

Minding Your Business: Understanding How the Bottom Line Shapes Recruiting 2014 NALP Conference

Key Takeaways

- Become familiar with these processes within your firm:
 - Recruiting strategy
 - Growth & expansion plans
 - Due diligence
 - Financial modeling
 - Capacity and utilization analysis
- Understand how your firm management view entry level and lateral hiring through the lens of running a profitable business
- Talent Services vs. Firm Leadership:
 - Goal differences?
 - Seniority concerns
 - Filling the diversity pipeline
- Understand how the bottom line works so you can help build the case for a new hire
- Understand how law firms give credit for business and how this impacts hiring:
 - Origination credit
 - Matter manager
 - Client billing manager
- Lateral partner recruiting and compensation – know how to connect the dots for successful partner recruiting and retention
- Pre-hire discussions:
 - Onboarding
 - Integration
 - Business plan implementation, involving business development and marketing professionals
- Understand the business of law – YOU are the recruiting expert in the room! Arm yourself with knowledge, recruiting expertise, market and practice group information in order to position yourself as a subject matter expert and to drive appropriate recruiting



Minding Your Business:

Understanding How the Bottom Line Shapes Recruiting

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Agenda

- The business of growth
- The business of talent
- Making the case
- Making them stick

Your Takeaways

- Understand how firm management views entry level and lateral hiring through the lens of running a profitable business
- Talent Services vs. Firm Leadership differences
- Understanding the bottom line and how to use this information to help build the case for the hire.

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Your Takeaways (con't)

- Understanding how law firms give credit for business and how this impacts hiring
- Lateral partner recruiting and compensation – connecting the financial dots
- Pre-hire discussions – onboarding, integration and business plans
- The business of law
- Cherry Pie

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Getting to Know You – Polling Questions

- How much time do you spend on lateral hiring?
- What percentage of your lateral hiring (associates, counsel, partner) is opportunistic and based on a planned growth strategy versus replacement hiring?
- How many lateral partners does your firm hire in a year?
- In your opinion, does your firm have a well-developed lateral recruiting strategy?
- If you were stranded on a desert island, which of the following could you not live without?
 - Jellybeans, iPhone, Pictures of loved ones, sunscreen

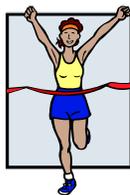
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Getting to Know Us: Maggie



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Getting to Know Us: Diane



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Congratulations: You're Promoted!

- You are now the hiring partner for your office
- Welcome to the recruiting committee meeting

CATHY CORPORATE



INTERNATIONAL ANDY



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Hiring Need: Cathy

Mid-level private investment fund formation partner for practice in Chicago or Minneapolis.



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Hiring Need: Andy

Senior corporate partner with India practice connections.



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Skills Needed: Cathy

Private fund formation experience



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Skills Needed: Andy

Corporate, M&A, Cross-border transactions.



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Practice Needs: Cathy

- Existing practice needed, self-sustaining, leveragable work, established client relationships
- Exiting firm work available?
- Existing gap in expertise?



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Practice Needs: Andy

- Existing network with companies importing/exporting business between the US and India
- Introductions to our Trade Policy & Funds clients to pitch expansion of their business with us internationally



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Do Andy & Cathy really exist?

- What are the market challenges?
- Where can we find the candidates?

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Are Andy & Cathy the right candidates?

- We found Cathy Corporate and International Andy!
 - Interviewed
 - Recruited
 - Ready to evaluate

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Bumps in the Road: Cathy

- Challenges with this scenario:
 - Billing rates
 - Portability of practice
 - Compensation
 - Conflicts
 - ROI target

Bumps in the Road: Andy

- Challenges with this scenario:
 - Portability of practice
 - Can Andy build a new brand (vs. growing an existing one)?
 - Will existing partners share contacts?

Levels of Strategy in Hiring

- Strategy of the firm
- Strategy of the practice or office
- Specific client demand
- Help, we're drowning down here
- Grabbing for a star

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Hiring & the Bottom Line

- Financial analysis
 - Origination and matter credit
 - Rates, utilization and realization
 - Portable business/Ramp up time
 - Lag time between billing and collection
- Candidate analysis
 - Onboarding and integration
 - Leveraging client relationships
 - Making introductions

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Lateral Partner

- Ask the right questions:
 - Why are we interested?
 - How is the practice fit?
 - Skills, seniority, other attorneys
 - Do they need a self-sustaining practice?
 - How much work is there in this business? Do our existing clients provide opportunities?
 - Who is going to champion this new hire?
 - Other due diligence

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Lateral Associate/Counsel

- Utilization analysis
- Due diligence – what is the need?
- Fit with the existing practice
- What experience level/skill set
- How will you find this talent?
- How will you entice this talent to your firm?

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Entry Level Recruiting

- Establishing target numbers
- Managing yields
- Finding the *right* talent
- Financial analysis for entry level hiring
- Practice group # projections

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