



# Leveraging Technical and Process Solutions to Bring Order to Lateral Attorney Vetting

By Ted Matey  
Senior Solutions Architect, InOutsource

Whether the move is for a higher salary, a better career path or even a necessity, lateral moves by attorneys continue to proliferate in law firms. An American Lawyer survey of the top 200 firms in America counted 2,754 partner moves among firms in the Am Law 200 from October. 1, 2017, to Sept. 30, 2018.

While law firms often welcome lateral moves due to the influx of experienced talent and new clients, these moves create challenges and considerations for law firm administrators. Any serious dialogue between a potential lateral attorney candidate and firm involves the candidate sharing sensitive,

detailed information regarding their salary, client list, work history and professional relationships.

Any recently hired lateral attorney brings to their new firm a significant volume of digital and physical client material to support past and ongoing work. The potential receiving firm needs to vet the candidate for financial, business strategy, and most importantly potential client conflicts. A law firm that continually looks to bolster their legal talent pool and client base through lateral attorney acquisition may want to consider some technological aides to facilitate the lateral attorney vetting and onboarding process.

## Ideal Technology for Destination Firms

The destination firm wants to present a strong and organized impression of itself while courting lateral candidates. A firm courting lateral candidates should aim to demonstrate good practices for protecting sensitive data during this lateral candidate vetting process.

As discussions between a candidate and a firm progress, imagine a lateral candidate receiving an e-mail from the firm with a link that brings the attorney into a secure and well-structured online data collection tool or web portal.

This interaction can guide a candidate through providing client and matter history as well as documenting influential professional relationships and key financial information.

The web portal will collect the necessary information from the desired attorney in a way that will facilitate organized and efficient vetting from the firm. It will allow the firm to prioritize and categorize the type of information collected from a candidate, create a central electronic venue for the candidate and the firm to exchange information, and make a strong impression on the attorney candidate that the firm has an organized and controlled approach to handling sensitive information.

## Conflicts Evaluation: Identifying Data for Vetting

Evaluating a lateral attorney's book of business from a conflicts perspective is critical when determining if a candidate is a good match for the firm.

The first wave of lateral conflicts evaluation should prioritize a review of the candidate's primary clients.

This first pass at the client list is aimed at identifying any immediate conflict showstoppers. If obvious conflicts between existing firm clients and potential clients coming with the lateral attorney are discovered, then the lateral conversation should stop before any more sensitive information is exchanged.

Assuming a candidate passed the first round of conflicts evaluation, more information should be collected and framed in context. For example, a firm should ask a lateral candidate not only who his or her clients are, but assign probability that the client will follow the attorney to his or her new law firm as well. The firm should have the candidate provide detailed billing history for their larger clients over the last several years to quantify the financial impact the firm can expect from the potential client.

Collecting this information allows the firm's conflict analyst to weigh potential conflict hits they may discover. For example, a conflict issues with a potential lateral client with a lower likelihood of transferring with the attorney to his or her new firm can be dealt with differently as compared to a significant conflict hit on a high-value client that shapes the firm's evaluation of a lateral attorney. The first situation could be more appropriately handled through conflict waivers or an ethical wall solution, the later circumstance would call into question if the firm and the candidate are a good fit.

Other conflicts information the receiving firm should search during a lateral candidate evaluation should include specific matter-by-matter information for historical clients, the candidate's past employers, and significant professional relationships the lateral candidate identifies.

## Collecting Data: Technology and Workflow

Proper evaluation of a lateral candidate by a firm necessitates an exchange of a large volume of sensitive information regarding the candidate and his or her history.

A firm can leverage this information effectively if they can streamline the manner in which they collect it. Steering a candidate towards an electronic information collection portal that sits on top of a workflow product can feed information to the appropriate downstream people and systems during and after a lateral candidate evaluation process.

An electronic form can prompt or collect names of relevant parties to be searched for conflicts, maintain supporting information for context, and feed all parties into the firm's conflicts software.

Financial performance data regarding past and projected billings for a lateral candidate or their clients can be passed along the lateral attorney evaluation workflow to internal financial analysts to evaluate the financial impact this lateral could have on the firm.

Capturing financial impact projections attributed to a lateral attorney's arrival will provide a useful barometer for comparison to the actual realization numbers for revenue related to work the attorney contributed once they joined the firm. If the candidate is hired, basic personal information collected here can be sent via the workflow to HR and IT for employee onboarding and user provisioning.

Information regarding active matters that are transferring into the firm with the lateral attorney can potentially be collected in a way that will feed from the firm's lateral conflicts evaluation process into

the firm's New Business Intake system. This allows for quick matter creation at the new firm for work that has already been evaluated for conflicts during the hiring process.

If an attorney is hired, all parties that were entered and searched during their evaluation process can be associated with an administrative matter that would be automatically created to represent relevant parties describing the previous work history of that lateral attorney for all future conflicts searches. Conflict waivers or client transfer authorization letters could be uploaded and stored in this lateral attorney interface.

## Client Information

Incoming lateral attorneys bring with them a significant volume of past and present client information with them to their new firm. Client e-mails, digitally saved documents, and physical files for past and present matters find a way of traveling with an attorney from firm to firm.

A law firm needs to delicately control the volume of files for past work they accept into their firm with a lateral candidate. A firm does not want to accept custody of client files coming with an attorney for work that is not going to be a part of an active client engagement at their firm.

All clients that move with an attorney from one firm to the next will need a client transfer authorization letter for the new firm to obtain the appropriate supporting legal files. A firm should not be in the practice of accepting client material with a lateral attorney for clients where they do not have a transfer authorization letter.

Firms that use a web-based portal to manage the lateral attorney vetting and onboarding process can leverage that interface and workflow to bring order to this process.

Incoming attorneys can upload client authorization letters, waivers, or other supporting documentation to their prospective lateral candidate portal. These attachments can be associated with the attorney's client entries previously identified in this venue during the conflicts and vetting process. This interface can monitor the collection of e-mails, digital files, and physical files that will be streaming in from the attorney's old firm.

As client authorizations are uploaded, notifications can be automated to the records department informing the records staff that they are now authorized to accept files relating to approved client and matters.

### Departing Lateral Attorneys

Unfortunately, firms are equally likely to be affected by departing lateral attorneys as they are arriving ones. A departing lateral attorney will need to have their former firm release and transfer any e-mails or files that a client of that attorney stipulates as part of their transfer out of the firm. In order to remain compliant with stipulations of outbound clients, a firm would be wise to have a similar structure governing the flow of information out of the firm for lateral departures as they do for inbound attorneys.

Uploading and collecting client authorization letters in a central place and using that as a launching point for a workflow that bundles and eventually executes final disposition of outbound material can help keep a firm compliant, and relieve it from the responsibility of maintaining larger volumes of material for a client who is no longer a client of the firm.

### Conclusion

A workflow solution is a useful tool for a firm who continually seeks to grow its attorney talent pool by attracting lateral candidates.

A centralized interface that can collect and harbor the pertinent information supplied by a lateral candidate during the vetting and onboarding stage can serve as an efficient way to maintain sensitive information and then feed it out to the necessary groups in the firm for conflict searching, financial analysis, HR onboarding, IT provisioning, tracking waivers or client authorizations, and inventorying the receipt of approved supporting client files.

### About the Author

Ted Matey, Senior Solutions Architect for InOutsource, supports law firms undertaking new business intake and information governance projects. He has worked to implement a variety of policy, procedural, and technology initiatives related to new business intake, conflicts and records management.

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