What does it take to become a successful corporate attorney?

BCG Attorney Search's Chief Operating Officer, Peter Wilkniss, offers up some tangible advice about succeeding in the corporate world.

My law school certainly did not offer a course on the subject. On my first day in the Corporate Department at my former law firm, no one handed me a guidebook on how to morph myself from a clueless first-year associate into an attorney worthy of following in Marty Lipton's footsteps.

Look, obviously I don't have anywhere near all the answers on this subject. But being a former corporate lawyer, as well as a business person in charge of hiring corporate lawyers and now running a national legal recruiting firm, I feel like I have learned a few things about what it takes to succeed as a corporate lawyer that would have been worthwhile knowing upfront--things that law firms generally don't emphasize with their associates until it's too late (for the associate that is).

My goal here is to offer up my experiences, for what they are worth, to others embarking on the same path I started on. First, I will take a stab a defining just what it means to be a successful corporate lawyer. Then I will offer up some thoughts on certain qualities I have observed in successful corporate lawyers that, in my view, led to that success. I will then discuss why, in my experience, the dynamic inside your law firm may actually work against your developing the qualities necessary to become successful. Finally, I will note a few things that you can do to develop the necessary skills within the context of being a productive associate.

Success Defined

What does it mean to be successful? Ask 100 people that question, and you'll get 100 different answers. If, however, you polled associates in law firms, the resounding response would undoubtedly be, "Making Partner." So, Making Partner it is for our purposes here.

If you look through Martindale Hubbell at the bios of law firm corporate partners, you will no doubt have a very hard time distilling a "formula" on what it takes to get there. Sure, some law schools show up more than others, but you will surely also run across a significant number of partners at major firms who went to "lesser" law schools. I think that most people would probably agree on the list of ingredients that go into the recipe for success (intelligence, hard work, dedication, pedigree, timing, plain old luck, etc.), but I daresay the exact proportion of those ingredients in any individual case is a great unknown.

What I do know with a high degree of certainty is that, given law firm economics, there aren't many law firms in the world that wouldn't gladly make an attorney with $1,000,000-plus in "portable business" a partner in a heartbeat--no matter how that person ranks (within reason of course) on the other factors that normally go into that kind of decision.

To put it plainly (and to oversimplify a bit), if you have clients who are willing to pay you money to be their lawyer, then you have a great chance of Making Partner, no matter how dumb or lazy you may be or how bad your contract-drafting skills are or that you went to the law school ranked dead last in the US News and World Report Rankings.

How to get clients to pay you to be their lawyer

As I mentioned, at one time I had a job where I was responsible for hiring and supervising outside corporate lawyers. So, while I certainly am not holding myself out as an expert on any of this, I would venture to say that the way I evaluated a lawyer before hiring him or her is pretty much the way a vast majority of business people make that same evaluation.

First, it is, of course, widely known that business people generally hate having to hire lawyers. This is so in large part because legal fees are transaction costs, and business people hate to pay transaction costs. Business people think in terms of investing money with the expectation of receiving a return on their investment, and, to a business person, there is absolutely no expected return on paying legal fees, especially because the fees are generally payable even if a transaction doesn't ultimately happen.

To be sure, business people understand the benefit of having well-drafted contracts, but, to their way of thinking, competent drafting skills are a widely available commodity. That is to say, there are literally multitudes of exceptionally pedigreed, talented and hard-working attorneys who are more than competent at drafting a contract. Given the competition, just being able to boast of those skills is, in my experience, not nearly enough to get an attorney hired on a consistent basis.

How then can a corporate attorney stand out from among the crowd? In my experience, the most successful corporate attorneys do so by making the client feel, to the greatest extent possible, that the fee paid to the lawyer is a worthwhile "investment," i.e., money paid in advancement of the client's business objectives. These lawyers do so by "facilitating" the business objectives (transactions) of their clients.

Facilitating Transactions

What do I mean by "facilitating" a transaction? As a starting point to understanding this, it is worthwhile to consider that what corporate lawyers are essentially doing when they draft/negotiate contracts on behalf of clients is allocating risk (both business and legal) between the parties to the contract.

Now, generally speaking, lawyers are by nature and training extremely risk-averse people; for some lawyers, no risk is worth taking. The most effective business people, on the other hand, are extremely effective risk assessors and takers. In other words, they understand that bearing risk is necessary to achieving business objectives and are adept at figuring out exactly what risks must borne in furtherance of those objectives.

So, to appeal to a business person, a lawyer must also be effective at assessing acceptable legal risks in the context of his or her client's business objectives and communicating those to the client. That is essentially what I mean by facilitation: a good lawyer facilitates a transaction by communicating to the client what legal risks are worth taking in the context of achieving the client's business objectives--and then only fighting to protect the client from unacceptable risks. An ineffective corporate lawyer, on the other hand, obstructs a transaction by insisting that the client not accept any legal risk irrespective of an assessment of its significance (or lack thereof) in terms of the client's business objectives and arguing fiercely with the other side over every legal issue, thus unnecessarily increasing the tension level between the parties and, correspondingly, the probability that the transaction will fail to happen.

What makes facilitation even more crucial from a business person's perspective is that there is also a significant cost element to facilitation versus obstruction. This is so because the ineffective corporate lawyer is racking up fees the entire time he/she is obstructing the transaction, i.e., the business person is actually paying to have his business objectives unnecessarily frustrated.

At one time, I was the lead associate on an acquisition transaction in which our client was constantly "caving in" on a great many legal issues in the contract. I couldn't understand why and began to actually take it personally that the client was not backing me up in my quest (which quest consisted of many sleepless nights of negotiating and drafting) to protect him. When I complained to the partner about this, he explained that the client was not insane (as I was thinking), but rather was on the verge of achieving a very important business objective next to which taking what he considered "minor" legal risks was completely meaningless. As it turned out, an article appeared in the Wall Street Journal the day following the announcement of the transaction in which our client was praised for the low price which he paid for the acquired company and commenting that if the transaction had not been completed with such speed and stealth, other bidders would certainly have emerged for the target company, significantly raising the price.

Another form of facilitation that effective corporate lawyers routinely practice is using their knowledge of an industry and the players in it to directly solve a client's business problem. For example, some of the most successful bankruptcy/workout attorneys I know specialize in finding sources of capital for their clients to keep them solvent. The client hires them based on their abilities to make introductions to investors to keep the client out of bankruptcy, rather than for their bankruptcy-related legal skills. Similarly, a number of corporate lawyers have developed significant practices based on the introduction of "start-up" companies looking for financing to venture capital firms who are in the business of providing that financing.

A client is understandably much happier to pay a lawyer to represent him/her if the lawyer is providing a direct solution to the client's business problem (e.g., the need to raise financing).

In this regard, I am convinced that a great deal of the success (i.e., ability to charge premium fees) of my former law firm is attributable to the business sense, knowledge, and contacts of the partners. On a number of occasions I have heard lawyers from rival firms paying my former firm what I believe to be the biggest compliment a corporate lawyer can receive: "those guys know how to get deals done."

Becoming a lawyer who knows how to get deals done boils down, I believe, to developing the ability to intimately understand the client's business objectives (the business purpose and context of the particular transaction or business problem, as well as the dynamics in the client's industry more generally) and the interplay between those business objectives and the legal risks raised in pursuit of those business objectives.

The dynamics within your firm will actually work to prevent you from developing the skills necessary to convince clients to pay you to be their lawyer

Should you reasonably expect that your firm will prepare you to be able to build the book of business that will pave the way to Making Partner?

As we all know, law firm economics are built on the billable hour. Law firms only make money if their associates are billing lots of hours. In the corporate practice context, this means that corporate associates are expected to spend a lot of time researching every potential legal issue, doing "due diligence" (essentially reviewing reams of corporate documents), and drafting transaction documents. These are things that the client will pay for, and thus the firm is geared to providing "on-the-job" training to its associates to do these tasks well. In my experience, none of these activities are terribly helpful to the associate in acquiring the business understanding/analysis skills necessary to "get deals done." Because the time training associates in these skills does not translate into billable hours, the firm has no incentive to provide the training or allow associates to get the training on their own.

Paradoxically, the skills that make for an effective associate (efficient researching, due diligencing and drafting skills) do not, in and of themselves, make for an effective partner--an effective partner needs to attract new business. Incredibly, the senior associate who for years has been applauded for proficiency at a certain skill set is one day told he must demonstrate proficiency at things he has not been exposed to or trained for by the firm to keep his job. I can't tell you how many senior associates I have run across who have been completely blindsided like this.

A few things you can do to develop this ability in the context of being a productive associate

My point here is that if you want to develop into a successful corporate lawyer, then you cannot rely on your firm to provide you with the entire skill set necessary to achieve that goal. You're going to have to be conscious of the need to build this skill set as you navigate your way upward in the associate ranks and are going to have to take some risks to get there. And you are going to have to do this while maintaining your productivity as an associate at the firm.

In my experience, there a couple of worthwhile things (albeit somewhat risky) that you can do to try to develop the necessary skills in the context of your work as an associate.

Specialize in an Industry or Type of Transaction

Look for an industry or type of transaction (leverage buyouts, merger/acquisitions, credit card or mortgage securitizations) that interests you and work on as many of those types of transactions as you can. The more you work in the context of a particular industry or transaction type, the better you will understand the relevant business objectives and issues (which tend to repeat themselves from deal to deal). In addition, repeated exposure to the business participants in the industry or type of transaction will facilitate your ability to build your rolodex. The dynamics of your firm will actually help you to specialize because as you become more efficient in processing a certain type of transaction or transactions in a certain industry, the firm will have every reason to staff you on more of the same.

DO THIS AS EARLY AS POSSIBLE IN YOUR CAREER, AND THEN DO NOT LOOK BACK. Developing the requisite business sense and contacts doesn't happen overnight, so the earlier you get going the better. I know what you are thinking (I don't have enough experience to make a choice. What if I make the wrong choice? What if down the road I am unhappy with my choice? Working on the same type of thing over and over again will become boring and unchallenging). My advice is this: (A) think it through with a view to what industries/transaction types will be around and meaningful in the future, (B) get advice from as many people as you can, (C) refer back to whatever experiences you have that are relevant, and then (D) take the plunge. Sure, specializing is a risk, but if you want to make partner, it is, in my view, vastly preferable to be a successful specialist (albeit perhaps bored and unchallenged) than a well-rounded, intellectually stimulated senior associate with no book of business and, correspondingly, very limited career options.

Work on smaller transactions

As you specialize, also look to work on smaller, less "sexy" transactions. As a corporate associate, I worked on some of the biggest public-company mergers ever (front-page Wall Street Journal kind of stuff), as well as a number of tiny (by comparison), usually private transactions that never even made the papers, let alone the headlines. Without exception, I learned significantly more about "how deals get done" in working on the smaller deals because (1) on the small deals, I was usually the lead associate and thus much closer to the client and thus in a much better position to observe what made the client tick, and (2) I found that the business objectives in the small private transactions were much more tangible and thus understandable and instructive going forward when compared to the usually grandiose and esoteric objectives of the big public-company transactions (a giant phone company in one fell swoop becoming a giant cable TV company overnight??? It seemed to me that these deals were mostly about the self-aggrandizement of the people running the companies rather than achieving tangible business objectives).

There is obviously much more to this stuff than what I've set forth here. But, as I said, these are some things I've learned along the way that I wish I had known going in. Please feel free to contact me at peter@bcgsearch.com with any comments or questions. Like everyone at BCG Attorney Search, I'm here to help.

PAGE: 5

What does it take to become a successful corporate attorney?