

What a Headhunter Must Know About Your Firm to Help You Recruit the Best Lateral Partner Candidates

by Valerie Fontaine

Law firms compete for a limited number of top lateral partner candidates with significant portable books of business and look to legal search consultants to help them identify and hire the best. The more information your headhunters have up front, the more effectively they can land top prospects on your behalf. When a legal search consultant calls a prospect with all relevant intelligence at hand, the candidate understands that that your firm is invested in a targeted search, and that the recruiter is your trusted advisor, not just someone on a fishing expedition. The contact will be taken more seriously and be more productive. Providing your recruiters with access to key personnel and candidly sharing hard data and “soft” information enables them to sell your story and make the best match.

Platform

The prime motive for most lateral partner moves is enhanced ability to attract and service clients. Therefore, your recruiters need information about your firm’s processes for bringing in new clients and matters, and handling conflicts and waivers. Your headhunters need to know about your firm’s billing and collection practices to determine whether a candidate’s existing rates are compatible; otherwise, the clients may not port.

If, by joining your firm, however, the lateral partner could reduce rates or initiate alternative fee arrangements, there may be the possibility of expanding her book of business by attracting additional clients and matters she could not serve at

her present firm. Savvy headhunters also ask about the firm’s marketing capability, cross-selling opportunities, and track record of supporting lateral partners as these can be strong selling points for your firm.

If a prospective lateral partner’s client base requires others to fully service it, your recruiters will ask whether you have adequate support currently available within your firm, or whether the prospect can bring, or hire, the necessary associates, paralegals, and staff.

Financial Health and Management

Provide your recruiters with accurate numbers regarding average profits per equity partner, its trajectory over the past several years, and projections for the future. Firms find ways to “game” the profits per partner numbers, however, so revenues per lawyer numbers may give a better picture. To attract lateral partners who may join your firm’s equity ranks shortly, your headhunters must understand the firm’s liabilities including leases and debt.

Explain the management and power structure of the firm and note whether there is professional management in addition to lawyers in charge. Your headhunters also should understand how the firm is organized — by office or practice group, and if there are multiple profit centers. Lateral candidates interested in leadership roles want to know about your firm’s committees: who serves

on them, how members are chosen, and which offices and practices are represented.

If you want your headhunters to recruit candidates at a very senior level, describe the firm's retirement policy. Some firms require retirement at a set age, while others automatically convert partners to nonequity status and allow them to work on a contractual basis as long as they wish or are able. Some have no retirement policy at all.

In order for your legal search consultants to best present your case to lateral candidates, you need to work with them to construct a narrative about the firm's or local office's growth history and future plans. If there were any "hiccoughs" along the way, prospective candidates most likely heard about them. Thus, it's advisable to develop talking points regarding historical growth and turnover rates, including the successes and failures of previous lateral partners. Be candid about whether the firm is contemplating dramatic expansion or contraction, or any changes in its character, size, structure, or practice focus. Of course, not all such events are foreseeable, but at least apprise your headhunters of the firm's attitude toward such changes.

Compensation Scheme

Money talks. Discuss how your firm compensates its tiers of lawyer and the spread between the highest and lowest paid partners. Compensation schemes vary widely between law firms, and reward that which the particular firm values most. Give your headhunters the information they need to explain to prospective candidates your process for setting compensation and the criteria taken into account. Some models are purely formulaic, while others are almost completely subjective, decided by a few powerful people in the firm. Clarify how your firm rewards business generation/origination (and whether credit is given by client or by matter), hours billed, marketing activities, mentoring of associates, firm management, quality of work, pro bono or community work, and stature in the profession. Your recruiters need to ascertain

whether the firm's priorities align with those of the prospective candidates.

The timing of payments is a key issue so that recruiters can assess whether the prospect will have difficulty transitioning to your compensation system cash-flow-wise. At one extreme are law firms that pay partners a low monthly draw plus one large profit distribution at the end of the fiscal year. Others have higher draws and smaller profit pools, and/or distribute profits on a monthly or quarterly basis. If a candidate is accustomed to compensation evenly spread throughout the year, there can be some hardship, at least until collections start rolling in so profits can be paid. If equity partnership is in the candidate's foreseeable future, talk with your recruiters about capital contribution requirements, when it's paid, and how it's financed.

Titles

There are many lawyer titles, and each firm defines them differently. Therefore, your headhunters need to understand the tiers of partners in your hierarchy, or whether the firm is a corporation, and how the prospective candidates would fit in. Include information about voting rights, profit participation, and responsibility for liabilities for each tier; how a lawyer moves from one level to the next — and, possibly, back again — and who determines that movement. Discuss specific benchmarks, waiting periods at any given level and, especially, the experiences of other laterals.

Compatibility

Equally important is whether the firm's culture and prospective lateral partner's personality mesh. Common values matter. Virtually every firm describes itself as "collegial" and insists it adheres to a "no jerks" rule. (One wonders where all the jerky lawyers practice.) Top legal search consultants strive to meet personally every employer-client they represent and every candidate they offer for consideration. They should visit your offices and meet as many key partners as

possible. Firm culture can vary from office to office and even from department to department within the same organization.

Recruitment Process

In addition to informing your legal search consultant about the kind of candidates you seek, be clear about the recruiting process so they can partner with you to steer the candidate through it. Designate one person at your firm to receive candidate submissions and shepherd the process. Specify who the candidate will meet and in what order. Share your LPQ (lateral partner questionnaire) with the recruiter and decide at which point in the process the candidate must complete it. Respond in a timely manner and give honest feedback to the recruiter at each step of the process to address any concerns. Let the headhunter know about next steps and timelines. Successful partner candidates are very busy, as are the lawyers at your firm. Clear and constant communication with your recruiter can facilitate the process for a successful hire.

The more information you share with your recruiters, the more effective their results. We present our employer-clients with a multi-page list of questions before we embark on a lateral partner search. Almost without exception, they are impressed and happy to comply. They understand that the better we can describe the firm's hard facts, "soft" attributes, and recruitment process, the better we can attract candidates with the right fit for long-term success at the firm.

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