M&A, integration and lateral hiring

What I've built for law firms thinking about mergers, bolt-ons and lateral hires

General briefing · Alt-V Law

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In short. Over the past year I've built a working kit for law firm M&A, integration and lateral hiring: playbooks that cover the deal and integration lifecycle end to end, 34 templates, an annex for laterals and small-firm bolt-ons, and four web-based diagnostics that put the riskiest decisions through a structured check before anything is signed. A group that runs hub acquisitions, bolt-ons and lateral hires at the same time is where a repeatable method pays back most. Four sample reports from the diagnostics come with this note; the firms and figures in them are invented, but the outputs are what the tools produce. Technology runs through all of it, because it is very often where an integration holds or loses its timetable.

How this plays out across the market

Three shapes of combination dominate what I see in law firm M&A today, and each has its own way of going wrong.

Consolidator groups run three kinds of combination at once. Regional hubs keep their names, leadership and ways of working, with the group supplying capital, technology and central support; in my framework that sits close to a Preservation design. Bolt-ons then merge into the hubs, which is an Absorption: the smaller firm moves onto the hub's systems, brand and reporting lines, usually inside a year. Alongside both, the hubs hire laterals and teams. Preservation here drifts towards full integration by accretion, with no single meeting where anyone decided it should. Absorption goes wrong when the systems move on schedule and the people questions lag behind. Laterals go wrong when a claimed book is priced at face value.

Mid-market mergers (£20m to £150m firms combining) are usually Absorptions under a Merger of Equals label, and the partnership realises it eighteen months in. The expensive pattern is a deal whose structure says one thing while the story told to partners and staff says another, most often an Absorption presented as something gentler to get a vote or a signature over the line.

Lateral programmes carry their own economics. A programme that runs twenty to forty partner hires a year is a separate business inside the firm; it needs its own origination model, its own retention metric and its own retrospective. The firms that treat laterals as individual decisions rather than a cohort are the ones that find portability came in below plan after the first dozen signatures.

What sits behind it

The core is two playbooks. The pre-merger playbook runs through ten stages from strategic rationale to closing, and brings integration planning forward into the deal itself, before close. The integration playbook covers twenty workstreams from Day −90 to Day 365 and beyond, with the decisions, owners and templates for each. Around those sit a law firm supplement (partner votes, deeds, PEP transition, conflicts, PII run-off, AML, client account), a cultural integration guide, a playbook for defending clients and people while competitors circle, and an exit and reverse planning guide for when a combination doesn't take.

The 34 templates run from the opportunity scorecard and due diligence checklist through the integration master plan, RAID log, Day 1 communications pack, technology integration assessment,

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finance checklist and per-matter novation register. Much of it draws on my time as COO of Global Business Services at Clyde & Co, where integration and large-scale change were part of the job.

Four designs, and a 90-minute readiness map

Every combination is a bet on one of four integration designs. In an **Absorption** the acquirer's model prevails. A **Merger of Equals** builds a new model jointly. **Preservation** leaves the target independent and shares only the backbone (finance, compliance, IT, insurance). A **Holding** shares capital and governance and very little else. Each carries a different cost and a different realistic timetable; an Absorption typically reaches full integration in 12 to 18 months, a Merger of Equals in 24 to 36.

The most expensive pattern I've seen is a deal whose structure says one thing while the story told to partners and staff says another, most often an Absorption presented as something gentler to get a vote or a signature over the line. The readiness map is a 90-minute session that reads the term sheet, the draft org chart and the systems assumptions against what is being said publicly, then tests four gates: governance capacity, honesty about the vote or sign-off margin, integration resourcing, and whether leadership has named who it expects to lose.

For a group doing bolt-ons regularly, the map compresses to six decisions a hub managing partner can answer without a facilitated session: the design, the two or three partners who must be kept and their role, who runs finance, IT and compliance from Day 1, the brand decision and its timeline, the walk-away trigger, and who is accountable if any of it drifts in the first 90 days.

Where technology fits

In the integrations I've been close to, technology is very often where the timetable slips, and the causes are predictable. Most PMS migration overruns are data-quality overruns. Client and matter numbering is one of the few integration decisions that can't be reversed, and it tends to be made late. Conflicts checking has to be unified for new matters on Day 1, with the existing population re-run within about 30 days; until it is, combined billing stalls and clients notice. The cyber baseline should be set at the higher of the two firms' standards, because the window between announcement and cutover is when the weaker firm is most exposed.

AI is starting to compress the technical workstreams. Conflicts re-runs, matter migration, data cleansing and knowledge capture all move faster with AI-assisted extraction and matching. It does very little for partner retention, remuneration or culture, which still need their twelve to twenty-four months. The risk I'd watch is what I call integration timeline debt: the technical work finishes early, the programme is read as ahead of schedule, the integration team is stood down or moved to the next deal, and the people workstreams lose their governance just as they reach the difficult part. It tends to surface at months nine to twelve, in a pulse survey or a resignation. For a group with a steady pipeline, it's worth deciding in advance what the freed capacity is for.

Laterals and small bolt-ons

Laterals sit in a separate annex because firm-merger machinery doesn't scale down; nobody needs an integration management office for one partner. The annex treats three shapes separately: a single partner with a portable book, a team lift-out of up to ten fee earners, and a small-firm bolt-on of two to fifteen partners absorbed onto the acquirer's systems and brand.

Four things in the annex aren't in any firm-merger playbook I've come across:

- **A book portability check** that discounts the claimed book by practice area, using published portability data, before the offer is priced. Private client books travel well; panel-driven work much less so.
- **A pre-offer conflicts protocol** built to the *Bolkiah* standard, so diligence on a lateral's clients doesn't create the conflict it is meant to find.

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- **A successor-practice and PII drill** against the SRA Minimum Terms and Conditions. For bolt-ons this is the trap that most often changes the economics after signing: keeping the target's name, premises and staff can make the acquirer its successor practice, carrying six years of the target's claims history. Name usage alone can decide it.
- **A delivery model** built around one accountable Sponsor Partner, a pre-arrival business plan, a joint client-notice letter, a per-matter novation register and a 30/60/90/180-day dashboard.

The name point is worth more attention than it usually gets. Whether a bolt-on keeps its name for a transition period is often settled for marketing reasons before anyone has checked the PII consequence.

The four diagnostics, and what the samples show

The four diagnostics cover the sequence from first look to post-hire review. Each runs in a browser (the Integration Readiness Assessment in about 15 minutes, Lateral ROI and Break-Even in about 10), keeps the deal inputs on the user's own machine, and produces a board-ready A4 report. The samples use two invented firms: Marlowe Kendrick, a 180-fee-earner regional firm, and Tresham Vyse, a 22-fee-earner private client and conveyancing practice it is acquiring.

> **Integration Readiness Assessment.** Both firms are scored side by side on 43 attributes across culture, operations, finance and technology, giving a risk score, an attribute-level gap analysis and a first-90-days plan. The sample scores 48 (Elevated). Technology is the riskiest axis at 65, driven by different practice management systems and a conflicts check held inside the target's PMS, and the plan opens with a single conflicts process for new matters and a cyber baseline raised to the higher standard.

> **Lateral ROI and Break-Even.** The claimed book is discounted for portability and ramped in over twelve quarters against the guarantee and one-off costs, with downside and optimistic cases and a sensitivity grid. The sample, a private client team lift-out with a £1.5m claimed book, breaks even in quarter 12 on the central case and not at all on the downside: an offer whose guarantee needs reshaping before it goes out.

> **Successor-Practice and PII Screener.** The deal structure is tested against the SRA's successor-practice factors, returning a likely determination, an indicative premium band and the structural options that reduce the exposure. In the sample, the plan to keep the target's name for a transition period triggers the holding-out override by itself; with conveyancing at 35% of the target's fees and notified claims in its history, the indicative band is a step-change loading.

> **Lateral Retrospective.** At 12 to 36 months, each lateral's revenue and cash are compared with the original plan on five dimensions, the variance is traced to its causes, and the tool recommends one of four actions. The sample cohort of three returns one Accelerate, one Renegotiate and one Manage out. It also flags that portability came in below plan for two of the three, which points back at the pre-offer diligence.

Where it tends to be useful

Three uses come up most often in conversations I've had with firms thinking about M&A.

1. **A standard pre-signing screen for every bolt-on.** The readiness assessment and the successor-practice screener run before heads of terms, so each hub or deal team starts from the same evidence and the firm sees deals on a comparable basis.
2. **A common integration kit across the hubs or practice groups.** The technology, finance and conflicts workstreams for a bolt-on run to one plan, and what one deal learns carries to the next.

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3. **A group-wide lateral review.** The ROI model before each offer and the retrospective at 12, 18 and 24 months, rolled up so patterns in portability or cross-referral show at firm level.

None of this needs a large engagement to test. The diagnostics can be run against a live or recent deal in a single working session, and the result is usually enough to show whether the method adds anything to what a firm's teams already do.

Where is the next integration or lateral programme in your firm most likely to lose value, and would it be useful to run one of the tools against it before anything else moves?

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The four sample reports that accompany this note use invented firms, people and figures throughout. The diagnostics are management-consulting tools and do not give legal, regulatory or insurance advice.

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