

## Do-It-Yourself Lateral Hiring

By Eric A. Seeger

Just over half of the 218 law firms that responded to Altman Weil's new *Law Firms in Transition Survey* (released June 2010) said they are being more aggressive about increasing lawyer headcount in 2010 than they were in 2009. The overwhelming strategy of choice for growth is the addition of laterals, followed by the acquisition of groups of lawyers.

Law firms' intentions to grow by lateral hire are nothing new. Indeed, lateral hiring has been the most-preferred path to growth among larger law firms for years. Lateral hiring, however, is not a panacea. Buying clients via lateral hire is not necessarily strategic, can be expensive, and is subject to the hard reality that lawyers who move *to* your firm may also move *from* your firm when the next offer comes along.

Many firms believe that adding laterals is the easiest and least risky means to law firm growth. However, the reality is that many laterals (more than half in some firms) never achieve their stated objectives in terms of bringing clients and revenue to the firm.

In our experience, most firms can greatly improve their processes, outlay and outcomes with regard to lateral hiring by following a simple internal program.

### LATERAL HIRING GOALS

A frequent impediment to effective lateral hiring is that law firms are not strategic about the number and quality of candidates flowing through their pipeline. Too many

candidates get interviewed because a partner encouraged them over coffee to take a look at the firm or because a headhunter is trying to place a client without sufficient regard to their potential fit with the target firm. An important goal is to avoid wasting time and money on poor candidates. This can be achieved by identifying candidates yourself based on prioritized needs and by centrally coordinating all contact with candidates.

The ultimate goal is to successfully recruit new lawyers who are good fits for the firm strategically, culturally and financially. To acquire such lawyers in a market where all your competitors have the same goal, you have two basic choices—you can outpay them or outwork them. We strongly recommend the latter! The following do-it-yourself approach will achieve better results for your firm than relying exclusively on headhunters, external contacts and the haphazard efforts of partners.

### ESTABLISH A LATERAL RECRUITING COMMITTEE

To oversee and control a firm's lateral hiring activities, we recommend establishing a Lateral Recruiting Committee of three to five members vested with the authority of the Executive Committee. The committee meets frequently to review proposed recruiting targets that emanate from the firm's practice groups as discussed below. The committee communicates with the Executive Committee, assigns a priority level to each potential target and keeps their partners from running off in their own directions to engage

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non-approved targets. It must be made clear throughout the firm that a business case must be made prior to approaching any lateral target and that no contact should be made without the consent and approval of the Lateral Recruiting Committee.

The process moves through four phases as follows.

### **Phase 1—Needs Assessment**

In Phase 1, the firm defines the additional capabilities it needs as part of its regular planning process. Ideally this is done by the practice groups as part of their regular planning efforts. The practice groups identify their service gaps and needed capabilities and then convert their defined needs into hiring profiles which describe generally what kind of person they want to add. Firm management signs off on the needs assessments when they review the plans.

### **Phase 2—Candidate Identification/Search**

Phase 2 involves translating the general hiring profiles into specific persons to be targeted for potential hire. The idea is to link each recruiting target to a documented goal in a plan. Each group with hiring needs should generate a short list of high potential targets by asking each other what lawyers they know directly and indirectly (as through acquaintance or reputation) who fit the profiles and identifying additional lawyers through research.

Having identified specific targets and prioritized them, the group completes a form for each target which answers “critical questions” for the benefit of the Lateral Recruiting Committee. (See page 4: “Critical Questions to Qualify a Lateral Candidate.”) The committee coordinates the selection of highest value targets, approves the recruitment of selected targets and authorizes the development of a sales plan for approaching each candidate.

As you can see, this process results in candidates being identified internally, in a disciplined manner, by your own lawyers, rather than having candidates foisted upon you from outside the firm. It will happen, however, that an externally-generated candidate (as from a headhunter or a direct inquiry from a job-hunting lawyer) deserves or requires attention. No worries—just forward the information to the Lateral Recruiting Committee for their assessment and assignment. If the committee does not consider the candidate to be high value, then do not have any meetings

with the candidate! Maintain the discipline of vetting candidates early in the process while you can still avoid time-wasting meetings.

The committee should maintain a master list of recruiting activities (under way and planned), review progress regularly with the practice groups and share learning and best practices across the firm.

### **Phase 3—Sales Cycle**

At this point, a practice group has identified a specific recruiting target and received approval to approach that person. A sales team is assembled to make the pitch and a leader or point person is established for the team. If needed, research should be conducted to learn more about the target, professionally and personally.

Each sales approach should be customized, including any collateral materials to be presented to the target. The team must be clear why a great lawyer should join their firm generally and why the target lawyer should join their firm and practice group specifically. Be prepared to explain that the firm has identified the person for specific strategic reasons and is making a special effort to recruit them.

By definition, the recruiting target is an “A” player. Use your firm’s “A” players to recruit other “A” players. Leaders respond to leaders (and non-leaders respond to leaders too), so engage your leaders in this highly important work.

Execute the sales plan and debrief after each contact. What have you learned? Modify or adjust your approach as needed. If the candidate is not interested, assess their objections. Are they valid? Can they be overcome? What changes must you make in your message or its presentation?

Remember also that an initial rejection may not be forever. Develop a follow-up plan for execution over the next 12 to 36 months. Sometimes the target’s “no” means “not now” or “make me an offer” or means “no” but circumstances may change. More than a few times, we have heard one of our law firm clients lament that a high-value lawyer left one firm in town to join another competitor without consulting our client. Frequently the key factor in the lateral’s decision was that the winning firm expressed interest at the time the lateral became willing to move. Sometimes timing is

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everything. Once you have identified your high-value targets, stay in touch with them and make sure they know you are still interested.

If the candidate and your firm show interest in one another, proceed into due diligence and make an offer if warranted. Note, however, that thorough due diligence is more than legal due diligence and conflict checking. You should also perform strategic, cultural and financial due diligence. Articles on these topics are available at our website, [altmanweil.com](http://altmanweil.com).

#### **Phase 4—Closing**

Having conducted your due diligence, you negotiate an agreement, bring the lawyer into the firm and celebrate your success. The recruiting process concludes but don't stop there—now the employment period begins! You should have a clear plan to integrate and assimilate the new hire into the firm, including orientation (life in the firm) and cross-selling (identifying specific opportunities to make new introductions and bring new work into the firm). These activities should be planned and managed.

## **A WORD ON HEADHUNTERS**

We do not mean to suggest that firms should never use executive recruiters or headhunters. They can be a valuable source of information about unfamiliar geographic markets and practices and may have contacts that you could not obtain on your own. Employing the proactive, strategic process recommended here, however, will reduce your dependence on headhunters and engage your own lawyers in the growth of the firm.

## **CONCLUSION**

Lateral hiring is too important and too expensive to get wrong. There are better ways to engage in lateral recruiting and law firms need to find a way to differentiate themselves in a market where every firm is pursuing the same growth strategy. Rigorously following the steps outlined above will help your firm engage more highly qualified candidates, save time and money, and achieve better outcomes.

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## Critical Questions to Qualify a Lateral Candidate

*The sponsoring party submits a form to the Lateral Recruiting Committee that answers the following questions.*

Name of candidate

Firm or organization where currently employed

1. Specifically, what would this candidate do to further the goals, objectives, performance or prominence of the firm, practice or office? Link this hire explicitly to a documented goal if possible.
2. Specifically how will hiring this person help us attract, retain and/or grow clients?
3. What gaps will be filled by hiring this person?
  - Breadth
  - Depth
  - Skills
  - Expertise
  - Relationships
  - Reputation
  - Demographic
  - Leadership
  - Geographic
  - Other
4. What do you know about this person's ability to fit into our culture?
5. If an external candidate (rather than one whom we identified), why is this candidate leaving his or her firm/organization?
6. What else should we know about the candidate or circumstances?
7. Are you personally highly recommending this candidate?

Signature

Date