

## **The Keys to a Successful Integration**

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***The integration of a team of lawyers or a merger between two law firms can lead to unpleasant surprises. This is a review of the key factors to be taken into consideration to make these operations a success***

Over the past few years, the legal market has been the scene of a number of successful mergers while others have been less successful. Generally, the difficulties encountered in the process of an integration are due to the absence of adequate preparations and an appropriate follow-up system. Due to their daily workload, partners do not spend enough time ensuring that a merger will succeed, even though they have spent several months negotiating it. Yet a merger seriously disrupts the firm's organisation and its lawyers. Bringing together two different business cultures is always tricky. Thus, this phase of deep-seated change should be handled carefully.

Whatever the form the operation takes – adding a partner, recruiting a team, a merger between firms, joining an international network, etc. – the same question arises: how to go about successfully integrating the new elements into the existing structure, and creating a new entity that will be more than just a simple blend of the two former separate entities?

### **Anticipating Obstacles That May Arise during the Integration Process**

Lawyers considering a merger often tend to focus only on the capacity for transferring volumes of business. They fail to take into account the substantial post-integration difficulties that could arise. Yet, some of the problems arising after the integration process can be anticipated right from the beginning of the project. Therefore, a law firm should choose its lawyers very carefully and analyse their capacity to integrate the firm's business culture. The firm should not run the risk of compromising its

fundamental values, such as teamwork or career development of its associates, by bringing on board individuals who could destroy its balance. In order to anticipate the consequences of a merger, the two teams could also begin working together before the operation is concluded. The partners of the two entities could be introduced to one another beforehand, to allow them to prepare business cases for each practice group, thus allowing the firm to save precious time. Once the deal is finalised, the teams can be set up immediately and efficiently.

### **Communicating Constantly**

Once concluded, a merger always entails a clash of cultures. Hence the emphasis on the importance of communication, which is the key to the success of such an operation. When it comes to explaining what is being done and what is planned, the motto should be “too much is better than not enough”. The business culture of the new firm, its project, new competencies and expertise and the opportunities resulting from the integration are all major topics that should be part of an immediate, detailed presentation. The associates and the administrative personnel should not be forgotten, as their adherence to the project is important for the integration to work. Lastly, the firm’s clients also need to be informed and reassured about the changes, *i.e.* they should be informed about the benefits they will gain from the integration.

### **Being Available At All Times**

Another important aspect of a successful merger is the day-to-day involvement of the management team. As the kingpin of the operation, the management should act as the liaison between the various teams and as the firm’s spokesman to clients. To avoid uncertainty during the transition period, the team must be appointed as soon as possible. The management team should be attentive to the partners’ remarks and stress that they are always available. Management should also harmonise the entity’s business culture and the views expressed by teams, and require everyone to spend time on helping to make the project work. One good way of engaging dialogue is by organising individual interviews with each of the partners of the new entity. The management team should never leave the integration process to individual initiatives.

### **Getting Rid of Preconceived Ideas**

To avoid disappointment, the management should also endeavour to do away with preconceived ideas. Lawyers too often expect an important flow of new matters to follow a merger. However, the combination of the firm's practices alone will not bring in new business. Working relations based on mutual trust must be established between the partners from both teams. Management must create the necessary conditions for this relationship to be established fast. Increasing exchanges of views and meetings between all the partners, particularly in the different departments, is a good way to build up a trusting relationship.

### **A Transparent, Gradual, Well-Thought-Out Harmonisation Process**

Then, the management team has to carefully plan harmonisation of the bylaws, rules and procedures of the merging entities. Other than the various procedures relating to conflicts of interests and handling files, a certain number of important issues should be dealt with as, if they are left unresolved, they could easily lead to a rapid deterioration in working relations within the firm. Critical issues that should be handled in priority include: compensation and promotion policies for partners and associates; performance evaluation criteria and the billing policy. Have they been clearly understood by all the lawyers? How can they be harmonised without creating frustration and dissatisfaction? Other possible areas of tension include the differences between the structures: conditions for becoming a partner; the distinction between equity and non-equity partners, and differences between all the possible kinds of status. These are all sensitive issues that should be clearly explained to the newcomers so as to avoid any misunderstandings. All these issues should be carefully examined before determining the changes to be made and deciding how the new entity will function.

### **An Integration Plan and Realistic Objectives**

In order to make it easier to harmonise these rules and procedures, the management team must prepare an integration plan specifying the objectives the firm has set itself, by order of importance and feasibility, and also set a time frame within which the objectives should be achieved. This will generally make it possible to avoid unpleasant financial surprises by setting realistic goals right from the outset, and by setting up tools to measure the progress of the firm's activities.

## **A Thorough Follow-up of the Integration Process**

Organisation of an effective follow-up system of the different phases of the integration process is the next step: organising the competencies available in the firm; sharing out responsibilities between the partners, especially for the management of the practice groups; harmonising the procedures, particularly the follow-up system and client development plan, etc. To enhance the sharing of skills and resources, the partners should get to know one other and learn to work together as early on as possible. One easy way of achieving this is by organising meetings to introduce the partners and present their skills and their clients. The teams in charge of conducting the follow-up process should regularly measure the progress made as compared with the integration plan, spot the possible areas of tension and identify new problems, so as to determine the additional measures to be taken.

The management team has a determinant role to play throughout these phases. They have everything they need to avoid “post-merger blues” and to mobilise the entire firm to work toward the success of the project, as long as they prepare for it properly.