



THE NEW ELLIS GROUP

Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Should I Stay or Should I Go? The Impact on Your Family

One of the most compelling reasons to consider making a lateral move is fear that you are in a law firm which may fail. If you are in a firm which appears to be vulnerable, with warning signs like declining revenues and profitability, increasing debt or capital calls, or defections by powerful partners, you are already assessing the situation and weighing your options carefully. You are considering whether the firm's circumstances create an opportunity for you to emerge as a [new leader](#). You are also mindful of the risk of making a lateral move, especially given the [high rate of attrition](#) of lateral partners. However, have you considered the importance of the impact a decision to stay or go can have on your family? While you are weighing the obvious concerns about your firm's strength and viability, it is important not to overlook family stakeholders.

- Are you financially prepared to weather a few years of lower income?
- Do you have any major financial obligations looming like sending children to college?.
- Are you likely to be hit with demands for additional capital or loan guarantees?
- How risk averse is your spouse or significant other?
- What are the financial repercussions if the firm fails after you leave?

There are a lot of stakeholders to consider in every major career decision: your clients; your partners; your associates. It is also critical to assess the impact of your decisions on your family members and their tolerance for change, adversity, and uncertainty.

Example: When several powerful partners defected to a more profitable firm, a partner whose practice had been growing steadily and who was on the firm's management committee was very conflicted about his choices. He felt a strong loyalty to the firm and wanted to remain at the firm, as a leader, to help address the firm's challenges. But he was particularly concerned about the defections and whether the loss of prominent partners might trigger a snowball effect. He was mindful of the fact that in many of the law firms that had failed, the trigger had been the loss of key rainmakers. He was inclined to stay the course and encourage others to do the same and had routinely declined to talk to recruiters or friends from other firms about making a move himself.

But after he learned at a management committee meeting that he and other partners would need to contribute additional capital and that his year-end bonus and projected compensation for the next year would be lower, he decided he needed to have a full discussion about his choices with his spouse. He laid out his belief that they had the financial resources to weather the downturn. He also shared with his spouse his strong loyalty to the firm and his team and his preference to remain in the firm and help turn it around. But his spouse was very uncomfortable about the financial risk of staying in the firm, especially because they were about to send two children to college. When he looked at other key partners, he tallied how many had similar family obligations and would get similar responses from their families and reluctantly concluded that he had to consider a move.

As you weigh your options, are you factoring in the tolerance for risk of your own family and the families of other key firm stakeholders?

Thanks to [Bill Brandt](#), Executive Chairman of DSI, a leading restructuring expert who has worked with many failed law firms, for his insights on the influence of spouses on key partners.