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LAW AND LOBBYING IN THE NATION'S CAPITAL

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Change of Venue?

Partners thinking of moving to a new firm have options, but should look hard before leaping.

Career Advice

Last year was one of dynamic change in our industry. Buffeted by the economy and the tragic events of Sept. 11, legal recruiters have realized that many of the old rules no longer apply.

Though associate placements have been off to a noticeable degree, placement of individual partners, along with group moves and firm mergers, has increased dramatically. Partners with seasoned business have become increasingly more attractive to a wider spectrum of firms. Similarly, partners who were considered in the past to be "untouchable" because they worked at certain top-tier firms are now far more receptive to the idea of changing firms.

While some of the changes are no doubt attributable to the economic downturn, we find that the events of Sept. 11 play a surprisingly large role in the New York market. For those working downtown, the prospect of relocating to another neighborhood is an incentive to consider formerly unappealing opportunities with midtown firms.

The more prevalent motivation, however, is more basic. For many, the terrible events have led to a review of personal priorities, with quality of life becoming dramatically more important. In the past, most partners were willing to endure unpleasant situations for any number of reasons, such as high income and fear of change, but many are concluding that life is too short. Consequently, they are now more open to the idea of moving to another firm where their professional life would be more rewarding.

Once an attorney has made the decision to consider other firms, it is important for him or her to understand that finding the most appropriate firm is not a simple task. Ideally, it is a process that begins with talking to a qualified recruiter. The dialog between recruiter and attorney is more than one conversation: It takes time to thoroughly explore the reasons for considering a move, as well as the attributes of the "perfect" firm.

While unhappiness is often the reason for looking, it is not necessary to be miserable to seek a change. Candidates often are relatively happy at their present firms, but have determined for any number of reasons that another firm would be a better "fit" and thereby offer greater potential to grow their practice.

Once you have made the decision to change firms, you must confront a few basic issues. First, would the new firm provide the kind of platform to boost professional development or grow your portfolio?

For example, some bankruptcy partners have decided that now is a good time to look around—particularly if they have been toiling away at a firm where they were largely ignored or, worse, relegated to second-class status. In fact, two bankruptcy partners we are currently working with are interviewing with firms that have understood bankruptcy all along and are prepared to offer a higher platform to boost these attorneys' revenues.

THE COMPENSATION FACTOR

Once you have determined that the new firm can provide the right platform, the second question is whether the compensation structure offered is comfortable.

It may seem obvious to consider compensation before making a move, but partners with large books of business often call me to ask whether they are being compensated fairly and within the market. One caller was a lateral partner who had gener-

ated \$3 million in fees, half of that in his own practice area. When I told him he should be compensated approximately \$825,000, he admitted that he was paid significantly less. If this partner had realized upfront that he was not being compensated fairly, he most probably would not have taken the job.

Once platform and compensation are addressed, the focus should shift to whether the culture and values of the new firm are compatible with the partner's personality. Last year, we assisted the merger of a small New York law firm with a national AmLaw 100 firm. Key members of the smaller firm were each given one-year contracts. When one of these members became seriously ill and couldn't perform his duties, the firm completely honored his contract as if he had billed 2,000 hours himself.

Two other key members of the firm called at the end of the year to tell me how happy they were with the firm, especially its values, citing this partner's treatment as the reason. This example demonstrates the importance of choosing a firm that closely approximates the kind of values and culture that you hold personally.

DANGER AHEAD

You should be aware of a few warning

signs before making the decision to move to a new firm:

- Significant departures of key partners could portend poor management, power freaks, or financial weakness.

- An interview process that indicates a subset of political issues. For instance, power struggles between offices could be a sure signal that the office you are joining is not part of the key management team—or, even worse, the offices are not well run. You would not be joining an integrated partnership but rather separate fiefdoms.

- A lease that is terminating within 12 months, while apparently trivial on the surface, could actually mean the firm is considering merging or disbanding. As in every other business, lease terms determine overall profitability, as well as long-term viability.

- One only has to look around at the shakeout of law firms on the West Coast, as well as some here on the East, to see a red flag when a firm has a significant dependence on one industry. West Coast firms now acknowledge that putting all their eggs in the dot-com basket has been detrimental to their health. East Coast firms that relied too heavily on the rapid expansion of international capital markets and opened more foreign offices have suffered too.

- If the new firm lacks a clear, written strategic vision or business plan, you should be concerned. When we meet with managing partners, I have learned to recognize the good firms by the clarity with which the

managing partner describes their strategic vision and business plan. Opportunistic growth or growth for growth's sake very rarely advances a firm—and if it does, it usually works only in the short term. Look for a firm that chooses acquisitions that play on its strengths, as well as answer its long- and short-term needs.

- A recent internal restructuring could suggest a political coup. Find out who was part of the transition team and how long they are going to be available to advise the new management team. If the outgoing leaders are helping in the firm's transition effort, that's a good sign—but if they were kicked out and an unprepared, uncertain, or tumultuous group is running the show, look out.

New York, Washington, and Boston are loaded with excellent opportunities for partners looking to move to another firm in this new year. We have seen the demand for individual partners and practice groups rise significantly in the past few months. In New York, it's a good time for bankruptcy and general corporate partners; in Washington, telecom and high-tech specialists; and in Boston, IP partners.

Decide what your goals are, contact a professional legal recruiter, and start looking at your options. Because, as we all know, life is just too short.

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