

2017

# Lateral Partner Guide

Includes:

- UK Lateral Partner Market
- Lateral Partner Hiring
- Business Planning
- Action Planning
- Integration into the firm
- Monitoring



## Lateral Partner Guide

### UK Lateral Partner Market:

The UK legal market is more advanced and more densely-populated than any other outside America, with London being the centre of the UK market. As such, it is very much the legal recruitment focal point of Europe. Partner moves in London happen frequently with 104 moves taking place between January and February 2017 alone. Litigation continues to see an upturn especially in International Arbitration, fraud and corruption although with the upturn in the world economy, transactional practice areas are seeing a substantial pickup in activity. Many firms are following a key practice focus approach in areas where Partners have greater portability with their clients, with firms hiring within banking, corporate/private equity and real estate departments. Although there is some discussion as to whether the best partners to hire are the pure 'rainmakers' or the 'all-rounders' if the current climate tells us anything, whoever you hire, it has never been more important to make it work.

Primarily, the risk with lateral partner hires that don't work is the cost and we have heard of partners being paid £1 million in a year even where they produced no work in that year. Added to this, is the reputational cost and cost of wasted time and resources. Nicholas Scott recognises the importance of getting the hire right and focus on finding a good fit for the firm and for the candidate.

### Lateral Partner Hiring:

A senior lateral hire can bring in new clients, deepen a firm's expertise and broaden its capabilities – but get it wrong and as mentioned earlier it can be costly. Deciding who to hire is difficult as most talented and experienced partners are still reticent to promise delivery of specific clients or 'x' million pounds worth of business in the coming year. This understandable caution has to be balanced with the reasonable needs of existing partners who want to safeguard PEP. If however the decision to hire has to be made immediately to avoid missing out on a lateral who could assist in building a new department, raising the profile of the firm, and of course increasing turnover/profitability, the key is to ensure an appropriate and measured integration process.

Upon hiring a lateral partner there are a number of elements to consider and Nicholas Scott has the experience to advise Partners and hiring firms on the following:

- Business Planning



- Action planning
- Integration into the culture of the firm
- Ongoing monitoring

NB Nicholas Scott has fee arrangements which can be tied to the success of the lateral partner in the first year ensuring all parties are committed to the success of the hire.

### **Business Planning**

Business plans are the norm for lateral partner hires but often the implementation of the plan is not considered or monitored. Therefore business planning during the hiring process should be implemented through an action plan once the partner has joined. Nicholas Scott has developed a business plan template which is a 'gold standard' in the legal recruitment industry and available to Partners using the services of Nicholas Scott.

### **Action Planning**

- A clear objective setting out what the partner would ideally achieve by a certain point in time
- Immediate implementation as there is little point in starting an action plan in three to six months time
- Clearly defined steps which are visibly related to the business plan
- Clear dates for progress reviews



## Integration into the Firm

Surveys show that the number one reason partners leave their firms for competitors is due to “lack of support”. Establishing an integration timetable will therefore have a substantial impact on retention and success.



A good example is Mayer Brown who have a full integration team that works with the new partner to draft a business plan and also create an integration budget to insure the new hire can travel to other offices, meet new colleagues and attend relevant events. It is important for the firm to clearly define the clients, skill sets, industry experience and contacts it is hoping to get from lateral partner in the short and longer term.

There are ways that could help with the integration of new partners into the firm:

- Every law firm has its own culture that the partner will need to become familiarised with including preferred methods of: communication, marketing, client development processes and billing structures.
- Provide an orientation to offer training of the computer system, overview of the client base, to make them aware of the firm’s resources needed to achieve their goals and introduce them to professionals who would be able to provide them with support.
- Add biographies of the new partners on the company website.
- Host social event i.e. dinners or drinks to allow them to get to know their new colleagues and feel part of the firm.

## Monitoring

Ordinarily performance review dates for partners can be anywhere between one and three years - if at all - but with a formulated action plan this can be changed to either every three or six months for new lateral partners. Action planning directly links the elements of the partner’s previous performance which led to his/her successes at the previous firm i.e. specific elements of business development and fee generation and ensures that they can be clearly monitored going forward.



The key to a lateral hire achieving their promised potential is for goals to be systematically monitored in relation to outcome, performance and process as this could be the difference between a timely and measured investment and a non-starter. Our recruiters can help with the process of hiring partners and will find candidates that are the right fit for the firm.

For more information moving as a Partner or using the search services of Nicholas Scott to hire a Partner please contact Nick Robbins on (+44) 203 865 0196 or [email:nick@nicholas-scott.com](mailto:nick@nicholas-scott.com)

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