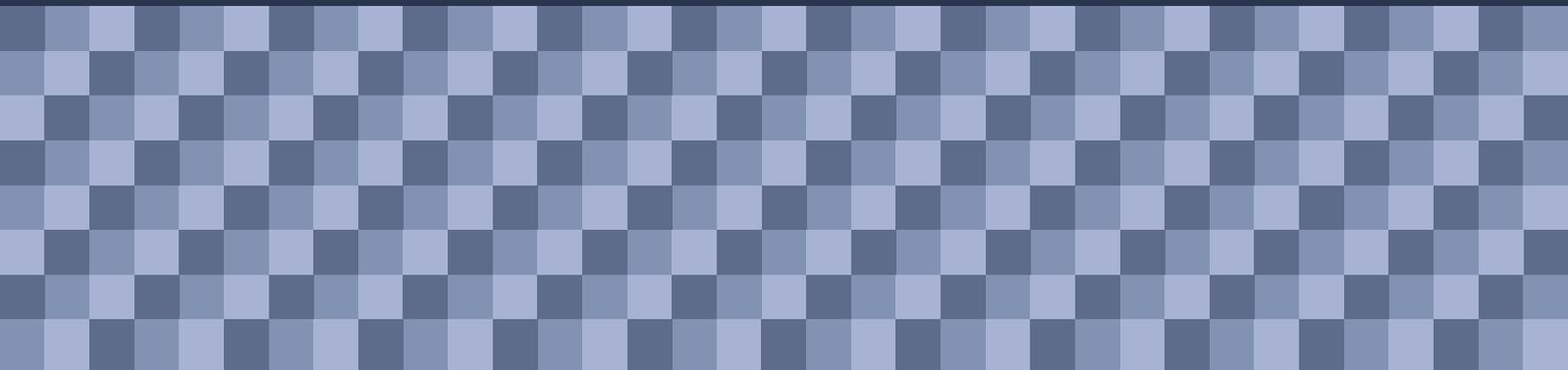




ATTORNEY SEARCH

ARTICLE OF THE WEEK

by Harrison Barnes, CEO of BCG





The Five Types of Law Firms: How Joining One Type Versus Another Can Impact Your Legal Career

Summary: *Are you in the right kind of law firm? Learn how the type of law firm you are in can make or break your legal career.*

When attorneys are looking for positions, or making career choices, they typically are choosing among the following five types of law firms:

- Main offices of large national law firms
- Branch offices of large national law firms
- Midsized law firms
- Boutique law firms
- Newer fast-growing law firms

The type of firm an attorney selects is likely to significantly impact that attorney's career. Yet even though firm type selection is so critical to an attorney's success and happiness, most attorneys make job choices without understanding the key differences in firm type and without appreciating the impact firm type will have on their careers. These issues affect partners and associates alike, and unfortunately, more attorney careers fail because of improper firm type selection than for any other reason.

The differences in firm types largely revolve around power dynamics and the ways in which firms distribute power among the lawyers who work there. Other issues come into play as well and the differences impact compensation, job security, job satisfaction, training opportunities, future options for lateral movement, and more.

This article identifies the five main types of law firms and discusses the pros and cons of each type. These pros and cons are also summarized in a chart at the end of this article. Every attorney needs to be aware of the issues discussed in this article. Understanding the power dynamics, possibilities and pitfalls of the various types of law firms can be instrumental in helping you make career decisions that will lead to success as opposed to failure in the legal profession.

1. Main Offices of Large, Established Law Firms

Most attorneys I encounter as a legal recruiter are either trying to work for or trying to leave a large, established law firm. These firms are old—many are over 100 years old—and are not much different now than they were thirty years ago.



Attorneys want to join these types of firms for a host of reasons. They are prestigious, have important work, pay high salaries, offer high profits-per-partner, have “brand” names that make rainmaking easier, and are considered enviable places to work. Moreover, for associates, these types of large firms provide excellent training. Young lawyers are trained to be detail-oriented, to serve large and demanding clients, and to work at the highest levels of the legal profession. They also offer unparalleled future career mobility, as large-firm attorneys can lateral out into smaller and midsized firms, whereas lawyers who start at smaller or midsized firms can rarely lateral into large firms.

Attorneys can succeed in these types of firms if they work hard and land the right set of breaks—and success at these firms can be extremely lucrative and rewarding for the few who make it to the top. However, large law firms are grueling places to work, and they offer little job security or long-term benefits to anyone besides a small handful of power players. Working in these types of firms leads to extreme unhappiness for many attorneys. The experience causes many attorneys to cease enjoying the practice of law and in some cases to cease practicing law altogether.

I spend a lot of time in my career trying to rehabilitate attorneys who have given some of the best years of their lives to these types of firms and sadly have nothing to show for it. I meet them after they have endured incredible hours, massive stress, and dehumanizing conditions. At all points in time I am dealing with attorneys who are near the breaking point. Many end up “cracking” or have cracked by the time I see them. They quit their jobs, have addiction issues, and often are so frustrated by the large law firm model that they set their sights on entirely different careers.

What you have to understand about these firms is that when you join them as an associate you are basically “front loading” your career and compensation. You start your career with a limited amount of gas in your tank and at a large, established law firm you will likely burn through this gas far faster than you need to and may well end up utterly spent and out of gas after just a few years of toil. Many attorneys in this situation experience health issues, heart attacks, cancer, psychological problems, and/or alcohol or drug addictions. The salaries these firms pay are often the largest any lawyer will see in their careers and yet practicing at these firms offers very little in the way of long-term job security or stability.

The truth is that the large, established law firm type is simply not conducive to long-term careers in the practice of law. Many attorneys will leave these firms after a few years—disillusioned and broken—and many will never practice law again.

Please see the following articles for more information:

- [**Another Big Law Attorney I Know Just Died Young**](#)
- [**Seven Reasons Why Practicing Law Might Be More Stressful than Spending 18 Months in a POW Camp**](#)



- **Two Fatal Deficiencies That Prevent 99% of Attorneys from Achieving Greatness**
- **The Similarities between Human Trafficking and Practicing Law: Why Control and Energy Are So Important to Your Life and Career**
- **The “Systematic Reason” Why Most Attorneys Fail in Large, Prestigious Law Firms**

Partners experience difficulties as well, as they become parts of systems that squeeze them to produce more and more revenue under less and less auspicious circumstances. Partners need to contend with ever-increasing billing rates (which makes it difficult to keep clients), conflict issues, other partners who hoard work, and management systems that will not hesitate to terminate partners if business slows down.

Large, established law firms run on a very “tight” economic model that relies on squeezing as much revenue as possible from clients, partners and associates. This type of law firm model has evolved over decades into one in which few associates can advance and in which power, control and money is concentrated in the hands of a few people at the top. Large law firms also tend to be very impersonal places to work, which means that there is generally not going to be anyone looking out for you, and there may be factions working against you. While large law firms clearly offer benefits, they also have significant detractors and generally have more politics, gamesmanship, bureaucracy and other difficulties than other kinds of firms.

It is worth noting, however, that to the extent an attorney wants to work in a large law firm, the best place is typically in the firm’s main office. Attorneys working in the main office have better access to power players and better opportunities to form the connections necessary to get work and advance within the firm.

2. Branch Offices of Large, Established Law Firms

Branch offices of large, established law firms have certain strengths, but are typically challenging environments in which to work. Among the upsides of working at a branch office are the possibility of having a better quality of life and work-life balance, as well as the chance to escape the worst of the politics happening in the main office. It is sometimes easier to get hired by a branch office and in some rare cases associates can actually advance faster than they might at the main office because they are shielded from the day-to-day scrutiny of powerful main office partners. This phenomenon can sometimes work to an associate’s advantage, but the opposite is more often true.

On the downside, branch offices offer a more limited range of work, which for associates means less meaningful experience, training and opportunity for advancement. Branch office associates do not get the challenging work or the chance for high billable hours as do their main office counterparts, hindering their ability to get ahead. For example, it is very common for branch offices



to have only one type of litigation. A major New York law firm may open an office in Silicon Valley and hire a bunch of associates to work on a major antitrust case, or a single insurance case that will drag on for years. Associates get very limited experience in these sorts of circumstances.

Branch offices also are always in danger of closing down or laying people off, as many branch offices are established to service a single client, or a few clients, which client or clients can disappear at any time. Additionally, partners in most branch offices are not parts of the “power center” of their law firms and often feel little control over compensation and other decisions that impact their lives. Along the same lines, partners in branch offices often never feel as if they are part of the “real” law firm. Main office partners will deny it, but many branch offices are accorded “second class status” and so there often lurks an undercurrent of resentment and insecurity.

Another issue is that branch offices tend to attract unreliable lateral partners with historical patterns of leaving law firms. Once partners start jumping between law firms, many never stop, and it makes for a chaotic environment for associates and others in the firm who rely on these partners for work and career advancement.

Finally, some branch offices never make partners. For example, the branch office of [Simpson Thacher](#) in Los Angeles opened in the late 1990s and as of this writing has never made a partner. All of the partners in the office come from New York where they are connected to others in power.

Of course, not all branch offices of large, established law firms have these problems. Some branch offices have been in existence for over 50 years and have become power centers in their own right. One outstanding law firm, [Quinn Emanuel](#), started in Los Angeles and that was where the power center was for a long time. But now its branch office in New York has become the power center and the firm has consistently made partners in branch offices.

While some branch offices are thus beset by problems, this is not always the case. Some branch offices may be growing aggressively, have a lot of opportunity in them, and be very good places to join.

Please see the following articles for more information:

- [BCG Guide to Growth, Mergers, and Branch Offices](#)
- [Take this GIFT for Granted and Your Legal Career Will Be Dead](#)

3. Midsized Law Firms

There are countless different types of midsized law firms, but in general midsized firms are found in more regional markets.



Midsized firms offer many advantages. From the happiness perspective, style of life perspective, career advancement perspective and more, I believe that attorneys can be very happy and craft fulfilling long-term careers inside of midsized law firms. Interestingly, while most new attorneys are clamoring to work for large law firms, it is often the attorneys who do not have the opportunity to do so who end up with positions at midsized law firms, but with overall more satisfying legal careers. For example, I have noticed that an attorney who goes to an average law school and gets average grades there, and who then joins a midsized firm for lack of other options will often still be practicing law a decade later. In contrast, I have noticed that if an attorney goes to a top law school and gets top grades and joins a large, international law firm, then the odds are high that the attorney will not be practicing law a decade later.

Midsized law firms and the people in them are generally not as “numbers driven” as the attorneys and management of the largest law firms. As a result, midsized firms are more likely to “protect” their own and to make an effort to keep people around. With generally less demanding clients and less desire at the top for huge salaries, the midsized law firm is often a pleasant place to work.

I consistently deal with attorneys at midsized law firms in smaller to midsized markets such as Rochester, Detroit, Las Vegas, Sacramento, San Diego, Orange County, Indianapolis, Madison and similar cities. I have found that these attorneys are generally far happier, have much more balanced lives and much more employment security than attorneys in the largest markets. This is not always the case, but as a general rule this is true.

There are of course midsized law firms in large cities as well, and these law firms also generally offer more employment security and better work environments than the largest law firms in those cities. Unproductive partners in midsized law firms are often kept on long after they would have been let go in larger law firms. In addition, midsized firms tend to have lower billing rates, which makes it much easier for attorneys to bring in clients.

Another benefit of joining a midsized firm as a young lawyer is that most midsized firms will more actively involve you in business development activities and take an interest in training you in how to generate businesses. Associates are often treated more as “family” and as part of the firm as opposed to being treated as “workers” or “commodities” with a limited shelf life like large firm associates.

Please see the following article for more information:

- [**Why You Should Find Your “Tribe” and Not Just Focus on Money in Making Law Firm Job Decisions**](#)

There are also drawbacks to midsized law firms. They tend to pay less and not be competitive with the largest law firms. They often do not have access to the most sophisticated work and



vary in terms of work quality expectations. Many mid-sized firms have a difficult time remaining competitive in their respective markets and some are overly dependent on a few clients for their work.

While it is generally difficult to move from a mid-sized law firm to a larger law firm, it should be noted that in every major legal market there are scores of mid-sized law firms with good names that attract the very best associate talent from the top schools. These firms provide the ability for associates to move to larger law firms if they want and also give attorneys access to sophisticated work. As a general rule, I have found associates in these sorts of firms far happier than their counterparts in larger law firms.

Finally, many mid-sized law firms have “niche” practices such as real estate, intellectual property and so forth. These law firms can be very good places to work, but in a competitive legal environment they are generally at risk of “merging” into large law firms. In fact, I would estimate that the majority of prestigious mid-sized firms are constantly at various points of being approached, approaching and in discussion with larger law firms about merging. Someone who joins a mid-sized law firm for the advantages it offers is thus quite likely after a few years to find him or herself as part of a larger law firm.

Please see the following article for more information:

- [Law Firm Mergers: Why Law Firms Join Forces](#)

4. Boutique Law Firms

Boutique law firms can offer significant advantages. Attorneys in these firms are far more likely to get more exposure to clients and hands-on experience early in their careers. Depending on the firm, attorneys will also get more interesting work than they might otherwise get at a larger law firm. Attorneys at smaller firms may also get closer to partners and others in charge and form strong relationships that lay the groundwork for solid, long-term careers.

However, there also can be significant disadvantages to boutique law firms—especially the smallest ones—and choosing a boutique firm can be a risky career move for an attorney. These firms may have very good names and access to sophisticated work, but their work and revenue is often generated by one or a few attorneys as opposed to teams of attorneys, which can lead to issues. The few attorneys generating the work will feel that they deserve the “majority” of the “spoils” and will want the majority of the money from their collections. If there are just a few attorneys in the firm generating work, they are likely to fight over money and how it is distributed constantly. These conflicts result in an abrasive work environment and often result in the firms breaking up and people losing their jobs, or the firm going away altogether.



Another issue is that making partner is more difficult in boutique firms. While large law firms can grant partnership to attorneys even if they do not have business because the firm has large institutional clients, smaller firms generally do not have this luxury. Attorneys will only be advanced if they are making an economic contribution by growing the firm.

Boutique law firms often pay far less than larger law firms—and the pay gap can be significant. For this reason, they often have a difficult time attracting top-level talent and get filled with attorneys who are not hungry enough, talented enough, or qualified enough to be in a larger law firm.

The work in boutique firms is often cyclical and in danger of evaporating entirely. A boutique litigation firm may settle a few cases and literally lay off all associates. Clients who stay are often using the firm because of lower billing rates and because they can pressure the firm to lower its rates. Boutique firms also often have problems with collections, which can create obvious compensation issues.

Finally, unless the boutique firm has an exceptional name, it is extremely difficult for attorneys to lateral up and move to better firms. The training and oversight that smaller firms offer is all over the map and most large law firms are not confident that if they hire someone from a small firm they will be hiring someone who has been properly trained for high-level legal work. For example, everyone knows the sort of training and oversight a firm like [Skadden](#) has on associates, and firms of this caliber generally have no desire to take a risk on an attorney trained by a smaller firm.

I am aware of many, many careers that petered out when attorneys joined boutique law firms, but I also am aware of many careers that prospered. A common occurrence is for a dissatisfied partner from a large firm to start a boutique firm and take a talented associate or two along for the ride. I have seen many attorneys dramatically increase their incomes, become quite wealthy and find much happiness in this sort of arrangement.

5. Newer, Fast Growing Law Firms

It is very common at all points in time for newer law firms to start up in all markets. Regardless of how these firms start, they generally create some “buzz” in the markets they are in and partners, associates and others will start considering joining them.

On the positive side, these firms will often become large law firms and will offer attorneys opportunities that they would not otherwise have in midsized or larger law firms. If the law firm’s growth is well managed, attorneys can be advanced rapidly, have access to lots of work and given responsibility that they would not otherwise be given. In addition, the growth of the firm will generally be occurring because the firm is doing something right. This means that money is being generated, which can create wealth and advancement for the people there.

On the negative side, it is very common for fast-growing, newer law firms to collapse. Many lawyers do not possess the skills needed to grow and manage a law firm and it is therefore more common than not for these law firms to fizzle out. More of these law firms end up failing than succeeding, which puts people out of work and can do drastic harm to careers. When a law firm begins growing rapidly, the people who work there start expecting a large share of the profits, which causes fighting and instability. Many of these firms become toxic places to work and simply disband.

Another problem is that fast growing firms can often become quickly overextended. They will hire too many people, have issues with collections, stop paying people on time and have various other problems. Unable to control their finances, many of these firms die off or “save themselves” by merging into larger law firms.

Please see the following articles for more information:

- [Should You Start Your Own Law Firm? Top 10 Reasons to Start or Not Start Your Own Firm](#)
- [Top 20 Mistakes Attorneys Make When Choosing to Look for and Accept New Jobs](#)
- [The Law Firm Lifecycle: Why Some Firms Fail](#)
- [State of the American Legal Job Market 2016: Hot and Weak Practice Areas of 2016](#)

Summary Chart

Here is a chart that summarizes the pros and cons of the five types of law firms:

<u>Firm Type</u>	<u>Pros</u>	<u>Cons</u>
Main Offices of Large, Established Law Firms	<ul style="list-style-type: none"> • Prestigious • Important work • High salaries • High profits-per-partner • Excellent associate training • Brand names that make rainmaking easier • Maximum ability to lateral to other firms • Best opportunities are generally found in the main offices of these firms 	<ul style="list-style-type: none"> • Little job security • Not conducive to long-term careers in the practice of law • Partners face pressures when it comes to keeping clients and business development, due to increasing billing rates and conflicts issues • Much unhappiness, dissatisfaction and stress among the workforce • Dehumanizing conditions • Political • Bureaucratic • Impersonal



<p>Branch Offices of Large, Established Law Firms</p>	<ul style="list-style-type: none"> • Better quality of life and work-life balance • Less political • Sometimes easier to get hired at a branch office • Some branch offices can become power centers and thrive 	<ul style="list-style-type: none"> • Can close down at any time • For associates, limited training and advancement opportunities • Less challenging and diverse work • Can be chaotic due to unstable partners • Rarely make partners • Branch office partners are left out of compensation and other important matters and often feel like “second class” citizens
<p>Midsized Law Firms</p>	<ul style="list-style-type: none"> • Tend to produce attorneys who are happy and fulfilled over time • Conducive to the long-term practice of law • More job security • Less numbers-driven • People look out for each other • More interest in helping associates advance and learn how to generate business • Pleasant atmosphere 	<ul style="list-style-type: none"> • Less sophisticated work • Less important clients • Lower salaries • Lower profits-per-partner • Can experience difficulty remaining competitive in their respective markets • Can be overly dependent on a few clients • Difficult to lateral to a larger law firm
<p>Boutique Law Firms</p>	<ul style="list-style-type: none"> • Offer young attorneys more exposure to clients and hands-on experience • Offer young attorneys more interesting work • Offer young attorneys the chance to bond with partners and develop relationships that lead to long-term success 	<ul style="list-style-type: none"> • Reliance on a few business-generating partners can lead to fights about money, an abrasive environment, and lack of advancement opportunities • Lower salaries and less-talented workforce • Unpredictable workflow • Collections issues • Generally difficult to lateral to a larger firm

<p>Newer, Fast Growing Law Firms</p>	<ul style="list-style-type: none"> • Can offer associates access to work, responsibility and rapid advancement opportunities • Can end up as successful firms 	<ul style="list-style-type: none"> • Lack of managerial skills and overextension can lead to firm collapse • Vulnerable to mergers
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Conclusions

Attorneys, like all people, make employment decisions that have profound ramifications on the courses of their careers:

- Meg Whitman joined eBay when it was a top player in the online auction space, had a huge growing user base and was already growing rapidly and doing incredibly well. She subsequently got the reputation for being a great executive because she was leading the company while it grew. It was not her idea to start the company and the company was already growing like crazy when she got there. Nevertheless, she got the reputation for being a great leader.
- Marissa Mayer was at Google when it was already well underway and getting a massive amount of market share in the search business. She subsequently got the reputation for being a great executive because she was in a leadership position at the company while it was doing well. It was also not her idea to start the company and the company was already growing like crazy when she got there. Nevertheless, she got the reputation for being a great leader.

The second chapter of their careers turned out differently: Both joined companies with problems and neither was able to turn these two companies around. When they were joining the companies everyone heralded the fact that they would save the companies—stock prices even rose! While they may have had great reputations when they were at growing companies (that were growing long before they got there), they lost their reputations when they were unable to fix a sinking ship. Article after article then started describing the various weaknesses and shortfalls of these two executives.

The type of law firm you choose can also end up largely defining you as a lawyer and the success or failure of your legal career. No matter how great of an attorney you are, if you place your prospects in the wrong environment, you are likely to go down with the ship.

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