

## Lateral Hiring: Making The Most Of Your Investment

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Lateral hiring continues to play an important role in law firm growth. While layoffs quietly continue at some firms, other firms are taking advantage of the improved marketplace for talent. Even larger firms continue to selectively acquire lateral talent in busier practice areas while consolidating practice groups that have insufficient work.

The reason for this is obvious: In a “just-in-time” world, lateral hiring provides a quick and efficient way for a firm to build expertise.

But lateral hiring creates its own challenges. Recruiting good talent is only the first step in building a firm’s capacity. Firms also need to recognize the importance of effective integration of lateral hires.

Firms that make a sustained commitment to integrating lateral partners and associates benefit in a number of important ways. Building the communication channels between old timers and newcomers ensures that clients get the best possible service. Educating existing members of the firm about the firm’s new capabilities ensures that everyone is able to properly cross sell the new expertise to existing firm clients.

But focusing on integrating laterals also helps to build the commitment of the new group. Firms that hire laterally and take a laissez faire approach will risk losing talent during the next economic boom.

While there are never any guarantees that a lateral acquisition will have the desired effect, there are a number of steps that firms can take to maximize the chances that the “marriage” will last. The following are our recommendations as to how firms can effectively integrate laterals into the firm and its culture.

\* *Be thorough in your due diligence.* Bringing a new attorney into the firm is a significant investment; so make sure to be thorough in your due diligence prior to extending an offer. There are reasons why laterals are leaving or have left, and it is important to discuss those reasons in depth.

Having all the relevant information will also provide the opportunity to address any issues that may make the transition easier. It will also facilitate the lateral’s assimilation into the culture of your firm.

\* *Remember that personalities count.* Credentials and portable billings are of course important in deciding whether to bring in a lateral, but make sure that there is a good personality fit as well. In midsize and small firms in particular, the wrong “fit” can have significant consequences and it is important to focus on the congruence of personalities, not just the practice, when considering a lateral hire.

\* *Put the offer in writing.* Make sure the offer is in writing and that all terms and conditions are detailed. While it may be tempting to move forward on a handshake, memories differ and it is important that expectations from both perspectives are detailed and understood.

Compensation and non-monetary benefits should be outlined together with work expectations. The agreement should outline those behaviors that the firm measures and rewards and should be specific as to how one can earn more money, be eligible for bonuses, etc. No one likes surprises and many misunderstandings can be avoided if there is a written document.

\* *Assign a mentor.* Associates and partners both face challenges when they join a new organization. In some ways, making a lateral move is like getting remarried. Both the firm and the lateral come to the relationship with preconceived ideas of how a law firm should and should not operate.

To ease the transition, it can be very beneficial to both sides if the lateral is assigned a handler. Every firm has a personality or culture and having a mentor who will “run interference” will go a long way towards increasing the comfort level and productivity of the new arrivals.

\* *Avoid the “reverse shish-kabob syndrome.”* Frequently, by the time a lateral starts, partners have been anticipating the arrival of “reinforcements” for several months. If workflow is not managed properly, a new arrival can feel like a dumping ground. Unlike shish kabob, where there are several pieces of meat and one skewer, laterals can feel like one piece of meat with several skewers. If there is a lot of work that awaits the lateral, be sure that someone is regulating the flow.

\* *Plan an initial training.* Be sure that new attorneys are provided sufficient training in the firm’s systems and procedures. The first day should be an organized orientation program that might take a day or more. On an ongoing basis a mentor can be of tremendous assistance; but the initial training is critical to start attorneys off on the right foot.

\* *Set a positive tone for the first week.* Hold a morning breakfast at the firm on the day the lateral is set to begin. Make sure that attorneys and staff in the practice group are invited to drop by. Have a lunch with members of the practice group during the first week. Have the mentor make introductions to lawyers and staff in other practice areas.

A lateral hire creates the opportunity to communicate with clients and gives the lateral an opportunity to communicate with his contacts. These communications should be planned well before the arrival. Business cards should also be ready on the first day and announcements should be sent out and published in the first week. While there is an obvious marketing benefit to this, taking care of these logistics in advance will also give a lateral a sense of inclusion right from the start.

\* *Give it time to work.* Understand that integrating a new partner or practice group takes time. Don’t drop the ball after an initial spurt of activity. Of course it is important to send out announcements to firm clients. Initial introductions, press releases and a client reception for the new practice group are all important as well.

But integration takes a sustained effort. It is like a second marriage for both sides. It will take time for trust to build. It can take several years for laterals to fully integrate into your firm, and along the way you need to actively manage the integration process.

\* *Involve the lateral in firm administration.* Get the lateral involved on a firm committee that has representatives from different departments. This will provide an unparalleled chance for the lateral to interact with other departments on a regular basis.

*\* Do several reviews in the first year.* Conduct informal reviews/check-ins after one month and after three months. Do more formal reviews at six months and a year. No one likes having to do a review. But there is no substitute for such a process.

Find out as soon as possible if there are problems that need to be addressed. Take the time to get feedback from support staff, associates and other partners to see how things are going from all vantage points. Get feedback from the lateral (Are their expectations being met? Do they perceive any problems? Do they have the resources they need to succeed?).

*\* Take action on the information you get from the review process.* The only thing worse than ignoring performance issues entirely is to do formal reviews and then ignore the results. Nip problems in the bud and clear up miscommunication quickly.

Lateral hiring has become an established practice in law firms of all sizes and gives firms the chance to react more quickly to changing market conditions.

Lateral hiring can also speed up the growth of a firm, and if handled properly is an effective recruitment strategy that will help your firm to increase profitability. If mismanaged, however, lateral hiring can be costly and have serious consequences for the long-term survival of your firm.