explains.

Guenther describes Westpac as an important partner in unlocking these succession plans.

“It’s one thing to want to do this, but you also need to match that with the capacity to do it and to do it quite easily,” he says. “It was clear that Westpac understood our business really well and what we were trying to achieve.”

### Succeeding in succession

Guenther describes the firm’s culture as a “gateway” to succession. “We think it’s important to have some clear criteria around what we think makes a good business partner and owner, and what opportunity that presents for people, if that’s something that they desire in their future,” he says.

“If you can’t live and breathe our values as a firm and be a trusted participant in our ownership, then the rest of the metrics, whether financial or non-financial, don’t really matter to us.

“Our next generation of shareholders will be the driving force behind the firm for the next window of time,” adds Guenther. “I’ve got a lot of hope and excitement for where it evolves to from there.”



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