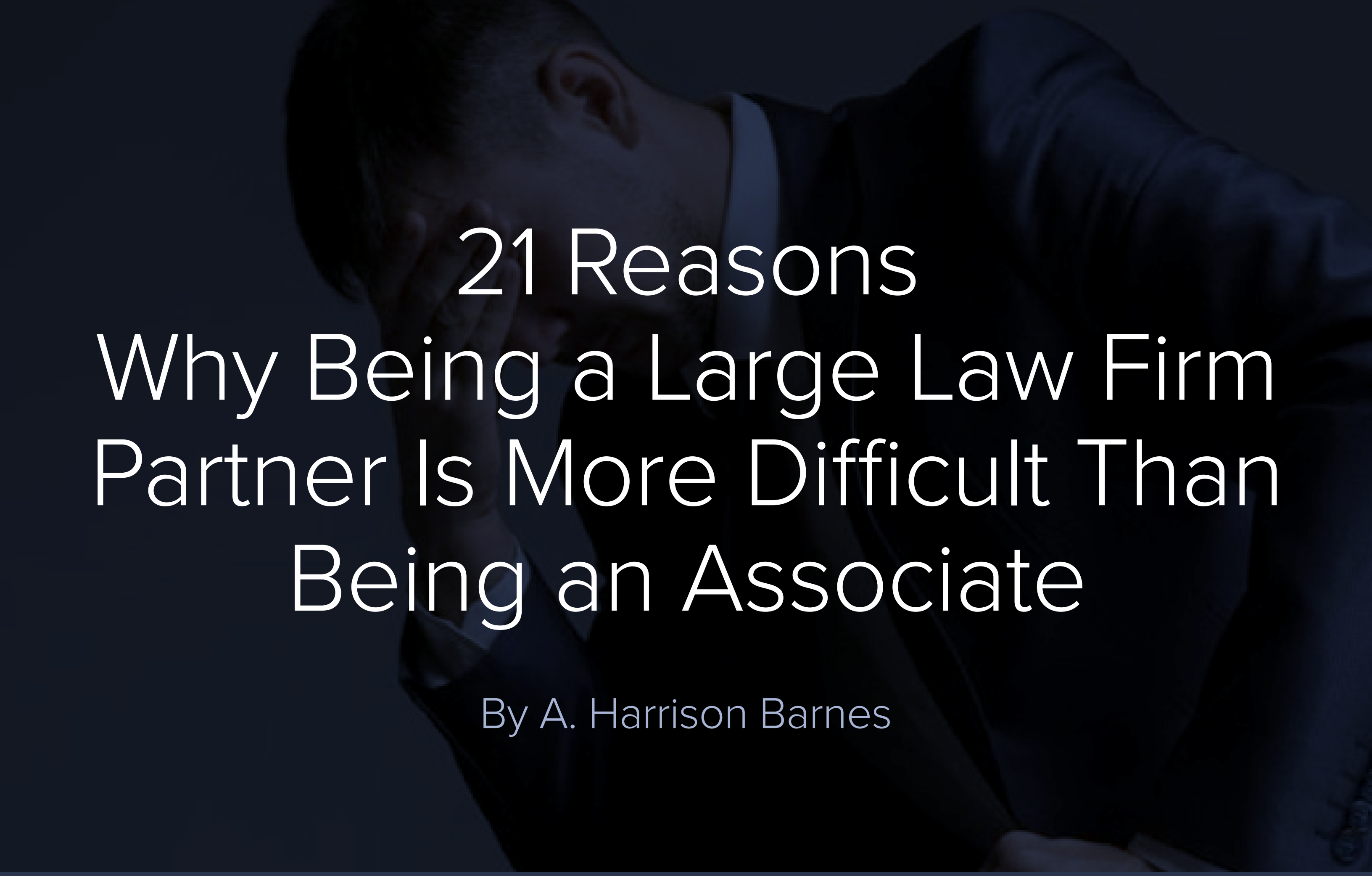

21 Reasons Why Being a Large Law Firm Partner Is More Difficult Than Being an Associate

By A. Harrison Barnes

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21 Reasons Why Being a Large Law Firm Partner Is More Difficult Than Being an Associate

By A. Harrison Barnes

Summary

Learn about the challenges partners face inside law firms in this article.

For some strange reason, many young attorneys believe that their troubles will disappear when they are elevated from an associate to a partner in a large law firm.

That could not be further from the truth.

The stress and realities of being a partner at a large, modern American law firm are quite profound. In fact, I would say that the self-esteem of the average, well-educated first-year associate is better than that of the majority of partners. While an associate may suffer criticism for the quality or quantity of the work he or she produces, the situation is turned on its head and becomes far more pronounced for partners. The pressures on partners in large law firms are so severe, and the skills required are so different from associate skills, that few attorneys are capable of handling them. Too many lawyers end up "making partner" even though they are unprepared for the task.

Being a partner in a large American law firm is one of the most demanding jobs there is. While many partners enjoy practicing law, a large number do not—and are looking to escape. While associates looking to escape ask about in-house jobs, it is partners looking to escape who ask about in-house jobs most of all—even partners with business. There is no letting up on the pressures that partners face and the pressures just keep increasing year after year. In fact, because there is so much gray area regarding how partners are compensated, advanced, and let go, and because of the inordinate amount of politics that directly affects the careers of partners, many partners look back on their associate days as times when life was far, far easier. This article is about some of the challenges partners face inside law firms.

1. Pressure to Bill Hours.

Partners in all law firms are under continuous, significant pressure to get work and bill hours. It does not matter where the work comes from. It could come from other partners in the firm or from clients. The pressure to get work is never ending and if a partner has even one bad year of low billable hours the partner may lose his or her job. Partners in all law firms know that if they have a few slow months of work, it is a very bad sign for them. They have seen what happens to other partners when their work slows down and partners know that their work must never stop, or their careers could be over.

I receive resumes and phone calls from partners in major American law firms each day who have lost a major client or two, or whose firm has lost a major client or two, or who no longer have work because the partner is on the outs with a more important partner who used to give that partner work, or who was left behind when a group left the firm for a new firm. I always ask how many hours the attorney is billing, and when I hear numbers like “1,200” I get very worried. In most instances, when you hear a number like “1,200” you can pretty much assume that the attorney will not be at the firm longer than six to eight months. They are on occasion, but not often. Sometimes they get lucky, of course, and everything turns around; I have seen this happen occasionally.

Depending on the firm, if a partner does not have a lot of his or her own work the partner is reduced to seeking work from other partners who do have it. This can be a precarious situation, because the partner may be getting work from only one or a few partners in the firm. If the partner upsets these attorneys, then he or she is going to be in a difficult situation. If the generating partner leaves the firm or loses a major client, the service partner can be adversely affected.

It is much more difficult for partners to get work from other partners than it is for associates to get work from other partners. Associates have far lower billable hour rates and associates are given work to save money for clients and to take busy work away from partners. Because partners are more expensive, other partners are less likely to give them work when it is cheaper to give it to associates. Also, because most law firm compensation systems are such that partners make more money when they do their own work than when they give it to others, partners prefer to do work for their clients rather than give the work to other partners.

"It is much more difficult for partners to get work from other partners than it is for associates to get work from other partners. Associates have far lower billable hour rates and associates are given work to save money for clients and to take busy work away from partners. "

The constant pressure to get work means that the partners who succeed have one of a few qualities. Either they are very talented practitioners to whom colleagues are eager to give work or they are perpetual salesmen and saleswomen who can consistently generate work through networking internally in their firm and externally outside. They need people to constantly give them work and they always need to be selling.

Most careers of partners end in the law firm world when they are unable to get enough billable hours to stay busy. They might get frozen out or their firms might lose business. For whatever reason, they do not have enough business. This is the number one reason why partners start looking for work and lose their positions. Partners in this situation comprise the majority of partners looking for work in the legal market at any given time. These partners will put together business plans and approach law firms in the market with the prospect that they have the skills to do the work. It can work if they find a busy firm, but it is an uphill battle.

In some law firms, partners are expected to bill 2,500 hours or more per year—with many billing far beyond that amount. They need to find continuous access to work to generate hours at these levels. As I mentioned earlier, it is generally much more difficult for partners to get billable hours than it is for associates.

2. Pressure to Generate Business.

In addition to the constant pressure to get work, partners in most law firms are under a continuous, significant pressure to generate business. Because they know they cannot always rely on other attorneys in the firm to give them work, the next most logical step is for them to get their own business—which they all desperately want.

These early stages of a partner's career involve the attorney doing everything in his or her power to get business. In many law firms, young partners will spend a few hours on the phone each day cold calling potential clients to try and get new work. Young partners who are unable to generate significant business will find their prospects quite limited in their firms and will become part of a cycle of dependence on others for work. This means less independence, less employment security, lower income and more difficulty keeping their hours up.

While an associate has the luxury of getting work from others, partners need to have their own business to have any control over what happens with their careers. In some large law firms, the only work partners can count on is the work that they bring in.

3. Pressure to Maintain Business.

Once an attorney gets business, the attorney will be evaluated based largely on that talent and on his or her ability to continue to generate business. While partners in this situation may have some "give" in this area, in general if their business falls from say $3-million to $1-million, they will begin to feel a large amount of pressure from management. Their income might also be cut quite dramatically.

It is also very difficult for many partners to maintain business. The relationships that generate business are often with general counsels of various companies. If a general counsel changes, a partner can suddenly lose a major client. I have seen entire groups of ten or more attorneys lose their jobs at major law firms with the loss of a large client. As discussed later, the ability to generate and maintain business also is exacerbated at large firms because of client conflicts issues.

Associates are not under pressure to maintain business.

4. Pressure to Increase Business.

Once a partner brings in business, most law firms will start pressuring that partner to bring in additional business year after year. These goals are always something in the back of the mind of most partners, and partners know that they are only as good as their last year of collections. In most law firms, partners will be given new goals each year to get more and more business.

5. Pressure to Help Others in the Firm Generate Work.

Even if they do not necessarily get credit for it, partners are also expected to help others in the firm generate work and stay busy. They may be brought in to assist in developing business if they have expertise in a subject matter that would be helpful to have on a team. They may assist in preparing proposals and giving various pitches to various potential clients.

The work of cross-selling and of being part of a multi-faceted large law firm team that can serve the most important and best-paying clients is valuable, but this work takes time and takes partners away from more immediate billing needs. Moreover, cross-selling efforts often lead nowhere.

6. Pressure to Give Others Work.

If a partner has a decent amount of business, that partner will also be evaluated based on his or her ability to give others in the firm work. Partners with business will be under a good deal of pressure to keep the people close and loyal to them busy. This could be associates, counsel, or partners beneath them.

People will be loyal to a partner to the extent that partner can keep others busy and working. Many partners are evaluated and compensated based on formulas which take into account the amount of work they give to others—and how many other attorneys they give work to. Associates may have been hired to work with a partner specifically, and the partner may be expected to keep them busy.

Obviously, associates are not under a lot of pressure to give others work.

7. Pressure to Collect Bills.

Most partners in large law firms are always under pressure to collect bills. This is a constant stress for many partners, and management typically hounds partners when bills are not paid promptly. Bill collection is an unglamorous, stressful and time-consuming process. It strains relationships with clients and detracts partners from doing the real work they are trained to do.

8. Pressure to Accept Less Money from the Firm.

Once partners get significant business, they enter a spiral where the business they bring in and their compensation is continually subject to negotiation and attack by the law firm. This creates a whole set of different variables that are discussed below. In most cases, a partner's compensation is always less than he or she believes it should be.

If a partner has an extraordinarily good year, the law firm may pay that partner the same as it did the previous year with the promise that if the partner has a slow year in the future, his or her compensation will be kept the same. But such promises are not always honored. There are very few instances when partners receive as much money as they believe that they are entitled to.

Moreover, I have seen some major American law firms compensate partners without business less than those same firms compensate senior associates. It is all over the board and something that causes stress, uncertainty and resentment among many law firm partners.

Associates in large law firms are paid a large salary regardless of whether or not they generate business.

"Many partners are expected to assist law firms with recruiting, whether it is interviewing people in the office, traveling to law schools, or going to various events in the summer and throughout the year."

9. Pressure to Have a Relevant Practice Area to the Firm.

Some practice areas in large law firms become completely irrelevant and on the way out. Many large law firms are trying to get rid of labor and employment work, or certain kinds of labor and employment work (defending class actions, for example). Some law firms simply decide at various points in time that they no longer have an interest in a given practice area and phase it out. I have seen this happen with practices such as patent prosecution, labor and employment and others.

Sometimes this is a result of economic shifts, or different management agendas, or other reasons, but it can be very stressful for partners to constantly worry that the practice area they have cultivated and spent years developing can get tossed aside because it is not the current flavor of the month.

10. Pressure to Help in Recruiting.

Many partners are expected to assist law firms with recruiting, whether it is interviewing people in the office, traveling to law schools, or going to various events in the summer and throughout the year. Most of this work does not involve billable hour credit, and most of it is not that enjoyable for partners. Answering questions about what differentiates the firm culture and more is often something that gets old very quickly.

11. Pressure to Find Clients Where There Is No Conflict.

Many partners in large law firms spend a few decades, or more, cultivating relationships with large clients and then when they bring them in have various conflicts that prevent the firm from accepting those clients. Sometimes partners are even asked to eliminate certain clients because the law firm wants to bring in another client.

Conflicts can create huge headaches for partners, and these conflicts directly affect the partner's ability to be independent with a book of business. These conflicts can be more pronounced at the largest law firms with thousands of clients and potential conflicts.

12. Pressure to Look Good in the Community and Outside of Work.

Much more so than for associates, partners are under pressure to look good in their communities and outside of work. To generate business and look good outside of work, many partners will volunteer to be on various committees and assume leadership roles outside of work. This takes up a lot of time and creates a constant pressure to be seen outside of work. Most partners who successfully bring in a lot of business can do so by being highly visible outside of the office. In fact, many of the most successful attorneys I know are busy in various meetings outside the office two or more nights per week. The best attorneys do not always just go home at night after work—the "most important" part of their day starts when the workday ends. Perhaps they need to present a continuing legal education course, speak at a bar convention, attend a committee meeting, or show up at a networking event.

The importance of public image also carries other risks. I have seen partners lose their jobs for getting arrested after an argument with their wives and other similar instances outside of the office. Law firms value partners with a public image—it confers prestige and respect upon the firm and helps with clients and new business development—but law firms will quickly discard attorneys who make them look bad outside of the office.

13. Pressure to Stay an Equity Partner.

Equity partners are one or two bad years away from becoming non-equity partners if they lose significant business. It is very common for law firms to "de-equitize" partners when they are not bringing in business, and this is highly embarrassing to the partners when this occurs. Once a partner becomes an equity partner he or she is terrified of losing this position and getting demoted to "de-equitized" status.

14. Pressure to Become an Equity Partner.

Someone who is a non-equity partner feels a constant pressure to generate business and become an equity partner. In many law firms, a non-equity partner may only be given a few years to get business before being shown the door if he or she is unable to get business.

15. Pressure to Perform Work at a Low Cost.

While an associate has the luxury of simply doing the work, a partner is often under marching orders from a client to do work at a low cost. Also, the partner knows that future work from a client will often be dependent on the partner's ability to keep costs low. If the work gets too expensive, the client may go elsewhere—and most clients are somewhat cost sensitive. This means that a partner may not want a lot of hours billed to certain clients and will do their best to keep costs low. To keep costs low, a partner may often be forced to write down their hours and write down the hours of associates and others. This will then create issues with the management of the firm.

16. Pressure to Perform Work at a High Cost.

While facing pressure from clients to do work at a low cost, most law firms also create pressures for partners to do work at a high cost. Many law firms are consistently raising the billing rates of partners, and this makes it more and more difficult for partners to hold onto work. With very high and prohibitive billing rates, it also becomes very difficult for partners in many law firms to attract new clients.

The pressure to generate revenue also creates an atmosphere where many partners will “overwork matters” to get extra fees out of it. This includes assigning unnecessary research and repetitive work, and assigning work to associates whom they know will work longer hours than necessary. This is becoming common in law firms and it impacts the relationship partners have with clients, and leads to the overall skepticism with which the business community now views large law firm billing practices.

17. Pressure to Be on the Right Side of Management

In many large law firms, compensation and other important matters that affect partners are decided by committees. Partners feel a lot of political pressure to get on the right side of management and the people making these decisions. Most partners are constantly doing what they can to ingratiate themselves with various decision makers inside the firm.

18. Pressure to Mentor and Train Others.

Partners are often expected to mentor and train others. This means that after practicing for 30+ years, they are often expected to go to endless lunches with law students, young attorneys, and others when they would rather be working, or developing business. Also, they often need to show up at firm events even when they have no interest in being there so they can talk to people they know are unlikely to be there in a year or two.

Training young attorneys on elementary legal concepts also is not necessarily the most enjoyable task for most partner attorneys. The pressure to mentor and train others also means that partners need to review associates (and often other partners) and document their experience with different attorneys.

19. Pressure to Pay Legacy Costs of the Firm.

Many law firms have huge legacy costs. These costs may include things such as pensions of partners long gone, massive salaries of partners negotiated during better times, office space no longer in use and more. Legacy costs at some firms are so large that it creates a good deal of pressure on existing partners at the law firm—who need to generate the business and revenue to pay these legacy costs yet derive little if any benefit from them.

20. Pressure to Hire and Keep Good Associates.

Law firm partners are generally under a lot of pressure to hire and maintain the best associates. This means that they often need to pay competitive salaries at the largest law firms, which is very expensive and creates corresponding pressures on other aspects of the business, like keeping client bills low enough to keep clients. To the extent they do have good associates, partners feel pressured to keep these associates around and (work permitting) hire more of them.

It is difficult for many law firms to hold on to associates due to morale issues, market pressures and more. If a partner is unable to hold onto good associates to work on their matters, then the partner needs to do the work on his or her own. This takes up valuable time that the partner could be allocating towards business development activities or towards doing other work that is not necessarily appropriate for even the best associate.

21. Being Handcuffed to the Job and Firm.

One of the more serious issues that affects partners is that the more money they make, the more their lifestyle grows to accommodate this spending. As their income requirements increase, they begin to feel trapped and need to make a certain amount of money, year after year, to pay for this lifestyle. These "golden handcuffs" prevent them from escaping and trying something different. They can no longer take risks if they hope to maintain this lifestyle (which often involves not just the partners but also spouses and children).

Most partners begin to feel very trapped after some time and have few other options other than to try and remain partners in their current firm, or another firm. After several years as partners, many partners have assumed such a lifestyle that they are unable to realistically even contemplate an alternate career—as many associates can.

CONCLUSIONS

Unlike associates, where the rules of compensation, advancement and so forth appear very clear, it is far less so with partners.

- If an associate is a certain class year and bills a certain amount of hours then the associate can expect to make a certain amount of money—not so with partners.
- If the firm is doing well and the associate is busy, and not too senior, then the associate will keep his or her job—not so with partners.
- If the associate is in an active practice area and has good credentials, the associate can get another position without too much difficulty—not so with partners.

Though "making partner" is considered a huge badge of honor, partners in large American law firms also have to deal with an enormous amount of stress and contend with a number of significant difficulties on a daily basis. In fact, while many associates believe that they have the more difficult job as compared to the partners for whom they work, many partners have the opposite feeling.

Given the pressures partners face each day, many feel that being a partner is far more difficult than being an associate.

Please see the following articles for more information:

You Need to Sell, Sell, Sell

Take This GIFT for Granted and Your Legal Career Will Be Dead

Why You Should Find Your "Tribe" and Not Just Focus on Money in Making Law Firm Job Decisions

Five Effective Strategies for Law Firm Partners to Get Business and Clients

Maximize Portables in Your Business Plan in Order to Maximize Interest in You

Top 9 Ways for Any Attorney to Generate a Ton of Business

The Top Two Different Ways Law Firm Partners Are Compensated

The Real Reason Why Most Attorneys' Careers Are Out of Control

BCG's Comprehensive Guide for Law Firm Partners: The Must-Have Resource for All Law Firm Partners and Future Partners

Which Type of Law Firm Is Best for You and Your Career: Main Offices of Large National Firms, Branch Offices of Large National Firms, Midsized Firms, Boutiques, or Newer Fast-Growing Firms?

Top 10 Reasons Why High Junior Associate Salaries Are Destroying the Legal Profession