



Douglas B. Richardson

Assimilating Lateral Hires: How to Capitalize on a Major Investment

By Douglas B. Richardson

It seems like everyone is changing firms or considering it. Even with downsizings, belt-tightenings and budget cuts, there are still many lawyers in search of new homes. Successfully assimilating lateral hires is important in all types of market conditions — years of record profits or years with significant economic challenge. It never is a good time to not do everything possible to ensure the success of a lateral lawyer or group of lawyers after they join a new firm.

A Buyer's Market

While lawyers with large, portable books of business, strong client relationships or powerful professional marquee value unquestionably have a lot of bargaining leverage, right now the legal profession is a buyer's market. At law firms, partners and associates with particular economic promise are being courted and enticed with lucrative financial incentives — although often less lucrative than during pre-meltdown times. During the current economic downturn, many employers are casting off marginal talent and bringing superior service delivery and rainmaking talent aboard.

Unfortunately, a lot of these lateral moves don't work out, with promising relationships frequently failing in as little as six months. Law firms may find that books of business were misrepresented or exaggerated, or that promised clients don't migrate with the lateral and that he or she is unable to produce expected billings. The result, in many cases, is that the law firm ends up having to pull the plug.

Probably, however, just as many of these laterals leave their new firms as are pushed out, discouraged by their new organization's failure to assimilate them into its economic, political or cultural life. More than a few laterals have said things such as, "I just don't get it. They were so ardent and enthusiastic during our negotiations, and then appeared so indifferent

when I came aboard. I'm not receiving promised resources, I'm not seeing much collaboration, and orientation efforts to make me feel at home were short and perfunctory."

Poor Due Diligence at the High End

In my own employment coaching experience, I've found that the higher the stakes, the more casual the negotiations — often with disastrous results. Associate-level laterals are likely to be vetted intensely and cross-examined at length about both their experience and their expertise. Junior to mid-level partners are grilled about the depth, breadth, mobility and sustainability of their books of business. Yet, frankly, a lot of high-profile lateral partners are hired without sufficient scrutiny of their client base, or without in-depth analysis of the economic terms of the agreement. In the rush to accomplish the hiring, both sides may put on their happy faces, move too fast and act too impetuously. Discussion of realistic performance expectations and metrics may be avoided. Questions about origination, realization and profitability may be couched in terms of how the lateral performed in his or her prior setting, rather than being subjected to a clear-eyed analysis of what and how long it will take for the lateral to build full economic momentum from his or her new platform.

Once the parties get past conversations about revenue, compensation and profitability, there often is even less discussion of important "fit factors" — personality, working style, positioning in the firm's power structure and pecking order, resources, etc. Negotiators on both sides may assume that any significant lateral will be greeted warmly by others in the firm, ignoring the potential rivalries that may be triggered by the sudden appearance of a potential rival, a competing ego, an outsider.

Furthermore, almost no one is willing to talk seriously about the "soft stuff," i.e., an

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THE LEADERSHIP DIMENSION

individual's need for acceptance and affiliation, the sense of working with people who share one's values, areas of weakness or personal vulnerability, the rewards of collaboration and team play, or the satisfaction of helping develop younger lawyers. In short, if it isn't about generating revenue, it often isn't on the bargaining table.

"C'mon In; the Water's Fine!"

Over the years, I've frequently heard an alarm bell, a phrase that suggests a lateral assimilation is likely to go

self-executing. Friendly negotiations do not translate automatically into harmonious working relationships, bringing to mind the old maxim, "always make your tightest contracts with your closest friends."

This means that all parties should be invested in spelling out all relevant dimensions of this new relationship, in creating a clear record of expectations, deliverables and metrics. Over decades of acting as a career consultant to job-seekers, I always told my clients never to ac-

ing may help ease the insecurity of transition. Document hosted at JDSUPRA. But it should be a component of a matrix of involved people — partners, older associates, administrative staff, etc. Ironically, in the higher-stakes realm of senior partners, internal mentors — or even candid, confidential advisors — often don't exist, leaving newcomers to find their way around by themselves.

Obviously, no law firm wants a lateral hire to fail, and many make admirable efforts to integrate new hires into both the economic and social fabric of the firms. For example, I know of one firm where an "assimilation partner" was assigned to each lateral to orient them — as long and as often as necessary — on firm procedures, operations, technology and existing strategic priorities. Equally important, the firm made some significant symbolic gestures of deference to the newcomers. The practice group head agreed to a lower salary than the most prominent of the incoming partners. Offices were reshuffled not only to provide the laterals with choice space, but also to assure that they were positioned in high-traffic areas where considerable face-time with their new colleagues would be inevitable. Top firm lawyers made a point of soliciting the laterals' opinions on policy matters, and they sent clear signals that they were listening seriously.

During negotiations, the firm had claimed that their collaborative and respectful culture really was a significant differentiator. In a pivotal early staff meeting, before all practice group members outlined their particular strengths and areas of expertise, the whole practice group worked through an intense exercise to identify the informal norms and values that shape the firm's and practice group's operating culture, "the way we do things around here." "This was probably awkward for some of us," says the practice group leader, "but we simply

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badly. For example, "So, he just *waltzes* in here and expects everyone to kiss his..." well, you get the point. The whole "waltzing" thing is meant to suggest a cavalier indifference to the values and interests of the lateral's new cohort, and it is not a trivial criticism. Just because such negative perceptions may entirely mischaracterize the attitude and humility of the lateral doesn't mean they won't impact the trust and support provided to him or her. Perception is reality, and once communicated to others, negative first impressions can become irreversible. Colleagues back away, and suddenly the organization finds itself with a marginalized lateral partner.

Assimilation Planning: Strategy, Tactics and Implementation

Smooth assimilation of laterals must *never* be taken for granted, and all parties must avoid the fantasy that a successful in-migration — whether of an individual or a group — will be

cept an offer of employment until they are absolutely clear on all "four legs of the table":

- *What exactly are my responsibilities? (In other words, for what "deliverables am I responsible?")*
- *What is my authority? (Or, "what decisions can I make on my own?")*
- *What resources will I have available to me? (Think people, time and money.)*
- *How will my performance be measured? (And "who sets the standards? Who provides performance feedback?")*

When deciding whether to bring on a particular lateral, the employer should ask these same four questions in order to avoid making untested assumptions or communicating false expectations.

Effective assimilation is inherently collaborative, demanding that many different players act in concert. For younger lawyers, mentor-

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did not have time for the new lateral partners to learn the ropes by osmosis. We resolved to make implicit factors explicit, and we — lateral and existing lawyers both — did it together."

Another national firm, delighted at having recruited a high-profile practitioner, retained both a personal coach and a private marketing consultant to help speed the transition into their performance model. When the inevitable "...waltzing in here expecting preferential treatment" whispers were heard, the coach worked with the lateral to meet personally with opinion leaders at all firm offices, levels and practice areas. The goal was to put a human face on the lateral and demonstrate a strong commitment to doing whatever was necessary to make the new relationship work.

Sadly, in other firms, assimilation sometimes goes no further than a half-day tutorial on the organization's technology and billing procedures. In addition, in firms that have grown

rapidly and diversified geographically, there may be no one to help interpret the culture, because there really is no culture that unites offices, practices and individuals. "It was a great dollar deal," said one disgruntled lateral who moved from a regional firm to an international powerhouse, "but when I got in, all I found was a bunch of egos connected with central heat. It's not that they weren't 'high touch.' They were 'no touch'."

To speed and facilitate the assimilation process, an increasing number of firms are engaging outside coaches, rather than trusting assimilation solely to luck and good will. Coaches may work with individuals, groups or both, focusing on identifying and articulating all the factors that affect "fit" — the histories, interests and roles of all the players; an objective analysis (often using standardized assessment instruments) of everyone's communication and operating styles; factors affecting compensation; individual career aspirations; and

team business development
name a few.
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This kind of structured collaborative activity is uncomfortable for a great many lawyers. Discomfort, however, is preferable to failure. The sheer amount of lawyer mobility and the intensity of today's competitive environment mean that getting settled and getting up to speed must take place at warp speed. ♦

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