
HOW TO SUCCESSFULLY INTEGRATE LATERAL PARTNERS

April 8, 2015 Eric Dewey, Group Dewey Consulting LLC

There are two ways lateral partner recruiting can grow the revenues of a law firm. The first is through the acquisition of additional client relationships brought to the firm by the lateral partner. The second is the added work generated by the lateral partner serving more of the legal needs of the firm's existing clientele.

Neither growth strategy is a sure bet. The first strategy, though, will benefit significantly from a comprehensive due diligence process. The second strategy relies on a well designed integration process, one that has broad internal support and commitment and is strategically focused.

There are three levels of integration into a partnership. The first level is the physical integration. This includes all of the administrative, marketing, human resources and technology tasks and training associated with integrating a new attorney into the firm. The second level is the incorporation of the attorney's practice. This involves the degree to which the new attorney's clients are absorbed into the firm and the new attorney is welcomed into the firm's existing client relationships. Lastly, there is the cultural integration of the attorney into the firm. This is the social and personal blending of the attorney with the social fabric of the firm. The physical and cultural integration into the firm are relatively easy to accomplish. It is the practice integration that presents challenges for many firms.

Roadblocks to Success

In many cases, the primary focus is to port over the attorney's clients to the firm. But when this takes time, which it often does, or clients choose not to move to the new firm, the lateral must fill his plate with work from other attorneys and existing firm clients until he can rebuild his practice with new clients. Cross-marketing a lateral partner's services to the firm's clients is far more difficult than porting over the lateral's own clients. Even though recent research suggests cross-marketing is more lucrative for both the firm and the individual attorney, it continues to be a difficult challenge in many law firms. Laterals find themselves needing to supplement their hours with work from other attorneys in the firm in what becomes a frustrating, uphill battle for the new partner.

And that's the crux of the issue. Practice integration planning often starts too late in the process, frequently lacks sufficient strategic focus and rarely identifies what should happen if things don't go as planned.

Start Early

The first interviews a lateral has with the firm can lay a powerful foundation for that lawyer's success later on. The partners who interview laterals often develop a stake in their success, so selecting partners with complimentary practices, a willingness to share their client relationships and whose clients may have needs can influence how successful the new lateral is in integrating their practice into the firm. Even before a candidate is chosen, though, firms should identify the attorneys who are more open to sharing clients and map out which clients may have legal needs in the targeted practices of the recruiting committee. As a side benefit to this, the information gleaned can be persuasive to candidates in the interviewing process. The ability to plug into a plan that has already been



Group Dewey Consulting

developed and vetted can be quite attractive—even to attorneys who are expecting to bring most of their clients with them.

Develop a Strategic Focus

Lateral recruiting and integration is a dynamic process which hinges on a large set of variables for its success. What works in one situation may not work as well in another. It's difficult to know with certainty which laterals will be successful. Without a map of the process and a clear set of criteria to test and benchmark the process, growth by attorney acquisition will be little more than a crapshoot. Adopting a strategic focus to the recruiting program by using a "lateral recruiting scorecard" and focusing on fewer but better-qualified cross-servicing opportunities can help improve results significantly.

The lateral recruiting scorecard is used to align candidate sourcing, due diligence and integration activities to the strategy of the law firm and practice group. It helps improve internal and external communications and is used to monitor the firm's performance against its strategic talent acquisition goals. Adapted from the "balanced scorecard" concept used for decades in business, government and nonprofits around the world, the lateral recruiting scorecard combines strategic, non-financial performance measures to traditional billing and client data to give firm leaders a more "balanced" view of lateral recruiting success and improvement opportunities in the firm.

Secondly, practice integration plans are often too broadly defined. They frequently lack the specificity and action steps necessary to hold people accountable and generate results. Practice integration plans should focus on a few select client relationship opportunities among willing partners who are most likely to achieve results. The early successes can build critical momentum for the lateral.

Plan for Failures

I've developed a set of questions to predict which clients will move with the attorney to the firm (available on my website). It's a good system for predicting client mobility but it's not foolproof. Clients don't always move as predicted. When this happens, the firm should have a backup plan to ensure the attorney can make his or her hours quota. Law firms should not wait too long to pull the safety chute. Backup measures often take longer than one would like.

There's a saying that "integration starts in the first interview." But in some respects, integration starts long before that. It starts with an understanding of the challenges a lateral will face coming to a new firm, and finding ways to ease and assure this transition as much as possible.

Eric Dewey is managing principal of Group Dewey Consulting and focuses his practice on business development coaching and training and lateral due diligence and integration planning. He can be reached at eric@groupdeweyconsulting.com. Visit the largest collection of legal marketing and business development forms and guides on his website at www.groupdewey.com.

