

Why Corporate is an Extremely Dangerous Practice Area During Recessions

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Since late 2000, as every attorney knows, there has been a marked slowdown in the amount of available corporate work. The number of layoffs that has occurred in the market is severe and is not improving. On the recruiting side, many major recruiting firms claim to not have made a placement of a corporate associate in more than a year. Most major law firms have instituted hiring freezes of corporate associates. Worst of all, many attorneys from top-tier firms and law schools have been out of work for more than one year.

The purpose of this article is to elucidate the ways that many corporate attorneys have gone about finding work in what has been a very difficult economic climate. There are some happy stories, and there are some sad ones. It is my hope that the suggestions shared in this article will assist you in reflecting on [your own job search](#).

I. THE PROGRESS OF THE MELTDOWN IN CORPORATE WORK

A. The Boom Years

There is no question the corporate market was hot in 1999 and 2000. In some weeks in 2000, for example, we were making in excess of three corporate associate placements per week in our [Los Angeles office](#) alone. In early 1999, many candidates were receiving 15+ offers. On one occasion, we saw a major Silicon Valley firm hire a corporate associate who had graduated in the middle of his class from [a third-tier law school](#) and had been [practicing law](#) with a six-person firm for one year. Firms wanted corporate associates and were aggressive in their recruiting efforts.

B. November 2000 to February 2001

Then things began to change, and it happened quickly. In November 2000, I received a telephone call from the hiring partner of a major Seattle law firm. This law firm was in the process of getting ready to make an offer to a stellar corporate associate with Ivy League credentials from a major Boston law firm. "We are nervous about the economic climate right now and cannot move forward," the partner stated. At the time, I remember thinking this sounded somewhat strange. The attorney ended up receiving an [offer from](#) another major Seattle firm and is happily employed there to this day.

In November and December 2000, we had a steady stream of corporate associates interviewing throughout the United States. In fact, we had multiple interviews occurring most days. As a recruiting firm, if you do the math, you realize that if you have 60 separate interviews of corporate associates occurring in one month, then a good proportion of these corporate associates is going to get positions. By January 2001, however, we realized something very strange was occurring: Each and every firm postponed making offers. And then by mid January, firms started coming back-one after another-saying they could not make offers. Every other phone call was from a firm, backing out of an offer to a candidate it indicated it was going to offer a position to only weeks earlier.

By February 2001, corporate associates at firms throughout California, New York, and other major cities started approaching us in droves. The records of many of the corporate associates we chose to work with were nothing short of astonishing, and we worked as hard as we could to place them. Many of these

associates were being let go or were concerned with the sudden drop off in their workloads.

A pattern emerged whereby the last hired were generally the first the firms let go. The last corporate associates hired were hired during a boom in [demand for corporate associates](#). Accordingly, these were the associates who often had the worst records and, on paper at least, did not look like they belonged at many of the firms they were working at.

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In January or February, the associates with the poorest academic and paper qualifications were laid off or let go under the guise of performance-related conditions. In many cases, these attorneys had performed well in all respects. While we hate to be so general about all of this, victims in the first round were generally attorneys who were (1) not graduates of top law schools, (2) junior corporate associates who had [lateraled](#) very recently, (3) foreign LL.M. students, and (4) those who had upset the wrong people early in their careers. Very few attorneys into their fourth or fifth years, for example, were let go.

In addition, the firms began laying off many associates with strong records who in actuality were having performance-related problems with their work. This pattern continued into March, and many major firms were getting rid of associates at a very aggressive pace in the absence of a great deal of media attention. During this period of time, the firms began crossing the line between eliminating associates they did not like and those they did like.

B. March 2001 to the Present

By late March and into May 2001, the layoffs began gaining a higher profile, and firms started publicly releasing the fact that layoffs were occurring. Although some firms had made layoffs public before this time, the fact that they were occurring became well publicized. It also became widely known that the amount of work corporate associates were doing at many large firms had decreased quite dramatically. By this time, a surprising number of the associates we were speaking with were telling us they were regularly billing fewer than *10 hours per month*. As these graphs from law.com illustrate, there was a drastic reduction in merger and acquisition activity and IPOs during late 2000 and 2001.

Another pattern emerged at this time. Many of the candidates who were approaching us had records that were nothing short of astonishing. For example, we were seeing associates who were number 1, 2, or 3 from top-10 law schools who were trying to leave their positions as corporate associates at major [American law firms](#). These candidates would always get interviews. In addition, many of the firms were telling our candidates that they planned on making them an offer within a few weeks. A few weeks would pass, and the firms would invariably not make an offer. A phone call from a partner would be made to the candidate requesting additional information. A couple more weeks would pass. There would be no communication. Another call would be made to the firm, and the partner in charge of the practice group would say something about a committee meeting or something similar.

Eventually, after several weeks, the firm would come back to the candidate and tell him/her it could not make an offer "due to the economy." This same process has been playing itself out in all of our U.S. offices into early 2002. Nevertheless, it should be noted that some offers have come about during this process. However, the vast majority of the time, no offer would materialize.

During this time, one of our recruiters literally worked 16-18 hours a day for four months straight and lost probably 40 pounds because he was making such a serious effort with the people who approached him. Through this period, we did make some placements of corporate associates. Nevertheless, these were not easy placements. By July 2001, most of our recruiters no longer wanted to work with corporate associates

because the conditions of the market were so severe, but continued to do so due to the strength of the records of corporate associates in the market. While placements certainly could be made, corporate associate placement was something that was increasingly rare. This pattern continues into 2002.

II. HOW ATTORNEYS COPE WITH THE MELTDOWN

During this period, many corporate associates refused to admit that something bad was occurring and even blamed themselves for their lack of work. This type of perception is understandable because when the deals the firm was working on were occurring, they would need to be staffed by someone, and the attorneys who did this work were typically the most favored.

Sadly, many junior corporate associates who were let go ended up leaving the practice of law completely. In early 2001, several firms actually let 2000 graduates go. Very few of these graduates were able to locate alternative positions. There are several stories I have heard about these associates simply moving home.

For corporate associates at large firms with more than 3-4 years of experience, many believed that with their records and experience, they could simply transition into another larger law firm. Unfortunately, as discussed above, many of these associates were not able to accomplish this. Many waited far too long and started their searches when the market was literally flooded with candidates with similar backgrounds and experience. Very few of these attorneys got positions. Others tried using networks of contacts to get positions. A few of these attorneys were successful in getting positions.

The largest obstacle to many of these attorneys' getting positions, however, was probably pride. They refused to go to a smaller firm. They refused to work for anything other than a large law firm and simply ended up [leaving the practice of law](#).

III. THE ROLE OF RECRUITERS IN THE CORPORATE SLOWDOWN

Unlike any other time since the early 1990s, the role of recruiters was really highlighted during the slowdown. In Webster's 1913 Unabridged Dictionary, the word *recruit* is defined as follows:

Recruit (Page: 1201) Re*cruit" (r?*kr?t"), v. t. [imp. & p. p. Recruited; p. pr. & vb. n. Recruiting.] [F. recruter, corrupted (under influence of recrue recruiting, recruit, from recrotre, p.p. recr, to grow again) from an older recluter, properly, to patch, to mend (a garment); pref. re- + OF. clut piece, piece of cloth; cf. Icel. klt kerchief, E. clout.] 1. To repair by fresh supplies, as anything wasted; to remedy lack or deficiency in; as, food recruits the flesh; fresh air and exercise recruit the spirits. Her cheeks glow the brighter, recruiting their color. Glanvill. 2. Hence, to restore the wasted vigor of; to renew in strength or health; to reinvigorate. 3. To supply with new men, as an army; to fill up or make up by enlistment; as, he recruited two regiments; the army was recruited for a campaign; also, to muster; to enlist; as, he recruited fifty men. M. Arnold.

The meaning of the word *recruit* can be defined in several different manners; however, for all intents and purposes, the word means something along the lines of "to enlist people for an effort." The problem with the massive slowdown in corporate work was that there was simply no need for recruiting. With very little work to do, most firms had no need for additional people to assist them with their work. This is not something that a recruiter could possibly have any control over. Good recruiters specialize in finding the most opportunities possible so they can fill positions. Nevertheless, in the slowdown in the corporate market, there was very little that recruiters could do. Recruiting was simply something that was not needed.

IV. HOW SMART ATTORNEYS RESPONDED TO THE CORPORATE

SLOWDOWN

In the absence of work in their markets, many corporate attorneys looked at other markets. This was initially a good strategy. For example, we filled several positions in London and Hong Kong at the beginning of the slowdown with stellar attorneys who were interested in posts abroad. Other candidates and recruiters soon caught on to this, however, and it became increasingly difficult to get positions overseas.

Many attorneys decided they were interested in working for smaller to mid-sized firms. These opportunities came through recruiters, attorneys found them online on job-posting boards, and still other attorneys simply did mass mailings. The largest mass mailing company in the United States for attorneys, Legal Authority (www.legalauthority.com), was actually something I developed myself to help corporate attorneys get jobs during the slowdown. In the absence of a need for a recruiter's service in a down market, this service is something that continues to get scores of corporate attorneys positions in what is certainly a very poor market. In an absence of advertised or genuine recruiter opportunities, Legal Authority is a market force that has helped hundreds of attorneys land on their feet in a down market.

None of this is to say that a mass mailing is the best strategy for every attorney. Far from it. A mass mailing is not advisable when there are many opportunities in your market. In this situation, the best choice we believe is to be represented by a knowledgeable recruiter who will advise you and steer you to appropriate opportunities. If staying employed is your objective, though, then taking action with a service like Legal Authority is something that will prove to be an outstanding option for many corporate associates.

Another thing that many corporate attorneys did was try to go in-house. Unfortunately, during this same period, the number of in-house opportunities decreased dramatically as well. Many smart corporate attorneys had developed strong relationships with clients during the boom years, and as work slowed down at their firms, their clients invited them to work in-house. For more senior corporate associates, this became quite common if their clients themselves were not going out of business. In the absence of opportunities with clients, many of these same attorneys used Legal Authority (www.legalauthority.com) to track down in-house positions.

In addition, some of the smartest of the attorneys had stable books of portable business when the market slowed down. The few attorneys with stable books of portable business at their current firms who were asked to leave often landed on their feet. We even saw a few third- or fourth-year corporate associates with in excess of \$500,000 in business who were able to transition their practices into other firms. Other attorneys with small amounts of [portable business](#) took their clients with them after being asked to leave. More often than not, based on the careers of attorneys that we have followed, they succeeded.

V. CONCLUSIONS

[The market for corporate attorneys slowed down drastically beginning in](#) approximately November/December 2000. During this slowdown, firms became increasingly concerned about making offers. This concern was generated by the fact that the amount of work available was decreasing significantly.

At [BCG Attorney Search](#), we cannot possibly begin to estimate how many attorneys ended up leaving the practice of law after the slowdown in work. The hardest-hit attorneys were the junior corporate attorneys. Also adversely affected were the last hired and the attorneys with the poorest qualifications. The situation has affected thousands and thousands of lives for the worse.

Several attorneys were able to get positions despite the slowdown. These attorneys tried contacting recruiters, going to work for clients, using job-posting boards, and contacting a carefully compiled list of firms

with corporate departments through mass mailing. The largest obstacle to most of these attorneys' getting positions, we believe, was pride. The realization that [a recruiter serves the purpose of filling demands](#) is the largest component that many candidates could not understand. In the absence of opportunities, recruiters cannot possibly be that effective. In the absence of large law firm opportunities, many attorneys refused to pursue opportunities with smaller firms.

While the market for corporate associates will likely pick up again at some time in the future, for now, attorneys who are under distress need to carefully examine the situation around them. For example, if their positions are not in jeopardy, they should take the time to carefully consider whether or not they should commence looking for a position. If you are a corporate attorney and are forced to look for a position, even if you have stellar credentials, it is important that you carefully understand what your options are through a recruiter (if there are any) and also take the time to plan your search. In a bad market, search tactics that might sound overly aggressive in an up market are a question of survival and keeping your career alive in a down market.

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