



Law Firms Must Spend More Time Talking to Themselves

June 19, 2015

Editor's Note: *The author of this post is the president of PR Council, the U.S. trade association for public relations firms.*

By Kathy Cripps, President of the PR Council

A law firm spends millions luring a top lateral hire. Thirty-six months later, that new hire is out the door. What just happened? Often it's a failure of internal communications. As law firms have consolidated, they have improved communications with customers and other external audiences yet largely ignored their internal communications, also referred to as employee communications by public relations experts. As a result, many firms have struggled with the critical task of integrating new partners.

Lateral hires often don't know specific details about their new firm's services and capabilities. As a result, their clients might be less inclined to follow them than they and their new firms might have hoped. Colleagues within the new firm don't know much about their new hires, so they aren't able to cross-sell them to their clients. Meanwhile, new hires don't understand the strategy, values and culture of their new firms, so they can't fit in with colleagues as well as they might. Over time, frustration and isolation sets in. When an opportunity arrives from a competitor, the lateral leaves.

The Financial Costs of Poor Internal Communications

Jocelyn Brumbaugh of The Brumbaugh Group, a firm that specializes in counseling law firms on internal communications strategies, notes that, "Lateral hiring is an area in which the dollar costs of poor internal communication are especially clear."

According to ALM data, while 96% of managing partners at firms view lateral hiring as key to their strategy, only 28% perceive such hiring as effective. With recruiters collecting up to 30% of base salary, a \$500,000 attorney may cost a firm \$650,000 in out-of-pocket costs, not to mention the courting costs and time firm leaders could have spent on billable matters. Attrition in general is hugely expensive for firms. talent evaluation and development system firm, The Right Profile, estimates that it costs a 400 attorney firm more than \$27 million annually. "We're seeing an epidemic," Brumbaugh says. "Firms throw money at laterals and watch it walk out the door. But that's a problem that internal communication can easily fix."

Internal Communications and M&A

Poor communications results similarly in botched acquisitions. As firms merge, they tweak the compensation structure but fail to align disparate cultures through communications. The results are harder to quantify but no less real: unhappy workforces, lower productivity, and weaker business performance. Ronald R. Urbach, Chairman of the Manhattan law firm Davis & Gilbert, LLP, relates that, "some firms are getting much larger very quickly, merging

disparate cultures as they grow. Unlike many large corporate enterprises, these firms historically haven't had much experience doing mergers and acquisitions well, and they're struggling as a result. When you have a strong sense of your culture, you need to preserve it, hone it, and keep it vibrant. But that means talking to people."

Reinforcing Strategy as Your Firm Grows

Strategy can get off track when firms grow quickly or merge. Employees forget their firms' goals and mission. Their daily work loses meaning, and they become less loyal as they struggle to understand what distinguishes their firm. "What could be more important than ensuring that your product is aligned in the face of rampant consolidation?" asks Aaron Schoenherr, Founding Partner of Greentarget, a strategic public relations firm focused exclusively on business-to-business organizations. "Yet incoming CEOs have consistently told me that they were not prepared for the pressure to communicate internally. You might see a letter from the CEO or some town hall meetings — that's it. People don't know the strategy. And before you know it, you have groups of ten or twenty partners at a time bolting."

Setting a Firm up for Internal Communications Success

What should firms do? Brumbaugh cites the MAX process of Messaging, Awareness and Execution. Thoughtful on-boarding is important for all hires, including senior level. In the case of a lateral hire, messaging includes arming the new employee with information and a contact within the marketing department. This helps the employee articulate their new firm's unique selling points when placing that all-important first call to their existing clients.

Awareness entails using every possible communications channel to promote news of the lateral hire. "Firms especially need to use their intranet to drive the behaviors they want to see," Brumbaugh said. "If lateral integration is the goal, news and video of these new joiners and how they can help existing firm clients must be front and center."

Poor execution usually scuttles most firm's lateral integration plans, because no one owns the process of guiding the new partner through those critical first ninety days. "Managing partners think the marketing department has this covered, but marketing is so stretched they just want to check the box of getting a bio on the website and a press release out the door," Brumbaugh said. To get employee communications right, firms should seek external help, not merely for their boots-on-the-ground capabilities, but also for the strategic "big picture" expertise that a public relations firm can bring.

Whether working with an external firm or not, firms should move decisively, starting with communications tools already in place. Urbach reports that his firm communicates in a variety of ways, including via regular social events and monthly department and cross-departmental meetings. "There is an ongoing dialogue between firm leadership and attorneys regarding individual performance and goals, both informally and through structured mid-year and year-end meetings," he reports. "The firm has a clear strategy about who we are, and to maintain this we communicate internally on a regular basis. We inform our lawyers about industry events we are involved in, seminars and webinars the firm is hosting, and attorney authored articles on relevant topics." Yet even Urbach acknowledges that his firm could do more. "Internal communications is a challenge for all of us. We need to do better. And at our firm at least, we will."

Conclusion

In an effort to ensure more lateral hires and money doesn't walk out the door, law firms really need to start paying attention to their most important stakeholders of all: their own people.

