

Beyond the Lateral Partner Checklist: Becoming a Key Advisor on Risk Management

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Agenda

- Panelist Introductions
- Key Points
- Case Study
- NALP Lateral Hire Checklist
- Risk Management Tools
- Panel Discussion
- Key Points - Summary
- Final Thoughts

Key Points

- What is risk management?
- Why is it important to my recruitment role?
- What are the primary risk management issues in the lateral hire context?
- How do I begin?

Case Study

The Houston-based Head of IP at an Am Law 100 firm recently identified the firm's need for a patent litigation team in its growing Houston office.

He believed that the firm's IP practice would greatly benefit from a larger "hard IP" presence because two of his largest technology clients were Houston-based and a larger team could service more of the clients' work, generating greater revenue for the firm, and for his practice.

The Head of IP was eager to get his recruitment initiative off the ground and so he recommended that the Director of Lateral Recruitment retain the services of a local recruiter whom the Head of IP had known for fifteen years. The recruiter had moved him to the firm and they had become very good friends over time.

The recruiter quickly identified a team consisting of 3 partners, 1 of counsel, and 7 associates as priority candidates.

This team seemed like an ideal fit and claimed to have a viable and ever-increasing book of business, largely Houston-based, although they seemed to operate in almost complete isolation from their current firm.

After several meetings, the Head of IP and the Lead Partner agreed that the move made sense and that they wanted to accomplish the move as quickly as possible. The Head of IP called the Director of Lateral Recruitment and told them that finalizing the transition of the team was a "firm priority." The Head of IP then made a call to the firm's Managing Partner to let them know of their impending "coup" in the Houston legal market.

The Managing Partner listened carefully to the Head of IP's enthusiasm and then called the Director of Lateral Recruitment.....

NALP (2007) Checklist

Preliminary Phase

- Secure a current resume, CV and/or B Plan
- Verify the source of the submission
- Execute a Confidentiality agreement
- Identify any additional potential candidates
- Working on matters adverse to the interviewing firm

Pre-Offer Phase 1 – Verify the following

- Personal and business contact info
- Professional and employment info (bar admission)
- Education background
- Eligibility to work in the US
- History (misconduct, disciplinary, investigations)

Pre-Offer Phase 2 – Have the candidate provide:

- Liability insurance maintained
- List of all the claims reported
- List of outside positions
- Hours/revenue
- Compensation history
- Matter Origination
- Fee write-offs
- Client/matter list for conflict checking
- Relatives employed by the firm
- Tax returns have been prepared and filed
- Professional references (normally three) peers, colleagues, clients

Final Phase

- Conduct the background search and conflicts check on the candidate's client/matter list
- Report results to the person in charge of the candidate's hiring process

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Risk Management Tools

Business Case/Strategy/Financials/Clients

- Has management approved this recruiting initiative?
- Is there an articulated growth plan?
- Are there client synergies?
- Has the financial analysis been completed and approved?

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Risk Management Tools

The Hiring Team

- Do you have the right partner sponsor?
- Have you briefed the team on the strategy?
- Are the stakeholders capable of communicating? (Pitch)
- What roles are your team members playing? (Quarterback, running back, blocker, punter?)

Risk Management Tools

Conflicts Process

- Does your conflicts team know this is coming their way?
- Has the candidate been properly briefed?
- Is the conflicts process open-ended or are there agreed parameters?
- How will the firm handle potential conflicts?

Risk Management Tools

Cultural Fit/Personal Behavior

- Do all stakeholders have a voice? (Staff?)
- Is 'fit' on the radar?
- Is there timely feedback on candidate interaction?
- Keep records/notes – track your thoughts
- Should we recommend independent due diligence?

Risk Management Tools

Dealing with Headhunters

- Have you hired the right recruiter?
- Do you have an RFP process for selecting your preferred recruiter?
- Does your recruiter understand their responsibilities throughout the process?
- Is your recruiter attuned to firm culture?

Key Points – Summary

What is risk management?

It's a process

- Identify Risks
- Analyze those risks – how serious is the threat?
- Implement risk response strategies
- Gather and use the best intelligence to respond to the risks that arise

Why is it important to my recruitment role?

- It produces a higher quality recruitment result
- It elevates your role as an advisor throughout the lateral hiring process
- It safeguards the firm from making poorly-advised hires

What are the primary risk management issues in the lateral hire context?

- Business Case/Strategy
- Legal & Business Conflicts
- Cultural Fit/Behavior
- Personal Conduct

How do I begin?

- Raise the idea of a risk management framework
- Ask the tough/awkward questions to get your recruitment team thinking
- Use the 5 Tools as a guide to begin to raise these issues

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