March 20, 2020 - Michelle McCormick

The Work Doesn’t Stop Once You Hire the Lateral

There is no debate about the lateral market — it is hot. The demand for legal services is not rising at the same rate as law firm growth. Growth for the past decade has been directly tied to lateral acquisitions.

But when firms rush to compete for top talent, they risk making bad decisions. There are the obvious ones, such as paying too much or not doing proper due diligence, which can result in hiring someone who is not a cultural fit or someone who doesn’t fit a strategic need. Poor lateral integration can be equally problematic.

According to DECIPHERSM Competitive Intelligence, 48% of laterals leave their new firms within five years, 62% of laterals fail to bring their promised books of business and 35% of laterals fail to fit in at their new firms. A lateral partner who fails is extremely costly for firms — and is the exact opposite of the initial goal of helping increase revenue. Based on their research, DECIPHERSM estimates the costs per firm size of replacing a failed lateral partner as:

- Am Law 151–200 Firm — $715,500
- Am Law 51–150 Firm — $1,509,300
- Am Law 50 Firm — $4,039,200

How do you increase the chances of making a successful lateral hire? The answer is integration. Major, Lindsey & Africa’s 2020 Lateral Partner Satisfaction Survey found that effective integration is the single best predictor of lateral success. Setting up a plan before your new partner walks in the door increases your chances of success.

And don’t discount the impact a forward-thinking plan can have on a partner’s decision to choose your firm over another. Show them you are going to support them from day one.

Your new lateral may have come with a big book of business, but making sure the firm can capitalize on this, as well as leverage your new partner with existing clients, is key. When a lateral match fails, it is damaging for both the lawyer and the law firm, so it’s in the best interest of both that this new match succeeds. As a law firm marketer, you have a big role in this process.

Initial Meeting

When a new lateral partner arrives, they will have plenty to do in HR, accounting and IT, but make sure you get in to meet with them during their first week. For most new partners, their schedules will be lighter while files are being transferred from their old firms. Get on their calendar while they’re getting acclimated to the new environment.

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It is important that all of your partners, lateral or existing, know what your role is and how you can help them. Find out as much as you can about your new partner's practice as you let them know how you can work together. You might ask:

- Who are their current clients?
- Who are their targets?
- Do they bring a new knowledge area or skillset?
- How do they fit with your existing partners —overlapping practices? overlapping clients?
- Do they have a business plan? (If so, ask for a copy.)

This meeting is vital for you as a law firm marketer to develop a marketing integration strategy for your new partner.

Business Development Planning

Your firm might not have a formal business development coaching program, but providing some coaching sessions for your new lateral can be an excellent investment.

A business development coach can help your lateral refine and update an existing business plan if they have one or develop one if they don't. Putting goals and action items down on paper is one of the most-important ways to ensure you are able to achieve those desired actions.

A business development coach can also help your new partner think about creative ways to get in front of prospects.

Public Relations

In addition to integrating your new partner internally, you need to rebrand them in the eyes of the outside world. This is especially important for high-profile partners.

Find out about their experience with media:

- Are they comfortable talking to reporters — on the record, on background?
- Do they prefer to write articles?
- Is speaking their preferred way to get in front of people?

Knowing about a new partner's media experience and preferences will help you figure out how best to support them. Think about the low-hanging fruit first. What events or opportunities does the firm have right now that you could incorporate your new partner in? What can you develop that will team your new partner with another, better-known partner in the firm?

Making Connections

No two firms are alike in terms of lawyers or clients. In your initial meeting with your new lateral partner, you will discuss their clients and possibly some of their targets. Research who else in the firm is working with those clients, and make sure your new partner gets connected to them.

Help your new partner think about messaging they can use when talking to existing partners in an effort to get client introductions. No one wants to introduce someone who is a jerk to their clients. A big red flag is when a new lateral tells you that they don't need marketing, business development or public relations; they just want the firm's rainmakers to introduce them to their biggest clients.

Can you guess how that usually turns out? Badly. Your new partner has to bring something to the table that encourages the introduction. Do they have a new strength they can offer to the client?

Initial Investments Pay Dividends

It might seem like a big investment in time to walk through all these steps with a new lateral after it took months, or maybe even years, to court them and get them in the door, but it is necessary. Remember, each failed lateral costs your firm at least $715,500 and potentially more than $4 million dollars. It is in everyone's best interest that your new lateral be integrated successfully.

Don't skimp on marketing efforts after you bring your lateral on board. The investments of time and money you make now will increase the chances of a successful integration and reduce costs in the long term.

This article originally appeared online with The National Law Review *on March 13, 2020.*