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Leadership Succession in Private Professional Services Firms

Twelve core principles for ensuring a successful outcome and transition

Choosing their leaders, and managing a successful transition, can be pivotal moments in the evolution of a private professional services firm. On the one hand, a CEO or managing partner transition can be the catalyst to transform the purpose, culture and performance of an organization. On the other hand, a firm might look back to a CEO transition as "the time we started to lose momentum" — even if the change was made from a position of strength.

As firms grow, they typically strengthen their governance structures and practices. Most sizeable firms will have some form of executive committee led by a CEO or managing partner and a board led by a chair or senior partner. The managing partner and chair roles, occasionally combined into one, will usually last for terms of three to five years, and it is not uncommon for people to serve more than one term. The process for selecting these leaders varies significantly across firms, ranging from the relatively straightforward (e.g., only one candidate with the broad support of the partnership) to the complex, fragmented and potentially divisive (e.g., multiple candidates with polarizing views and fragmented support across the organization).

The reality is that most boards in private professional services firms do not have much experience in managing succession and getting this process wrong can be very painful, with potential fall-out lingering for many years. As a result, more firms are turning to organizations like Spencer Stuart for support and advice in this area. When working with private professional services firms, we typically help design the succession process and provide in-depth, objective assessment of candidates and help them with their development. Although we do not get involved in the final decision, we are often asked to facilitate the decision-making process in a way that minimizes bias.

What follows are our 12 core principles for successful CEO succession planning in a professional services context. We use the term "CEO succession," although the principles remain valid for whatever role or title your firm may use.

1. Create clear governance
2. Know what success looks like
3. Design role profile based on context and strategy
4. Allow time for candidate development
5. Engage the partnership and key stakeholders
6. Communicate effectively
7. Assemble the best candidate slate
8. Assess candidates rigorously
9. Don't rush decision making
10. Make the most of year one
11. Take care of unsuccessful candidates
12. Capture the learning

1. Create clear governance

When it comes to how they choose their leaders, no two private professional services organizations have identical approaches. What is important is that all firms periodically review their governance to ensure it is fit for purpose for the future. Governance includes a range of dimensions, from roles and responsibilities, term limits and voting thresholds to campaigning rules and emergency succession. (See the appendix for our comprehensive CEO succession governance framework.) For the purposes of this document, we will assume a specific nominations committee (NomCo) has been set up to manage the succession process, although boards may choose other structures, such as a special working group, or even involve the entire board. As a general rule, the incumbent should not play a formal role in the process to find their successor — although by nature of their position and influence they can be an important sounding board for NomCo. At the very least, you will want to ensure they are aligned with the process and any related communication.

2. Know what success looks like

In order to select the best leader for the future of the business it is important to define what "best" means. Ultimately, the performance of the candidate selected for the role will be the primary measure of success. However, there are a number of other dimensions of success that should be kept in mind, including:

- Running a high-quality process.
- Preserving cohesion and avoiding polarization in the organization.
- Minimizing unnecessary or extended disruption to the day-to-day running of business, including maintaining client focus and continuity.
- Avoiding unwanted external attention that could affect the integrity of the process.
- Retaining the unsuccessful candidates.
- Managing the transition of the outgoing leader(s).
- Energizing the firm and ensuring that the new leader hits the ground running.

3. Design role profile based on context and strategy

The succession process should be grounded in the core strategic principles of the firm. If the strategy has been clarified recently, so much the better. If not, this process can offer the opportunity to do so, soliciting input from the partnership.

We believe that context should be a key component of any discussion about a change in leadership. Both the internal and external context can change significantly from one election cycle to the next. Whatever the situation demands — status quo, incremental change or transformation — it is important to define a specification which comprehensively captures the role, responsibilities, ideal experience and desired capabilities. This will form the blueprint for shaping the candidate slate, assessing candidates and taking the final decision. If you are seeking to appoint multiple roles, such as a chairman and a CEO (or a senior and managing partner), then clearly this process must be repeated for each.

We have found that getting this part of the process right is critical and can actually be cathartic in focusing the client on the questions: "Where are we as a firm? Where are we going? What do we want in our next leader?" Dusting off the specification from the last cycle and assuming it remains fit for purpose would certainly not be seen as best practice.

4. Allow time for candidate development

The core process to select a leader itself might typically take 6–12 months. However, the identification and development of potential candidates needs to start far earlier. The transition from being a leader to being the CEO is a very significant step, and potential candidates will benefit from early feedback and development support in building broader firm leadership capabilities, which are different to client leadership capabilities. The biggest differences between these two are usually found in the following areas:

» **Strategic acumen** — thinking longer term and industry wide rather than solving client problems with a shorter time horizon

» **People leadership** — becoming a leader of leaders as opposed to relying mainly on direct influence

» **Functional leadership** — shaping functional strategies in technology, marketing, risk, finance, people, etc.

» **Financial acumen** — thinking through the broader P&L and, in particular, the balance sheet rather than client revenue

» **Communication** — understanding and responding to the needs of a much broader set of internal and external stakeholders

It is important that candidates gain exposure to the board. If this does not happen naturally, it can be achieved through programmatic development or through candidates' involvement in strategic projects when the board is the client.

Development is also critical in helping potential candidates address their own personal blind spots to ensure they don't become future derailers. We typically think of development as having three components:

1. **Chessboarding.** This is where a potential candidate is given a new leadership role, or responsibility for a strategic initiative, to address an experience or capability gap. For example, moving a leader whose experience has been limited to one region elsewhere in the world; putting them into a global role; or giving the leader of an industry practice a geographic P&L role. Contrast the example of firm A, where the two finalist candidates brought both regional P&L and global industry practice leadership, with firm B, where none of the five candidates brought any leadership experience from outside of their home region. Ideally, the latter would have recognized this gap much earlier and found a way to give the candidates broader international exposure.
2. **Programmatic development.** These are usually cohort programs aimed at building broad firm leadership skills and expanding networks. Examples include a bespoke program designed and delivered for a specific client by a firm like Spencer Stuart; the Leading Professional Service Firms course at Harvard; or an in-house program designed and delivered by the firm's L&D team. These will often focus on the firm leadership skills highlighted earlier.
3. **Individual coaching and mentoring.** Coaching is aimed at addressing a range of individual, and often highly nuanced, behavioral issues such as the inability to delegate, imposter syndrome, slowing down to create space to think, developing empathy and managing conflict. Mentoring can accelerate development by leveraging the experience, wisdom and trust of a more tenured leader. Both of these activities will typically be done on a 1:1 basis and will often involve a third party, although some firms have had success by leveraging internal coaches or mentors. Most successful leaders today point to the impact that great coaches and/or mentors have had on their personal and professional development.

The key observation is that development takes time. If the development gaps of a leader are identified two to three years before the succession decision is to be taken, then they have to opportunity to reflect, address the issue and improve performance. Informing a candidate about their development needs a few months before the decision leaves insufficient time for them to address any deficit. We often hear candidates remark: "I really wish I had had that feedback two years ago. I might have been able to do something about it."

It can, however, also be a mistake to focus too early on a small set of candidates. First, it is not always straightforward to identify the credible candidates 2–3 years out, given potential shifts in the strategy and context. Second, you risk creating the perception of a horse race with unwanted dynamics and competition. Best practice is to have a structured, always-on development process that is part of the firm's leadership development strategy. This could involve a component of programmatic development (e.g., once someone reaches a leadership role of a certain scale they go through a cohort program), followed by individual coaching, mentoring and feedback. It is helpful to have the NomCo, the board or some other body looking at the big picture and working with the incumbent CEO to ensure a pipeline of credible candidates will be available once the formal process kicks off.

5. Engage the partnership and key stakeholders

Partners are usually owners and expect to be treated as such when it comes to critical leadership decisions. It is important that they can contribute to defining the key leadership attributes and selection criteria against which candidates will be assessed. They will expect to be consulted, kept informed and given the opportunity to influence the final decision in some way. This is one area where the succession process in private professional services firms varies significantly from the corporate world.

The first piece of advice we would have for a NomCo is to view the partnership as a positive source of energy, ideas, insight and wisdom. Do not fall into the trap of viewing them as a nuisance or take the attitude: "We had better communicate something or they'll start complaining." Partners recognize and appreciate when they are being taken seriously, and their views valued. The second is to recognize that there are many ways of engaging with the partnership, including:

- Online surveys to gain input on strategic priorities, initial candidate selection, process choices and ongoing "temperature checks"
- One-on-one discussions between NomCo members and individual partners
- Smaller group sessions (informal daytime meetings, over dinner or virtually)
- Larger or full partner meetings

These are all sources of rich input, but they will need synthesis and careful interpretation. Partners can sometimes focus on short-term, local issues rather than thinking longer term and globally. There can also be a temptation to swing from one extreme to another. If the incumbent has lost control over costs, then cost control can dominate the agenda.

Or, if the current regime is perceived as too corporate and controlling, there might be a buzz about "returning power to the front line."

In larger partnerships, where people may not have full visibility on all candidates, succession can turn into little more than a popularity contest.

With all those caveats, partners appreciate and expect to be listened to, and the information gathered can be highly valuable in ensuring that the NomCo is broadening its aperture and reducing the impact of its own biases and blind spots.

One issue that is often overlooked is that next-gen high performers may be well known to the board and senior management team but may be less well known to the partnership at large beyond their core area or practice group. It is critical that, in tandem with their development, a mechanism is found to raise their profile across the firm's network.

6. Communicate effectively

"We don't really know what is going on" is a common sentiment in the corridors, even when the NomCo is actually communicating extensively. So, start with the assumption that you need to communicate a lot more than you think, even if it is to reiterate previous messages or provide process updates.

It is advisable to develop a structured communication plan from the outset and ensure that every NomCo meeting has this as a standing item on the agenda. This would involve defining the key audiences (e.g., the board and management team, the broader partnership, the candidates, the rest of the firm, the media) and tailoring communications accordingly. The plan should include maintaining a log of what has been conveyed to each audience and what needs to be included in the next phase of communication. NomCo members should informally check in with individual partners to identify any gaps in the communication process.

The NomCo also needs to be crystal clear about confidentiality. Remember that the "corridor chat" in a private professional services firm is a powerful mechanism, so be pragmatic about what you would like to, and realistically can, keep confidential. In one firm, the names of the five candidates were officially kept confidential, although each candidate was allowed to nominate an inner circle of partners as their confidential advisors. In another, the names of 10 candidates were made public and an update was given to the partnership as that list was whittled down. There is no right or wrong way, but the NomCo must stick resolutely to whatever rules are agreed and ensure that there are absolutely no leaks. In our experience, this is easier said than done and no more than 50% of NomCos would pass the confidentiality test.

7. Assemble the best candidate slate

Sometimes this can be relatively straightforward ("Everyone knows that Elizabeth and Pierre are the only two candidates"), but other times it can be complex, for example when dependencies arise ("I am not going to run if Rohan runs" or "If these are our only two options, I may consider putting my hat in the ring").

Potential candidates can also badly misread the environment. In one client organization, a year before the decision, one potential candidate said to the other "Well, it's going to come down to you or me, so may the best man (sic) win." The recipient of this message actually decided not to run and the person who made this claim did not end up among the final three candidates.

Typically, the NomCo will need to get an early sight of who is interested in being considered and who, at a high level at least, is seen as a credible candidate. Firms typically use a combination of a survey and interviews to come up with an initial long list of candidates, although some firms rely on self-nomination. In general, NomCo members need to think about three groups of candidates:

1. Those who appear qualified or credible and have indicated a willingness to run
2. Those who appear qualified or credible, but who are reluctant to run
3. Those who want to run, but frankly have very little or no chance of being selected

While the first group is straightforward, the NomCo will need to play an active role in managing the other two groups. Often, this will be done behind the scenes as it is very important to maintain confidentiality at this early stage. There may be a number of candidates who have a confidential chat with a NomCo member and then decide not to run; keeping this out of the public eye can be helpful. Although a constitution may allow for a candidate to enter the process right up to the last moment, it is clearly helpful to define a window for nominations relatively early in the process and attempt to finalize the candidate slate during this period.

It is also critical to avoid the perception of insularity. The NomCo must therefore be sufficiently open-minded to look beyond the obvious geographies, sectors, business lines and/or practice areas in identifying potential candidates. This is particularly relevant in a firm where there have been recent mergers or acquisitions.

We often get asked about the ideal number of candidates. This depends to a large degree on the stage and nature of the process being adopted. Starting with 12–15 candidates at the early stages is not unheard of, but in our experience, it is rare to have more than four really credible candidates.

In summary, do not rush this phase; getting the slate of candidates right is one of the most important factors in achieving success.

Sensitive due diligence on candidates

A very important, and potentially awkward, part of the candidate selection is the "personal liability" test. The last thing any firm wants is to appoint a CEO and then find them on the front page of a newspaper because of issues such as substance abuse, inappropriate relationships, previous affiliations or financial impropriety. Best practice will involve three steps:

1. A formal background check using a specialist firm.
2. A specific step when candidates are asked: "Is there anything that could come up that might question your ability to serve as CEO and/or cause embarrassment to the firm?" This may involve asking them if they have done anything that contravenes the firm's formal rules, if these are written down.
3. Listening carefully for any red flags that may arise during internal referencing.

Candidates are human beings. In our experience, approximately one in three will have an issue that needs to be flagged and discussed. This does not always end up with the candidate choosing, or being asked, to step out of the process, but the earlier the topic is addressed, the better for everyone involved.

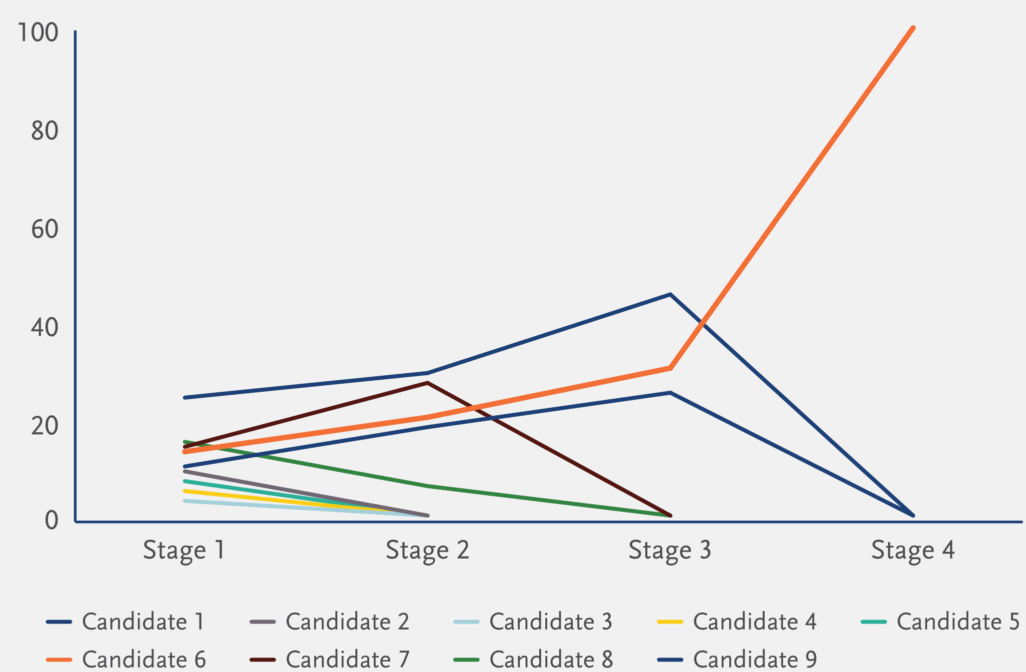
8. Assess candidates rigorously

Assessing candidates and ultimately getting to the right decision is not easy. Even some public companies with significant resources and high levels of visibility and information on their internal candidates can make what they later regard as a poor decision.

As mentioned earlier, taking on the CEO role is a big step for any leader, and in professional services you are almost always assessing candidates for whom this will be their first CEO role (unless they are being assessed for re-election). You can extrapolate some degree of confidence from their performance in other leadership roles to date, but you need to go beyond that to assess against the attributes that separate great from average CEOs.

How support for candidates can shift over time

The graph below depicts a recent client engagement and shows how the implied support for the nine candidates shifted over successive interview stages. The successful candidate was in the middle of the pack initially but gained increasing support at each stage of the NomCo-driven process. This is not atypical and more often than not in our client engagements, the person who starts out as the perceived favorite does not ultimately emerge as the successful candidate.



You need a highly structured approach that enables all decision makers to get a full picture of the candidates on the dimensions that matter most, and one that helps to highlight and minimize the effect of biases. The role specification should cover the range of desired attributes, such as experience, track record on results, core capabilities, learning agility and so on. This specification then serves as the benchmark for assessing all candidates. A typical interview process for a candidate might be as follows:

» A formal, objective and benchmarked assessment of all candidates to help level-set the field, conducted by a firm like Spencer Stuart.

» A "past and present" NomCo interview focused on the career, track record and performance of the candidates to date. This should focus as much on the how as the what and should double-click on difficult moments to understand how candidates cope with adversity. This would usually be augmented by a 360-degree reference process.

» A "future-focused" NomCo interview, in which candidates present a vision paper to crystallize their strategic thinking and priorities for the first year. They may also be given a set of "what if" scenarios, for example, to test their crisis management thinking. NomCo members may also use this opportunity to spend time discussing development areas and mitigation strategies to ensure that these will not become performance derailers should the candidate be selected. Any lingering concerns would typically be shared with candidates ahead of time to give them a chance to address these and consider mitigation strategies. For example, a visionary candidate who is less strong on attention to detail might propose creating a chief operating officer role, or a candidate whose experience is limited to one region might propose living for a period of time in one or more of the other regions.

9. Don't rush decision making

The final decision as to who the next CEO will be is always the primary outcome of a succession process, yet the difference between election and selection is quite significant. In both cases, the NomCo needs to get ahead of the wave and think through potential scenarios well in advance of the decision.

In a contested election, where a short list of candidates is presented to the partnership, the situation is relatively straightforward. The focus is on ensuring that the partners have all the information required ahead of time — for example, candidate assessments, summaries of referencing and the candidates' vision papers. That said, an important decision for NomCo is how much of the detailed assessment and referencing reports to share with partners. Usually, it will be a synthesis, but this can turn into a negotiation with candidates if the rules are not made clear upfront. Candidates will usually have the opportunity to interact with the partnership via virtual or in-person hustings. Thereafter, it should be a simple case of conducting a partner vote to decide the outcome. Voting rules, such as how to handle more than two candidates and/or when someone does not meet the required threshold of support, should be clearly defined as part of the firm's broader governance.

A selection process, in which the NomCo is expected to take the decision itself and present the chosen candidate to the partnership for ratification, can be more complex, especially when there is not an obvious choice. For example, consider a NomCo evaluating the trade-offs between the following three candidates:

» Candidate A: A visionary and brilliant strategist, but with a tendency to polarize
» Candidate B: A well-liked culture carrier and a great people leader, but less strong on implementation and follow-through
» Candidate C: A safe pair of hands, focused on the numbers and operational discipline; viewed as a status-quo candidate

NomCo usually needs longer than it thinks to work through these trade-offs and needs to schedule sufficient overflow time. Pressure to meet a deadline may lead to the wrong choice and/or leave people with a feeling that the process was rushed. Best practice is to capture feedback throughout the process (e.g., via a tailored scorecard after each round of interviews) and to review everything formally before moving to discussion and voting. This helps ensure all data is factored into the decision-making process; it also helps eliminate recency bias.

10. Make the most of year one

There is still much to do once a decision has been reached. The outcome will need to be formally communicated to the rest of the firm, the media and other interested parties. Most firms will have an overlap period of 2–6 months during which the incumbent and incoming CEO will work together. In our experience, a slightly longer overlap can be helpful, especially if the incoming leader is expected to announce their new team early on.

Many CEOs of public and private firms look back at their first 12 months and wish they had done things differently. In a situation where a first term might be limited to four (or even three) years, you can't really afford a year just to get up to speed. Our research indicates that the CEOs who are most successful get five things right early on:

1. Build, align and engage the leadership team.
2. Launch 2–3 "signature moves" to build strategic momentum (while the full strategy is being finalized and cascaded).
3. Engage directly with the "engine room," a group of important constituencies beyond the leadership team (in professional services this could be strategic client leaders, big commercial billers, practice/office leaders, and/or high-potential next-gens).
4. Build a strong, partnership-oriented relationship with the board.
5. Intentionally cultivate personal leadership effectiveness.

Most new CEOs would benefit from a structured transition program, including coaching, to help them stay focused on priorities and provide a safe space to test ideas and express their frustrations and doubts.

Careful consideration should be given to the outgoing leader. If they are leaving, then there needs to be an appropriate farewell. If they are staying with the firm, they will need a reintegration plan; ideally someone will have given this some thought well in advance, and have options developed, even if the ultimate decision may rest with the incoming CEO.

11. Take care of unsuccessful candidates

How to deal with the unsuccessful candidates is an important and often tricky issue, but they will always require some care and attention. However stoic they appear in public, and most will because they care about the firm, they will hurt inside and may benefit from some formal support — from colleagues and sometimes from external experts. These people will always be among the firm's best and the brightest and, for some, this might be their first taste of professional failure.

A first question is: who should take the lead? Should it be the outgoing CEO (who will formally be in charge during the handover period), the incoming CEO, the NomCo, the board, the chief people officer (CPO), the general counsel or someone else? The answer is that is it usually some combination of these people, but sometimes the unfortunate reality is that no one takes responsibility, and the unsuccessful candidates are left feeling unloved and uncertain of their future. In our experience, unsuccessful candidates fall into four segments:

1. **The loyal servants.** Candidates who may have been bruised by the process, but they love the firm and would like to stay and contribute. They may also realize that another chance may come in the future, but that is not their primary reason for staying.
2. **The almost retired.** Candidates who were already towards the end of their career and for whom the CEO role was always going to be their swan song.
3. **The impatient.** Candidates who above all want to be a CEO and who may decide to leave the firm to fulfil that ambition rather than wait around.
4. **The underminers.** Candidates who use every opportunity to undermine the newly appointed CEO out of chagrin or in the hope that they may get their chance when the CEO fails (or both).

The early steps for each segment are the same. After some time has elapsed to allow them to process the outcome, they should have a formal debrief with the NomCo, and the successful candidate should reach out for a conversation about the future.

In some cases that might be awkward, but in most instances it gives unsuccessful candidates the opportunity to offer congratulations and allows an initial discussion about what future might lie in store for them. Thereafter, the strategy may vary as follows:

1. **The loyal servants.** Focus on retention and what opportunities the next few years will bring.
2. **The almost retired.** Agree an appropriate ramp down (which might last a few years) to ensure the firm leverages the experience and capability of the person and secure an amiable departure.
3. **The impatient.** Same strategy as #1: do everything you can to retain them but don't beat yourself up if they decide to leave.
4. **The underminers.** These are trickier as they may be big billers and/or have strong followership. It is worth investing time to get them onside, or at least to get them to adopt a firm-first mindset and minimize undermining behavior. You want to avoid them leaving for a rival enterprise and poaching key staff. We have seen situations where these people can become even greater assets for the firm. However, if their negative behavior continues and affects the mood or performance of the firm, then sterner action may be needed. No individual should be bigger than the firm.

12. Capture the learning

It is rare that everything goes perfectly with these processes, and it can be helpful to reflect on potential improvements while the succession event is fresh in everyone's mind. The NomCo may well have kept a log of things it would have done differently, but it can be helpful to interview other stakeholders — such as the successful candidate, the unsuccessful candidates, the outgoing CEO and the board — to get their perspectives. This might result in helpful reflections for the next time around or formal proposals to change some elements of the overall governance.

The role of the chief people officer (CPO)

We are often asked about the role of the CPO in these processes, and the reality is that it varies significantly — just like in the corporate world. The CPO will typically play a leading role in longer-term development but more of a behind-the-scenes role once the formal process starts. They will usually be the contact person for providing inputs such as 360 feedback, performance reviews and engagement scores. They might sit on the NomCo, but most often they play an informal role in advising NomCo members and sometimes individual candidates. Obviously, they need to ensure a level playing field and be impartial at all times. They typically add a lot of value during the transition period, both in terms of being a connective tissue between old and the new, as well as ensuring that someone is taking the lead on managing the unsuccessful candidates and the outgoing CEO.

Conclusion

Leadership succession in private professional services firms is a high-stakes and complex process, especially as many stakeholders have limited experience of such situations and are unaware of best practice across the industry. At Spencer Stuart, in our work with clients we leverage consultants with deep expertise and experience in succession and in professional services.

With some clients, this might be a six- to twelve-month engagement, which would typically include process design, role specification definition, candidate assessment and development, decision-making support, and first-year performance support. With other clients, it might be a longer-term engagement, with greater focus on candidate development and addressing some governance issues. Some clients may be content with a lighter level of support, for example designing the succession process, accessing high-level advice on demand and/or providing performance acceleration support to a new CEO in their first 6–12 months.

Please feel free to contact us to discuss any element of succession.

Appendix: Getting long-term governance right

A framework for managing CEO succession in private professional services firms

Dimension	Observations and trends
Overall responsibility	Some firms have an evergreen nominations or succession committee to manage an end-to-end process for choosing leaders, including the early identification and development of candidates, assessing the candidates, decision-making and transition support. Other firms might only stand up a specific body to manage the election a matter of months before the transition. Still others may choose to involve the entire board as soon as the official process starts.
Decision-making	At one end of the spectrum is "pure selection," where a committee will propose a candidate-elect to the partnership for ratification. At the other end of the spectrum is "pure election" where a firm might start with a dozen or more candidates, and the partnership simply votes through a number of rounds until the required threshold is reached. In the middle, there are hybrid approaches, where a committee might narrow the number of candidates down to two or three who are then put in front of the partnership for a vote. Very few organizations choose to change their approach once the partnership becomes comfortable with it.
Term limits	Most organizations allow their leaders to serve for two terms, and occasionally three. A number of firms have increased the term length for top roles in recent years. The rationale for longer terms is to give the new leader more time to listen, make more thoughtful and informed decisions, and make tangible progress on executing the agreed-upon strategy without the pressure of a quick re-election bid. It also gives the partnership more time in the first term to better evaluate the performance of the leader and reduces the potential disruption to the business of having an election every three years. Our most recent benchmarking has shown an average term limit of 3.9 years for first term and 3.6 years for a second term. The delta is because not all firms have symmetry in their terms. For example, some firms might allow four years for the first term and three for the second.
Voting thresholds	Most organizations rely on a simple majority vote of partners for leadership elections (making a material change to a firm's constitution often requires a higher threshold). Sometimes this vote is equity weighted but most of the time it is one-partner one-vote. A minority of firms have a higher threshold, e.g., requiring a two-thirds majority.
External candidates	An increasing number of organizations are willing to at least entertain the thought of an external candidate, either as managing partner or chair (or senior partner). While firms like Dentons and Brunswick Group have recently appointed external CEOs, and some firms like Grant Thornton (UK) have had an external chair, these remain the exception in professional services. However, there may be significant merit in conducting a calibration exercise, both to see what you might learn from the market as well as to assure partners that the internal candidates offer the best solution.

Dimension	Observations and trends
Campaigning	Most firms have a documented framework for how they nominate, elect, appoint and/or ratify their leaders. The clearer these are the better, to reduce animosity during campaigning. One Big Four firm stripped three senior partners of their management roles and disqualified one of them from the race to run its U.S. business after finding they breached leadership election rules. In another firm, the lack of any campaigning rules caused tension when one candidate went into overdrive before the process had even begun.
Handover period	Typical handover periods vary between two and six months, with pros and cons to shorter and longer periods. Even with a longer period, the incoming leader will usually start to call the shots before their official start date, but the extra time can be helpful as it reduces the pressure on some critical decisions, e.g., senior appointments.
Synchronicity	Where there are two senior roles, these are often implicitly synchronized, e.g., the managing partner might be appointed by the incoming senior partner. Even when separate elections take place, private professional services firms tend to hold them at the same time. While this goes against best practice in the corporate world (i.e., ideally you would not change the chair and CEO at the same time), most people believe this works well in professional services.
Emergency succession	Most organizations have clear procedures in place to handle emergency situations, should a senior leader be incapacitated or have to resign for whatever reason.

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, and many facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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