

## SPECIAL FEATURE

# The Secret Ingredient to Lateral Success

BY JOHN HELLERMAN

Managing a law firm in 2013 is enough to make anyone dizzy. Among all the other challenges that come with the job, those charged with growing their firms must somehow reconcile two facts that seem directly opposed to one another.

Fact No. 1: The growth strategy of choice for today's law firms lies in the acquisition of lateral talent. The number of lateral hires — 2,691, according to the *AmLaw Daily* — hit record levels in 2012, and numbers from Altman Weil show that 39 law firm mergers had occurred by the mid-point of this year, a pace that would shatter the all-time high. The industry's reliance on lateral acquisitions — individually and en masse through mergers — cannot be disputed.

In uncomfortable tension with this first fact, however, is the second: For many firms, acquiring laterals is not working. Reports have increasingly shown that the cost of lateral hiring is equal to, or outweighs, its benefits. None are more revealing than the ALM LexisNexis survey of managing partners in which only 28 percent said lateral hiring had been an effective strategy. And yet, in that very same survey, nearly all respondents reinforced their belief in it. Ninety-six percent said they expected to grow through lateral hiring in the next two years. You could forgive a managing partner for asking: "Have we all gone crazy?" The answer is no.

Certainly, there is valid debate to be had about the wisdom of a lateral-oriented growth strategy for any particular firm. But as the LexisNexis survey shows, most are committed to it. For them, the question is not, "Should we do it?" but, "How can we do it better?"

One secret ingredient is right down the hallway in the firm's marketing department. On the recruiting side, firms can use their communications department to offer tangible benefits that are valuable in wooing lateral prospects — specifically, the promise of a rebranding campaign dedicated to a new partner upon his or her arrival. What lawyer wouldn't like the idea of appearing in the press for six months following their move? Not only is this benefit inexpensive in the scheme of dollars spent on recruiters, but it also says something about a firm's commitment to the success of its new hire.

Of course, this communications effort doesn't just pay dividends in recruiting, but in retention, as well. For individual lateral hires, an intensive, short-term public relations campaign has the obvious benefit of increasing the partner's visibility and, therefore, opportunity to grow a book of business at the new firm. Perhaps more importantly, by following through with a rebranding campaign, the firm generates a sense of support that many outgoing laterals cite as the reason for leaving their firms.

Communications campaigns should not just be limited to the press. The firm can and should use its communications and marketing departments to sell the new partner to two other audiences: 1. existing partners who may have cross-selling opportunities for the new partner, and 2. existing clients whom the new partner could serve.

This inward-facing communications effort is vital for the integration of new lawyers into the firm, a process that is universally recognized as being critical to the newcomers' success. And it is particularly important in mergers, where the existing partnership may need to be sold on the value of the incoming group. When executed well, communications campaigns can result in huge rewards for firms relying on lateral acquisitions as their primary growth strategy.

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