

The Cost of Losing and Replacing Associates: Factors to Calculate

The costs of losing and replacing a lawyer necessarily vary from firm to firm. The size and geographic location of the firm, the practice areas and seniority of the lawyers, the level of compensation, and many other factors contribute to the variations. This Diagnostic is intended to help you estimate the cost of losing and replacing an associate in your firm.

DEPARTURE COSTS

Lost investment in departing lawyer

- Hiring expenses \$ _____
- Bar review courses and bar dues _____
- Time written off _____
- Training and mentoring _____
- Client relationships _____

Costs of separation

- Exit interviews _____
- Administrative processing time _____
- Benefit continuation _____
- Severance _____

Costs for others filling in vacancy

- Fees, salaries for temps _____
- Time spent educating and helping replacements _____

Lost productivity

- Loss/distress of clients _____
- Write-offs for work of temporary replacements _____
- Distraction, increased stress, declining morale among remaining associates _____

REPLACEMENT COSTS

Out of pocket costs

- Recruiter fees \$ _____
- Internal referral fees _____
- Clerkship, signing and other bonuses _____
- Travel and moving expenses _____
- Bar expenses and dues _____
- Advertising _____
- Technology, office equipment for new hire _____

Lost value of lawyers' time

- Interviewing _____
- Hiring Committee meetings _____

Administrative personnel efforts

- Recruiting department personnel and time _____
- Conflicts and background checks _____

Orienting new hire

- Lawyers' time spent in orientation _____
- Administrative expenses _____
- Business cards _____

Training new hire

- Formal training _____
- Supervisor, peer, mentor time spent getting new associate up to speed _____
- Low productivity during ramp-up _____
- Write-offs during ramp-up _____