

The Legal Intelligencer

THE OLDEST LAW JOURNAL IN THE UNITED STATES 1843-2013

PHILADELPHIA, TUESDAY, FEBRUARY 25, 2014

VOL 249 • NO. 37

An **ALM** Publication

Top Laterals

Adding Laterals: What's in It for a Firm's Attorneys?

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Special to the Legal

Most firms are looking to grow and many see the recruitment of rainmakers as an integral component of this effort. To most firms, adding a lateral candidate with a large compatible practice and a compatible personality (not a jerk) is a no-brainer. Or is it? Ever wonder what's in it for me as an attorney at the acquiring firm?

Successful lateral hiring requires a convergence of the strategic goals of the acquiring firm and the lateral candidate, as well as a coordinated effort at executing this vision after the lateral arrives. At many firms, the execution of the strategic vision fails because the existing members of the firm don't see how successful integration impacts them. Current staff, from senior shareholders to associates, must perceive a benefit to the firm in adding the lateral and share responsibility for the successful integration of the lateral into the firm.

The first step in successful lateral integration is to clearly identify and communicate the strategic benefits of adding the particular candidate to the firm. Does the candidate bring



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to the firm a capability or specialty that is either lacking or in need of additional depth? Is the candidate bringing clients that need the expertise of others at the firm?

Contrast these potential benefits with the potential negatives of adding a lateral attorney. First, the lateral may be viewed as competition by the existing attorneys. Junior attorneys often legitimately see laterals as potential barriers to their elevation to partnership. Even senior attorneys can fear that a lateral will compete for the interesting matters within their specialty. Laterals can also bring conflicts that could prevent existing attorneys from being able to accept certain matters. Lastly, the addition of each new partner to the firm dilutes the power of the existing partners—especially in firms with democratic forms of governance.

A common misconception associated with growth in law firms is that growth equals higher profits per partner. A new partner can increase the compensation earned by existing partners within a firm in several possible ways: (1) spreading the cost of fixed overhead (rent) over more people; (2) creating work for others with unused capacity; (3) allowing others to originate work by the new lawyer's presence at the firm (adding a new capability or enhancing the brand); or (4) creating profit generated from the new attorney that is distributed to others at the firm. For many existing partners, the prospect of any possible added income from the lateral's addition to the firm is outweighed by the potential negatives identified above.

Management must realize that attorneys will often not articulate these fears or concerns, but may consciously or subconsciously act on them during the interview process or after the lateral arrives. Often, laterals are left to fend for themselves after a brief orientation period at the start of their employment at the firm. They are expected to introduce themselves to the attorneys at the firm (especially those outside of their practice group or office) and attempt

to cross-sell their services to the other attorneys.

Laterals often must rely on department chairs to identify the appropriate resources within the firm to service the needs of their clients. In addition to new policies and procedures and new software to learn, each firm has the unwritten common law that attorneys are expected to know. Existing attorneys must realize that the effect on them of adding a lateral is small when contrasted with the daunting task the lateral candidate has of moving his or her practice and integrating into a new firm.

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Our firm has developed several initiatives that have proven very successful in integrating laterals into the firm. The first step is to clearly communicate how the addition of the lateral is consistent with the firm's strategic plan—a plan that has been developed by the members of the firm. Next, we identify the people within the firm who perceive a direct benefit from the addition. These are often attorneys in the same specialty but can also include attorneys with personal relationships with the lateral or a need for the expertise the lateral brings to the firm. This group within the firm is an important vehicle for communicating the strategic vision associated with the potential addition to other members of the firm and they

are also the group that will facilitate the integration of new attorneys into the firm.

We have developed a document that outlines the strategic fit and identifies the potential issues, including any additional resources that will be needed should the lateral join the firm. This document is prepared with input from the candidate and the practice group within the firm that the lateral attorney would join. We also invite all partners to the interview process. Of course, for larger firms, inviting everyone may not be practical; however, being as inclusive as possible ensures that enough people will be invested in the process to increase the likelihood of its success.

Once the lateral arrives at the firm, in addition to the typical orientation to the firm's systems and procedures, our firm selects one or more partners to mentor the new lateral. Think of the mentor as a cultural attaché. The mentor's job is to help the lateral integrate into the firm's culture. We strive to select mentors with a vested interest in the lateral's success. Often, the lateral was introduced to the firm through a friend he or she had at the firm. These people are typically the best choices for this role. Absent an existing relationship with someone at the firm, we strive to select someone with a compatible personality who is committed to helping the lateral succeed at the firm.

We have found that too often, without someone assigned to this role, the new attorney was set adrift within the firm, expected to know the personalities and skill set of each attorney and also the firm's myriad unwritten rules and customs. In most firms, practice leaders are assigned the task of making sure newcomers within their departments receive the resources they need. In my experience, this practice falls short of truly integrating the lateral into the culture of the firm. Peers are more available and invested in an individual's success.

One other technique we have employed is to reserve time at a partners meeting for the lateral to speak about his or her practice. In advance of the meeting, we ask the lateral to identify his or her significant relationships—both clients and referral sources—and describe the projects he or she is working on for these entities. We also ask the lateral to identify opportunities that he or she would like to pursue. Often, others at the firm have contacts who can help with these opportunities or they are able to suggest possible avenues for increasing business from the lateral's existing relationships.

Lastly, we ask that each department chair invite the new attorney to a practice group meeting for the purpose of identifying cross-selling opportunities for both the lateral and the existing members of his or her departments.

The recruitment and integration of laterals must be in furtherance of a well-developed and well-communicated strategic plan. The first day of a lateral's tenure at his or her new firm is the beginning of the integration process that is often given short shrift by the existing members of the law firm.

In many cases, the existing partners don't see much benefit in adding the new partner and can even feel threatened by the addition. Successful integration of a lateral depends on a firm recognizing and confronting these issues. In most cases, communication of the benefits of adding a particular candidate coupled with an integration plan that involves both the candidate and interested members of the firm can greatly increase the chances of integrating new partners into the firm.