

How Should I Estimate My Portable Business?

Question: I am a partner who is looking to move to another firm. Can you provide some basic guidance as to how I should estimate my portable business?

Answer: As an initial matter, it should be emphasized that for attorney candidates that are beyond the associate stage (approximately 7-8 years out of law school), portable business is absolutely critical to their chances in the law firm market. Law firms will typically require between \$300K to \$3M+ in portable business from partner-level candidates, depending on the size and financials of the firm. Of course, calculating portable business is not an exact science, but rather an educated estimate. Nevertheless, it is obviously in the partner candidate's interest to provide as credible and well-founded of an estimate as possible. The following are some well-established basic guidelines for partners seeking to accurately estimate their portable business.

First, give yourself credit for what you have accomplished. Based on the negative stereotypes that lawyers share, one might expect that partner candidates are more prone to exaggerate their portable business. Actually, in my more than eight years of experience working with partners, I have found that the opposite is true. The great majority err on being too conservative, primarily because they do not want to seem to be overstating their business to prospective firms. While there are good reasons to be conservative, you don't want to fail to properly recognize the full extent of your practice or to otherwise unfairly damage your opportunities. It also does not look good to change your numbers significantly during the process, especially if the change drops you below the minimum sought by the firm.

Second, focus on the client relationships. Generally speaking, a client is more likely to go with the partner that was instrumental in establishing and maintaining the relationship than to stay with the current law firm. If the partner controls the key relationship(s), it is reasonable to believe that that client is likely portable. This is especially true if there are no other partners at the original firm that have major relationships, or if there are no other partners in the same specialty that can do the work.

Third, compare the original and the prospective firms. All else being equal, clients will prefer the firm that can do a good job on its legal work at a lower cost. So if the prospective firm has better rates, and is otherwise competent to do the client's work, that is another factor in favor of portability. Other factors could include having offices in cities that are key to the client, or having strength in key areas.

Fourth, do not limit yourself to the usual type of portable business, which means active work for a client that is currently "on your desk" and can be taken with you to another firm. Portable business can also include business that is not active from a company that is not a current client of the original firm, but which would likely become active for the partner if the partner moved to the prospective firm. The company's unwillingness to work with the original firm could be because of conflicts, rates or lack of strength in a particular area - all things that could be cured if the partner joined a different firm.

In sum, portable business estimates are important. Take the time to do them correctly.

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