

WHEN LAWYERS ARE RAINMAKERS

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Nothing prepares you for the actual moment you become a partner," says Daniel Brett, two years a partner at global law firm Clifford Chance. The transition from senior associate to partner at most fair-sized commercial law firms in both the US and the UK is a massive step for most lawyers. They have to turn themselves from desk-bound employees clocking up several hundred billable hours a year to consummate business developers and rainmakers, capable of generating a minimum of £1m of fees per annum.

"When I became a partner, for the first couple of years I felt lost. I found myself in a club where I didn't know the rules or the politics," says James Bateson, a partner at international law firm Norton Rose. Nine years later, he has built a leading corporate insurance practice from scratch.

Mr Bateson says that the emphasis on being able to generate business has become even more intense in the past four years. The number of partner promotions, for example, in the top five "magic circle" firms in the UK in that period has fallen by 42 per cent.

How do lawyers such as Mr Bateson and Mr Brett do it? They are not really helped by their firms. Unlike other commercial organisations, the law breeds immature business people. Although lawyers may by their early thirties have advised chief executive officers on complex business issues, they themselves have had little practical experience of running a business or developing their own commercial instincts.

When senior lawyers are promoted to a partnership, they go overnight from being employees to owners of the business. "It's a very difficult switch to flick," says Patrick Somers, a partner at UK law firm Hammonds. "Young partners suddenly find themselves very lonely because they haven't had the practice of just doing simple things like making that call to someone who might be able to make an introduction for them. They have spent years specialising in a particular area of law and simply doing the work given to them, while the partners take care of business."

The deeply hierarchical environment of the law firm exacerbates the situation. Few associates are trusted with extensive client exposure. "Equity partners are ultimately selfish," says Mr Brett. Mr Somers agrees: "Partners are becoming more protective about their client followings."

Law firms fear the loss of business to senior associates who will leave the firm if they fail to make partner. Young partners are also hampered by the fact that in most cases they do not have the personalities or social skills of natural rainmakers. The psychological profile of lawyers is risk-averse and cautious. Many people enter the law because it is a high status, well-paid and low-risk profession. They do not expect to

have to go out and actively tout for business.

One of the difficulties for many lawyers, says Mr Bateson, is that although they are highly articulate they are not always direct. "They hate looking as though they are asking for business."

But this may be a peculiarly British problem. US lawyers, for example, are far less shy about asking for business. John Reynolds, managing partner of the London office of US law firm McDermott Will & Emery, says: "The whole approach in US law firms is subtly different. US lawyers have more of a 'consiglieri' role. They keep in better contact with their clients, and the whole relationship is broader and more personal. In the UK, relationships tend to be held at more of an organisational rather than a personal level."

The top Wall Street firms are perhaps the exception. Carl Liederman, a corporate partner at US law firm Orrick, who has practised in New York, Paris and London, says: "US lawyers tend to be more sales aware, although there is still an old school mentality, particularly in top Wall Street firms, similar to European firms, where they see themselves as lawyers rather than businessmen."

Unfortunately, in a competitive and integrated international legal market in which clients are ever more willing to shop around, not asking for business is no longer an option. Even partners at large firms, who in the past could depend on long-established institutional relationships, are having to go out and win new clients.

How well they do this depends on their social network. "Everyone has a social network even if it's dormant. It's like a spider's web. You have to blow off the dust and activate everyone you know without destroying the web," says Mr Bateson.

Mr Somers, who trained in the fiercely competitive regional markets, says he fought for business by getting to know people. "I joined every association there was, from the local chamber of commerce to the tennis club."

A good place for new partners to begin finding work is from others in the same firm. "It's too daunting to go outside," says Mr Brett. "Initially it's easier to develop relationships with partners in your firm." But then, he says, contacts built up over previous years can also bear fruit. "People you know move around, and after a while become buyers of legal services." However, many lawyers still struggle to turn social contacts into useful business opportunities.

"Lawyers find this incredibly difficult," says Simon Slater, an experienced business development professional in the legal sector. "But it is about planning to spend time with people outside office hours, finding out what you can do for them and contributing to their working lives, as opposed to the other way around."

Structurally law firms are waking up to the challenge of producing rainmakers as well as lawyers. Firms on both sides of the Atlantic are providing better training. Clifford Chance, for example, employs two Harvard professors to train new partners in expanding their business. At UK firm Eversheds young partners are given sales training by former executives from companies such as Mars.

Many of the top ten firms in the UK have restructured the passage to equity partnership. All but two

operate a “staging post”, where, for a period of time, partners are given the opportunity to adjust to the demands of being a full equity partner. Such lawyers may remain as “salaried” or “junior” partners for anything up to five years before they are deemed ready to ascend to full equity status. To the external world, however, they are not openly differentiated from their senior peers.

Some partners claim that the pressure to generate fees is not quite as intense as is presumed. They say that other attributes, such as mentoring junior lawyers, are equally prized. However, if a partner is not contributing to the “pie”, the consequences of failure can be draconian. Many UK law firms are going through processes of “de-equitisation”, where under-performing partners are managed out of the partnership. The revered “lock-step” promotional structure whereby partners progress up the partnership according to length of service is moving closer to the more meritocratic models of the US.

However, some new partners can also be lucky. Earl Griffiths, a partner at law firm Allen & Overy, was promoted a year ago in the firm’s restructuring department, which has seen boom levels of work for two years.

For Mr Griffiths, partnership has been “a natural progression”. His rainmaking activity is “more about bringing my clients into other areas of the firm” - in effect, managing and maximising the value of existing client relationships.

Most top UK firms now have programmes for client relationship management, which are designed to develop business among existing clients and ensure repeat business. Rainmaking, says Mr Slater, is usually equated to delivery of new clients to the firm. However, not all new clients are compatible with the thrust of the firm’s business. Also, not every partner needs to be a rainmaker, says John Barnard, head of human resources at Clifford Chance. He adds: “If they were, it could lead to quite a dysfunctional firm.”