

Are Those Clients Really Portable?

By Valerie Fontaine

In most cases, the success of a lateral partner hire is greatly determined by the effective transition of his or her clients to the new firm. A few years ago, the managing partner of a large law firm announced to a roomful of search firm consultants at a NALSC (National Association of Legal Search Consultants) conference that “we have excellent attorneys; what we want is excellent clients.” That’s putting it bluntly, but clearly.

So, how do you determine whether a lateral candidate’s clients really are portable and assess the likelihood that they actually will send their legal work to your firm? What can you do to make their portability more likely?

Virtually all law firms use the LPQ (lateral partner questionnaire) to gather information about lateral candidates’ billings, rates, collections, client names, and the like. Note: In many jurisdictions, new legislation makes it illegal to ask about past or current compensation. Previously, that was one way to assess how a candidate’s current firm valued his or her contribution, usually related to business generation.

The LPQ provides a lawyer’s past record and a snapshot of the present. It’s a good place to start, but it doesn’t go far enough. To help predict the candidate’s future rain-making potential, the acquiring firm must use interviews and the process of building the candidate’s business development and integration plan to dig deeper.

Interviews

The interviewing team must fully explore the nature and depth of the candidate’s client relationships to set realistic expectations regarding client portability. A good initial question might be whether the candidate currently is the designated relationship partner for the clients listed on the LPQ, and how much origination credit he or she is

given for each. For every client the candidate lists as part of a potentially portable book, your firm should ask further probing questions such as:

- Who are the candidate’s specific contacts at the clients?
- Are they the people who give out business?
- What happens if there is a change in personnel at the client? Are there back-up contacts?
- How long has the candidate worked with the client?
- Who originally brought the client to the firm?
- Do other lawyers at the firm work on the client’s matters?
- When was the last time the candidate got work from the client?
- Does the client send business regularly?
- What kind of work does the candidate get from the client?
- What other kinds of legal work does the client have that the candidate does not currently service? Who — or what firm(s) — currently handles that work?
- What other skillsets does the candidate need to more fully service the client?
- Does your firm have those skillsets, or will servicing the client necessitate adding other practice areas and personnel?
- Is the candidate targeting a particular industry or practice niche? If so, what is its growth potential?
- Do the candidate’s client base, industry focus, and practice area fit your firm’s strategic growth plan?
- Why does the candidate think he/she can build his/her practice at your firm as opposed to the current firm?

The firm needs to designate who, on the hiring team, is responsible for gathering and reporting this information. (It could be more than one person.) Perhaps the CFO will play this role as part of evaluating the information provided by the candidate on the LPQ.

Business Development Plan

Ideally, by the end of the interviewing process, the candidate will have shown solid existing client connections with robust growth potential in your firm's environment. A good match is where one plus one equals much more than two. Using the information gleaned during the interviews and data typically found in the LPQ, the business development plan should weave a narrative showing how the candidate expects to get from the current point to the desired future.

An important function of the business plan is to explore the growth potential of the candidate's practice using your firm's platform, as well as to show how the candidate's expertise and connections can help expand your firm's current business. To that end, it's common for lateral partner candidates and their interviewers to brainstorm about overlapping business opportunities, cross-marketing, and potential introductions to each other's clients should the lawyer join the firm.

Without having a formal process for memorializing these discussions, however, this valuable information is often lost or not acted upon when drafting the business plan or during integration. Lack of follow-through on suggestions and representations made during the interviewing process can lead the candidate to wonder about apparent promises not kept — and to view the firm's talk of "platform" and growth opportunity as just part of a pitch to lure the candidate in with no intention of making good on promises.

To preserve this valuable information and maximize the integration of the candidate's clients into the firm, law firms must devise an institutionalized way to capture all of the business development ideas promulgated during interviews. This could be as simple as adding a specific section to the interview evaluation form that asks the interviewer to list any ideas discussed. The recruiting staff could then collect and pass the information along to the firm's business development and integration personnel for further action. Additionally, the firm could implement a formalized system to ensure that all of the

previously discussed introductions and cross-marketing contacts are made. Another suggestion is to require the appropriate practice group leaders and relationship partners to sign off on their responsibilities as part of the potential new recruit's business development and integration plan before the final hiring decision is made.

Onboarding

Done right, as a collaborative process between the candidate and the acquiring firm during the interviewing process, the business development plan evolves into an integration plan that delineates what the parties will do once the candidate arrives at the firm. The recruiting team must work closely with practice group leaders and marketing, business development, and onboarding personnel to achieve successful integration of a lateral partner hire.

To ensure the ultimate success of a lateral partner hire, your firm must pay as much or more attention to onboarding the candidate's current and past clients as it does to integrating the new lawyer. The firm must do all in its power — through billing rates and policies, file opening procedures, staffing decisions, and other such metrics — to make the transition and ramping-up time as painless as possible for the lateral's clients.

Estimating the portability of a lateral partner candidate's client base is an inexact science at best, but the hiring firm can utilize the interviewing, business plan, and onboarding processes to increase the probability that those clients will actually come along with the lawyer. ■

About the Author

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