The Five Stages of an Effective Lateral Partner Integration

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Firms invest millions of dollars each year to attract talented laterals partners with cutting edge, booming business practices. Once lured to the firm, the lateral partner candidate is typically ushered through the interview process with red carpet treatment, and promised a hefty compensation package for their projected contribution. All too often, however, the wooing ends once the lateral partner accepts. In reality, the integration efforts that take place after the formal acceptance are as critical as the courtship phase to both the firm's and the lateral partner's success.

To fully maximize the investment, integration of lateral partners should be viewed as a multistep process that starts well before the lateral partner is at the firm and extends throughout his or her first year. The five primary stages of an effective lateral partner integration, include the: 1) interview and voting process; 2) contractual agreement; 3) offer acceptance and transition; 4) on-boarding process; and 5) formal check-in meetings.

Because of the unpredictable timing of certain elements within the five stages, such as the voting process and contractual agreement negotiations, the integration efforts must be fluid. And since the lateral partner's first responsibility is to provide seamless service to his or her clients during the transition, anything related to the clients should take priority over all else. Thus, the five stages outlined below are designed to support the lateral partner's integration, while allowing for a fair amount of flexibility in scheduling.

Stage 1: Interview and Voting Process

The knowledge sharing and social interaction that takes place during the interview and voting process are a crucial part of the integration. During this process, information about the candidate is provided to all firm partners. Typically, details such as the candidate's profile, business plan, practice analysis and strategic fit within the firm are shared as part of the application or pro forma which is distributed prior to the partnership vote. When generating the pro forma, firms should consider including information that will help the partnership learn about and cross-sell the candidate. Although not all of the partners will read the information during the interview phase, it is likely that all of them will read it before the vote.

As a follow-up to the distributed information, it is beneficial to provide any interested partners with the added bonus of meeting directly with the lateral partner candidate. This is a rare opportunity when both parties will have the time and inclination to learn about how they can add value to each other's practice and the firm as a whole. The discussion of core values and business philosophies during this stage can lay the foundation for future relationship building. In fact, one large law firm in New York City requires all lateral partner candidates to meet with at least two-thirds of the partnership in the final stages of the interview process. For this firm, part of the objective is clearly buy-in, but the firm has also realized the significant benefits of cross-selling the candidate's and the firm's expertise and potential business building connections upfront.

Stage 2: Contractual Agreement

The contractual agreement is not just about the money; it is about what is expected and when from both parties. The expectations laid out in this agreement for the first year should drive the content and agenda for the next several stages of the integration, including the on-boarding process and check-in meetings. For instance, if expanded business generation of the firm's current clients is an important aspect of the agreement, then part of the integration efforts going forward should include cross-selling and relationship building activities with other partners in the firm.

To serve as an accurate progress gauge, the expectations should be clearly defined for the lateral partner and discussed during the check-in stage. For instance, how much business is the lateral partner expected to being in and/or develop over the course of the first year? Will the lateral partner be responsible for the care and feeding of a specific group of associates and other support staffing? How many billable hours are expected while he or she is transitioning? Are the non-billable hours for raising his or her profile internally, building relationships and other intangible activities specifically defined? All of these numbers may be moving targets, but it is advantageous to at least discuss relative expectations concerning these issues.

In addition to defining the expectations of the lateral partner, the firm's management should be prepared to discuss what they will do to support him or her. Does the firm have a sufficiently trained group of associates well-versed in the lateral partner's area of law? Will the firm provide a particular number of associates or staff to support the his or her practice? Will the firm hire the proposed associate candidates from the lateral partner's former firm? Is there a specific business development budget for the lateral partner? Similar to the lateral partner's expectations, these questions should be covered during this stage and expectations should also be defined for the firm.

Stage 3: Offer Acceptance & Transition

Once the offer is accepted, the next stage in the lateral partner's integration is their transition into the firm. In most US law firms, the transition usually starts immediately after the lateral partner gives notice to his soon-to-be former firm or organization. The transition typically includes details such as the office and file relocation, parking options, conflicts and ethics clearances, technology support issues, associate/staffing support hiring decisions and issuing the press release. The departments that handle these details should be prepared to move swiftly and with precision when dealing with the lateral partner's transition. This is especially true for the departments that coordinate client conflicts, clearances and intake. Clients who must sign waivers and handle other transition issues may already view this process as a hassle, so it is imperative to make the transition as seamless as possible.

It is also important to think through how these details relate to the lateral partner's overall integration. For instance, when determining the lateral partner's office location, if there is ample space available, it is ideal to discuss the options with him or her. For cross-selling or relationship building purposes, the lateral partner may want to be located near partners who have collaborative practices. Or, the lateral partner may prefer to be near the associates with whom he or she will work and train. Although it seems like a minor detail, the office location can sometimes detract from the lateral partner's success if not thought through in detail. As an example, a firm in Baltimore, Maryland was moving office space, and placed a recently hired lateral partner in the newly refurbished space prior to the other lawyers. The lateral partner sat in his office on the vacant floor for several months with little or no interaction from anyone else except for his secretary or when ventured out to other floors. The lateral partner only stayed at this firm for a year, and cited "poor integration" as a major factor.

As illustrated in the example, this stage of the integration is vital because it often sets the tone for the lateral partner's perception of the firm and further integration efforts. As the old adage states, and is certainly true in this instance - the devil is in the details. If the details of the transition are handled well, the lateral partner begins his or her employment with a positive view of the overall firm and each department's service and expertise. Additionally, the newly transitioned clients feel that they will be taken care of with the same level of care and attention they received from the lateral partner's former firm.

Stage 4: On-Boarding Process

After successfully migrating into the new firm, the lateral partner must now focus on the reasons he or she came to the firm, including fulfilling the expectations agreed upon in the contractual agreement. To support this goal, the lateral partner must understand the inner workings of the firm. This stage of the integration, the on-boarding process, typically involves information on topics such as: human resource and benefits; computer training; accounting procedures and policies; the firm's history, governance, leadership and culture; relationship and community building activities; timekeeping and billing practices; lawyer expertise in each practice group and office; business development opportunities; legal staffing allocation; library resources; professional development and CLE options; and internal leadership opportunities. For the most part, it is not critical to supply all of this information to the lateral partner in the first few weeks. Instead, the information can be delivered in bite size pieces throughout the entire first year. A sample on-boarding timeline covering all of the suggested topics is outlined below.

To shepherd the lateral partner through this phase, it is advisable to pinpoint several main contacts to serve as the "integration team" for information and questions. For example, the integration team might include one administrative person, such as the director of legal personnel, and several partners who have a vested interest in the success of the lateral partner. The partners on the integration team may include a management committee member, the responsible partner for the lateral partner's group or office, and/or one or two tenured partners who play a role in the compensation process. As a group, the integration team should determine the lateral partner's integration needs, and draft a flexible on-boarding schedule to meet his or her goals at the firm. The administrative person would then work one-on-one with the lateral partner to schedule the on-boarding meetings, training and social activities.

Stage 5: Formal Check-in Opportunities

As part of the on-boarding schedule, several check-in points should be set to review the firm's and the lateral partner's progress regarding the defined expectations. This stage of the integration is often overlooked, because firm management often assumes the new partner is progressing satisfactorily unless told otherwise. In other words, no news is good news. Which, unfortunately, is not always the case. Scheduling formal check-in meetings near the six-month and one-year mark at a minimum is incredibly important to ensure the interests of the firm and the lateral partners are sufficiently being met.

The check-in meetings should involve the firm's management, including the chair or managing partner (whomever signed the contractual agreement), the lateral partner's responsible partner and a member of the compensation committee. At some firms, the first time a lateral partner meets with their compensation committee representative is 12-18 months after he or she has started, which is often too late if course-correction is necessary on the part of the lateral partner or the firm. These meetings will often provide a perfect outlet to discuss issues, or just continue to build upon the relationships that were formed during the interview stage.

In closing, if the firm places the same amount of importance on the interview process as they do the integration efforts that follow, the lateral partner and the firm will have a greater chance of success. After all, the livelihood of both parties is at stake; it is worth the year-long investment to ensure that the firm's and the lateral partner's expectations are satisfied, and maybe even exceeded.

A Sample Lateral Partner On-Boarding Timeline

Ongoing Efforts:
Explore opportunities for the lateral partner to attend retreats, client pitches, cross-selling meetings, internal and external social events, and teach in-house and client training programs

Prior to the Start Date:

- Send orientation materials and new hire paperwork
- Process conflicts and ethics clearances
- Draft and send press release to lateral partner for approval
- Arrange for office and file relocation
- Schedule meetings with select administrative contacts (i.e. secretary, new client/matter coordinator, office services, accounting department) to ensure seamless transition of clients
- Obtain signed contractual agreement
- Organize "integration team" to assist in the on-boarding of the lateral partner
- Appoint two main points of contact from the integration team, one administrative contact and one partner contact to serve as go-to for important questions and concerns prior to start date

First Week at Firm:

- Obtain and process new hire paperwork
- Arrange various meetings with key personnel, including human resources, legal staffing, benefits, finance, technology, client/matter intake, conflicts and marketing
- Schedule lunch each day with at least one member of the integration team
- Announce arrival of lateral partner internally and issue press release externally
- Process proposed additional support such as legal assistants and associates
- Schedule individualized computer training
- Organize an office and/or practice group happy hour to introduce lateral partner

First Month:

- Schedule monthly check-in meeting with administrative point of contact
- Schedule bi-monthly meeting with business development and marketing contact
- Schedule quarterly check-in meeting with lateral partner integration team
- Contact practice group responsible partners in all groups to arrange for the lateral partner to introduce himself/herself at an upcoming group meeting for cross-selling purposes
- Coordinate a social event with the lateral partner and his/her group's responsible partner and other partners in the group
- Arrange for a brief overview/training on the firm's staffing support service (i.e. legal assistants, associates, document production, secretaries)

Second Month:

- Schedule monthly check-in meeting with administrative point of contact

- Continue arranging for the lateral partner to introduce himself/herself at all of the upcoming practice group meetings for cross-selling purposes
- Coordinate a social event with the lateral partner and members of the firm's management or policy committees
- Arrange for a brief overview/training on the firm's billing procedures and tools to assist in the lateral partner's ability to manage associates and effectively service clients

Third Month:

- Schedule monthly check-in meeting with administrative point of contact
- Schedule bi-monthly meeting with business development and marketing contact
- Continue arranging for the lateral partner to introduce himself/herself at all of the upcoming practice group meetings for cross-selling purposes
- Coordinate a social event with the lateral partner and the firm's chair, managing partner or office head
- Arrange for a brief overview/training on the firm's partner compensation, peer review and upward evaluations process

Fourth Month:

- Schedule monthly check-in meeting with administrative point of contact
- Schedule quarterly check-in meeting with lateral partner integration team
- Continue arranging for the lateral partner to introduce himself/herself at all of the upcoming practice group meetings for cross-selling purposes
- Coordinate a social event with the lateral partner and partners from collaborative practice groups
- Arrange for a brief overview/training on the firm's in-house library and on-line reference materials

Fifth Month:

- Schedule monthly check-in meeting with administrative point of contact
- Schedule bi-monthly meeting with business development and marketing contact
- Continue arranging for the lateral partner to introduce himself/herself at all of the upcoming practice group meetings for cross-selling purposes
- Coordinate a social event with the lateral partner and partners from their practice group
- Explore options for trips to introduce lateral partner in other offices
- Arrange for a brief overview/training on the firm's associate evaluation process

Sixth Month:

- Schedule final monthly check-in meeting with administrative point of contact
- Schedule six-month expectations progress and check-in meeting with firm chair, managing partner, responsible partner or office head
- Continue arranging for the lateral partner to introduce himself/herself at all of the upcoming practice group meetings for cross-selling purposes
- Coordinate a social event with the lateral partner and partners from collaborative practice groups
- Continue exploring options for trips to introduce lateral partner in other offices
- Arrange for a brief overview/training on the firm's internal training and career development resources, external training policies and client training programs

Seventh Month:

- Schedule bi-monthly meeting with business development and marketing contact
- Schedule quarterly check-in meeting with lateral partner integration team
- Continue exploring options for trips to introduce lateral partner in other offices
- Arrange for a brief overview/training on the firm’s pro bono practice and opportunities

Eighth Month:

- Arrange for a brief overview/training on the firm’s committee and leadership opportunities

Ninth Month:

- Schedule bi-monthly meeting with business development and marketing contact

Tenth Month:

- Schedule final quarterly check-in meeting with lateral partner integration team

Eleventh Month:

- Schedule final bi-monthly meeting with business development and marketing contact

Twelfth Month:

- Schedule final expectations and check-in meeting with firm chair or managing partner, responsible partner or office head, and compensation committee member