

The Legal Intelligencer

Group Laterals May Offer Better Chance of Success

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Case Digest Summary

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seek that Holy Grail partner who may be out there to help elevate their firm. A successful lateral partner, group or merger can change the course of a firm for years to come. As a legal recruiter in Philadelphia for almost 10 years now, I know firsthand the difficulty of completing these deals and the reasons why they are or are not successful. More and more, I am seeing that the deals that have the best chance of long-term success are the deals that involve not just a single lateral partner move, but a group of attorneys making the move together.

From the lateral's perspective, some of the reasons to make the transition as a group may seem obvious, and some less so. When a lateral is transitioning, he or she has to make sure not only to take care of himself or herself but also his or her clients. The active piece of litigation or merger you are working on never stops because you decide to make the transition to a new firm. Laterals who bring not only other partners but also associates, paralegals and legal support staff have a leg up to help ensure that this transition is as smooth as possible. One lateral partner who made a large group move pointed out that moving with colleagues, people who you work well with, allows a much smoother transition in terms of client service. You can maintain continuity on your active files and not have to bring new lawyers and paralegals up to speed at the client's expense, the partner said. The comfortability factor of continuing to work with people with whom you have built relationships over years and can continue to do so in a new environment cannot be overstated. Learning new processes and the structure of a new firm can be a daunting task, and while firms are often wise to assign other partners to mentor new partners and help them in that transition, that tension is still there.

From a law firm's perspective, considering the significant time, energy and money that can go into a lateral partner search and the equally significant time and energy spent trying to make sure the lateral is integrated properly,

bringing in a group makes a lot of sense. For one, the amount of time spent is not inherently different if bringing in a single partner versus a group. I've worked with numerous firms over the years that were looking to either open up a Philadelphia office, or grow their existing small office. They will admit that finding the right partner can be an exhausting effort that often just doesn't seem worth it. Attracting groups, on the other hand, seems easier at times and often has bigger rewards.

The same due diligence needs to be done on both sides, and lawyers, often creatures of habit, feel more comfortable making a move, which increases the likelihood that the deal actually gets done. It's easy for one partner to get cold feet if he or she is making the move alone, but less likely when he or she knows others are counting on him or her to make the move together.

Secondly, the fear that a partner may not be able to bring in the business he or she projects is often less of an issue when you are talking about a group move. The business is more quantifiable when you are relying on more than one partner's book and relationships.

Partners moving as a group also make themselves more marketable simply by the old adage of strength in numbers. The \$600,000 that one partner brings may not seem that attractive, but when he brings two of his partners with him and their book is now \$2 million combined, they suddenly are much more marketable.

When Wolf Block unfortunately collapsed back in 2009, the firm broke off into many different segments. The banking group split between Stradley Ronon Stevens & Young and Friedman Schuman Applebaum Nemeroff & McCaffery; the real estate and trusts and estates attorneys went to Cozen O'Connor, and the litigators for the most part ended up at Duane Morris. This was savvy on the partners' behalf, enabling them to not only negotiate strong deals for

themselves but also to protect many of the associates and partners who did not generate business. As a result, despite Wolf Block's collapse, there were a surprisingly small number of attorneys looking for work at a time when there weren't a lot of jobs out there.

With all of that being said, there are still many partners making the lateral move alone, and with very good reasons. From a firm's perspective, it may be able to go out and add strategic pieces that will enhance the firm without having to make a significant investment that could have lasting effects. It can be expensive to bring on a group of attorneys and there is a certain risk factor, which increases the larger the deal gets.

From the partner's side, there are still many reasons why making a move alone makes more sense. Client conflicts, rate pressures or potential leadership opportunities are all reasons why a partner may seek a new opportunity alone. There's also the inherent fear of not wanting anyone to know you are looking, and the reaction your partners might have if they sense you have a desire to seek out new opportunities.

No two situations are the same, and the options and solutions are different for everyone. But as we head further into 2015, the legal market, especially in Philadelphia, has grown continuously bullish. Firms are out there seeking to create opportunities. Keeping an open mind to both group and individual opportunities will pay dividends.

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