

## Law Firm Exits: There Are Two Sides to Every Story

*We meet partners in the lateral market through two important lenses, Steve in his work in legal recruitment and Karen through her work as transition counsel. We both play an important role in helping partners and senior counsel make sense of the market and make informed decisions. Increasingly, we are talking to lawyers who are leaving their current firms not entirely of their own volition. Often there are differing perceptions of what happened. We have collaborated here to shed some light on some of the common themes we've seen emerging.*

### **Situation: A long-time partner is leaving because workflow and hours have dropped.**

**What the firm means:** We expect our partners at all levels to raise profile, foster our referral network and develop business. People make partner based on our best assessment of their potential. Some never make the transition to business developer. Partners who don't develop work for themselves and for others become a bottleneck so we have to make tough decisions.

**What the lawyer means:** The firm never encouraged me to develop additional business. The message was always that we need you to manage institutional client matters and do good work. A key client went elsewhere for reasons not related to my efforts, and then, out of nowhere, I got this message.

**How it could be different:** Doing good work is no longer enough. As one partner said, "I have to make partner every year, and the criteria is constantly changing." The firm therefore must communicate its expectations for partners regularly and often. Historically, firms provided mentoring and guidance to associates but once they made partner it stopped. Mentoring needs to continue and shift its focus to profile-building and business development, project management and team leadership.



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### **Situation: A lawyer is a senior associate or counsel who has not been able to move to partner status.**

**What the firm means:** We, like many other firms, are facing an increasingly competitive environment. We can no longer promote lawyers who do good work but don't have proven business development skills. While [Susan] continues to do good work, she is not bringing in clients and hasn't shown evidence that she will do so in the near future.

**What the lawyer means:** There is a lot of internal competition in the group that I joined. They hired me to add bench strength to the group and told me they had lots of work. I knew I would have to generate some work, but that wasn't the focus in any of our discussions. Partner compensation is heavily weighted on production. It feels like every man for himself. Partners are doing work they should delegate, and while they talk team on the way in, they really don't mean it.

**How it could be different:** This is an example about how the legal industry has changed in the past few years. In the past a skilled associate who had no interest in profile or sales could expect to be promoted to partner. Now those associates might be able to shift to a new title, but it isn't partner. Given this change, there are responsibilities on both sides. Senior associates need to develop the

**Creating an effective team culture is more than billable hours, rain-making and portable business**

business development or leadership skills needed now and in the future. It is their responsibility to ask for support. At the same time, firms must ensure that they are providing the business development training, mentoring and coaching to support high-potential employees.

**Situation: An individual is a relatively recent lateral but never integrated into the firm or practice group.**

**What the firm means:** We brought [Bob] into the firm when we needed to add some strength to our litigation group. We had a senior advocate who suddenly went off sick. We were in the middle of a couple of big cases, so we made a quick decision. In hindsight, we saw some red flags, but we really felt under the gun to support our revenue targets and these active cases were important to that. [Bob] turned out to be a lone wolf, and we have a team-oriented culture here. He focused on hitting his own targets at the expense of others in the litigation group. He just didn't fit with the team.

**What the lawyer means:** During the recruiting process the firm almost exclusively focused on my portable book of business, although they claimed that one plus one would equal three. When I got here I never was introduced to a firm client and rarely even had productive meetings with other lawyers in my group or others within the firm.

**How it could be different:** Often, particularly in a crisis, firms fail to focus on the cultural match and cut corners in terms of due diligence. Further, these situations can be traced to a law firm's preoccupation with portable business. As a result the most favored candidates are the ones with the most certain books of business. Those same candidates, however, often don't share their client relationships and don't devote their efforts to the firm's institutional clients. Firms should focus on overall metrics (including business shared with others), competence and character. They also should ask behavioral questions that will help shed light on how this lawyer interacts in a group setting.

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