



Bringing Lateral Attorneys on Board: A Blueprint for Success

April 2008

By Bruce Jackson

Part One of a Two-Part Article

The lateral movement of attorneys between firms requires a well-defined and well-executed management program in order to maximize the benefits of the move to both sides. This article sets forth the key elements, all of which must be addressed in order to maximize the investment a law firm makes in the lateral and in order to achieve career satisfaction and retention of lateral attorneys.

Recruiters and firms are constantly trolling for new prospects. Most attorneys get frequent calls soliciting them for potential moves. This means firms not only must develop effective management strategies to play the lateral game, they must also, and perhaps more importantly, effectively work to integrate laterals they acquire, and retain them. This has led to another piece of the lateral movement growth industry: people studying the issues and publishing survey results, articles and books on the how to integrate and retain laterals (and retain existing attorneys).

Survey Results

A survey of published materials, an interview with a lateral recruiter and discussions with attorneys who have made recent lateral moves lead to a few key and undisputable conclusions about how — and how not — to effect a successful lateral hiring and retention program at the firm. Most, if not all, of these key principles apply regardless of firm size, though the smaller the firm, the less complex actual implementation is likely to be. This article is about the essential elements of the successful implementation of lateral hiring, meaning how to bring the lateral lawyer on board and do so to the mutual benefit and personal satisfaction of the lateral and the firm. The process involves far more than throwing the new lawyer into deep water and seeing if he can swim.

The process is not one of lip service, but requires actual ongoing effective management. The job is not one for the firm's hiring coordinator or the HR department. The task demands a responsible partner to manage the process and a group of firm attorneys with the backing of firm management and the authority to make it happen over a period of time. Here is what it takes, according to lateral industry authorities and according to attorneys who have made lateral moves in the recent past who were interviewed for this article.

Validating what many authors and laterals say about the subject are surveys conducted in 1996 and 2006 by attorney search consultants Major, Lindsey & Africa. The 2006 survey report by Jonathan Lindsey of MLA New York, *Lateral Partner Satisfaction: A Decade of Perspective* (hereinafter called the "MLA Survey"), which compares 2006 results with the 1996 report, is widely available online. It is worth more than a casual read.

The Association for Legal Career Professionals has also published a *Lateral Hiring Best Practices Guide* available as of March 2008 at http://www.nalp.org/assets/769_07lateralhiringbestpracti.pdf. The Institute of Management & Administration is in the process of conducting a 2008 Law Firm Lateral Hiring Survey in which you can participate via the IOMA law firm management Web site at http://www.ioma.com/law_firm_management as of March 2008. Completion of the survey entitles you to a free "summary" of the results. The full report is to be published in IOMA's *Compensation & Benefits for Law Offices* newsletter, for which you will likely have to pay real money.

The Blueprint for Success

The following steps under the blueprint for success are not listed in order of importance. This is because all are equally important. This is not a menu from which to pick and choose, but a blueprint of instructions, all of which must be accomplished to do all you can do to achieve success without taking unnecessary risk with your investment in a new lawyer or group of lawyers. There are many more elements applicable to beginning and conducting the actual hiring process that are not listed here. This list begins when the hiring process is far enough along to begin to bring the new lawyer on board.

Having said this list is not in order of importance, there is one element that must be in place, and be sustained, in order to make the rest of the process work. That one element is, who is going to do it?

Ownership of the Process

Someone must clearly own the process of managing the lateral attorney's entry into, and first months of existence at, the firm. This should be an authoritative attorney and not a member of the firm's HR or attorney recruitment staff. There should be one partner (either a different person for each lateral or lateral group or one person for the firm as a whole) fully empowered to guide the process with the backing of the firm's management committee. This person may be the practice group chair relevant to the new lateral. There must be no question of this person's authority to drive the process.

In addition, as listed below, others in the firm will have to be active in the process over a period of time. The one designated manager and those who are also involved in the process must receive actual, tangible recognition and compensation for this effort. The firm should define the mission via well-publicized firm policy, recognize the leadership involved in the process and reward the effort. In return, the firm should expect and demand that the progress of the effort be tracked, documented, adjusted as necessary and followed up on.

According to the author of the MLA Survey, "The firm should implement a system of accountability so that there is a high level of awareness as to what exactly needs to be done and in fact is being done — and by which specific individuals, by what deadlines — to integrate the lateral more fully." Another way of saying this is to employ good management principles — and reward it.

The concept of paying for billable hours and originated business is no stranger to the practice of law. The management of a lateral integration process should be no different. In fact, a wise firm will take the process one step further and reward when it comes to compensation any attorneys who help other attorneys develop business or who engage other attorneys to develop prospective business. Track the number of attorneys who work on business originated by other attorneys. This concept actually goes beyond the scope of, but is certainly applicable to, lateral integration. Track as an element of the compensation decision the efforts of attorneys who work with other attorneys in "cross-marketing", internal marketing, business development between practice groups, introductions of existing clients to others in the firm, etc. All of this is essential to lateral integration so why not apply it firm wide?

According to Elizabeth Purcell of MLA, whose practice concentrates on high-profile lateral partners and opening new offices for Amlaw 100 firms in Atlanta, Dallas and Charlotte, NC, firms should clearly track matters referred from one attorney to another to gauge whether partners are truly serving clients as a team. "Track how many different partners and associates bill time to a particular partner's clients." Specifically regarding lateral integration, she said, "Your firm should design a compensation plan that rewards both the owners of the lateral integration process and, equally important, others who play a role in lateral partner integration and retention."

Here are the key elements of implementing the lateral integration program.

Use a Business Plan

In the Oct. 2006 issue of this newsletter, Natasha Ciancutti of Major, Lindsey & Africa wrote an article headlined *Using Business Plans As a Due Diligence Tool for Lateral Partners*. Her article focused on developing a joint business plan between the firm and the lateral to avoid the lateral's making a wrong move in the first place and in order to maximize the mutual benefit of the lateral's move.

It would seem the firm should first have a business plan itself in order to make lateral moves consistent with the business plan as opposed to the throwing darts at the target method and hoping the lateral move is a good one. The task would then be to develop a business plan with the lateral consistent with the firm's business plan but specifically designed to integrate the lateral and his business base, to deal with client introductions, introduce the lateral to other practice groups in the firm, and to develop in detail a marketing plan to expand the lateral's business by exploiting the platform offered by the firm. Like any well managed business plan, it should be revised from time-to-time as things progress.

A major aspect of the process should be the marketing plan, both lateral and firm-focused. According to Purcell, the plan should have an element that assumes the lateral has no portable business, "Assume he is an assistant U.S. attorney being brought onboard. Who would you introduce him to? How would you market his expertise outside the firm? How would you cross-market him within the firm?" Devising a plan to do this, she says, will go a long way toward expanding the value of the lateral beyond his portable business alone. "Increase his value", she says. "Don't just try to take advantage of his self-created value."

Improvement and Growth

Thus, the focus should be on improvement and growth. The term "lateral" is itself a misnomer because it implies a simple sideways move, from one firm to another. Think of the actual plan as a growth move, not just a lateral one. The move should result in an improvement of the lateral's practice and value (and his compensation) and of the firm's value and scope of practice and client service (and thus profitability).

Part Two of this article next month will deal with more specific elements of the business plan.

Bruce Jackson, a member of this newsletter's Board of Editors, is a partner in the Atlanta law firm of Arnall Golden Gregory LLP. He can be reached at 404-873-8590 or at bjackson@agg.com.



Bringing Lateral Attorneys on Board: A Blueprint for Success

May 2008

By Bruce Jackson

Part Two of a Two-Part Article

Part One of this article discussed the importance of personal ownership of the lateral integration process and the importance of a formal business plan for lateral moves. This second installment addresses the more specific elements of the business plan and other “how’s” and “how not’s” in the lateral integration process.

There are two fundamentals to successfully bringing a lateral on board. One, someone of authority in the firm must own and drive the process and be compensated for it. Two, the firm and the lateral should jointly build a business plan to accomplish the integration of the lateral. This plan should include a detailed marketing and business development plan and should deal with the specific elements discussed below.

Focus on Clients

Of course, the firm and the lateral will have dealt with conflicts early on. This item focuses on new business development with respect to the lateral’s clients and the firm’s existing clients relevant to the practice of the lateral. Prompt introductions should be made all around. This should be done personally rather than through a bulk mailing of announcements, or via e-mail, and, unless clearly not warranted, face-to-face introductions should be arranged. The lateral’s clients should receive personalized introductions to the firm and relevant professionals, and the relevant firm clients should receive the same regarding the lateral and his practice.

There may be some internal resistance to introducing existing clients to the new practice or new professional. However, if the business plan does not include such personal introductions and “cross-selling,” a commitment to cross-marketing, the message is: We are here to exploit you, not to make you a member of the team. A comprehensive personal introduction program sends a clear message to the lateral and to clients that he is a part of the firm and more than a source of new clients or a hired gun. The MLA Survey found that “often the most unhappy laterals were those whose firms failed to make them true partners with a stake in the enterprise other than a purely financial one.”

Firm Awareness and the Lateral

The reason this list is not in order of importance is that all elements are critical. This one especially so. The awareness portion of the program works best when the lateral is still new, still energetic, and fired up to prove himself. The firm should feel the same way about proving itself to the lateral and validating the sound decision he made to join the firm.

Internal communication should include Meetings A and B, described below, and it is best to do these as separate meetings to avoid too much information and too lengthy meetings. This is the time to focus:

Meeting A — Firm awareness of who the lateral is. Arrange meetings with practice groups or sub-groups so that the lateral can make a detailed introduction of himself and his practice and clients. According to Major, Lindsey & Africa’s Elizabeth Purcell (see Part One of this article), as with clients, these meetings should be face-to-face even if the firm has different offices in different cities. Teleconferencing can be used, but personal contact is

clearly the best. Use appropriate handout materials including the lateral's resume and a narrative career and practice summary. The lateral's business plan can be briefed at the meeting. Throw modesty out the window.

Meeting B — The lateral's awareness of the firm. Use a series of separate meetings between the lateral and all firm practice groups, or at least the leadership and business development motivated members of those groups, to give the lateral a detailed awareness of what each practice group is doing, who its clients are, what its practice is, what work it is promoting, and of possible fits with the lateral (of whom the practice group should already be fully aware via Meeting A). This should lead to brainstorming on cross-marketing opportunities.

Meetings A and B should be followed promptly by one-on-one meetings between the lateral and those attorneys who are identified as potential good fits with the lateral, either for development of the lateral's practice and his clients or the other way around. Develop a system to account for, report on, and reward opportunities that arise from these meetings. Amend the lateral's business plan by adding newly identified opportunities so the firm can monitor and help accomplish follow through.

One lateral providing input for this article noted with chagrin that he had been with the new firm almost nine months when, at his first firm retreat, there was such a firm-wide practice group briefing. He said he was stunned by the information available and still regrets the missed opportunities because he did not know this stuff when he came in the door.

Firm leadership should help facilitate all such discussions to get around any inclinations toward modesty or the "I don't want to brag" tendency, which, on reflection, might not be much of a problem for most lawyers.

Periodic Firm-wide Cross-Marketing Briefings

Assuming the firm will have laterals entering the firm at intervals, use the now very important and firm-management-supported lateral integration plan as a bridge to hold practice group briefings for all attorneys on a regular basis. You can feature one to three practice groups per month to accomplish the purposes discussed above, which of course benefits not just laterals but everyone.

Make sure open discussion is a part of all meetings. The sessions have to be more than just a lecture followed by a "thank you very much for coming" as lawyers drift out of the room. Note attendance and non-attendance; note who interacts with whom. Then, in smaller settings, force together those who have not interacted in the recent past to see if there is chemistry there after all. Again, track the follow through, report on and reward the results.

This brings up another sidebar discussion of general application. It is evident in most if not all firms that there are some attorneys highly motivated to engage in new business development, and some who are not and cannot be forced to do so, even at gunpoint. Do not force them on the lateral. Unless you need a lateral with very unique talents, do not force such a lateral on your firm. Deal with those who will not market or cooperate as you wish. But do not waste a new lateral's time and energies on cross-marketing with complacent, uncooperative, or unresponsive attorneys.

Technical and Human Support; Administrative Matters

Less intense for the firm, but not to be dealt with lightly, implement a structured, extensive, and on-going technological integration for the new lateral, making the lateral aware of the firm's full array of resources. Do not simply leave this to his assistant.

As to human support, make sure the lateral has full access to high-quality associate and staff support at the very beginning, before the lateral has had a chance to learn the firm's politics of associate assignments and the like. One lateral said he included in his list of demands assignment to a highly competent veteran administrative assistant not already overburdened by other demanding lawyers. He got it, but that same lawyer said that he failed to so specify regarding associates, and it soon became apparent he was being assigned the most junior and untrained associates to work on his clients' various needs. This is perhaps indicative of another issue to address.

Take a critical look at whether other attorneys' self-interests, especially under the firm's compensation system,

discourage cooperation with integrating laterals. If the compensation system recognizes and rewards only self-serving effort — billable hours and new business origination — why would other attorneys help the lateral or give up veteran associate support to the lateral? This would be a firm of silos. You will eventually have a discouraged lateral. If your culture does not foster sharing the real compensation credit for cross-marketing and team origination of new work, if the attitude is (as one lateral said of a few attorneys in his new firm), “if I don’t share the origination credit, I don’t do the work,” you have bigger problems but also a potential lateral satisfaction problem.

Take care with the lateral’s office placement and choose an office in the midst of active, dynamic attorneys, perhaps near another synergetic practice group or near attorneys who will be good ambassadors for the firm’s values. One lateral said his new office was chosen by his firm on the edge of his own group and another, with two motivated business development partners on either side, each from different but complimentary practice groups. The dynamics energized him, he said. Make sure others seek out the new lateral for lunches or casual meet -and-greets. These events should extend for months until the lateral has established his own internal network. Make sure the lateral gets a decent parking space rather than that one no one wanted under the dripping pipe in the far reaches of Siberia.

Place laterals on meaningful firm committees or management positions. One lateral interviewed mentioned his disappointment in not being put on a firm committee until he asked. He said committee membership would have done a lot to make him feel like a true member of the team a lot sooner.

Leave the lateral out of firm politics. This of course requires that you have partners who exercise good judgment. It will be hard to police this one. Perhaps it should be made clear to all attorneys that the lateral is an expensive investment and thus is not a good recruit for any side of political factions. One lateral related that in “touring” the firm’s practice groups, one group’s leadership was not shy in giving their negative critique of the lateral’s new practice group.

Conclusion

This blueprint for success was gleaned from a number of sources. It is validated by the results of the MLA Survey, which found that “Lateral partners view their law firms’ ability to support and expand their practice the single most critical factor in shaping their choice of a new firm.” Elsewhere, the MLA Survey said, of both the 1996 and 2006 surveys, “ ... firms whose lateral partners had the greatest satisfaction were those seen as most effective at integrating them into the partnership.”

According to Purcell, “Once the decision has been made to bring the lateral on board, integration should be at the forefront of everyone’s consciousness.”

There is one last thing. Actually tell the laterals the firm has a well-defined and managed lateral integration plan. Tell them in writing what to expect. There is nothing like a commitment to help motivate actual implementation.

Bruce Jackson, a member of this newsletter’s Board of Editors, is a partner in the Atlanta law firm of Arnall Golden Gregory LLP, where he is a member of the Corporate Practice Group and the firm’s Benefits and Lateral Hiring committees. He can be reached at 404-873-8590 or at bjackson@agg.com.