

Lateral Partner Hiring Up, but Success Far from Assured Shows New ALM Legal Intelligence/Group Dewey Consulting Report

Co-branded study presents best practices in hiring, onboarding, and managing laterals

New York, NY – November 5, 2015 – A lateral partner hire by an Am Law 200 firm has a 50/50 chance of meeting the revenue and profit expectations of the new firm, according to a new report on U.S. lateral partner hiring conducted by ALM’s Legal Intelligence division and Group Dewey Consulting. “Surmounting the Lateral Partner Hiring Challenge: Lessons Learned, Best Practices, and Tools for Success” analyzes recent lateral partner hires emerging from the shadow of the Great Recession and presents a path to boost those odds. The study includes tools to assess the mobility of the lateral’s clients, lateral recruiting program quality and a checklist for lateral onboarding and integration.

“This report is the culmination of ALM Legal Intelligence and Group Dewey Consulting’s extensive research and analysis of lateral partner hiring,” said Steven Kovalan, ALM Legal Intelligence senior analyst. “In exploring the topic, we gathered survey input, conducted one-on-one interviews with industry stakeholders, reviewed the existing body of research, and utilized data analysis from ALM Legal Intelligence's proprietary data sources.”

The results of the research indicate that the investment being made by the largest U.S. law firms in laterals is significant and growing. In 2014, the strongest year for partner hiring since the recession, on average more than 50 lateral partners were hired each week by the Am Law 200, costing these firms an estimated \$1.3 billion in compensation alone, according to the report. Data from recent years suggest, however, a highly inconsistent level of return on these investments. ALM’s research, informed by a survey of the NLJ 350 and dozens of interviews with law firm managing partners and recruitment managers, suggests that law firm investments into lateral partner hiring have break even rates of as low as 50 percent. ALM estimates that the net effect of these difficulties could be shrinking law firm profit margins by as much as three percent.

The study aims to forward the discussion on this important topic by recognizing practices and tools that have been shown to support increased success. It details each phase of the lateral hiring lifecycle from needs assessment to post-hire integration, and highlights opportunities and challenges while it reviews the range of hiring practices active in large and mid-size law firms.

Group Dewey Consulting

The study includes several tools designed to help firms improve their lateral recruiting success. One tool in the report explains a lateral interviewing process designed to reveal the clients least likely to move with the lateral to the new firm. A second tool provides law firms with a lateral recruiting program assessment based on the best practices identified in the recruiting study. And a lateral partner onboarding and integration tool is also included to guide the critical first months of a partner's integration in to a new firm.

"This report is the first of its kind to map out the best practices in hiring and retaining laterals from setting strategy to predicting which clients will move to successfully integrating new partners into the firm," said Eric Dewey, managing principal of Group Dewey Consulting and co-author of the report. "While the study finds some bright spots of improvements made since the downturn, it also points out ways that law firms can hedge their bets and improve the attraction and retention of new partners to their firms. Excelling at lateral partner acquisitions may be an important core competency for law firms to achieve in the New Normal, and this report provides practical steps that firms can take and new tools they can use to build this competency."

The study is available [here](#).

Link to Press Release: <http://www.alm.com/about/pr/releases/lateral-partner-hiring-success-far-assured-shows-new-alm-legal-intelligencegroup>

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