

***Hiring to Firing Podcast — Succession Planning: Expert Strategies and Tips From Succession***

**Hosts: Tracey Diamond and Emily Schifter**

**Guest: Jan Levine**

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**Emily Schifter:**

Today, we thought it might be interesting to talk about succession planning. Tracey, have you ever had this come up, either with client or personally, where you've seen why succession planning can be valuable?

**Tracey Diamond:**

I have seen it with clients, but I've also seen it in my own personal life or my family's personal lives. My father ran a very successful insurance brokerage agency, the Arts Repeat Capital Agency and my brother decided to go into the insurance business. It was really interesting to watch as the sibling that was not in the business as my brother learned the business, went into the business. Eventually, over time, my father started to sort of pull back and my brother started to step up. They did it in a very respectful way of each other, where my brother really learned from my father and my father got to do the things that he really wanted to do in his personal life and not work so hard. Over time, eventually, eventually, eventually, my dad retired and my brother took it over, and ultimately sold it. So, it can happen.

Stay tuned as we talk about the fun show, *Succession*, and a conversation with Jan Levine about succession planning.

[INTRO]

**Emily Schifter:**

Welcome to *Hiring to Firing*, the podcast. I'm Emily Schifter, and I'm here with my partner, Tracey Diamond. Together, we tackle all employment issues from Hiring to Firing. Today, we welcome Jan Levine. Jan is an experienced attorney who provides executive and leadership coaching services. Previously, she was a partner at Dechert, LLP, which was then Dechert, Price & Rhoads, where she ultimately became partner and then head of its health care group before joining Pepper Hamilton LLP, which of course then became our current firm, Troutman Pepper.

Jan served as co-chair of the Commercial Litigation Group at Pepper. It's a pleasure to welcome you, Jan. Thank you so much for joining us today.

**Jan Levine:**

Well, thank you for having me. It is my pleasure.

**Emily Shifter:**

I always start by having you tell us a little bit about your current role as an executive coach.

**Jan Levine:**

I'm actually a very good example of succession planning, which I did on my own. I was a lawyer and partner for a lawyer for 35 years, a partner for about, I don't know, 26 years. Then, I always believed in constant growth, and I think in my middle to late 50s, I thought about what's next. I felt like there was like another career, another place that I could go. I started to really think about it. When I was advising a businessperson during COVID, and in our discussion, we looked at the issue with a different perspective than she did. She turned to me and she said, "You ought to be an executive coach." That was it. I thought, "What a great idea."

I didn't really know what an executive coach was. I knew what a mentor was, and I thought I knew what a coach is, but I didn't really. So, I researched coaching programs and learned that you can become certified, and I ended up enrolling in a coaching certification program called Coactive Training Institute, which I just loved. Took about a year, and during that year, you had to become certified. You had to coach 100 people. Because I was a lawyer, partner in a law firm, I decided would not coach any lawyers while I was a partner in a law firm. So, I got a great opportunity of coaching a lot of business folks, management, upper management, learned a great deal, and just really loved it.

Then, I had to make a hard choice. After about two years, I decided it was time for me to leave a career that I loved. I don't believe in succession planning and have to hate your career. I actually loved my career. I use it all the time in my coaching. I ended up retiring officially from Troutman Pepper and opening my own firm. So, I had my own executive coaching and leadership firm. I coach a lot of law partners, I work with law firms, I work with companies, I work with physicians. I even have coached an avalanche ski instructor.

**Tracey Diamond:**

Wow, all sorts of jobs in that list right there. I bet you've heard it all.

**Jan Levine:**

Yes. Each and every session I have, I have to say, is exciting.

**Tracey Diamond:**

But we thought you would be the perfect guess for our topic of today, which is on succession planning. What better TV show to use for this topic than the actual TV show, *Succession*? Emily, you want to start us off with a little synopsis?

**Emily Schifter:**

Yes, definitely. For those who haven't seen the show, *Succession* is a kind of black comedy, drama, TV series that focuses on a fictional family called the Roys. They own a global media and entertainment company, Waystar. The show kicks off with the family's patriarch, and the

company's leader and founder, Logan Roy, having a medical emergency on his 80th birthday. Obviously, since that happens in the beginning of the show, he ultimately recovers, but that event forces the question of who's going to succeed him to the top of the agenda. So, the series continues with his four adult children and business partners all jockeying for position. Let's listen in on this next clip, gives a little bit of a context.

[VIDEO CLIP STARTS]

**Nan:**

Any thought given to whom you might hand over the keys?

**Kendall:**

Well, madam, that is very forward.

**Nan:**

And you're no fun. We're all friends here now, aren't we?

**Logan:**

Well, Gerri is on the paperwork as a stop cap. But even she'd be the first to admit that she couldn't really do the job.

**Gerri:**

Well, maybe the second to admit.

**Logan:**

There is a name, but you know, I really don't like to deal in hypotheticals.

**Nan:**

He's an enigma.

**Logan:**

Well, one day.

**Nan:**

What a tease, folks. Just whisper it in my ear.

**Logan:**

You know, I'll start to think I'm not wanted.

[VIDEO CLIP ENDS]

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**Tracey Diamond:**

Jan, I think it would be helpful for us to start with some definitions. We talked about succession planning. What do we really mean?

**Jan Levine:**

When I think of succession planning, there's really sort of a couple of elements. First of all, when you talk about succession planning, you don't want to have a negative reaction, because people equate succession planning with retirement, I'm getting kicked out. I look at succession planning as actually constant renewal. It's a dynamic process. It shouldn't start when you're 65. It should be all the time. Leaders should be trained to train the next set of leaders. You learn that you're constantly, no matter what stage you're at, you're constantly bringing up the next. If you have a company culture that works on growth, and dynamism, and the next stage, succession is part of your culture. I think that is very important, and I work very hard with companies to develop that culture. I do it in different ways.

**Emily Schifter:**

I know you mentioned COVID kind of being an impetus of your own, maybe, succession planning or career shift, and I'm curious, I think you're right, people often hear succession planning and think retirement. But do you think it's important for companies to be thinking about it along the way too, so they're able to address things like COVID or other unexpected events?

**Jan Levine:**

Yes. I mean, I think, succession planning is really important for many reasons. First of all, it keeps the workforce excited, and it keeps younger people excited that, "Oh, they're going to get an opportunity. It really keeps you older. Many people that are more senior thinking about the next step, but it is very, very costly for a company in two ways, not to work on succession planning.

First of all, if a big part of your business is in the hands of just a few people that are getting up there, well, you might think, "Oh, that's great. We're doing so great. Look at the revenue they're bringing in." All of that revenue is also at risk. What's positive is also a negative, and you have to be very careful about risk and a couple of things can happen. Somebody can then just desire to retire and you haven't built the team.

The other risk is, you do not know the business you are losing by not having a deep bench and a very clear succession planning. Clients may come and have a 10-year in a law firm, a 10-year case, or a long merger and acquisition, or in a business, a big deal, or something that they want to do over several years. If they do not see a deep bench, they may start interviewing other firms or other companies, and you don't even know it. So, a constant succession mentality and having plans in place and expectations is really key to the growth and the profitability of the business.

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**Tracey Diamond:**

I could see from the C-suite's point of view, executive management team's point of view, why succession planning is crucial to the survival of the business. But how do you get buy-in from the folks that are actually, maybe at that senior level or should be starting to think about dropping off or pulling back, and they're just not ready to do it, or work as their life, and they don't know, they can't even fathom of what it would be like to not have their foot on the pedal constantly. How do you get buy-in from the folks that are actually impacted here?

**Jan Levine:**

One, if you do develop a culture of constant growth, that really helps. So, nobody expects. Everyone expects that they're going to move on. Also, a succession plan should not be a surprise to anybody. On that level of individuals, you're talking about, Tracey, they should be part of this succession plan. When you are part of defining the next set of leaders that you are going to train, there's much better buy-in, and actually looking at it as your legacy. What do you want your legacy to be? This is how you build your legacy.

People, though, do equate themselves, their ego, who they are with their job. For those individuals, I do think one-on-one coaching is extremely helpful as for outcomes. I really love those engagements to tell you the truth. It's sort of my age group. I have actually done it very successfully. If somebody had asked me five years ago, I would have thought they were crazy, that I would have gone from being honestly, a big firm partner to a sole practitioner. It is incredibly freeing and very exciting at this time of life. I do feel very impactful. I love working with that age group and I do work with that age group.

**Tracey Diamond:**

I think you're right. It's easy for the C-suite to see the value of a succession planning, but you kind of touched on already the value that an employee might see in terms

of ensuring their legacy, but what are some other benefits that you see that employees might get out of succession planning?

**Jan Levine:**

Also, companies that really think about this well, we have developed – everyone also obviously is concerned about compensation. At different times, your value to a company or a law firm is different. One is growing a business, the other is helping the next generation. So, you can structure compensation that compensates for giving business away and training. People think, "Oh my God, I'm retiring. I'm going to get my compensation cut," and that all goes into a very negative, entrenched way.

But if you are creative with a compensation system and actually say, "At a certain age or at a certain time, there's a three-year. If you meet certain benchmarks, you give away, you introduce, we're going to pay you for that." So, there isn't the double whammy of, "I'm moving on and I'm getting cut." There are ways to do this if you want to be creative, and working with management on that is another way that you can get buy-in.

**Tracey Diamond:**

What about from the point of view of the employees who are going to be the successors? You have an employee, let's say, and they're sort of feeling like they're being pushed down or impeded in their ability to move up because there's somebody at the top that's maybe more senior and should maybe be thinking about succession planning, and just is refusing to go in that direction. How does someone manage up in a situation like that, in a way that preserves dignity, and makes everybody feel kind of good about themselves?

**Jan Levine:**

If again, to go back to sort of the theme, I think you're hearing, if you have a culture that it is really the leader's job to make the next set of leaders, that really helps on that second generation. If you feel that your boss or the leader of the team's job is to promote you and get you to their level, that really helps. I've coached both. I think there are instances where you have a plan, or you have a strategy, and then you can get individual coaching, so you can see if the person that is supposed to be moving out has some coaching and the person that is moving up has some coaching. There are techniques of how you can work with somebody older, and respect, and engage that is hard for them to move out of the room. How can you support that and ask, and move, and help them? So, it's a two-way street.

If done well, it can certainly be done, but it's got to be coordinated. This idea that you hit a certain age, and you're out is not a way to do it successfully. Because if you do it that way, you've put your finger on it, Tracey, that this great talent that's coming up will leave.

**Tracey Diamond:**

Right, exactly.

**Jan Levine:**

You'll lose the talent war, so you have to keep your eye on both all the time.

**Tracey Diamond:**

I wonder if maybe it would be helpful to show the person who you're trying to engage with succession planning, how important it is to their own legacy, and their own business to have stickiness, because of this fear of the business is going to go away without, once they do leave, and once they're ready to leave if they don't put a plan in place. So, some appeal to their nature of you built this big business and you don't want it to disappear when you are ready to step down in order to continue in your stead.

**Jan Levine:**

Exactly. I mean, working with the generation that is succeeding out is really about legacy. What do you want to leave? What impact do you want to have? How do you want to be spoken to? Do you want to be the person that held on forever and look what happened? Or, do you want to be the person that really mentored, really helped, moved it from A to B? But I think it's also important for the generation that's moving out to realize they have a whole life in front of them.

See, the problem is they think they don't. "What could I do? I've been this person, or this manager, or this partner my whole life."

Working with them to realize their value in society and that they can have a really fulfilling life. Do they really want to be in the office 12 hours a day? It really helps with that. There's a great book called *Learning to Love Midlife*, and the definition of midlife is actually not your age. It's how many years you think you have left. If you're 60 –

**Emily Schifter:**

Interesting.

**Jan Levine:**

– and you think you're going to live to 90 or be active to your 85, you have 25 years. That is midlife, even if you're 60, if you look at it that way. In the book, they really describe the animal kingdom. They're describing the snake. Snakes actually shed their skin, and they shed their skin because they grow. If they stayed in the same skin, I didn't know this, they actually die, because there were parasites and other things in that skin that they need to dispel. Then, they grow new skin. Not that we should compare ourselves to snakes, but it is a good vision.

I actually like the caterpillar to the butterfly myself. But the snake concept that you could actually die or be poisoned by staying in the same skin is really a good image of, there's a whole world out there. Again, if somebody had asked me, "You're going to run a small business, Jan. You're going to do your own contracts, your own invoicing. You're going to be your own person; you're going to have to learn technology." I would have thought they were nuts.

Now, I have such freedom, I love my career, I meet all sorts of people in all sorts of business, and guess what? I get to do yoga five times a week.

**Tracey Diamond:**

I'm very jealous.

**Emily Schifter:**

I love that concept.

**Jan Levine:**

There you go. I don't take clients from 9 to 10.

**Tracey Diamond:**

Because you can make your own schedule. Perfect, right? I think we're all in it to quit the law and follow, Jan.

**Emily Schifter:**

That's right. I was going to say, I love the concept of succession planning for the company is important, but the way to get buy-in is maybe encouraging people to look at their own lives, and plan what they want to do with their time. I think that's kind of a perfect intro to our next clip. Logan Roy is like the opposite of that, right? He waits till his 80s, and then he doesn't know what else to do with his time. Throughout the series, there's lots of back and forth on his decisions about, is he going to step down, is he not. Who's going to succeed and which child? Let's take a listen.

[VIDEO CLIP STARTS]

**Kendall:**

I should have shouted at some guy, but I didn't, so you've just ripped up 18 months of corporate strategy.

**Logan:**

And you never lawyered the trust change.

**Kendall:**

I trusted my father. That's a black mark.

**Logan:**

It's an accumulation. You left the room, the deal.

**Kendall:**

To come to my dad's birthday party because we don't know how many more they'll be. Sorry. So, come on. When will you be ready to step down?

**Logan:**

I don't know. Five?

**Kendall:**

Five years?

**Logan:**

Ten.

**Kendall:**

Ten? Dad, seriously?



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**Logan:**

It's my fucking company.

**Kendall:**

Yes, it is your fucking company, and you know what, you're running it into the fucking ground.

[VIDEO CLIP ENDS]

**Emily Schifter:**

We've talked a lot about sort of the benefits of succession planning and why it's important. But maybe it would be helpful to talk about some of the nuts and bolts if you don't have a succession plan in place or if you've got one, but it's not been dusted off for a long time. What do you think are the best steps to get started? How do you actually action this?

**Jan Levine:**

You have to sort of think about what you want to accomplish. You really sort of have to think about what do you want to accomplish and who do you want in the room? Who do you want to work on the succession plan? That is actually very, very important, to get the right people in the room. So, you've included the right people in the room and to get buy-in, just for the examples we've actually talked about. If you have a leader in a group and you haven't included him or her, that may be problematic. You want to set it up that way so that you get off to the best start. Nothing is perfect, by the way, you will never get the exact right people in the room.

You also want to really look at, succession planning is future needs much more. So, you want to really take a look at what are the future needs and what really are those skills, and future roles, and what is the training that is necessary now. So, another way to avoid that problem that we were talking about is, if there are skills that are needed, and your next generation has not been taught them, that is a really wonderful role for a more senior person. That is a legacy role. That is an absolute legacy role.

Legacy roles are not only the nuts and bolts of the business, but really introducing the relationships. When I think of succession planning, the key to succession planning is making sure that the relationships, the institutional relationships are handed down at every stage. Because if you lose those institutional relationships, you really lose the business. So, relationship building, and that's why I say should really be done a lot earlier than at the end. That is, you bring the next person with you, you identify the next leaders as you go along. But surely, you should be looking at what is your book of business, who are the relationship people, and how do I make sure that I cement those. I actually think that is key, key, key because when the senior person leaves, a lot of those relationships can just totally dry up.

**Tracey Diamond:**

From an employer's perspective, should they be putting a succession plan of writing, how do they go about sort of doing this?

**Jan Levine:**

That's a very interesting question. I think that that can get delicate depending on the entity. Generally, having something in writing is very helpful. The question really is, what's too much writing?

**Tracey Diamond:**

Exactly.

**Jan Levine:**

It's like the same thing as business development. You can have the most beautiful plan in the world. Oh, good. I did this beautiful business development plan. And guess what? You don't get one client, because you stopped at the plan, and it's so detailed, and you don't do anything. I think, a good succession plan is one that is practical, that really addresses the needs and addresses really the emotional needs. If I knew that there were certain emotional issues that if I put it in writing, "This person must leave in three months." That is going to go into a reactive mode, rather than a creative mode. I would be very careful about the wording.

**Emily Schifter:**

How do you determine who should be involved in putting together the succession plan. I mean, certainly business leadership, of course. But, how far do you go down the list of maybe people who might be slotted in to fill a role? Are they consulted? Does that depend maybe by company? Does it depend on what kind of role? Do you need different perspectives, finance, legal, accounting? How do you see that handled?

**Jan Levine:**

Yes, it depends on the business to a large extent. A law firm is much different from another kind of business but take a law firm. If you have a group of lawyers that have worked together and the new associates come in, the leader of the group, and this is where, if you really train leaders, that their job is to identify the next them. When I coached them, I said, "Who do you think is the next you?" That always sets people back, "Who's the next you? Because you want to move up to." I do it at every stage, by the way, a set of new partners. They got a, "Who's the next you? Who's the next fabulous senior associate?" Because you're not that person anymore, you got to move into the junior partner level."

**Tracey Diamond:**

I want to step right there for just one second because I've seen that. I saw it in myself when I was, push, push, pushing to get to that, over that line. Then, you're there. And then all of a sudden, you realize, "Well, now, it's your job to start bringing other people up." It's a shift of perception and it's very interesting when it happens.

**Jan Levine:**

Yes. I do a lot of coaching in that first 10 years of partner to work on that shift. That is when you have to learn how to delegate. That is when you realize you got to be out the door more than in the door. Your whole role has changed. I also work a lot with in-house legal departments. To Jesus, it's the same thing. If you have that – but that is part of the succession culture. It's just not called succession, but that's what it is. You're choosing the next leader.

**Tracey Diamond:**

Right. It's just long-term.

**Jan Levine:**

It's long-term. But if you have that culture of long-term. When you get to be at that age where you're leaving, it's the same thing. You've done your job. You've raised your kids. So, that is why if you set this up – so it depends on what company, law firms are different from other companies. I generally think that entities wait too long. The more you wait because you want to avoid it. People don't like to talk about succession planning because they think about it as retirement. You avoid, you avoid, you avoid and then you have the problem that you were afraid you have.

By avoiding it, you create the problem you wanted to avoid. Now, you're stuck and you don't have the next set of leaders and then you get, "Who is this?" The next set of leaders in a department should be kind of obvious. By the time someone's in their 60s, the people in their 50s, it should be kind of obvious, or you haven't done your job, or you're going to look outside. That's another issue with succession planning.

Are you going to promote from within or are you going to bring someone else in? That's a whole other question, and that is a business question.

**Tracey Diamond:**

One last question I want to ask you, Jan, and it kind of goes back to the show. The whole show is based on this sort of squabbling between the Roy siblings, where the dad doesn't really choose his successor. He plays, pits them off against each other, he dangles it, and then he pulls it back. As a result, you see a lot of infighting. From the siblings' point of view, so from the sort of people that are the potential successors point of view – actually, I should say, from the company's point of view, looking at those folks looking at all the potential successors. How do you avoid the squabbling? How do you get buy-in from those that

wind up not being the chosen successor?

**Jan Levine:**

Well, it's interesting in those two clips, because I'm now – well, as a lawyer, I was, but certainly as a coach. I'm trained to really listen, to really see what the issue is. In the first clip, to me, the most important line is a line that Logan Roy says. He says, "I'm start to think that I'm not wanted." That's it. Right there. That is it. So, if I were coaching, that's where I would go,

because that was the problem, and then the whole house of cards came down. "Because I'm not wanted."

In the second clip, one of the most important things that Kendall says is, "You are running the business into the fucking ground," where there is no vision and no growth. That's in a nutshell. Because Logan held on, because he felt he wouldn't be wanted, look what happened to the company. No vision, growth is going down, and the family is pitted against each other.

**Tracey Diamond:**

Then, spoiler alert, when Logan dies, suddenly, the siblings are still at each other to the point where it leaves this sort of hole for a non-family, or somewhat non-family, an ex-family member to step in and become the successor. Not all the siblings that were the potential successors that had been considered all those years before.

**Jan Levine:**

Right. That's the example of the self-fulfilling prophecy. The fear so much was that someone's going to take over, and they held on so long, and they didn't – the concern happened. They almost created what they were trying to avoid, the self-fulfilling prophecy. So often, what people do is they're so afraid of something, they avoid it, do the opposite. Then, what they were afraid happens, but it's because they created it. It's not that it just would have happened.

**Emily Schifter:**

That's right. Well, succession is a great example of what not to do.

**Jan Levine:**

What not to do.

**Emily Schifter:**

And all the reasons to take our advice. Exactly, exactly.

**Jan Levine:**

It's all of those films we watch about what not to do on cross-examination. This is a show of what not to do on succession planning.

**Emily Schifter:**

Well, Jan, thank you so much. This was such a great conversation. I think our listeners are going to take a lot away from it. Really appreciate everybody for tuning in, as always, to our *Hiring to Firing* podcast. Please reach out if you have any ideas for topics, TV shows, movies that you'd like us to highlight or tackle. Then, you can access this podcast anywhere that you get your podcasts. Thanks so much.

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