



ATTORNEY SEARCH

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Making a Lateral Move as a Partner: Questions to Ask in these Uncertain Economic Times

Unless you practice law under a large, windowless rock, you are well aware that the economy is in turmoil. With this comes a decrease in lateral associate hiring, a drastic reduction in the number of in-house opportunities for lawyers, and a general sense of panic for most of us. However, one positive change we are seeing is the increase in lateral partner recruiting by law firms around the country. These uncertain economic times have led many top law firms across the country to try to bolster their partner ranks by taking advantage of the talented (and lucrative) partners on the market.

So, does this mean that the time is right for you, Mr. Lateral Partner, to make a move? If so, how do you go about doing so? How do you go about finding the right legal recruiter to help you? Do you have the qualities that firms are looking for? How long will this process take? These are not easy questions to answer. In fact, these are just a few of the many questions to ask yourself before deciding whether to jump to a new law firm.

Is This the Right Time for Me to Make a Move?

Some experts say that the first part of the year is the best time to make a move because many firms distribute a large amount of the prior year's profits within this first portion of the year, and these profits may be withheld from partners who are not with the firm at the time of the distribution. Operating on this theory, the best time of year to begin the search process is towards the latter part of the year, since the search process can take several months or more.

However, for some partners, other factors weigh more heavily than time of year when deciding to make a move. For example, if the economic downturn has had a significant and negative effect on the performance of a partner's law firm, then waiting until the "right time of year" may not be possible. We have already seen a number of large law firms dissolve this year, and no one wants to remain on a sinking ship. Consequently, many partners are now investigating their current firm's performance and looking elsewhere to see if they have a better chance of job stability elsewhere. On the other hand, some partners are risk-averse and could not imagine trying to make a lateral move during these uncertain times. For these partners, it is more comfortable to adopt the wait-and-see approach and ride out the storm indefinitely before deciding to jump to another ship.

Yet another factor to consider when assessing whether the time is right make a move is the area of law in which you practice. Is your area of specialty "hot" in this economy? Traditionally, bankruptcy, restructuring, and litigation work flourish during a recession, and we are currently seeing a steady need for tax, employee benefits, and intellectual property partners. If you practice in one of these areas and have a book of portable business, then now might be a great time to move. While demand for other practice areas, such as real estate and finance partners, has waned somewhat, don't necessarily conclude that there is no market for you if you practice in those areas. Some

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firms are trying to capitalize on the market downturn by bolstering their ranks in these areas with partners. That way, when the market turns, these firms will be ready to capitalize.

Why Am I Considering a Lateral Move?

Making a lateral move is a big decision that will have an enormous impact on the future of your career. Consequently, it is very important to have good reasons for making such a move. While this may sound counterintuitive, a partner should NEVER look to make a lateral move exclusively to increase his or her compensation. You are not going to be able to set yourself up for a windfall simply by making a move to a new law firm. Having said that, making a lateral move often results in a slight increase in compensation, especially for those partners who are in high demand by the firms in the market.

The main focus should be on the financial stability and success of your current law firm and practice as compared to the target firm(s). If you currently practice at a firm that is weathering the storm without much damage, then maybe moving in an economic downturn is not the right choice. However, if you are seeing mass layoffs and/or an increase in attrition, then it may be time to feel out other opportunities.

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Even if you have concerns about your current firm, you need to ask the question of whether making a move will provide you better opportunities in the future. Can I find a firm that is more stable than my current firm and that will support my practice in the long term? With such a variety of firms in countless markets, more than likely the answer to this question will be yes, but it is still something important to consider.

Should I Use a Recruiter to Assist in the Search, and How Do I Find the Right One?

If you decide that now is the time to make a lateral move (or at least investigate the opportunities at other law firms), the next question to consider is whether to use a legal recruiter or go at the search on your own. Some still believe that going at it through personal connections and the use of friends at other law firms is the best way to operate. However, making a lateral move is a very important decision, upon which the future of your entire career is riding, so why not rely on a professional who has existing relationships with the firms and expertise to guide you through the process? A good recruiter can make the entire process run more smoothly and can ensure that the search is comprehensive. Moreover, a competent legal recruiter will serve as a middleman between you and the firm, and can make what might otherwise be stressful or uncomfortable negotiations that come along with lateral partner searches much easier with which to deal.

Once you've decided to use a recruiter, the next question to ask is which one? Finding the right recruiter can be a little more difficult and requires some investigation. Interview a number of different legal recruiters and do not be afraid to ask tough questions. Does the recruiter work with a variety of law firms in a particular market (or markets if you are looking in multiple cities/states)? Does he/she have information on the management of the firm? The culture? Historical financials and information on the financial stability and strength of the firm? What about compensation, conflicts, and fiduciary duties? A good recruiter will know this information about a large number of law firms and will have the relationships with the firms to obtain whatever information you need to make a reasoned decision.

It is also important to find a recruiter who will take the time to get to know you and your individual practice, and who wants to find you the *right* firm to join, not just a new firm to join. Make sure the recruiter understands the importance of confidentiality during the search process and is able to communicate well with you. The last thing you want is a recruiter who submits your confidential materials to firms without your express permission and approval. And make sure to find a recruiter who is willing to take the time necessary to help you draft a comprehensive business plan – one that details your current practice and clients, your portable business, the business you believe you are failing to capture at your current firm, your historical financials and billables, and your plans to develop new business in the future. Finally, make sure that the recruiter you choose will be a zealous advocate for you throughout the entire process, no matter how long it takes to find you the right firm.

Whatever you do, do not just sit around and wait for a recruiter to cold call you with a specific opportunity. Doing so essentially eliminates your ability to choose the right recruiter for you, and it may prevent you from exploring all of

your law firm options (especially if the cold caller is just trying to fill a particular need for a particular law firm).

I am certainly not suggesting that you absolutely have to use a legal recruiter, but it is worth it to interview a few before making the decision. Having been in the position of lateral candidate and legal recruiter, I can attest to the fact that legal recruiters really do provide a vital service that can make the lateral move much easier to swallow.

What Are Firms Looking For in Lateral Partner Hires?

When deciding whether to make a lateral move, it is vital that you understand what law firms are looking for so that you (and your legal recruiter) can best market yourself to the firms. In these uncertain economic times, more than ever firms are looking for partners with significant books of business who can boost the bottom line of the firm. While a book of business has always been important, in a flourishing economy, firms are more likely to take a chance on a partner with little or no business but lots of potential. While there are exceptions, for the most part this is not the case in a troubled economy. In fact, firms with profits per partner of \$1 million or more may require a lateral to have in excess of \$1.5 million in portables. But do not despair if your book is not that large. There are many firms with profits under \$1 million per partner, and these firms may welcome someone with your amount of portables.

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While firms are looking for higher levels of portable business than in years past, having a portable book may not be enough. Firms are interested in bringing on partners in a practice that complements the firm's current practice areas and that will be successful for years to come. As we have seen in the past, certain practices come into vogue only to fade quickly (we all recall the dot.com boom and subsequent bust). Having a large book of business in worker's compensation may be lucrative, but if a firm does not have a worker's compensation practice, it may not be interested in you, no matter how large your book of business is.

In addition to business, firms are looking for individuals who will fit into the firm's culture and management. Each firm has a distinctive culture, and firms want to bring on partners who are going to fit into that established structure. If a firm prides itself on teamwork, cross selling, and open office doors, it is not going to respond well to a partner who essentially operates as a solo practitioner.

Moreover, firms are more attracted to partners with solid reputations for being successful practitioners in their field. Partners who have made a name for themselves in the community are more likely to be able to cultivate additional business in the years to come, while a partner who has a big book but is largely unknown in the community and has no desire to cultivate more business may not be as attractive to a prospective firm.

In general, firms also want to hire good people with decent personalities. We've all seen the hot-shot attorney with an \$8 million book of business who burns through firms on an annual basis by abusing associates and making unrealistic demands on management. While some firms will overlook personality for a large book, many firms have the sense to stay away from attorneys who have questionable personalities, people skills, and/or ethics.

If You Decide to Make a Move, Remember to be Patient in this Economy.

Finally, if you ultimately decide that now is the time to make a lateral move, take a deep breath and recognize that this process may take some time. Firms have been much more conservative with respect to their lateral recruiting since the economy began to take a turn for the worse. Bringing on a lateral partner, no matter how much business he or she has, is a risk for the firm, and the last thing any firm wants to do right now is to invest time and money in a partner only to have it not work out in the end.

Consequently, firms may have candidates come back for multiple interviews with a wide variety of people, and they may sit on a lateral partner file for weeks while determining if he or she is the best fit for the firm. Do not interpret the firm's slowness as a sign that they are not interested in you. Hang in there, remember that this is a function of the economy, and realize that this lateral move is important enough to wait for.

Laura Rusche is a legal recruiter with BCG Attorney Search's Midwest/Denver office. She practiced as an attorney at two large Chicago law firms before becoming a recruiter, and she regularly works with both partners and associates as they make lateral moves to new law firms.