LATERAL PARTNER QUESTIONNAIRE

**Questions for Partner Candidates About Their Practice and Priorities**

**Details on Practice:**

* Breakdown of practice among areas of expertise.
* Analysis of client base – identify clients and types of work for each.
* Geographic reach of client base.
* Cross selling opportunities you would like to see in a prospective firm. Particular areas of specialization that would complement existing work.
* Portability of business. Likelihood/level of certainty that each of your clients would move with you to your new firm, and whether there are firms that you know or think give rise to conflicts that would restrict your ability to pursue a particular firm. Any firms that your clients would not be comfortable with?
* How important is name recognition/academic credentials of the partners of a prospective firm?

**Hours/Billings:**

* Annual billable hours for each of the past three years.
* Hourly billing rate – range for each of the past three years.
* Gross billings/collections for each of the past three years.
* Estimated future billings for coming year.
* Current receivables; receivables in excess of 90 days.

**Compensation:**

* Current draw; total compensation.
* Draw requirements. How is draw structures; timing of draws (tax draws, monthly draws; year-end distribution).
* Overall compensation requirements.
* Preference for lockstep compensation structure versus compensation based on business generation. What, if anything, would lead you to accept less than you are currently making for “perceived” benefits of lockstep compensation (collegiality/stability of overall firm and specific practice groups/less internal competition among partners)?

**Administrative/Miscellaneous:**

* Hours allocated to administrative tasks. Desire to maintain, increase or decrease administrative responsibilities.
* Reasons for leaving current firm and what areas/issues need improvement – compensation, firm reputation, firm management, firm environment (collegiality), firm stability/potential for growth, platform for developing additional business.
* Desire to bring partners, associates or administrative support with you and, if so, seniority and compensation of such individuals. What additional level of support would you expect from a prospective firm on these fronts? Breakdown of other partners and associates currently supporting your existing practice.
* Preferences, if any, regarding demographics of new group – do you prefer to be the most senior partner, would you prefer to be one of several seasoned partners, do you have an ideal number of partners with your area of expertise?

**Questions About Prospective Law Firms**

**Compensation:**

* How is compensation determined?
* Is there a compensation committee? Who are its members? Representatives from New York (if national firm)?
* How is credit given for purposes of originations? How does this factor into compensation?
* Is credit given for firm hours, client development or servicing other partners’ matters?
* Mechanics of base salary, draw and year end distributions.
* Capital contributions – are there any? Amount? Does firm finance?

**Equity v. Non-Equity Partner:**

* Standards for becoming equity partner and how determinations are made – both subjective and objective criteria for promotion from income to equity.

**Committee Membership:**

* What committees are there in the firm? How are people appointed to committees?
* Is there a mandatory requirement that you serve on a certain number of committees?
* Level of interest in firm management/various committees?

**Firm Performance and Financial Obligations:**

* Discuss historical performance of firm and New York office for last 3 years and compare with projections.
* Discuss projections for New York office for the current and next year.
* Discuss strategic goals for New York office and firm. Is firm contemplating any merger or major acquisition in the near future?
* What are the firm’s financial obligations – debt load, line of credit (guaranteed by equity/income partners), lease/mortgage, pension plan (is it fully funded?), capital requirements (costs to buy into equity and terms), outstanding significant lawsuits and any other liabilities that firm is aware of?
* Discuss expenses and liabilities for overall firm and New York office and overhead per attorney at each of the significant locations.
* Discuss lease on space – term and annual lease obligations.
* Profits per partner (firm and group, if partner compensation is not lockstep), gross revenue and revenue per lawyer in New York and firm-wide as well as revenue by practice group. How often are partner units reset?
* Does the firm maintain a bonus pool for patners? If so, mechanics of bonus pool?
* Partner and associate billable hour requirements and billing rates. Realization rates.
* Breakdown of firm revenues by practice group and name of any particularly significant clients for office/firm as a whole and, if so, what % of revenues derived from such clients?
* Firm benefits.

**Retirement:**

* Does the firm have any retirement or pension plans? If so, terms? Is it fully funded?
* Does the firm have a mandatory retirement age? If so, what is it? Is there any “phase down” in compensation as you approach retirement?

**Miscellaneous:**

* If non-NY based firm, how much influence does “main office” exert over decisions affecting NY?
* Does the firm have the resources to fund initiatives in areas such as marketing, hiring additional associates and legal assistants, better technology support, and so on?