5 Due Diligence Steps For A Successful Succession Plan

By **Ronald Levine** (August 20, 2026)

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In recent years, the legal community has devoted considerable attention to mandatory retirement ages for judges — most recently in the New York Court of Appeals' June 18 decision in In the Matter of Miller v. State of New York, which upheld the state's constitutional requirement that certain judges retire at 70.[1]

The decision sparked a broader conversation about whether that limit remains appropriate in an era when a 70-year-old can expect to live, on average, nearly 15 more years. Should judges be forced to retire? How should their transition be handled? Are extensions appropriate? How should the judge's invaluable knowledge and experience be preserved?

While retirement policies governing the bench are being closely scrutinized, attention must be paid closer to home. Law firms need to do a better job addressing their own policies and practices. In response to a poll at the Legal Marketing Association's April conference, 55% of attendees said their firm has no succession plan in place.[2]

This is a business-of-law risk — one that matters to firm leaders protecting revenue, lateral candidates evaluating promised origination and investors assessing enterprise value.

All three groups should be asking the same question: Is there a real transition plan, backed by evidence, or just an assumption that the client will stay?

Private equity already treats this kind of exposure as diligence material. Investors routinely look at governance quality, management continuity and succession readiness before committing capital.

Law firms have largely avoided that discipline because most remain private partnerships. Without outside investors demanding accountability, the pressure to document and test succession plans has rarely materialized. Senior partners do not have to deal with constitutional requirements, like those in Miller, mandating retirement.

The bottom line is simple: Succession planning should not be treated only as internal leadership development. It should be tested as part of diligence, compensation design, lateral recruiting and client-retention strategy.

1. Start with a succession risk inventory.

Many firms have never taken a formal inventory of succession exposure.

A credible transition plan is documented, dated and specific. It identifies clients concentrated with a single lawyer, names successors, sets timelines, and assigns responsibility for transferring both relationships and institutional knowledge.

Imagine a firm having a top real estate client that produces millions in annual revenue, but whose relationship sits almost entirely with one senior partner. If the only succession evidence is a younger partner's name in a spreadsheet, the firm has not reduced its exposure. It has merely labeled it.

Good diligence starts with three questions: Which clients depend heavily on one lawyer? Who else has real relationships with those clients today? And what important knowledge exists only in one person's head?

A diligence reviewer should ask for, at minimum:

- Client concentration by responsible partner;
- Age of and expected transition timeline for key relationship partners;
- Identified successors and their current level of client contact;
- Evidence of successor-led meetings, matters or budget discussions;
- Written client playbooks and knowledge-transfer materials; and
- Governance oversight, including committee review and compensation consequences.

A senior partner may be the only person who knows why a critical decision was made years earlier in a complex matter. If that knowledge has never been captured, it can disappear the day the lawyer retires.

2. Test whether the runway is real.

Good intentions are not evidence, and introductions are not relationship transfers.

Meaningful client relationships rarely transfer in a year or two. Successors usually need a multiyear runway to earn credibility by leading difficult meetings, managing matters independently, navigating setbacks and becoming the lawyer the client calls first in a crisis.

Being introduced to a client is not the same as becoming that client's trusted adviser.

A client may politely welcome a successor at lunch, but that does not mean the relationship has moved. The better sign is when the client calls the successor first about a pricing issue, a board-level concern or a matter that has gone sideways — without looping in the retiring partner.

Diligence should look for proof: Has the successor led client meetings? Managed significant matters without the senior partner? Received direct client outreach? Participated in fee discussions or strategic planning?

If the answers are no, the transition is aspirational — regardless of how confidently leadership describes it.

Successors also need to be prepared, not just identified. Business development training, client relationship experience and leadership development help determine whether the next generation can preserve what took decades to build.

3. Governance must be enforceable.

Even well-designed plans fail without enforceable governance.

The real test is what happens when a senior partner resists transition — when the refrain becomes, "the client will never accept anyone else." Without written policies and clear leadership authority, the firm is left hoping the problem resolves itself.

Governance structures should answer uncomfortable questions directly: Who monitors transition progress? Who can intervene when timelines slip? Can compensation be affected?

For example, a management committee might require quarterly updates on every client above a defined revenue threshold: Have successors led meetings? Received direct client contact? Joined strategic planning? Without that cadence, even a sensible plan can drift for years without anyone acknowledging that nothing has changed.

Compensation is central. Systems that reward only origination and current billings encourage senior partners to retain control and give successors little reason to invest in relationships they may never inherit. A credible succession strategy rewards successful transitions — not just successful ownership.

4. Do not leave the client out of the plan.

The most overlooked question is also the simplest: Has anyone told the client?

Ethics rules also make client communication part of the analysis. Rule 1.4 of the American Bar Association's Model Rules of Professional Conduct requires lawyers to keep clients reasonably informed about material developments in the representation. A planned change in relationship leadership should be something the client understands before it becomes urgent. Diligence reviewers should look for evidence — not assumptions — that clients have been informed and know the lawyers who will eventually serve them.

The conversation need not be dramatic: "Over the next two years, Susan will increasingly take the lead on your matters, while I remain involved to ensure continuity." What matters is that the client hears the plan early enough to develop confidence before the transition becomes a crisis.

The strongest evidence of a transition plan is often a written client playbook that captures communication preferences, strategic history, budget expectations, key internal stakeholders and institutional knowledge accumulated over years of representation. If that knowledge lives only in one partner's memory, it can be lost when that partner is no longer available — whether through retirement, illness or unexpected departure. The absence of a playbook for a firm's largest clients should itself be treated as a diligence finding.

5. The cost of inaction is a diligence finding.

Organizations usually discover weak succession planning only when succession becomes unavoidable.

Firm leaders often find the weakness after an unexpected retirement. Laterals learn that the promised book of business was really one partner's personal network. Investors learn the truth when a marquee client leaves within months of a celebrated partner's retirement party.

The warning signs often appear only in hindsight: The successor was never invited to budget discussions, never handled the client's most sensitive matters and never built relationships beyond members of the client's legal department. By then, the client may already be testing the market.

In every case, the cost of repairing that damage far exceeds the cost of preventing it.

Conclusion

Succession planning should become a recurring governance discipline, reviewed with the same rigor as conflicts management, cybersecurity and financial controls.

Lateral candidates should ask to review transition plans before signing. Investors should build succession readiness into underwriting. Firm leaders should assume both groups are already asking.

The firms that stand out will not be the ones with the most elegant policies. They will be the ones that can produce evidence of preparation: transition audits, client playbooks, committee minutes, documented timelines and measurable progress.

In due diligence, confidence is not enough. Proof is. And for law firms that wait until a rainmaker announces retirement to find it, proof may come too late.

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[1] NY High Court Upholds Mandatory Judge Retirement Age, Law360, June 18, 2026.

[2] "LMA 2026 – Succession Planning: What is Actually at Stake and Why Firms are Struggling," Passle, April 29, 2026.