

**TO BUILD OR NOT TO BUILD: THE RELATIONSHIP (OR LACK THEREOF)
BETWEEN INCREASED LATERAL PARTNER HIRING AND FIRM PROFITABILITY**

Lateral Partner Questionnaire (LPQ)

1. Significant clients for conflicts check
2. Portable business
 - How much of the business is portable?
 - Has portable book increased or decreased over past 3-5 years?
 - Client name and dollar amount associates with client
 - Is it portable across state lines and/or international borders?
 - How accurate is the estimation of portable business?
 - Is partner the main contact for the client?
 - Scenarios - Least Favorable vs. Reasonable Scenario vs. Optimistic Scenario
 - Active Matters
3. Rate considerations
 - Current hourly rate vs. expected rate
 - Rate flexibility
 - Billable rates from current year back to previous 3 years
4. Billing considerations
 - Hours billed from current year back to previous 3 years
 - Billable vs. Administrative
 - Total Billings vs. Originated Billings vs. Collections (Realization Rate)
 - Unbilled time
 - Hours billed by others
5. Compensation
 - Current compensation
 - Expected compensation
 - Fixed vs. Bonus
 - Compensation based on distributions, draws
 - Equity vs. Non-Equity
6. Expenses
 - Support staff
 - Marketing
 - Travel
7. CLE/Speaking Engagements/Panel Presentations