

Doing Risk Management When it Comes to Your Lateral Hires

When can hiring a lateral be detrimental to your law firm? All firms consider the impact the potential lateral hire will have on the firm's professional liability insurance and take the following precautions:

Ask the prospect to list all claims made against his or her practice in the past and to sign a declaration of knowledge of any incidents that could provoke claims. The firm must then ensure that coverage is in place for those incidents.

Check the prospect's background using his or her resume as well as personal references. Look for obvious problems and characteristics that are out of line with the standards of your firm/practice.

Interview the attorney's previous colleagues (attorneys and support staff). This will broaden your view of the prospective hire's work ethic and standards.

Explore the prospect's reasons for leaving his or her prior firm, and check with the local bar association regarding possible disciplinary actions against the candidate.

Research whether your prospective hire has a criminal history, and determine possible ramifications for your firm/practice.

Investigate the candidate's personal financial statements. Decide whether the attorney has financial problems that could affect his or her practicing law.

Request official law school transcripts and certificates of bar admission in good standing. These should be prerequisites for employment.

Analyze the attorney's professional financial history, including billable/non-billable hours and revenues, including write-offs.

Ask for a detailed list of the attorney's former and current clients, including descriptions of the services rendered. This will help avoid any conflicts should you decide to hire the candidate.

Discuss the prospect's philosophy about new clients, conflicts of interest, practice management controls, and teamwork. Explain to the prospect your firm's philosophy on these issues

Determine the candidate's expectations and requirements of support staff, and decide whether they fit with your firm's culture--for example, computer literacy and self-sufficiency versus heavy dependence on staff.

Lay out your expectations regarding reporting structure, participation in management, professional growth, compensation, and pro bono work, as well as your philosophy on new client development.

Put together a written synopsis of all potential liability risks the candidate could bring to your firm based on the information gathered in the above steps. Then present the synopsis to all partners in the firm to review, since they will share the risks.

Interested in Learning More About Legal Hiring? Read the Definitive Guide:

[How to Hire a Legal Recruiter for Your Law Firm: How Law Firms Recruit Attorneys Using Legal Recruiters](#)