



Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Improving the Odds of Success for Lateral Partners. If your firm's leadership is asking why new lateral partners are not getting up to speed more quickly and not producing at expected levels, you are not alone. A recent [ALM/LexisNexis survey](#) found that while 96 percent of managing partners plan to grow through lateral hiring, only 28 percent reported that lateral hiring had been a highly effective strategy in the past.

A [2012 Citi Private Bank survey](#) similarly revealed that managing partners viewed 40 percent of lateral hires to have been "break-even" or "unsuccessful".

It is not surprising that firms struggle with successful integration of lateral partners. Lateral partners have a great deal to master: the firm's policies—and expectations—relating to origination/new business generation; pricing and discounts; cross-selling/upselling; work allocation; staffing; budgeting; timekeeping; billing and collections. To really gain their footing, laterals also have to learn who the players are: firm leaders, key lawyers, clients and staff resources. At the same time, all the players have major distractions. The laterals' first priority is transitioning clients and files. Busy firm leaders who successfully recruited the laterals often cannot direct and track the many steps along the integration process. Partner mentors have their own clients and duties to attend to. Reduced headcounts are already stretching staff resources to the max. Most firms do not have any one person whose sole focus is insuring the successful integration of a new lateral partner.

To evaluate your firm's integration process for laterals, consider these questions:

- Does the firm assign staff to each lateral whose primary function is integration of laterals?
- Does the firm provide each lateral partner with a full review of the firm's business plan and an analysis of how his or her individual plan complements and supports the firm's plan?
- Does the firm assign one or more partners to assist each lateral with integration?
- Does firm's management monitor the assigned partners' implementation of integration tasks?
- Does the firm compensate assigned partners for the success of the integration process—and hold them accountable for failure?

If your firm is ready to improve the return on lateral hire investments, it is critical that the firm assign someone—either inside the firm or an external resource such as an integration coach—to have primary responsibility for integrating each new lateral for at least three months.

Example: To optimize its investment in a major new lateral, a firm brought in an integration coach to work with the key stakeholders: the new lateral; his assistant; his practice group leader; marketing staff; the inside recruiter; and his partner mentors. The integration coach helped insure that the firm clearly communicated its policies on new business generation, pricing, discounts, budgeting, timekeeping, billing and collections. The integration coach also insured that the lateral understood the channels for vetting potential conflicts and the internal process for tracking new business development initiatives so he did not step on others' efforts. The coach, as point person, also facilitated discussions on tapping budget and staff resources for business development, and made sure the lateral was aware of key firm sponsorships and flagship activities. Another key element of the coaching process: making sure the new lateral's business plan aligned with the firm's plan. And critical to the overall process, the coach worked to keep all stakeholders on track with the integration, troubleshooting along the way and adjusting the sequencing of tasks as necessary. At the end of three months, the integration coach recommended further steps to complete a successful integration. Cost: less than three percent of the lateral's first year salary. Value: priceless.

Is your firm paying only lip service to the critical step of insuring the successful integration of new laterals? If you are tired of absorbing losses from laterals who are not as successful as expected, are you willing to consider whether improving your integration process could make a difference?

The New Ellis Group is pleased to welcome Joanne McElhenney who brings more than two decades of senior management experience with professional service firms. Joanne has held leadership roles in new partner integration, practice administration, recruiting, business development and marketing in law firms, most recently at Brown Rudnick. Joanne can be reached at jmcelhenney@newellis.com.