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Integration planning in law firms: successes and pitfalls

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To integrate new team members into an existing team and organisation is a process that, like a merger, is almost comparable to ensuring the harmony between families living in a 'compound-setting': you have to keep working on this in order to achieve a successful harmony between the families and ensure the new balance is and remains stable.

(Authors' words)

1. Introduction

Given the current structure of the legal market, the scarcity of talent and the increasingly competitive environment, several law firms in pursuit of growth strategies have opted for (or were forced to undertake) the implementation of specific practice and/or sector growth via the selection and onboarding of teams and/or parts of firms in the required and chosen areas.

In the legal sector, value creation of the firm arises directly from the quality of people (both in a technical sense and in terms of competences, commerciality and strategic thinking) and from the dissemination of their expertise and rapport with clients. From a financial-economic point of view, the well-being and the right performance climate and environment are therefore of direct importance for the preservation of the 'value add' a new team (or teams) can bring to the particular practice and firm. It is therefore also key to ensure that the business and practice that needs to be transferred maintains speed and continues to operate immediately after the hiring, recruitment and onboarding processes have been concluded. As these onboarding and transfer processes are time-consuming and require a high level of investment, management time and partner effort, disruption comes at a cost.

There are a variety of reasons one can look at to illustrate the dos and don'ts when it comes to onboarding and integrating a

new team (or a new, senior professional) into a practice and/or the firm's organisation. Integration planning is an essential last part of the overall onboarding process and should start already long before the actual recruiting process takes place and reaches its end. Unfortunately, a systematic, structured and disciplined approach to integration planning is something most firms tend to neglect. Quite often this leads to disappointing results, suboptimal performance in the mid to long(er) term and frustration among new and existing team members and partners along the way.

Professional experience and in-depth expertise in one or more technical, legal areas combined with the famous personal 'fit' and a sound business case and book of business are at the basis of a successful onboarding and integration process. In law firms and among legal professionals, almost by intuition, everyone knows what is meant by this 'fit'.

As part of an onboarding, the promised book of business and portability of business and clients' relations, including the *quality* of the client portfolio, will of course be evaluated. Strengths in these areas sometimes compensate for a potential (or perceived weakness) in personality/team-orientation, commerciality (or related skills and competences) and lack of expertise and know-how in certain technical areas. Sometimes firms, even when there are certain doubts about the 'fit', decide to move forward and progress. Sometimes they take shortcuts. The hope that the expected business growth will occur quickly, or that the competition is ahead or that time is running out, can also strengthen the firm's appetite to recruit and onboard although, as recruitment data collected shows that, on average, it takes a few years before successful transfers achieve the levels of performance similar to what was achieved in the previous firm. The data and evidence of lateral partner moves, and the onboarding of teams does not always show a positive picture.

For a firm, the addition of new partners and teams is an investment in several respects. From the firm's point of view there are the following elements or drivers: (i) strengthening the firm's brand (reputation/attractiveness); (ii) increasing revenue and profitability; (iii) offering more know-how for the benefit of the client (expertise); (iv) signalling strength to competitors (with the goal to gain market share); and (v) internally bringing on board other important drivers for success.

When it comes to the onboarding and integration of new professionals in a law firm, three basic variants can be distinguished:

- the recruitment and integration of qualified junior staff;
- the recruitment and integration of individual, more senior professionals; and
- the recruitment and integration of teams.

This chapter will focus primarily on the recruitment and integration of teams and senior professionals for two reasons:

- the frequency and importance of lateral hiring and transfers of juniors has a different dynamic, the numbers continue to increase and the financial-economic value of such transfers cannot be compared to the transfer of partners and/or the onboarding of teams; and
- there are already a large number of programmes for recruiting and integrating trainees and junior staff; a scheme is presented for illustration purposes below.

The situation when recruiting, onboarding and integrating senior professionals like partners and/or the onboarding and integration of a complete team is quite different from the previous formats. The stakes are higher; the effects of frustration or 'withdrawal symptoms' are more serious, the difference between the new team members and the existing partners/team become bigger and more obvious over time. Often, over time, discontent or tensions arise between the partners and teams and quite often these are not immediately addressed and discussed by leadership and at practice level. Wise personnel growth planning must take these aspects into account and prepare for remedies.

2. Value creation – identifying synergies

In the legal sector, as mentioned before, value creation of the organisation arises directly from the people and the dissemination of their expertise. The management and those involved must be aware of the responsibility to carefully prepare, manage and execute the onboarding and integration process. The following aspects, among others, have to be examined and evaluated:

- work culture: style of leadership and collaboration, hierarchy levels and team work;
- qualification: expertise, core capacities and personality;
- practice area: type of work, expertise, projects, quality level;
- clients: type of clients, relationships and markets; and
- performance: KPI's performance history and targets; ambitions and aspirations.

Everything that slows down, or potentially frustrates and hinders will have an impact on the daily functioning and the efforts to bring the new lateral hires and new team 'up to speed'. This requires an integrated approach of the several components involved. On average, it takes about six to 12 months before a new team is able to achieve its original turnover and output level after the acquisition. The same is true for getting used to the new organisational culture, building up new, collaborative relations with existing partners and teams and being able to identify synergies. On the other hand, the risk of an emerging isolation may be higher than ensuring integration and alignment.

A leading practice example for this type of process as used by Venturis Consulting Group is usually comprehensively examined at four levels or dimensions:

- management, leadership and culture;
- client portfolio;
- infrastructure and communication; and
- personal and collaboration.

Figure 1 is a good illustration and summary of the main components of an integration plan that needs to be designed and agreed by both the incoming partner and their team and the other partners of the practice and the leadership of the new firm. Implementation is a common responsibility and needs to be carefully monitored and project managed.

To ensure that these dimensions are aligned, that integration runs smoothly and that each complements the other, requires actively working on integration. If this focus is lost, the integration (and future success of the transfer and onboarding) will be watered down and the previously estimated performance results will not (or will only partly) be achieved. It is something we see quite regularly when supervising and advising on hiring and onboarding of new partners, practices and teams. It is important that the integration planning is carefully monitored and that it does not become a 'design and develop it and then forget it' (ie, implementation). Firms and practices must implement the integration planning thoroughly and ensure follow-through and close monitoring of progress, otherwise the synergetic benefits that firms had in mind will, most probably, not be achieved or only partly be achieved at best. As referred to before, almost 50% of the new acquisitions, team integrations and lateral hires do not lead to the anticipated success and performance.

Figure 1. Elements of an integration plan and required support from firm/practice

MANAGEMENT, LEADERSHIP & CULTURE	CLIENT INTEGRATION	INFRASTRUCTURE & COMMUNICATION	PERSONAL & COLLABORATION
<ul style="list-style-type: none"> Defining span of control, role(s) and accountability Involvement in profit and practice management Involvement in client relationship initiatives/ management Integrating leadership roles and responsibilities Induction business support services, IT and management reporting systems Involvement in people and team management Culture: ensure good understanding of the firm's culture and DNA; demonstrate cultural cohesion and involve in networking across the firm 	<ul style="list-style-type: none"> SMART business and client transfer (portability) focusing on collaboration, integration, cross-sell and synergetic effects Involvement in client teams Develop business development plans and align with running BD and marketing activities Develop new value propositions Identify new, potential, target clients Involvement in pitches and product/service development Explore/establish crossovers and synergies Provide full understanding of the firm's and partner's 'value proposition' towards clients 	<ul style="list-style-type: none"> Managing transfer know-how and expertise, checklists and templates Access to systems and software Introduction to PA/sector/ industry group initiatives Memberships and alliances Align working methods and professional standards models Ensuring national versus international announcements Internal/external communication and press management Assign a 'peer mentor' and create an induction programme with clear roles and responsibilities. Create stakeholder accountability at firm, practice and sector level. 	<ul style="list-style-type: none"> 'Score cards' and integration planning (TMA reporting) Aligning capabilities, competences and personality with new culture Set personal goals and the roadmap to realise them, time planning Legal and non-legal training and development, career planning Building up internal positioning, teaming and collaboration Participate in service delivery and product development discussions Involvement in networking and other workgroup initiatives Building relationships at board level, positioning in partner group

Source: Venturis Consulting Group.

3. Importance of management involvement

To recruit, onboard and integrate a new team and senior laterals requires multiple engineers and several of the firm's business support services need to be involved. But, in the end, an onboarding and integration process has two project owners: the managing partner or, as will be the case in most large business firms, the practice area leader together with the laterally hired partner/team who have to take full responsibility for the integration process. The process may have various process owners for different steps (see also the four dimensions above in our Venturis scheme, also in relation to the business services involved) but the liability for 'the oeuvre' lies, ultimately, at the firms' management and partner leadership level. Regular monitoring of whether agreed and identified milestones and tasks have been achieved and whether the integration is on schedule are as mandatory as in a deal review or essentials of a due diligence report. There is no excuse for executing an onboarding

Figure 2. Strategic sourcing and onboarding process

Identification of business opportunity and follow-up meetings/teams	Preparation of business case and lateral hiring documentation	Partner/team assessments and scorecards	Integration planning
<ul style="list-style-type: none"> • Preparing the ‘value proposition’ • Identification of potential teams/parts of firms • Structured intake interviews/meetings with candidate partners/teams • Introduction and follow-up meetings • Introduction to Leadership London/ US/Global • Focus on aspiration level, strategic ‘fits’ with organisation (at culture, practice/ sector, client and financial economic levels) 	<ul style="list-style-type: none"> • In-depth due diligence on: <ul style="list-style-type: none"> – Financial-economic performance – Client portfolio (incl portability) – Practice (size and scope) – Portability – Contributions to management, brand/ reputation know-how exchange, HR • Business case/business planning • BD/marketing activities • Combined in/prepared on the basis of a lateral hiring document 	<ul style="list-style-type: none"> • Reporting on partner candidate competences/ capabilities • Assessing/advisory on candidate/team profile: <ul style="list-style-type: none"> – Culture/collaboration – Personality and development potential (TMA test/instrument) – Practice – Clients – Performance • Assessing the motivational ‘drivers’ • Recommendation regarding hiring decision 	<ul style="list-style-type: none"> • Post-onboarding integration plan: <ul style="list-style-type: none"> – Personal and professional development plan – Identifying business development and client targeting activities – Identifying synergies and exploring crossovers – Determining management responsibilities and roles – Ensure know-how transfer

Source: Venturis Consulting Group.

process in a less serious way than the way in which client services are being delivered and clients are being advised.

A professional strategic sourcing of recruitment and onboarding process therefore, and bearing in mind the differences between firms, their organisational culture and processes, consist of several phases. At Venturis Consulting Group we distinguish between the phases and elements illustrated in Figure 2.

4. Recruitment, onboarding and integration pitfalls

There is a risk that lateral teams and/or senior professionals in newly merged teams end up in a difficult, sometimes isolated position or even a conflict situation, which is not good for the firm, nor for the lateral hires. The prevention of conflict and a ‘smooth’ integration in the first year is the basis for a successful and aligned integration in the mid to long(er) term. There are three aspects:

- lack of due diligence;
- lack of role clarity and responsibilities; and
- insufficient time to ensure a transparent process.

4.1 Due diligence

Several firms lack a sufficient robust and rigorous approach to the planning, progress monitoring and implementation of the onboarding and integration of the lateral team. The process is underestimated; implementation is less 'sexy' and usually partners follow an integration with little attention paid.

In addition, several firms do not use generally available or specific diagnostic steps and testing tools and instruments that are able to validate a potential 'personal fit' in situations when partners and fee earners decide to change firms. Also, the following essential questions are quite often not addressed while preparing for the hiring and onboarding process:

- What types of personalities are we missing in the current team or practice?
- Which character traits are indispensable prerequisites for a successful onboarding/integration and performance?
- Which strengths must the new team member have, and which weaknesses would be acceptable?
- What about the effects of these dimensions on the future (team)?
- What are the differences in organisational culture?

Some of these questions can certainly be answered during the recruitment and interview process. Another part, however, requires the cooperation and interaction of all actors. This can be achieved by means of structured discussions in advance with selected team members about expectations, aspirations and fears. Personality questionnaire/inventories that give a picture/impression of the team's values and attitudes are required and can be compared with the profile of the future team member (assuming that the preparatory profiling has been carefully undertaken). All this can be done calmly and discreetly following the sequence of steps indicated above in our model and in the run-up to the heads of terms negotiations – without disavowing or damaging one side. Rather, these are useful decision-making aids for everybody involved, provided the process and actions are handled openly and fairly. This means that results are reflected, discussed and thus integrated into the further procedure/process and integration planning. The costs of a failed transfer – for both sides – should justify the additional, but relatively small investment in terms of time, effort and money.

The same applies to an early identification of potential cultural differences. If a firm decides to onboard a team (or part of a firm) with a specific business model and culture, where the typical way of operating and a certain degree of autonomy are important to the members and the new environment is significantly different, then you have to think about whether you can maintain this or whether this could be a potential barrier to successful integration, onboarding and future performance.

This also applies to the way decisions are made within a firm. If the lateral team is used to low-threshold, direct and more open communication, and that is precisely the direction that the organisational strategy and culture points to, then a firm should be careful about introducing additional bureaucracy (or the perception that these are additional and unnecessary burdens/administrative processes). If the lateral team feels after a while that the new working environment is too restrictive and does not allow for the autonomy and independence required (and promised), a decisive success factor may already be lost.

4.2 Lack of role clarity and responsibilities

It is not necessarily a negative when organisational cultures of lateral hires, the new team and the new firm are different, as long as the overall strategy of the firm is clear and new joint guidelines are drawn up: how do you set up governance, how do you set up your business model and which decision and reporting lines do you use? In addition, paying attention to communication is and remains a key factor. Firms must talk continuously and consistently to the new team members after the deal is closed in the areas mentioned above. These discussions must be inclusive, aligned and disciplined. This should not be restricted to the key partners or the firm's managing partner and practice heads. Firms should also involve young talent, senior associates and key business support staff. It is important to win everyone's trust and ensure that all stakeholders continue to believe in and support the joint project including what will happen after the transfer. As described above, a transparent onboarding process with clear integration planning goals assists all actors involved.

In the international context, networking with other colleagues outside one's own legal department and local offices is explicitly also on the agenda, in addition to personal and professional training and development.

Of course, operational and administrative issues and aspects like time recording and billing system, the structure of all and in particular corresponding departments, the tasks, roles and responsibilities of other partners, the tasks and roles of the BD team and other service areas should not be overlooked, nor should the bonus and remuneration system of the associates, systems for feedback for employees and from clients such as knowledge and risk management and the central players in finance or the COO.

All milestones in an onboarding scheme should serve all actors and all involved: as a reminder, as a commitment, and possibly also to allow for adjustments, additions, shortcuts and/or detours. A comparison with sports may be a particularly good illustration: football players change clubs, sometimes with, sometimes without, the expected success and results. And in most cases, it is not due to technical incompetence or inabilities that they fail. Of course, the dynamics of everyday professional life is one or even the central force in the integration of the individual. If the new member/partner comes with a team, things become even more complex and many times a new player will, when things are inadequately managed, rather sooner than later sit on the substitutes' bench and decide to try his luck – again – with another club.

Therefore, once the decision has been made in favour of reinforcement, it is immediately necessary to clarify (and plan) what and whom you need to get to know in the first 10, 90 or 365 days.

4.3 Insufficient time to ensure a transparent process

As the pressure starts to build for all stakeholders during the onboarding process and the heads of terms have been agreed, professional mindfulness plays a key role during the integration planning phase: which steps have to be initiated and implemented and when? A carefully worked out integration plan shows professionalism and seriousness and will support a successful integration and, in the best case, will set a precedent for future new arrivals. In this respect the timely involvement of human resources management (HRM) expertise is crucial and too often firms take insufficient advantage of the availability of skilled and experienced HRM experience in a firm. Key HR input in developing and designing professional and effective integration planning is essential.

5. Young academics – the next generation

Although the focus of this contribution was primarily on the recruitment and onboarding of senior lateral hires and team moves, we have seen some interesting developments in relation to the less senior fee earners and associates. Rational arguments (we are all familiar with terms and concepts like the ‘war for talent’) will convince even the biggest critics in a firm when it comes to maintaining and strengthening reputation and profitability. A lot of effort in terms of money, headcount etc is no longer a single, one-off episode – almost everyone is planning how to integrate the next generation of fee earners into the firm. In a couple of years, they will make up the majority in many firms. It’s also worth mentioning that firms have, over the last few years, devoted more time, money and expertise to onboarding and integration of such selection and recruitment processes as compared to five years ago. Figure 3 is an example of a learning and development integration tool.

Figure 3. Example learning and development integration tool

Example curriculum – 1st year associate					
Lunchtime lectures/tutorials/online courses/workshops and seminars					
Jan – Mar		Apr – Jun		Jul – Sep	
Induction day/speeches/dinner		Strategy 1		The client	
Compliance 1		Law firm economics 1		Business development	
Knowledge management/templates		Accounting 1		Accounting 2	
Client spelling style		Compliance 2		Law firm economics 2	
Narrations of associates/counsel ('My way into the organisation') 1		Legal tech 1		CRM-Toolkit	
Narrations of associates/counsel ('My way into the organisation') 2		Legal tech 2			
Cooperation		Communication		Communication	
Dos and don'ts (of working together) 1		Role of PR		Role of PR	
Leadership basics 1		Conduct of negotiations		Leadership basics 2	

Source: Venturis Consulting Group.

Programmes of this kind are sometimes rather differentiated in terms of content: in addition to legal topics, aspects for expanding social skills, exam preparation and corporate citizenship are now reflected on many tailor-made websites. In the role of the teacher or trainer, selected and qualified lawyers can be found as ‘buddies’ or role models who are supposed to make the field of application palatable to the future employer. After the qualification/a state examination/admission to the bar, the accompanying curricula are adapted to the respective areas of expertise and seniorities. There are also examples which are used as prerequisites for further steps (and promotion). These are flanked and supported by the partner who is responsible for the professional development, and sometimes has to keep an eye on the development of non-legal competences at the same time, sometimes by another HR partner, sometimes accompanied by the HR department and also taking into account feedback from clients, colleagues and other team members. Another leading practice is the use and introduction of assessment centres. These increasingly become a normal aspect of development and a source of inspiration for individual, personal and professional further development.

In larger/major law firms there are, in addition to ‘career development partners’, who take care of integration and professional development, senior associates such as ‘buddies’, who promote local integration beyond their own working environment, as well as training programmes that are tailored to the respective seniority level of the lawyer. In the international context, networking with other colleagues outside one’s own legal department and local offices is explicitly on the agenda, in addition to personal and professional training and development.

6. Conclusions

As in any transaction, the onboarding and integration of new teams or individuals is divided into several phases:

- Questions to be answered before taking initial measures (and comparable to a normal due diligence process).
- In parallel to the subsequent negotiations with a partner/team that is interested in making the transfer, common interests must be found, and obstacles removed. These can be of a strategic, personal, professional or institutional nature. Whether one or multi-dimensional, the four-eye principle no longer makes a substantial contribution in such processes.

Take your time and use different methods and sources. Apply a 360-degree approach.

- Post-transfer onboarding and integration planning commence long before the final signing of the heads of terms.
- The evaluation and monitoring of the transfer is a continuous and transparent process, which, as such, is an essential element of the integration process to ensure alignment between the respective steps and actions and the ambitions of all stakeholders involved.

This chapter "Integration planning in law firms: successes and pitfalls" by Sabijn Dullaart and Wolf Kahles is from the title Strategies for Growth in Law Firms published by Globe Law and Business.

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Strategies for Growth in Law Firms

Strategies for Growth in Law Firms

Increasingly, international law firms are making it a strategic priority to expand their professional reach and enter new markets. *Strategies for Growth in Law Firms* explores some of the crucial elements relating to international growth strategies in the legal sector including law firm mergers, market entries, the onboarding of teams and the development of international referral strategies.

Topics covered include:

- international trends and developments;
- approaches to market entry;
- gaining and maintaining clients;
- the business rationale for international referral strategies;
- the importance of purpose, sustainability, culture and leadership;
- aligning structure, governance and profit distribution with growth strategy;
- prerequisites for revenue growth;
- the role of business development and marketing in growth strategies;
- achieving operational excellence with legal project management; and
- know-how and technology strategies for business growth.

This comprehensive edition provides in-depth insights, practical tools and case studies covering the methodologies, execution and implementation of growth strategies for law firms. In addition, it gives an overview of developments in the main international legal markets and of the different international growth strategies pursued by international law firms, the Big Four and alternative legal service providers.

This title will be of practical use to law firms of all sizes and provides valuable guidance for managing directors, business development directors, general counsel and partners and managers responsible for international law firm development networks.

