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LINKS:

- » About Practice Innovations
- » Editorial Board
- » Past Issues
- » Reader Feedback



Talent Management:

Taking Professional Development in Law Firms to the Next Level

By *Lisa B. Horowitz*, Director of Professional Development, McDermott Will & Emery LLP, Washington, DC

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The Future Landscape of Client Relationship Management

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Successful merger and acquisition research requires precise searching using specific deal criteria. This survey compares several M&A information resources and discusses the strengths and weaknesses of each.



Book Review: *Get There Early: Sensing the Future to Compete in the Present*

Getting there early means seeing the possible future in time to reflect, consider alternatives, establish a position, and choose the best course of action. This book describes the Institute for the Future's Foresight to Insight to Action Cycle, which can help you create your own vision for your organization.



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Talent Management: Taking Professional Development in Law Firms to the Next Level

IN THIS ISSUE:

- » Talent Management: Taking Professional Development in Law Firms to the Next Level
- » The Future Landscape of Client Relationship Management
- » Apocalypse Know?
- » Finding Precedent Transactions: M&A Sources Surveyed and Compared
- » Book Review: *Get There Early: Sensing the Future to Compete in the Present*
- » [Back to Contents](#)

LINKS:

- » [About Practice Innovations](#)
- » [Editorial Board](#)
- » [Past Issues](#)
- » [Reader Feedback](#)

Systematically managing and developing your firm's greatest asset—its talent—is critical. If your firm is looking to maximize the way it does business, an integrated talent management system is an excellent tool for implementing change and achieving results.

Introduction

Law firms are facing significant changes and challenges. An economic downturn along with changing client expectations and workforce demographics have converged to create a "perfect storm."¹ As a result, firms are revising their strategic plans and realigning key functions and practices. While many have some form of professional development, an integrated talent management system is an excellent tool for implementing change. It has been said: "Don't waste a crisis." Now may be an opportune time to audit your firm's professional development efforts and consider taking them to the next level.

This article sets forth a rationale and framework for taking this next step.

What Is Talent Management?

The American Society for Training and Development defines talent management (TM) as an "organizational approach to leading people by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business goals."²

Why Develop a Talent Management System: The Business Case

For all practice innovations, an underlying business rationale is critical. As was the case with professional development, corporations and professional service firms including IBM, Deloitte, and Accenture have been in the forefront of talent management.³ Research by IBM reveals that those organizations that have implemented integrated TM systems and used them effectively have financially outperformed those that have not.⁴

Some may ask: Why develop a TM system *now* when law firms are more focused on reductions in force (RIFs) than retention? The answer is that an integrated TM system gives your firm a competitive advantage. Your attorneys are your key asset. They are crucial to client satisfaction and your firm's profitability. A rigorous TM system ensures that your attorneys' skills are excellent and aligned with your firm's changing strategic objectives. It demonstrates to your attorneys that they are valued and perhaps most significantly, *it reassures clients* that the firm remains committed to excellence and providing value.

Characteristics of an Effective and Efficient Talent Management System

Research has found that *effective* TM systems are:⁵

- Aligned: allied as a whole with the firm's strategic goals and rewards system and include functions that are aligned with each other;
- Dynamic: adaptable to changing markets and business environments;
- Functional: have processes and practices that allow the organization to place the right people with the right skills in the right place at the right time;
- Vital: have commitment, engagement, and accountability at all levels;
- Measurable: include articulated measurable criteria for success; and
- Simple and transparent.

Key Functions of an Integrated Talent Management Framework

The four key functions of an integrated talent management system are acquisition, development, deployment, and performance management. Identifying the appropriate practices and processes to implement these functions in an integrated combination aligned with your firm's business strategy is critical. When linked not only with each other but also with your firm's compensation and technology systems, maximum results can be achieved. While benchmarking may be informative, it is the needs and strategic objectives of your firm that should drive the design of your TM system.⁶

Are you proactively acquiring your talent? Acquisition is more than "recruiting." It includes identifying, selecting, recruiting, and integrating attorneys with the interpersonal and substantive capabilities required to achieve your firm's business needs.⁷ What are you looking for in new and lateral talent? Are these requirements aligned with your endgame? *Identifying* potential recruits may benefit from articulating competencies aligned with your firm's culture and strategic goals. Once determined, job descriptions and anticipated career paths can guide the *selection* and *recruitment* process (including filling gaps through entry or lateral hiring, outsourcing, staff attorneys, or a contingent workforce). Behavioral interviewing can tie your recruiting process to your acquisition competencies. Diversity and inclusiveness goals should be considered and newly hired attorneys *integrated* to engage them and foster retention.

Are you fully developing your talent? Research by IBM indicates that knowledge industry organizations that focus on development as an integrated element of their TM system have an edge over those that do not.⁸ Are you communicating capabilities needed to succeed through written *core competencies*? Are they articulated by level for each practice group? Do you have *aligned training* to develop these capabilities: classroom, online, webinar, experiential, secondments? Do you have an *effective mentoring program* to facilitate learning and engagement? Do these practices support each other as well as the other elements of your TM system and your firm's strategic goals?

Are you maximizing the deployment of your talent? The *deployment* of talent has not typically received a lot of attention in law firms. It is, however, important for creating commitment and engagement—both of which are critical to retention—as well as attorney development, client service, and profitability. Do you have the right people in the right positions at the right time? What does your assignment system look like? Are assignments aligned with your attorneys' individual developmental needs as well as department developmental needs? Do you have established and transparent criteria for advancement and promotion that are aligned with the firm's performance management function and the firm's strategic objectives? Do they foster a workforce "shape" that supports the firm's leverage model? Are you maximizing your work design and career path options to provide a competitive advantage, including the accomplishment of your diversity and inclusiveness objectives? What about your knowledge management system? Does it facilitate and advance collaboration and efficient sharing of knowledge? Do you have succession planning and exit practices that support your strategic objectives and foster good will? Incorporating and aligning these practices into a deployment function that is further aligned with other TM functions will help take your firm to the next level.

Are you effectively managing the performance of your talent? Performance management involves both performance evaluation and career planning. Research by McKinsey⁹ found that more than half of those business leaders interviewed agreed that senior managers did not spend enough time on talent management and did not align talent management strategies with business goals. Are your attorneys being *measured* (i.e., evaluated and rewarded) consistently with your firm's core competencies? Do they have career plans with specific goals aligned with departmental and firm plans? Is your performance management function aligned with your development, deployment, and compensation functions?

The performance *measurement/evaluation* process allows attorneys to understand where they stand—their developmental strengths and needs and their career options and paths. It requires the collection and sharing of information through timely and effective feedback and evaluations based upon clear criteria aligned with developmental core competencies.

In-person performance evaluations also provide a foundation for your attorneys to proactively manage their careers through the creation and updating of individual *career plans* with specific and measurable goals and action steps aimed at achieving required developmental competencies. An effective career-planning process ensures not only alignment with performance evaluations but also departmental plans.

In an integrated TM system, performance management practices should not only be closely aligned with your firm's development function but also be reinforced by your firm's reward system. According to Deloitte,¹⁰ rewards are an investment to be managed rather than a cost to be controlled and must be aligned with business strategies and with the performance that

supports the business strategies.

Measuring Success

What gets measured gets done. With respect to individual attorneys and departments, success is measured through your performance management system. To measure the success and contribution of your TM system, some criteria to consider include the following:

- Does the system facilitate the alignment of acquisition, development, deployment, and performance management?
- Has the system enhanced client service?
- Has the system enhanced retention of "keepers"?
- Has the system facilitated forecasting of future talent needs?
- Has the system enhanced diversity?
- Has the system enhanced individual engagement?
- Has the system improved profits?

Implementation Process: Implementing Culture Change

Implementing change is a challenge. As one commentator has said, "Passion must start at the top."¹¹ According to McKinsey,¹² the biggest obstacle to the successful implementation of an integrated TM system is people. Successful development and implementation of an integrated TM system will require (1) strong leadership commitment, (2) communication of the business imperative and benefits and its connection to your firm's strategic objectives, (3) collaborative implementation, (4) financial resources, and (v) a supportive and aligned infrastructure.¹³

Conclusion

Times are changing. Systematically and proactively managing and developing your firm's greatest asset—its talent—is critical to achieving your firm's strategic objectives. Implementing an integrated TM system is an excellent tool for implementing change and achieving results. It is a smart way to take your firm to the next level.

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2. Jennifer Salopek, *Keeping It Real*, T+D, August 2008, at 44; see also Society for Human Resource Management (SHRM) HR glossary, available at www.shrm.org/TemplatesTools/Glossaries/HRTerms/Pages/default.aspx. SHRM defines talent management as "the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs."
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Back to Contents



The Future Landscape of Client Relationship Management



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IN THIS ISSUE:

- » Talent Management: Taking Professional Development in Law Firms to the Next Level
- » [The Future Landscape of Client Relationship Management](#)
- » Apocalypse Know?
- » Finding Precedent Transactions: M&A Sources Surveyed and Compared
- » Book Review: *Get There Early: Sensing the Future to Compete in the Present*
- » [Back to Contents](#)

LINKS:

- » [About Practice Innovations](#)
- » [Editorial Board](#)
- » [Past Issues](#)
- » [Reader Feedback](#)

Of the many dynamics driving the current transformation of the legal industry, technology will likely have the most dramatic impact, especially in the area of client relationship management. Several law firm experts share their view of the future landscape of CRM.

There is no question the legal industry in 2009–2010 is undergoing a transformation. The law firm of the future will look vastly different from that of today. The changes are being driven by a number of dynamics affecting the industry: (1) legal professionals—the talent of tomorrow has different expectations about their careers and about how they will shape their destiny; (2) buyers—the demand side of the industry is pushing back and having impact on a number of things including the rates, the legal services, and the client-facing aspects of the practice (e.g., case management, billing); (3) technology—technology will have a dramatic impact on the way in which legal services are created and delivered, and firms will continue their investment in technology. Some say the practice of law will never be the same. We agree. In fact, technology is likely to have the most impact on the transformation, and this article discusses one area we believe will be seriously impacted—client relationship management (CRM).

Fox Rothschild's chief knowledge officer, Catherine Monte, puts it quite well when she says, "In order to retain current clients, law firms will always need to exceed expectations of service, and part of that equation is to strive to enhance the client experience." She follows with three questions the firm considers for current and future planning with respect to the CRM systems her group continues to develop: "1) what information do clients want?; 2) how do they want to access the information?; and 3) how do they want to connect with the firm and its professionals? The client-facing considerations will be key factors in future firms' ability to differentiate themselves from competitors and align more closely with clients to add value to the relationships." Reed Smith's CRM systems manager, Victoria Gregory, believes that all the relationship tools including Facebook, Outlook, LinkedIn, and others will be "encompassed in one firm system working in conjunction with traditional CRM data to deliver very rich intelligence about individuals and the varying relationships they have with others." Harris Tilevitz, chief technology officer at Skadden, Arps, cautions that "these CRM systems will complement, but still not substitute for, the basic rules in sales and marketing, which are to know the needs of the client and how to service them. Business development comes from building and leveraging business relationships." We certainly agree that some aspects of that will not change in the future. Robert Davis, applications developer/data specialist at Varnum Riddering, adds, "Paying attention to existing clients will still provide the best bang for the buck. Sharing the information that you have for those current clients within the firm will minimize duplications."

All these changes to a broader inclusion of data about clients (and therefore a better handle as suggested above on the "client experience" aspects of the firm's relationships) will clearly involve a significant people and training factor. As Gregory predicts, "Law firms will need to learn ways to expedite behavioral change among their professionals and staff in order to adopt new technologies with greater ease, and thus meet the challenges of keeping up with the rapidly changing, technologically driven environment we find ourselves immersed in, even today."

The ability to utilize the tools together and with one "dashboard" viewing is already commonplace in some firms. Ayelette Robinson, practice resources attorney for Morrison & Foerster, agrees and adds, "We connect our CRM information with information from our various systems including content management (documents and e-mails), time and billing, personnel. This allows the firm's practitioners to understand the full picture of each contact, from matters we've handled for a client, to areas of law, to who worked on the matters, to who has connections with these individuals. All of this context can be viewed in a dashboard-like format, and users can click in any section to dig deeper and access more detailed information." Many firms believe that the firm of the future will have all of this information available at professionals' fingertips through handheld devices connected to all data dealing with clients and client work.

So, 10 years from now, what will the picture look like? Where are we with database tools and enterprise relationship management systems? Web 2.0 seems to be the most common response when gazing into the crystal ball at the year 2020 law firm. "That, coupled with the cultural shift that will occur when Gen Yers move up into positions of power," points out Robinson. "Today's buzzwords will no longer be buzzwords." Gregory's instincts are telling her that "it will be encompassed in one system, which will be supplied via SaaS (software as a service), where the firm simply selects which third-party systems and tools they want to include in their bespoke system." Robinson's vision of the future includes those technologies that also marry with the client experience—"an organization reaches client service nirvana when it knows what its customers need not only before *they* need it, but also before they know they need it. And technologies that support this level of client service—aggregators of business, professional, and personal information about your clients and tools that bring your service to your clients within their own environment and in real time—will be the tools supporting the front of the pack." Adds Tilevitz, Skadden's chief technology officer, "Provide a good product and good service and you won't lose business. Has that concept changed in 100 years?" We agree it hasn't, and add that the technologies supporting the "good product" and "good service" coupled with relationship building will help to ensure that firms retain clients.

How do we get from here to there? We see firms' business professionals continue to build bridges across their functional areas to support the complex web of technology, data, client feedback, and the human element involved in all these areas. Project teams will be formed to assess what's working well and where there is drag on the system so it can be improved and operate efficiently. The professional development programming will continue beyond continuing legal education, and will integrate modules on CRM to help facilitate learning (even for those tech-savvy Gen Yers). And, the client experience will be vastly improved due to the efficiencies on the delivery side that continue to add significant value to their relationships. We look forward to the future!

We'd like to thank the following professionals, who contributed their opinions for this article:

Robert Davis, Applications Developer/Data Specialist, Varnum Riddering Schmidt & Howlett

Victoria Gregory, CRM Systems Manager, Reed Smith LLP

Catherine Monte, Chief Knowledge Officer, Fox Rothschild

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[Back to Contents](#)



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Apocalypse Know?

IN THIS ISSUE:

- » Talent Management: Taking Professional Development in Law Firms to the Next Level
- » The Future Landscape of Client Relationship Management
- » Apocalypse Know?
- » Finding Precedent Transactions: M&A Sources Surveyed and Compared
- » Book Review: *Get There Early: Sensing the Future to Compete in the Present*
- » [Back to Contents](#)

LINKS:

- » [About Practice Innovations](#)
- » [Editorial Board](#)
- » [Past Issues](#)
- » [Reader Feedback](#)

The current economy has caused law firms to reduce new associate hiring, leaving law students with limited employment opportunities. The students' resulting anger and frustration at a perceived failure of their legal education has established an apocalypse of knowledge that has created a new opportunity for legal education and professional training.

During the past year we have been enduring and surviving a worldwide economic meltdown. This meltdown has been unlike any that has been seen since the Great Depression. It has also been a meltdown from which law firms did not escape. For law firms, this has caused more than mere "belt-tightening." Law firms have faced closure and mass layoffs, including layoffs of both law firm staff and attorneys. The economy has forced law firm clients to revisit billing structures and demand discounts for services that were often provided by junior attorneys. Clients have advised that they will no longer underwrite or pay for junior associate training. This client repositioning has led to law firms "deleveraging" new attorney associate hires by withdrawal of offers, deferrals, smaller summer law firm classes, and fewer initial offers of employment. The current class of law students has found itself saddled with substantial debt and with few or limited prospects of employment. Many of these students have responded with anger and frustration toward their law schools. This anger is often based on their perception of not being adequately trained or prepared to quickly practice law and an inability to reinvent themselves. Based on history, the economy will recover and new opportunities will emerge. Since it is unlikely that law student employers and their clients will return to the old "business as usual" associate hiring model, will legal education reinvent itself with a new educational paradigm?

Whether law firms and their clients return to their previous associate hiring model or not, law student anger and frustration at a perceived failure of their legal education has established an "apocalypse know"—an apocalypse of knowledge that has created a new opportunity for legal education and professional training. The new legal associate hiring business paradigm has created for legal education an opportunity to reevaluate and retool its curriculum and educational methodology. This curriculum and methodology have long been criticized as being too theoretical and not rooted in practice. Unlike earlier critiques, however, the current push for legal education reform is marketplace driven. The current associate hiring market is forcing legal education to reevaluate its educational model and discuss or develop a practice-oriented, educational team approach, which will train a new generation of self-sufficient, flexible, tech-savvy, networked attorney lifelong learners. This will result in a team that integrates traditional legal scholarship methodologies with technology in a functional, practice/process-oriented collaborative network.

Traditional legal education and scholarship have long been rooted in the "casebook method" developed by Dean Christopher Langdell of Harvard Law School at the beginning of the last century. The casebook method has been an extremely important and useful educational tool. It is a tool that has successfully taught generations of law students professional legal analytical skills and how to "think like a lawyer." It is taught by superior, dedicated faculty scholar/educators, who often combine the appellate cases as

reviewed in casebooks with the "Socratic method." This has created an educational methodology designed to encourage law students to think about the cases that they are reading and then present and analyze the cases "on their feet." In using appellate case review, the methodology teaches important and necessary attorney skills to the detriment of other equally important skills. The reliance on traditional casebook methodology also fails to recognize and utilize different individual student learning intelligences as outlined in Howard Gardner's book, *Intelligence Reframed* (Basic Books 1999). Therein Gardner describes nine intelligences that educators must recognize and address when teaching students. According to Gardner these intelligences are (1) verbal-linguistic, (2) mathematical-logical, (3) musical, (4) visual/spatial, (5) bodily-kinesthetic, (6) interpersonal, (7) intrapersonal, (8) naturalist, and (9) existential. While he recognizes that it may be difficult to address all of these intelligences in any given course program, he suggests that a complete educational experience should include as many of the different learning intelligences as possible. The casebook/Socratic method fails to utilize several of these student learning intelligences.

Many law schools have recognized this failure of casebook/Socratic methodology. These law schools have tried to blend casebook theory with practice experiences. They have used "simulation" (trials and negotiations) and clinical programs to give their students real-world experiences. They have also used and relied on externships, apprenticeships, and clerkships with law firms, corporations, and the judiciary. The inherent problem with all of these "practice" experiences is that they are not universally available to all students. This voluntary/elective method of blending theory and practice has left many law graduates not ready to practice law.

A broader solution would be an integration of traditional scholarship and a blending of practice methodologies throughout the law school curriculum. This integrated team approach would utilize technology to foster practice-ready collaboration that recognizes different learning styles and demonstrates many varied "practice" tools and resources.

Technology enables today's creative legal educators. Legal educators now have the technological tools and the ability to create an interaction and collaboration between themselves, their students, and alumni. Through course-specific use of collaborative tools such as blogs, wikis, discussion, and Facebook groups, the educator and students can work together to further discuss, explore, and investigate coursework outside of the classroom in a real-world, real-time environment. Furthermore, this collaboration need not be moderated by the legal educator, but can enlist the services of upper-class law student instructors/research assistants or alumni.

These technologies also allow the law school's library to seamlessly integrate research resources and tools into individual class coursework collaboration. This library resource coursework integration does not require invasion into educator classroom time but expands law student research learning beyond traditional case and statute finding tools. As a member of the collaboration team, the law school library introduces legal research tools that recognize attorney research roles beyond litigation and traditional memo writing. It recognizes that attorneys wear many hats. They must be skilled interviewers, investigators, negotiators, and document creators. All these skills benefit from a diverse use of library practice resources. Practice resources and tools enable a new attorney to "work like a lawyer." Tools such as secondary resources limit the need for legal practitioners to "reinvent the wheel" and allow them to build on the expertise of others. Secondary resources such as legal encyclopedia, treatises, journals, newsletters, form books, and checklists are tools that serve as bibliographic mentors to students and newly practicing attorneys. Legal research tools that complement the familiar annotations, digests, and citators are tools that, through a collaborative team approach, build on the law student's classroom experience to prepare practice-ready attorneys.

This is a vision of a legal education collaborative team that integrates faculty, students, alumni, and library staff through the use of technology to create self-sufficient, flexible attorneys. These attorneys are prepared to change specialties as their world requires. They have a network of peers and friends ready and willing to collaborate on new issues as they develop. These attorneys will maintain a lifelong connection with their educational institution and a lifelong love of learning. This legal education collaboration will occur, with or without formal law school blessing or intervention. This collaborative technology does exist. The question is who will drive it? Will it be driven by law school leadership, or by students and their employers? No matter, it will be an apocalypse in knowledge—an apocalypse kNOW!

[Back to Contents](#)



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Finding Precedent Transactions: M&A Sources Surveyed and Compared

IN THIS ISSUE:

- » Talent Management: Taking Professional Development in Law Firms to the Next Level
- » The Future Landscape of Client Relationship Management
- » Apocalypse Know?
- » [Finding Precedent Transactions: M&A Sources Surveyed and Compared](#)
- » Book Review: *Get There Early: Sensing the Future to Compete in the Present*
- » [Back to Contents](#)

LINKS:

- » [About Practice Innovations](#)
- » [Editorial Board](#)
- » [Past Issues](#)
- » [Reader Feedback](#)

Successful merger and acquisition research requires precise searching using specific deal criteria. This survey compares several M&A information resources and discusses the strengths and weaknesses of each.

As a research librarian in a firm with a large corporate practice, one request I frequently receive is to locate agreements for similarly styled merger and acquisition (M&A) transactions. The key to finding such documentation is precise searching using specific deal criteria. Curious about the specificity that I could achieve using the tools available to me, I decided to survey and compare several sources, including *Corporate Control Alert*, mergermarket, Westlaw® Business (M&A Center and LIVEDGAR®), and MergerMetrics.

Of course there are other resources available, such as those from Bureau van Dijk or Perfect Information, but they tend to have a more international focus. Since the impetus is to find actual deal documents, not just comparable deals, the sources profiled here generally have some U.S. public company involvement. This increases the likelihood that the associated deal documents will be available through EDGAR, the Securities and Exchange Commission (SEC) public filing database.

This brief article provides a survey of the sources consulted, as well as commentary on their strengths and weaknesses. The crux of the analysis, however, lies in the accompanying [matrix](#) that directly compares which resources provide which search variables.

Corporate Control Alert

The least expensive source for M&A deal information is *Corporate Control Alert*, a monthly periodical that provides analysis on M&A trends and abstracts of recent M&A deals. For editorial purposes, all deals covered involve a change of control, are more than \$100 million, and involve at least one U.S. company as a party.

Each issue of *Corporate Control Alert* highlights the top 10 deals since the last issue, but the August/September issue encompasses all of the deals between January and June, while the January/February issue covers July through December. Each biannual recap lists deals chronologically, but a few indices provide access to the names of involved companies and various participants (such as investment advisers, outside counsel, and public relations firms), as well as several categories of deal types.

While not as robust as the databases, *Corporate Control Alert* provides a quick and dirty analysis of the M&A environment, making it useful for general or last-minute questions, especially when the network is down. It is also the only source to identify proxy solicitors involved in the transaction.

mergermarket

The mergermarket service is primarily a source for deal intelligence information, rumors on potential deals, and analysis of current deals. However it is also a good source for basic comparison searching, as it provides a step-up in search variable breadth, complexity, and coverage over *Corporate Control Alert*. In addition, the site is licensed per user, allowing those with access the flexibility to craft and hone searches without fear of hourly or per-search charges.

Deals included in this database were announced after January 1, 2001, are more than \$5 million, and are not limited geographically, so mergermarket covers many more deals than *Corporate Control Alert*. The site also provides advanced search features, such as geographic area, industry, and consideration structure. The industry search can be particularly useful because it doesn't strictly follow Standard Industrial Classification (SIC) codes, which can sometimes be too specific in crafting relevant searches.

One caveat when using this database for precedent transaction searching is that it includes rumored or recently announced deals for which related transaction documents may not yet have been filed.

Westlaw Business (M&A Center and LIVEDGAR)

Westlaw Business provides access to two M&A transaction databases—the M&A Center and LIVEDGAR. The M&A Center provides a simplified search that includes private and rumored deals covered by Thomson Financial. The default search is West's typical template-style searching, although you can also use the Westlaw Terms and Connectors (Boolean) search method for more control. This added control is especially critical when you need to do "negative" searching, that is, searching for deals in which a particular variable is *not* present, such as searching for mixed consideration deals in which shares and cash, but not preferred shares, are exchanged.

Alternatively, LIVEDGAR searches public and private deals abstracted by GSI editors and provides a more robust search engine with greater complexity in search criteria. Most uniquely, it also provides full-text searching within the SEC filings related just to the M&A transaction. For example, LIVEDGAR allows searching for information about investment adviser fees and the response of the target's board to the deal proposal, as well as the attorney's name on the signature block of the related agreement. This is a critical feature when searching for deal documents with "reps and warranties" drafted by opposing counsel.

While it is always best to check pricing before searching, these two databases are the most efficient and best value of those surveyed here because you are automatically linked to full-text deal documents.

MergerMetrics

MergerMetrics from FactSet provides the intrepid researcher with an abundance of search variables to perform the most complex searches. There are more than 150 search criteria for locating M&A transactions, including many of the qualitative aspects of deals, such as deal protection mechanisms. This is where this service excels, as it provides the opportunity to get into exhaustive detail through items that can't be searched elsewhere.

In addition, each variable can be combined in an infinite number of permutations, while competing databases are limited to just a few. For example, MergerMetrics can locate transactions with any combination of lock-up termination rights, no-talk or go-shop provisions, and special buyers (like special purpose acquisition corporation (SPAC) or club deals), while LIVEDGAR searches are limited to two or three of these criteria due to its drop-down lists.

Of course using a gold-standard tool also costs bullion. MergerMetrics charges per search result, which can add up quickly if your search criteria aren't specific enough. As a result, this source is often of limited use in my arsenal unless the details are especially critical, such as when a private company is targeted and the deal included a "simultaneous sign and close."

A Direct Comparison

As mentioned above, this article includes a matrix, [M&A Database Search Variables](#), that provides a side-by-side comparison of the search variables for each source explored in this article. Each variable listed should correspond to a search field and they are aggregated into categories related to the target, acquirer, related parties/fees, deal specifics, and other information. Because LIVEDGAR uses drop-down lists for many generalized search variables, such as the deal description, I have tried to list a few items to show the breadth of searching available.

The "Targeted Searches" section compares merger provision variables only available in LIVEDGAR and MergerMetrics. The "Private Target Specifics" section lists variables that are unique to MergerMetrics. For a few merger provision categories, I have tried to indicate where a full-text search in LIVEDGAR correlates to a search variable in MergerMetrics as a work-around. This technique can also be applied to other deal variables that would be explicitly stated in the agreements, press releases, or other filings directly related to the transaction and not directly searchable in LIVEDGAR through an explicit search variable.

It is my hope that this comparison will enlighten researchers to the complexity of searching available to them. It should also empower researchers to reach a relatively high level of precision in finding comparable deals in a cost-effective manner, making them an invaluable resource to their own corporate practice in the process.

Back to Contents



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Book Review:

Get There Early: Sensing the Future to Compete in the Present

IN THIS ISSUE:

- » Talent Management: Taking Professional Development in Law Firms to the Next Level
- » The Future Landscape of Client Relationship Management
- » Apocalypse Know?
- » Finding Precedent Transactions: M&A Sources Surveyed and Compared
- » Book Review: *Get There Early: Sensing the Future to Compete in the Present*
- » **Back to Contents**

LINKS:

- » About Practice Innovations
- » Editorial Board
- » Past Issues
- » Reader Feedback

By **Bob Johansen**, San Francisco, CA: Berrett-Koehler Publishers, 2007

Getting there early means seeing the possible future in time to reflect, consider alternatives, establish a position, and choose the best course of action. This book describes the Institute for the Future's Foresight to Insight to Action Cycle, which can help you create your own vision for your organization.

For Bob Johansen, *get there early* means seeing a possible future in time to act on it now, before others do. For a corporation, getting there early could mean finding new markets or creating new products before its competitors. For a nonprofit, it could mean anticipating emerging issues that will affect clients and stakeholders before others with different agendas stake out their positions. Getting there early means seeing the possible future in time to reflect, consider alternatives, establish a position, and choose the best course of action. The Institute for the Future's Foresight to Insight to Action Cycle is one way to get there early. The Institute is a nonprofit research group of which Johansen is a former president.

The goal of foresight is less to predict the future than to understand what is happening now, to see the direction of change, and to provoke thought. Directions of change can be seen more clearly by looking several years into the future. Foresight can be embodied in a forecast, which Johansen defines as "a plausible, internally consistent view of what might happen." (p. 16) In contrast, a definite prediction that something will happen is almost always wrong. A forecast is useful if it provokes thought, even if it turns out to be wrong. Forecasts can be based on aggregations of expert opinions, historical analogies, or analyses of alternate scenarios, among other things.

As an example, Johansen summarized the Institute for the Future's most recent 10-year forecast, which focuses on identifying directions of change rather than possible end states. Among the story lines that the Institute foresees driving change are personal empowerment of individuals both as consumers and as workers, grassroots economics that will favor networked organizations over traditional hierarchies, and smart use of networking by individuals.

The future will be characterized by volatility, uncertainty, complexity, and ambiguity ("the VUCA world"). (Preface) To cope with the VUCA world, leaders of organizations will need the following:

- Vision to provide a clear goal to guide actions and actively shape the future.
- Understanding developed through sensing and listening with an open mind without judging too soon.
- Clarity in explaining goals and methods of achieving them to others.
- Agility to cope with the inevitable surprises and attacks, and to let the real world shape action.

In the VUCA world, leaders will be constantly challenged with dilemmas. Most leaders were trained to solve problems and move on. For Johansen, problems have a clear solution with a winner and a loser. Dilemmas are recurrent, complex, messy, threatening, enigmatic, and confusing. They

cannot be solved; they must be lived with. But, if leaders can engage with and learn from dilemmas, they may be able to devise win-win strategies.

Getting from foresight to insight is, Johansen frankly admits, not straightforward; it requires intuition, "the ability to understand and make sense out of what you are gathering." (p. 224) Leaders and future leaders can develop intuition through training and practice. The best forms of training are immersion experiences that model a possible future world, including

- simulations of reality
- alternate reality games (virtual and real)
- role-playing and scenarios
- mentoring or shadowing (immersion in another person's daily life)

Less involving experiences include

- watching theatrical improvisations
- reading case studies

Immersion experiences are essential because there is little fixed content to pass on in the VUCA world. Instead, aspiring leaders should practice dealing with unexpected situations. Through these methods, they can "imagine provocative futures that might never have occurred to them before" (p. 121), grasp the inner nature of things (one definition of insight), and practice new ways of acting in a low-risk environment.

Moving from insight to action means developing a strategy: a goal and an idea of how to accomplish it. However, the means must remain flexible within that strategic intent. Even when the intent is clear, the means to achieve it often are not. "Great leaders will want to consider multiple paths and multiple options." (p. 224) Action must unfold and evolve with the situation. Johansen gives some examples of the Foresight to Insight to Action Cycle that read somewhat like syllogisms in formal logic.

Foresight: Much of the world will have limited access to knowledge.

Insight: The world needs a free, open-source encyclopedia.

Action: Create Wikipedia. (p. 152)

Foresight: People who are poor need connectivity.

Insight: An expensive service can be reimaged to be affordable in poor regions.

Action: Create an affordable cell phone for text and voice. (p. 154)

The best organizations to carry out these actions will be "flexibly firm" networks and corporations with flattened, rather than traditional, hierarchies. Networks have many nodes rather than one strong center, which give them the flexibility to respond to the surprises of the VUCA world, but they are guided by a few strong rules or firmly held principles. Individual members have great flexibility within these principles to achieve the organization's strategic intent. Robust communications infrastructures are necessary to share feedback on what is working or not, share institutional memories and lessons learned, and build a sense of shared identity.

The Foresight to Insight to Action Cycle is a continuous cycle in which lessons learned from actions (hindsight) complete the cycle and lead to new foresight and insight to meet new challenges. Perhaps the most organized kind of hindsight is exemplified by the after-action reviews practiced in the military. These must be conducted immediately after the action; focus on performance, not on fault finding; influence or lead to follow-on training; and maintain morale. The results of each review should be recorded and preserved. Other, less formal sources of hindsight include learning from experiences in the field or learning from how adversaries handled similar challenges.

In this book, Johansen presents many striking ideas, but, at least for me, it seems unclear how to carry them out in practice. Perhaps that is his point, however: it is difficult to be a leader in the VUCA world and not at all clear what to do.

[Back to Contents](#)