



ATTORNEY SEARCH

By Carey Besrtolet

Law Firm Associates: Luxury on the Lateral Market

Just as the salary wars seemed to be winding down in New York, a new wave of associate compensation increases has stuck the West Coast and Washington, DC. Nearly five months after Simpson Thacher raised the compensation of its New York first year associates to \$160,000, large firms in some major cities are now matching these salaries.

Where will it end? It's hard to say. As the industry shifts through these massive changes in associate compensation, there is inevitable grumbling from partners, clients, and even the associates who are the beneficiaries of the increase. No matter what one's perspective of the effects of these industry raises, one thing is true, as compared to a mere two years ago, associates have gotten more expensive. At the largest firms in New York, first year (class of 2007) associates are now 20% more expensive than their 2005 counterparts were upon graduation.

Large law firm associates are today's newest luxury goods. To be clear, there are many good reasons why associates are paid as well as they are. Generally speaking, associates entering large law firms have excelled academically. They have devoted countless hours to their performance throughout their graduate and undergraduate careers. They have often incurred debts reaching into the six figures to do so. Associates are frequently expected to be on call, eat dinner at the office and keep their Blackberrys at the ready. At New York's largest firms, even junior associates may be tasked with responding to the questions and demands from some of the most powerful people in the corporate and banking worlds.

I am the first one to tell you that I believe that associates should believe their own hype. (In the interest of full disclosure—I was a law firm associate in a previous life—so I do have a bias). I do believe that because the bar is so high for entry into law firm life, and continued performance at a law firm requires a great deal of persistence, dedication, and intellect, associates deserve to be well-compensated. In New York, even associates making \$160,000 may not have much discretionary income after paying Manhattan rent and student loan payments. Although I know that some people would disagree with me, I tell associates: you are worth your price tag.

I believe that today's brightest associates are the lawyer equivalent of the Mercedes-Benz. These are high-end lawyers who provide exceptional service and who have a distinguished record. I define luxury items as that portion of an industry that embodies excellence. Consumers of luxury items are willing to pay more because they understand that they get more. Rolex, Tiffany, Prada and Ritz-Carlton are all brands that are associated with luxury, quality, and (of course) expense. But the metaphor must be understood in both directions. Yes, I say to the large law firm associate, there is good reason for the market to pay a premium for your services.

Now act like it.

The trap we see with some associates who understand their value in the market is that they believe it means that the market will cater to them regardless of their behavior. The subtlety that some lawyers fail to appreciate is that

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even the most luxurious item in the marketplace must still compete to be successful. Even luxury items have to continually prove their value in a marketplace that historically favored them.

Especially in the lateral process, we find there are lawyers who fail to recognize that, no matter how much of a premium they are able to command, they still have competition. In this analogy, the 'consumers' in the lateral market (partners and clients) want to feel good about acquiring their luxury item. Just because a lawyer can command a premium rate and salary doesn't mean that he or she doesn't have to compete. If Rolex watches stopped working, they would lose market share to other luxury brands (maybe even to a Timex). It is important for associates not to confuse the fact that they are a luxury item with having a monopoly over the marketplace.

One of the most common misperceptions in the lateral marketplace is that when firms seek a top quality lateral associate, the entire interview process is designed to accommodate the needs and preferences of the associate. Even in a robust hiring environment, the lateral process exists for the mutual benefit of candidate and law firm. While it is absolutely incumbent upon law firms to be generous, responsive, and active recruiters, lawyers must also participate in the process with manners and flexibility.

Availability

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Arranging for the best time for an interview can be challenging. It's rarely easy for a lawyer to leave the office for an extended period of time—more so when his or her firm does not know that the associate is seeking a new position. It is just as challenging for law firms to assemble all of the lawyers in a particular department on one given day to thoughtfully consider a candidate. The challenges of setting aside enough time to carefully consider and interview for a new hire, when the relevant players are all busy professionals, can be daunting. Having said that, interviews happen every day. I am concerned when a lawyer tells me that the most time they can make available is 30 minutes at 7:30 p.m. on a Friday. I will always take a lawyer at their word when they tell me that their schedule is too crunched to provide meaningful flexibility to an interviewing law firm.

But I insist that they take me at their word when I tell them: *Your competition makes the time.*

We see that a candidate's inability to make him or herself available can be a roadblock to success in the lateral market. It may be that a lawyer is unwilling to make as many trips into a single law firm as might be required (usually 2 or 3). It may be that the lawyer is concerned about interviewing for as many hours as it might take (maybe 3 or 4, per firm). Usually when we see unavailability as a problem, it's when a candidate only agrees to make themselves available for a very short amount of time on one particular day, and no others.

To be clear, we can often make it work. I am usually pleasantly surprised by the law firm recruiting professionals who make very good things happen without a great deal of time. But it's imperative that every candidate in the lateral market understand that their competition may be more flexible than they are. *What does that mean?* It means that they may be making themselves more available to a prospective new firm more quickly than you are. It means that they may be perceived as being more enthusiastic, more interested. It may not mean anything, but are you willing to take the risk?

Let's hearken back to this idea of associates as luxury goods. Even for the associates who deserve everything they get in compensation and more, it is still important to make the effort to show a firm that you are the luxury good that is right for them. I understand that a Mercedes-Benz is worth a high price tag. But would you buy a Mercedes if you were only allowed to test drive it for 5 minutes?

Documentation

Most firms require some sort of documentation to consider a candidate. Obviously, a resume. Usually, a transcript. (In New York we always include a transcript). Depending on the practice area, a writing sample. Certainly, producing something as important as a resume takes time. Tracking down a copy of a law school transcript can be a pain. Redacting client names from a writing sample is also a time consuming process.

Unfortunately, there is no opting out of this process. Even the shiniest and fanciest lawyer needs to participate

in the process in a meaningful way. We are surprised to see as many resumes and writing samples with errors as we do. If you are going to be in the lateral market, you must take the care and time it deserves. Why? Because it matters. Because no credential overcomes the perception that a candidate has not paid attention to detail or who is not interested enough in the process to supply the documents a firm needs to fully consider a candidate to join their firm.

As a brief side note, candidates frequently ask why a transcript is necessary at all, believing that substantive experience should carry the day, regardless of the grade he or she got 6 years ago in first year torts. There are firms who do consider law school grades (yes, including first year torts from 6 years ago) to be excellent indicators of a lawyer's success in a law firm. For those that do not sit down and parse out specific grades, and many firms do not, it is still a part of the diligence process. One only needs to hear a single story about a firm who hired a lawyer without the appropriate diligence, only to discover later that the "lawyer" never attended law school at all.

In any event, a failure to take the time to assemble and produce the materials a firm needs to consider your candidacy is never good. Quite aside from frustrating those people who want to move the process along, it's a matter of competition. While your file sits on a shelf waiting for you to assemble the missing parts, a partner may be walking your competition's file down to the recruiting committee.

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Travel

Relocating candidates have the added stress of arranging to be away from the office as well as traveling to get to the interview. Although it certainly varies from city to city, the general policy among New York firms is not to pay for a candidate's travel for the first round of interviews (generally called screening interviews). Law firms generally pay for or reimburse candidates for travel associated with their second and final round of interviews.

There are obviously many issues to coordinate when interviewing for positions in a new city. Often, lawyers will try to arrange a couple of screening interviews to make the most of any one particular trip, if that's possible. But as difficult and time consuming as it is, your competition makes the time. I have seen candidates from overseas make themselves available to interview within a week or two or hearing back from a firm. I've seen candidates from New Jersey balk at making the trip over the Hudson River for a call back, because it would be too time consuming.

As with the rest, the lesson is that your competition makes the time. But relocating candidates have an extra incentive to do everything to cooperate with the process. Part of the 'package' in hiring a lateral associate is evaluating the commitment of that candidate to the geographic location. If you are able to show a law firm that you are so in love with New York (or Atlanta, or Los Angeles...) that you would take any opportunity to fly to town, you have reinforced your desire to live and work in the city. If you can't make it to the City within the next month, a law firm asks whether you are really planning on living here.

I hate for a candidate to spend their own money for travel, especially when they travel to interview with a firm they don't ultimately join. However, if you are serious about relocation, it is a reasonable expense. If you are considering relocating, and that relocation makes good sense for you personally and professionally, a \$300 plane ticket is a sound investment. We do a great deal of relocation, and the majority of relocation candidates see it as such. Certainly, for those who spent over \$100,000 on their law school education, the proportional expense of an important lateral move pales in comparison.

Timing

Another roadblock to successful lateral interviewing we see is related to timing. Again, it seems to stem from the confusion between being a valuable luxury item versus being the only luxury item out there. There are rare occasions when after receiving and accepting an offer, a lawyer seeks to start a new position at some date far in the future. Certainly, every law firm understands that it takes time to give notice, and relocate where applicable. But accepting an offer and hoping to join the firm in four months can be an unreasonable request.

Remember that while a luxury item is worth the money, it may not be worth the wait. Someone might pay \$500 for a pair of Manolo Blahniks. But would you spend \$500 for those shoes if you couldn't wear them for six months. Or

would you walk down the street to look at the Jimmy Choos. As an associate, you are worth the law firm's investment. But you need to ask whether you are worth the wait. Does the firm need immediate help in their practice?

One thing that we suggest where there are timing issues is to include some transparency in the process. A firm is much more likely to understand a delay in start date if they understand where it's coming from. Do you need to study for a bar, or are you planning to get married in the next couple of months? The firm who understands your motivation may be more inclined to work with you. In fact, transparency may be the best solution for many of the problems discussed above. A candidate who can explain where they are coming from is more likely to get the participation and cooperation than one who simply drops off the radar for weeks on end. We have been able to get extensions of time to decide on an offer, for example, when we can explain to the firm the circumstances requiring it. A failure to fully explain or engage has never carried favor. Remember that a relationship with a new firm begins before your official date of hire. What associate would want to start at a new firm and have anything less than enthusiasm on both sides?

We absolutely encourage associates to view themselves as being worth the salaries and compensation they command. It is often the most pedigreed and successful associates who understand that they define themselves as worthy of their accolades *in all of their* conduct and interaction, including as candidates in the lateral market. The true luxury brand is often just the same as the truly exceptional candidate: *always* trying to be better than the rest.

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