

THE
AMERICAN LAWYERAmid Race for Top Talent, Latham Focuses on
Lateral Integration

The firm's integration program is a case study of the time and resources that some firms take to integrate lateral partners.

By Andrew Maloney

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As Big Law's talent battle intensifies, law firms are paying more attention to lateral integration success.

For instance, at Latham & Watkins, the firm's integration elements include encouraging laterals to visit multiple offices and hop on calls with major clients on day one or before. They are also paired with designated mentors who know the ins and outs of the firm.

Overall, multiple recent laterals to the firm say it has managed the "balancing act" of lateral integration, by having, among other aspects, formal and informal elements that promote cross-selling, dissuade an "eat-what-you-kill" mentality, and help new hires rise quickly into leadership.

The firm's integration program is a case study of the time and resources that some firms take to integrate lateral partners because of the high-stakes process.

In the industry, more than a fifth of laterals leave after year three, and more than a third after year five, by some estimates, with each failed lateral costing firms, in general, more than \$4 million.



Courtesy photos

L-R: Arlene Chow, Steven Feldman, and Danielle Conley of Latham & Watkins.

Lateral integration and retention is also becoming a growing focus for firms because the lateral market is becoming more like "free agency" when it comes to picking a law firm. And as firms attempt to grow rapidly by gaining market share from laterals, industry observers say there will likely be more quick exits, or "failed hires," in the next couple of years.

Latham isn't immune from lateral exits. The firm has seen a series of lateral partner departures in European offices in the last year. But the firm's retention rate for new laterals in the

U.S. appears to be above many other big firms. According to U.S. lateral data from Leopard Solutions, which tracks lateral partner hiring across the industry, Latham had about 36 lateral partner entries over the last two years in the U.S., and just one of those new laterals left the firm as of early December 2024, good for a 97.22% retention rate.

Arlene Chow, an IP trial lawyer who came to Latham in 2020 from Hogan Lovells, said she used to vet laterals at her prior firm, and one of the big differences at Latham was “the sheer number of people you meet during the vetting and screening process.”

“You meet people you might be cross-selling with. Even before day one, you have a nice start in integration,” she said. “So, I thought that was a complete game-changer, in terms of how firms approach lateral integration, compared to, frankly, my prior experiences.”

Other Latham laterals also told Law.com that a key aspect of Latham’s integration process was the volume of connections early in the process.

While that might seem like common sense, plenty of firms still fall asleep at the wheel when it comes to making sure new partners get acquainted with their colleagues, said Kristin Stark, a law firm consultant and principal at Fairfax Associates.

She said too often, firms delegate too much of that task to HR. Or, maybe they have laterals do meet-and-greets, but in a superficial way.

“So they send the lateral around on a little roadshow and meet these people, but they don’t create this ongoing mechanism for the person to have connections,” Stark said, adding that it’s often on practice leaders to help their partners keep new laterals and their capabilities top-of-mind. “That requires a level of hands-on management that’s just a bit foreign to some law firms, still today.”

Client sharing is another common frustration point around integration at a lot of firms, said Stark.

“Whenever firms have laterals coming in, particularly laterals with the potential to expand existing client relationships, there is this question about, ‘If we want to get that lateral who is marketable, who clients see as a go-to, who is going to get the credit for that?’ Is it existing partners? Or will the lateral participate in that conversation?” she said. “So whether firms have appropriate splitting or sharing policies can affect how effective the firm is at getting the lateral integrated.”

Even when firms can do all the right things in lateral integration, high-profile exits still happen. Latham saw a steady stream of partner departures across Europe in recent months, with laterals heading to Sidley Austin, Kirkland and Milbank, among others. The firm didn’t comment on those exits.

What Is Lateral Success?

While most law firm hiring professionals say clients and books of business are “very” important for potential partners on the market, Latham partners interviewed for this piece said that’s not how they evaluate the success of a lateral.

“I don’t think it’s based on revenue and numbers. I think the firm is pretty careful that when we’re bringing people over, that there’s no assumption or belief that we’re buying people’s book of business, and that we’re successful if they bring it, and not successful if they don’t,” said Steve Feldman, global chair of the firm’s complex commercial litigation practice who came over from Hueston Hennigan in 2021.

Feldman said he had about 15 active litigations he had to transition and create teams for at Latham. He said the firm helped him pivot with litigation resources, but also international and corporate resources and talent, too. “I was lucky to come over and bring all of that, and that was a major way of getting to know a bunch of people,” he said, adding: “Other partners at the firm at the most senior levels are 110% all willing to help and jump in. No attitude about it. No concern about credit.”

Conversely, Danielle Conley, a partner in the firm's white-collar practice and former deputy White House counsel to President Joe Biden, said coming from a government role, she had no clients or matters, and walked in on the first day wondering: "What am I going to do? How is this going to work?" More broadly, she wondered how she'd find her way at a firm of that size—nearly 3,500 lawyers and 30-plus offices. "When I first started, I was like, 'Oh my god, how am I ever going to figure out how I can operate in this behemoth?'" she said.

But she said even before she had her firm email address set up, another partner asked if she wanted to hop on a call with the general counsel of a healthcare client. Conley, who is based in Washington, D.C., also said it wasn't long before she was traveling to the firm's offices in New York, Chicago and Houston to meet colleagues and, as importantly, help them get to know her.

"It was going to partner lunches, saying, 'I'm here. Here's what I do,'" she said. "We do things like that all the time, and that does really help facilitate the integration process."

Leadership Moves

Feldman said the firm makes sure lateral partners have a partner or mentor. His was Sean Berkowitz, who founded the complex litigation practice and is now an executive committee member. "We make sure you have someone designated with you, you've got someone who is your mentor or partner, and that if you have any issues, they're here to help," he said, noting if there are questions about, say, "which of the 500 corporate partners to call for an issue, we want someone that's there to advise."

He also said with significant growth in the lateral ranks throughout the firm, there's an ethos of wanting new partners to succeed. "Growing

together is rewarded. It's not that 'eat-what-you-kill' environment," he said.

That ethos, combined with the platform, can create opportunities to rise through the ranks in a firm. Each of the partners cited in this article became a practice leader in some capacity.

Conley, who moved from the government, also leads the firm's anti-discrimination and civil rights practice, which was formalized earlier this year. "That really came out of a business need, and within that white-collar group, more and more clients wanted to understand what we could offer in that space," she said.

Chow said the kinds of people the firm targets in the process also matters. "Everyone is a self-starter, and incredibly engaged, I think that also helps," she said, adding: "We're not shy. We're more than happy to pick up a phone. It's similar to pitching clients."

Stark, the Fairfax consultant, said for a recent lateral with the right mix of skills and experience, offering leadership posts is "certainly" an integration opportunity and a strategy.

"Because by putting them in that seat, they are getting much better information about that firm, they're also getting more introductions to practices and partners across offices, and getting more of a say in the firm," Stark said. "All of those are really useful."

Firm leaders and industry observers of course have myriad ways of looking at lateral success. But Feldman said the way he looks at it in his practice group, and the way the firm evaluates it, are "holistic."

"Are they working on teams with partners? Are they satisfied? I've talked to people in my group—do they feel like they're a part of this firm? We don't feel like people are independent agents out there," he said. "I think that's kind of overall how we try to look at the success of the lateral, it's a more holistic view of the person's performance and integration into the firm."