

The Perils of Underselling

By Melissa A. Peters, Esq.

There has long been a feeling in our industry that lateral partners “puff” up their numbers when interviewing and completing the Lateral Partner Questionnaire (LPQ). Our law firm clients regale us with stories of how they were burned by a lateral candidate who dramatically overestimated their portable book and failed to produce even close to what had been promised. Indeed, most firms apply some inherent discount when analyzing the LPQ because of this belief that candidates consistently oversell. Recently, a Managing Partner told me that he automatically assumes that a lateral’s book is 25% less than what the LPQ reflects.

Yes, there are candidates who are clearly exaggerating their numbers to get a hefty payday, but assuming that is the case can be overly applied. Many factors contribute to why a lateral’s numbers do not play out in the way they expected. These include timing (how long you give the lateral to produce), the new firm’s integration process, unexpected client conflicts, and the new firm’s resources.

Lateral candidates often recognize that the market assumes a level of exaggeration to their numbers. As a result, some of those conscientious candidates try to adjust for that perception by doing the dramatic opposite of overselling which is ultimately to their detriment. Many lateral partners are uninformed about their own numbers or are afraid to oversell, so they default to under-promising.

Some lack the confidence to believe that their success will continue, hence they opt to “under-promise and overdeliver,” thinking that is a sound strategy to impress the new firm. The idea is to set lower expectations and then knock it out of the park when they join the firm and perform. It is totally understandable to have that urge. If I tell my teammates that I expect to lose my tennis match but then wind up winning by a large margin, they will believe that I am even better than I originally represented. No one will be upset with me, and everyone will be pleasantly surprised by my performance and results, correct? Perhaps, but only in the short term.

The unfortunate, unspoken consequence of my under-promise is that I will get placed on a team or in a match that is not at the fair level for my game play. Over time, as I continue to overperform, I will grow frustrated that my coaches and peers do not “see” how well I am doing and do not reward me for it. In law firms, that re-

“If your candidate is geared toward under-promising, you can proactively use the U-LPQ early in the process to help them get a handle on their real numbers.”

ward comes in the form of compensation, partnership (equity), business development/speaking opportunities, practice group leadership, being sought out for key client pitches, and the like. If I am under-promising, I believe that my ultimate overperformance will somehow course-correct my original place and compensation. That is not always the case and the length of the road of overperforming can be longer than you think.

I recently worked with a partner candidate who consistently originated \$1.6M-\$1.8M annually, without fail. She was clearly a producer and did most of it with minimal support, hence, her desire to move. We spoke at length about knowing her numbers and making sure to complete the LPQ accurately and with confidence. She tended to doubt herself and add caveats every time she discussed her abilities, and I expected that doubt would creep into the LPQ.

When she sent me the draft LPQ, she had put \$1.5M as her “reasonable” projection and \$1.6M as her “optimistic” projection. Although she could artfully and specifically explain verbally how she knew she could grow her book on a better platform with more resources and support, her realistic projections were less than the low end of her historical production, and her optimistic projections were less than the high end of her historical production.

Why, then, make a move? If you genuinely believe that you are not going to do better, what is the allure of moving? When faced with those questions, she admitted that she was trying to under-promise to hedge. Her tactic would have led to an underwhelming offer and put her in an inaccurate light. It may have even convinced her to stay put since a low offer could underscore the already-ingrained notion in many candidates that “all law firms are the same.”

If your candidate is geared toward under-promising, you can proactively use the U-LPQ early in the process to help them get a handle on their real numbers, encouraging them to strike the right balance between “under” and “over” promising. Of course, I can envision the candidate’s pushback on requests to do even more work in this process, however, the U-LPQ will truly help them in the long run by forcing them to self-analyze their profitability. It will also help the recruiter make better suggestions regarding firms that might be a good fit for the partner’s client base.

Knowing one’s numbers and getting in the weeds on that conversation early is a great antidote to overselling and under-promising. Specificity is a way to avoid those two extremes and many lateral partners need us to ask those tough questions early and often. Take the time, do the math with them, and push back when necessary – the partners who are truly searching for a better platform will appreciate the diligence on the front end. Those who tend to doubt themselves will be better equipped to put themselves in a good light and ultimately secure better opportunities, instead of hoping to overperform in the future and waiting for someone to notice!

ABOUT THE AUTHOR:

Melissa A. Peters, Esq. is the founder of MP Legal Search LLC, and a NALSC Board Member as well as a NALSC Newsletter Committee Member.

P: (917) 620-9387

E: mpeters@mplegalsearch.com

W: www.mplegalsearch.com

