

Why Partners With Business in Law Firms Should Always Be Looking for New Firms

By Harrison Barnes from Los Angeles Office Managing Director

Summary: If you are a partner with business in a law firm you should always be looking look for greener pastures.

When I speak with associates inside of law firms, approximately half the time I tell them they should stay right where they are--especially associates at the most prestigious law firms. Associates typically have poor reasons for being interested in moving. They may want more experience doing something else, may be interested in relocating to a different city, but most of the time the reasons are trivial. [In the first six or so years of associates' careers, they are at their firms to get training and to learn to be the best attorneys possible.](#) They are "apprentice employees" and a bunch of moves on their resume is often a sign that they are discontent practicing law more than anything. Unless the associate is putting themselves in a place where they can get better training, work with better attorneys, build a book of business, find a more secure home (avoid a layoff, firing, or other issue), or move for necessary geographic reasons (a spouse, or future spouse), an associate should not be moving too much.

This is not so for partners.

[Partners are not "apprentice employees."](#) Most partners in law firms are businesses--but many do not think of themselves as such. Instead of taking control of their lives (and businesses), many spend their careers being taken advantage of, pushed around and at the whim of a law firm. In short, they act just like employees and not businesses.

A partner with business can (for the most part) move as often as they like and--if they have enough business--the partner will be marketable to most law firm. Partners with business should move in order to find the right conditions for them to service their clients, generate more business and earn as much compensation as possible. Unlike an associate, a partner with business should always be keeping their eye out for better opportunities.

[If you are a partner inside of a law firm, you need to immediately start thinking of yourself as a business and not as an employee.](#) The sort of petty reasons that associates have for looking for positions need to be set aside so you can run your business most effectively. What kind of business do you want? Do you want a business that makes the most money possible? Do you want a lifestyle business? Do you want a stable business, or are you willing to take risks? Do you want a business that requires you to work extremely hard?

The way I have always looked at it is that you go to law school to get a business license. Once you get that business license you get trained as an apprentice and then you go out and operate a business. You operate a business by going out and getting clients. It is as simple as that. Practicing law is a business--you are a business--and you need to make the most of your career and life by operating that business as effectively and intelligently as possible. If your business is under threat, then you make changes. If such is the case you need to evolve like any other business instead. Needless to say, if business is going well you shouldn't stop the pinwheel from turning, but of course, consider new innovations and improvements for greater evolutions as well.

A business is different from an employee. The very act of having a business, or starting a business, means that you have control over your own destiny. An associate who moves firms a lot looks like they will be a poor

worker/employee at their next firm and is avoided. A partner with business who moves firms a lot is either growing, or protecting their business.

You need to decide what happens to you, plan for the future and run your business in a way that benefits you.

A business needs to be in an environment where it thrives, where it can service customers most effectively, and where customers are constantly coming to it. Businesses also do not need to put themselves in locations that are hostile to their success. Nevertheless, I speak with partners inside of [law firms on a daily basis](#) who do just that: They operate in law firms that do not benefit them at all.

Law firms can do all sorts of things to crush the spirit and business of good attorneys:

They can prevent you from bringing in work due to widespread conflicts.

They can prevent you from bringing in all but the most stable institutional clients.

They can be "cheap" and consequently not be able to attract, or hold onto, good associates or support staff.

They cannot pay you nearly what you are worth in the market, or constantly break promises.

They can be poorly run and waste money on unnecessary offices and other expenses (that you are paying for).

They can pay partners who are not bringing in business, or not enough of it.

They can allow dead weight to drive down the profits of the firm indefinitely.

They can go through endless cycles of hiring and firing that crushes the spirit of associates, partners and others.

They can be "siloed" and not provide adequate cross-selling opportunities within the firm because partners do not get along.

They can be inflexible with their high billing rates which makes it very difficult to bring in clients and hold onto them.

They can be unwilling to hire more support staff, or associates, and put partners in a role where they are responsible for administrative and lower level work that does not benefit their clients because of their high billing rates.

Businesses expand, contract, move locations and try different things and succeed or fail based on the environment they are in. Sometimes businesses get lucky and land in the perfect environment where everything works out for them. Nevertheless, at some point competition seeps in and unless the business has protection against this competition they run into trouble. Most partners looking for new positions are doing so because they want to put themselves in the best environment possible to succeed. If your law firm is not an environment where you feel you are reaching your full potential, it is time for you to consider moving.

When I was younger, I was kicked out of a private school in Grosse Pointe, Michigan (technically I was not "kicked out," I was not asked back). The school had all sorts of problems with me related to how I wrote, did math, and so forth. The school had a very conservative student body that was almost 100% white, protestant, and wealthy (at the time). The school was not about free thinking--it was about conformity. When the school kicked me out, they recommended that I attend a boarding school for kids who needed extra attention with their schoolwork and so forth. My father had attended one of the top boarding schools in the country and his mother had been a librarian there. The school for some reason admitted me. To make a long story short, I loved the environment--it was a much more diverse and open environment than I had been in previously. Within the first semester there I was getting great grades and doing very well. When it came time to apply to colleges I applied and got into a few schools ranked in the top 10 in the country.

My success had to do with my hard work, but I believe it was more about environment. The environment you are in can either crush your spirit, or you will thrive in it. I had the same experience when I started practicing law. Attorneys have this experience all the time. The environment you work in will either encourage and push

you forward, or hold you back.

At the outset, I want to mention that this article is for partners with business--or who believe they might have substantial business in the future. (On the other hand there are plenty of partners I work with who work in major law firms and service institutional clients, but that who do not have business and are still making well into the seven figures--I've seen partners with no business earning over \$10,000,000 a year at some firms.)

If you are lucky enough to become a partner in a major law firm with a single tier partnership, it is not uncommon for you to receive \$800,000 to over \$5,000,000 a year with no business. While this is by no means rare (there are tens of thousands of partners earning this sort of money with no business in major American law firms), "the rest of the partners" have to deal with more common requirements of being expected to generate business and getting compensated based on the business they generate. This is how the majority of major American (and not so major) law firms work. I would say that close to 90% of partners in major law firms whose take home compensation is over \$1,000,000 a year are in this position.

If you are a partner with business, do not let your business fail because you stay in the wrong place for too long. Law firms are brutal places and are out for their own self-interests--just as you should be out for your own. When you work inside of a law firm, you should realize that you are a business and that the law firm is another business, and that you are both competing with one another.

I started out my career decades ago as an asphalt contractor. If I did \$50,000 in business a week and was able to make \$5,000 from this work I thought I was doing extremely well. Bringing in \$50,000 a week is not easy in that business--it requires multiple sales people, at least ten workers, trucks, scheduling and all sorts of difficulties. I chose to go to law school and become a lawyer and thought I was making the biggest mistake of my life leaving this world behind. Being a partner in a law firm is a very good business. If you are able to make \$1,000,000 a year as an attorney, this is not much different than having a \$10,000,000 business and clearing 10% of this--which is not bad for most businesses. Moreover, you can make most of this money sitting behind a desk. If you are fortunate enough to be a partner inside of a law firm with a decent book of business, you should feel quite fortunate and do what you can to build it up--you have a very good business. You need to think of yourself and a business and do whatever you can to generate more revenue, please your customers and go to a firm that supports you the best you can.

[Are you a partner without a substantial book of business? Are you struggling to become a partner?](#)

Please see the following articles for more information:

[How Can I Make a Move without a Good Book of Business?](#)

[How Can I Make Partner or Make a Move without a Book of Business?](#)

[The Only Seven Reasons a Law Firm Will Ever Make You a Partner](#)

I speak with hundreds of partners a year with substantial books of business looking to understand the market and whether or not they should move firms. I place several partners each month--certainly more than any recruiter I know and have gained a good understanding of the main reasons partners should move firms.

A partner with business inside of a law firm should be working in a law firm that:
pays them the most;
is the best managed and gives them the best support; and
provides them the best opportunity to generate more business.

There are no other reasons to stay inside of a law firm if you are a partner with business. None of these reasons are determinative; however, cumulatively each one is quite important to the overall calculation that a partner should make to determine whether or not they are interested in remaining in a given law firm.

Do agree that partners with business inside of a law firm should be getting paid the big bucks or should not be creating any drama, or excessive gamesmanship around compensation? Share your thoughts in the comments below.

Partners with Business Should Work at the Firm That Pays the Most and Shares the Most Profits With Them

When a law firm is interested in hiring a lateral partner with business, the first question they ask--before even agreeing to meet the partner for coffee, or talk on the phone--is how much business the partner has. In fact, some recruiting departments go beyond that. I was representing a partner with \$3,000,000 in business recently and the law firm in which he was interested called and asked the attorney's billing rate. It was \$800 an hour and the law firm said they would not be interested in him unless it was \$1,200.

This is the same sort of question that a partner should immediately be interested in when they move firms as well: How much are you willing to pay me? While the partner is supposed to be financially open with the law firm, it will take the partner weeks (or even months) of interviews, dinners, flying around to branch offices and more before they have any idea whatsoever what their new compensation will be. They will learn this in most cases from a well-formatted PDF document that most often arrives unannounced in the late afternoon days, or in some cases weeks, after the partner's final face-to-face interview with the firm.

While I hate to say it, a lot of this meeting, back and forth, and so forth is to gauge a variety of things (cultural fit, how realistic your business is, whether your reasons for moving make sense); however, one of the main things going on is the law firm is trying to figure out: (1) how much money they can take from you, (2) how much support you will need, and (3) how little money you will accept. This is not true with all law firms, of course, but it most often is.

IMPORTANT POINT:

If you are a partner with a good book of business, do not let your guard down in interviews. If you project any sort of lack of confidence in your book, or act like you do not care about money, you will receive an offer reflecting as much. If you are currently at a less prestigious law firm, the prospective law firm may use their strong existing brand to intimidate you and make you feel like you need them because you are lucky to even be being considered by such a great firm. While the prestige of the firm matters, it should not be used to pound you down, make you feel unworthy and accept less than you should be accepting from the firm. Law firms get burned with bad partner hires all the time--so they do need to be careful.

Unless you are a well-known commodity in the legal industry, most law firms will discount the amount of business you represent you have by 50% and your compensation will be based on this - unless the compensation is based on a formula. Younger, newer law firms are often quite naive, want to believe what you tell them and will not discount your book--but most will.

IMPORTANT POINT:

It is very common for partners (those 45 years old and below), to move to a series of law firms over a decade or more representing to each successive law firm that they have books of business between \$1,000,000 and \$3,000,000. What generally happens is that these partners move firms and it turns out they do not have this book of business at all--or they make reasons for it not materializing.

Larger law firms may keep a partner like this around for as long as two years; however, a smaller law firm will catch on quickly and let the partner go within a year (often within months). At the interview stage, these law firms are snowed by the promise of a young partner coming on board as the next generation to help build the firm.

In most instances, partners who move around like this are fit, good-looking, fast talking males and law firms are attracted to them and believe in them. Almost every law firm in the country has hired one or more people like this - there are young partners doing this and conning law firms in every city of the country. These young partners are experts in getting as much compensation as possible from law firms and are the sort who take advantage of law firms--and not vice versa.

I have become an expert in identifying these sorts of attorneys and they send out all sorts of signals during the interview process that make it clear they are having issues at their current firm (that they likely conned the same way) such as never being in the office, travelling a lot, being vague about business details, deflecting questions probing their book, trying to get guaranteed compensation from firms unrelated to business generated and more.

[That isn't to say if you're a young attorney without out business you can't find success. Same is true for attorneys looking to make lateral movements.](#)

Please see the following articles for more information:

[Why Partners, Counsel and Senior Associates Without Business Are Employable in Law Firms of All Sizes](#)
[Top 30 Factors Large Law Firms Consider When Hiring Lateral Attorneys](#)
[Why Law Firms Reject You](#)

Law firms are businesses. When you are partner in a law firm you are a business as well. The job of a business is to make as much money as it can. A business may make a calculation that making less money serves its interest in some cases (for example, it is better for its brand to do so, it is accepting less money now for long-term security, etc.); however, generally all businesses want to make as much money as possible. When a partner with business goes to a law firm, the law firm's objective is to pay them as little money as possible and the partner's objective should be to make as much money as possible. This is the way it works for both sides. You need to manipulate things to your advantage and vice versa.

Law firms are experts in manipulating their partners to accept less money than they are worth because they are businesses too! Law firm do this in all sorts of ways--for existing and new partners. Committees may be set up to determine compensation and these committees often end up creating all sorts of inequities. People without business (and time on their hands) tend to get on these committees and find ways to get as much money as possible. They play all sorts of political games and try and pay partners with business as little as they can. This politics happens at every firm. The more a law firm gives control to bureaucrats without business, the more likely the law firm is to get in trouble, lose partners, and fail.

Law firms also get overextended and simply need to pay partners less. They get into expensive leases, hire too many associates, give compensation guarantees to certain partners they should not, open too many offices too fast, have lines of credit they use but cannot support, and more. Law firms begin messing with the existing compensation of partners to the extent they get into financial trouble. Many of the best law firms in the country have purposefully kept their expenses and borrowing low (or have not borrowed at all) so they do not get into these sorts of issues. While there are several exceptions to this, anytime a law firm starts to get very loud with its spending (art, incredible offices, lavish retreats and functions, marque hires and more), there is often the chance that the law firm is spending more than it should (or is capable of supporting). This is particular true for new law firms--but it applies to older ones as well. The legions of once-solid and respected law firms destroyed by overspending and financial mismanagement is significant: Finley Kumble, Brobeck, Heller Ehrman, Dewey Ballantine, Drier Stein and many others.

Just as law will charge their clients the highest billable rate they possibly can get away with, they will also pay their partners as little as they possibly can as well. One of the reasons that partners move firms is because other law firms agree to pay them more -or they get fed up with compensation games. One of the reasons that partners leave firms after lateralling is because law firms cut their compensation. Law firms use

the promise of high compensation to lure partners to them and will then cut this compensation when and if they can.

I spoke with a partner at a major national law firm a few weeks ago who had a \$3,500,000 book of business and was keeping two associates busy all the time in addition to her. The firm was paying her \$300,000 a year and she had no idea this was too low. She was a relatively young partner and loyal to the firm and her mentors within it. She was excited that she was told she might be getting a \$75,000 bonus at the end of the year for doing such a good job.

Law firms will make compensation a "black box" and you may never know how little you are being paid compared to what you are capable of being paid. This partner had no idea how little she was being paid. She was in a desirable practice area. I told her that I believed I could get her a position paying at least \$850,000 a year within weeks.

In the honeymoon phase after a partner joins a new law firm, assuming they have a decent sized book of business, the rule is they will be paid "around" or a little bit less than one third of the amount of portable business they are bringing with them. Therefore, a partner with \$3,000,000 in business generally (in my experience) receives something along the line of \$800,000 in compensation with various bonuses if they exceed this amount. If the partner is in a hot practice area, is well-known, or is coming from a marque firm, the partner may command as much as half their estimated book of business and may even get a guarantee regardless of their estimated book of business. The longer the partner has had this estimated book of business, the more likely they are to be paid more. Furthermore, if the book of business has been increasing for some time, the partner may be able to command even more.

It is not uncommon in many major cities for partners to have \$20,000,000+ books of business. Partners operating in this realm generally should be taking home much more than one third of their billings (but often do not). Just as partners with \$3,500,000 books of business are often drastically undercompensated, so too are the highest performing partners in a law firm. I would argue that a partner with \$10,000,000 or more should be commanding at least half of their book of business in more law firms and can, and should, command this much due to the other benefits the law firm gets from attracting and having this sort of talent. In addition, if you have a significant book of business you should start demanding guaranteed compensation from your current (or next law firm). Law firms will resist this but as a high performer you have the ability to command this.

When a partner with a fairly substantial book of business moves to a new firm, the firm will most often set a target for their compensation for their first year. If an attorney is expected to generate \$2,000,000 in business to receive \$650,000 in pay and they do something close to this then nothing will change. However, if the partner generates \$3,000,000 or \$4,000,000 things start to get interesting. What ends up happening is the bureaucrats see this and need to decide what to do about it. In most cases, they will give the partner a bonus, or they may do nothing at all. When they do nothing, they will say to the partner something like the following: "You had a good year, but you may have a bad year in the future. If you have a bad year in the future, we will still pay you the same and everything will balance out. We are a partnership and family and take care of our own."

Feeling good about this, the partner will go on their way without realizing they have just spent hundreds of thousands of dollars on an "insurance policy" that is not in writing, is vague, and may or may not pay out in the future.

Will the insurance policy pay out?

In almost all cases the policy does not. If the partner loses business and has one or two bad years, the law

firm will be much quicker to cut their compensation than they were to raise it. Law firms cut compensation quickly when they need to. When the partner goes back to the firm and asks "what about us being a partnership?" The law firm will typically respond that "things have changed" and cite all sorts of reasons that they need to cut partner's compensation, or even that they need to leave. It is this sort of thing that motivates partners to move firms--and one of the causes of frequent movement among partners in law firms. I see this at least once per week with the partners I speak with.

Many practice groups are also quite cyclical depending on the state of the economy. For example, litigation has been very active after the past few recessions. Both financial services litigation (in New York) and patent litigation in the Bay Area became major profit centers for firms there. However, at the time this was happening these same firms lost a great deal of corporate-related business. Whereas corporate had been a major profit center for these firms prior to the recession and litigation not as much, things suddenly changed. When one practice area of the firm is generating the majority of profits, the partners doing this work will often feel that they are giving more than they are taking and get upset. The litigators, for example, will believe they are overcompensating the corporate attorneys in terms of a percentage of profits. When this occurs for a long enough time, the litigators will all huddle together and start discussing the fact they are being paid less than they are worth and need to move firms.

To the extent that they can, many law firms will make try and not commit to any sort of ongoing compensation for their partners. Whether it is point systems, or formulas, law firms want the ability to avoid making any long-term commitments so they can take advantage of people--and reward them--as they believe is politically necessary. One of the most important jobs in any law firm is compensation and choosing how to compensate partners and others. The survival of law firms depends on their ability to understand the limits of how little they can compensate their partners and get away with it.

They may agree to a number for a few years; however, they will then try and make it vague and unpredictable. Many partners inside of law firms become used to this. Law firms use their brands, mystique and power to take advantage of their own partners. Anytime a law firm says something like "we'll see what happens next year," or refuses to commit to anything, there is a good chance they are using that vagueness so they have the option of screwing you over in the future. If a law firm does not commit to numbers, or formulas they will generally screw you over at some point in the future. This lack of commitment is so that they can pay you less if they want to use the money for other things.

One of the most egregious examples of a law firm exploiting a partner for compensation purposes I ever saw was when a partner invested a few years of his life in a major case and ended up getting a \$200,000,000 verdict for a case he brought in. The firm collected some \$80,000,000 from this. While the firm had invested a few million dollars in the case, the partner who took the case had been reassured the entire time that "we'll take care of you" and so forth and never committed to any amount of the recovery he would receive. He would bat around numbers--"I think I should get at least 20%"-- for example, and the people he was speaking to said things like "we'll see what happens." When the time came to compensate him, the law firm gave him a bonus of \$150,000 and that was it. He was furious and after a few days of contemplation, decided he was leaving within a week. I met him in a bar and within a week he had found a new home.

Several months later I was in one of the firm's offices in another part of the country and they were going through a major remodel. The office looked like it was going to be beautiful.

"I thought your previous offices were nice," I told one of the partners I was meeting with.

"Well, we got very fortunate and had a huge contingency win in our Los Angeles office last year and the partnership decided to use the money to remodel several of our offices around the country," the partner told me.

Your objective as a partner is to get as much money as possible. The better the business, the higher the amount of money it makes from the work that it does. Your goal should be to fall somewhere in here and if you are not, you are undercompensated based on what you are capable of earning:

Business from \$1,000,000 to \$3,000,000: Approximately 33% of your collections

Business from \$3,000,000 to \$5,000,000: Approximately 40% of your collections

Business of \$5,000,000 or more: Approximately 45 to 50% of your collections

There are other things that will come into this analysis, though. For example, in this calculus you are still expected to be a working attorney and billing your clients at full clip--preferably more than 1,900 hours a year. If you are a workhorse and exceeding 2,500 hours a year these percentages would be adjusted upward.

A law firm where it is very difficult to break into the partnership ranks can also be a very good place to lateral to. Law firms that make very few partners from their associate ranks tend to do so because they have very high profitability (often from long-standing institutional relationships) and want to protect this profitability. The less top heavy a law firm is (i.e., the more associates there are for each partner) and the more desirable the law firm is to work at for associates (due to its brand), the more profitable the law firm is likely to be. Bottom heavy, branded firms can be very good places to work--especially when their institutional relationships are strong. Moreover, when they have single-tier partnerships they often are much more secure places to work if your book of business declines. The profitability of these firms can also increase your take home pay if you have a substantial book of business.

Law firms typically have nonequity and equity classes of partnership. For all intents and purposes, if you are a nonequity partner this is not much different than being an employee. You may call yourself a partner; however, you are not running a business because you are not sharing in the profits of the enterprise. Most nonequity partners are also never able to develop substantial books. In large law firms that have two tier partnerships the average nonequity partner will make between \$300,000 and \$450,000 a year. If an attorney is an equity partner in a large law firm (or a partner in a law firm with a single tier partnerships), the attorneys make in excess of \$1,000,000 a year.

I speak with attorneys in law firms several times a week who are nonequity partners in large law firms. The classic firm that makes nonequity partners quite easily is Kirkland & Ellis. Attorneys in various financial practice groups from Skadden, in particular, flock over to Kirkland because they will have the ability to be called "partner" at Kirkland when this is a near impossible thing to achieve at Skadden. Kirkland is very generous with handing out this "partner" title because they do a lot of work for major institutional, private equity, and other clients that are willing to pay high rates and the firm needs senior attorneys billing on these matters. Despite this fact, their income will not be much different from what they were earning at Skadden. Moreover, despite being called a "partner" at Kirkland, they will still be employees and they will not have a great deal of employment stability. This lack of employment stability means that unless they are able to generate substantial business from institutional clients within a few years, they are at risk of losing their job--and do. I speak with "partners" from Kirkland around the country weekly. The good news is that Kirkland trains its partners quite well, the firm does sophisticated work, and has a good reputation, and I have developed a cottage industry moving nonequity partners from this firm to other firms that value their experience and have enough work as well to provide them employment stability.

Most major law firms with two classes of partnership will make someone a nonequity partner and expect them to use this title to go out and develop a book of business within two or three years. This happens infrequently, at which point the attorney starts looking for an in-house position, or a smaller law firm.

There are all sorts of exceptions to this.

Another "classic" example are attorneys who become equity partners at major law firms with single tier partnerships. This week I spoke with an equity partner at a major law firm in New York. This partner was earning over \$1,000,000 a year and did not have a single client. He had billed just over \$1,000 an hour the past few years and was unable to bring in clients (he felt) because his billing rate was too high. Despite this, the law firm had given the attorney no negative signals, good reviews and increasing responsibility by placing him on various committees and having him head various recruiting efforts for the firm. He did not feel his contribution to the firm was covering his overhead and was interested in looking for a new position because he felt "guilty" about his compensation and did not believe he ever would achieve "freedom" in his career unless he was able to develop a real book of business. His billing rate was holding him back.

"You realize that if you move to a smaller law firm you will only receive \$200,000 to \$350,000 a year with no business," I told the partner.

"Yes, but it will be worth it if I develop a book of business."

I debated this with the partner for some time. If you subscribe to the idea that this equity partner is running a business, does it make sense to move to an environment where they are earning less than they are getting paid? bringing in? and have more expectations put on them? I am not so sure. The problem here was that this attorney was not being given work by the firm and at some point most firms wake up and realize it does not make sense to continue overcompensating people. Despite the ostensible collegiality and support that partners have for one another in single tier partnerships, the levy needs to break at some point if a law firm is overpaying people. When money gets tight law firms will look for ways to save money and overcompensated partners, excess associates, and others are often the first to go. Therefore, building a book for this partner was a priority and he decided to look around. If it were me, I would likely have reduced my expenses, saved as much money as possible and stayed at the law firm as long as possible knowing that each year I was getting paid there would equal three at a competing firm. I would aggressively try and bring in clients and learn all I could about that and only leave when asked to. However, going to work daily and feeling like I was not adding value and being overpaid is not something I can comment on.

There are certain firms where a partner without business will largely be immune to losing their position. Sullivan & Cromwell, Wachtell, Skadden and a few others come to mind. These sorts of firms are such that you may never need to develop a book at them to be successful-- or do you need to worry about it because their institutional relationships are strong enough. However, for the most part you will need to have business to succeed at a large law firm and if you do not then you will eventually lose your job.

Overall, though, if you do not have any business most law firms will ask you to leave--or the partner will start searching for a new position.

There are good reasons that the law firm you are currently at may be preventing you from bringing in business. Billing rates may be too high, conflicts may be too prevalent, the law firm may only want major clients and not take smaller ones, the law firm may not have a good name, the law firm may only do one thing and not allow you to cross sell. There could be a variety of reasons for this. Nevertheless, if this is the case then in most instances you will need to find an environment that will allow you to do this.

Now that you understand what you should be being paid, it is important to understand that offers and compensation that comes below this should always be a concern. Many law firms will come below this and there are factors that you can analyze (below) that will offset this in your analysis of your compensation. However, if your compensation is radically below this then you should have some concerns and this may be due to several of the reasons mentioned above.

Partners with Business Should Work in Law Firms That Are the Best Managed and Give Them the Best

Support

The management of a law firm can make a major difference in terms of how happy you are working there. If a law firm is poorly managed, this can result in all sorts of issues that make it difficult for you to be happy there. Law firms can be poorly managed for a variety of reasons; however, most management tension comes down to how various people are compensated and the decisions the law firm makes regarding this (discussed above).

A poorly managed law firm does not set clear boundaries. People do not know where they stand. They may allow conflicts to fester longer than they should between partners. They may make bad hires. They may not protect the unique culture of the firm. They may attract bad apples and not good ones.

Other management issues can be associated with decisions to open, or not open, branch offices, practice areas to be in, partner and practice group hiring and how the management committee of the firm is structured. The best law firms will typically be places that will attempt to make all of their ranks happy and the most toxic ones will do the opposite. Many law firms that are the product of mergers can be very difficult places to work due to ill-defined and clashing cultures after mergers. In many cases, these mergers can result in toxic environments where people are clashing for control. The management of the law firm sets the culture of the firm as well.

How the law firm is managed will determine a great deal of how comfortable you feel there. You are not likely to feel comfortable if there are frequent layoffs, practice group and partner departures, financial problems, reckless borrowing and more. All of this can make it difficult for you to practice law.

In order to service your clients most effectively (and bring in new ones), it is important that your law firm supports you and makes your job as easy as possible. If your environment supports you and makes you happy, you will be better able to do your job and think about practicing law and not worrying about running your business.

Please start thinking about the law firm you are in and in terms of what it is to you: A law firm exists as an administrative apparatus to support you and your clients. In exchange for 30 to 50% of the money you generate for the firm, the firm is expected to provide you with:

Offices

The ability of the law firm to recruit and retain the best associates

The ability to recruit and retain the best paralegals, secretaries, IT support and other staff

Human resource services

Financial services

Marketing support

Training for attorneys and staff

Document storage

Computers, phones, copiers and IT Support

You are paying for this--depending on your book of business; you may be paying hundreds of thousands of dollars (at a minimum) to millions of dollar a year for this support. If all of this is extremely well done, it can mitigate some of the compensation numbers mentioned below. These services make your job easier and allow you to provide better service to your clients. The less of a percentage of your book you are receiving, the more you are paying for them.

Since the administrative support you receive from your law firm is so important, let's consider each below. While I hesitate to go through this laundry list, partners I am working with bring this stuff up constantly as a reason to move firm so they bear discussion.

Offices

Going to work in a nice office, in a nice location, is important to many attorneys. Since you are spending a lot of time in the office, having a nice place to work is meaningful and beneficial. An imposing entry, abundance of conference rooms, coffee bars, gyms, nice furniture and a prime location can be meaningful. Attorneys like nice locations and such benefits and this is something that is worth paying for. Better working conditions can increase the morale of staff, be impressive to clients and facilitate communication among attorneys and others. The identity of many law firms is connected to their offices and office space.

The Ability of the Law Firm to Recruit and Retain the Best Associates

Law firms are able to recruit and keep the best associates based on how much they pay, and their reputation in the marketplace. Attorneys from the best schools, with the best personalities and grades, will go to the best law firm they can get into. Law firms that are able to attract these candidates out of law school, or as laterals, will get the best associates. Law firms with the best associates provide partners with attorneys that are the most motivated, work the hardest, do the best work with the fewest mistakes, have personalities pleasing to clients and require the least hand holding. The quality of associates the law firm is able to recruit for its partners is extremely important. For example, an associate from Wachtell, Cravath, Sullivan & Cromwell is going to be someone who is far different than you will find at the majority of American law firms. Certain law firms have the ability to recruit a special brand of associate--and then hold on to these associates.

Law firms that do not pay associates well, or do not recruit the best associates provide partners with associates who waste the partners' valuable time by requiring handholding, work corrections, or attention to morale issues. These firms offer associates who are unwilling to put in extra effort and do not make themselves available to do first-rate work with deadlines pending and more. Moreover, partners at such firms often have work given to clients littered with mistakes and other issues. In many instances, law firms may spend months trying to recruit associates for given practice areas, or partners, only to have offers not accepted and turned down.

The best associates tend to also work the hardest, have their work well-received by clients, require fewer revisions of work and ultimately result in higher revenue for partners because clients give more work when they get good service. Moreover, harder working associates produce more revenue by virtue of their motivation.

Not having a lot of turnover in the associate ranks is also quite important. The best law firms are able to hold onto associates for a long period of time compared to other law firms. While some associate attrition is always something that the law firm desires, a well-run law firm should be able to hold on to its associates. The best-run law firms do not have major issues with associate attrition because they offer associates the best salaries, most stable environments and the belief that staying in the firm for a long period of time is in their best interest. They are able to maintain cultures that make associates feel secure, valued and that remaining in the firm makes sense. Their partners also attract interesting work that keeps associates busy as well.

The Ability to Recruit and Retain the Best Paralegals, Secretaries, IT Support and Staff

Law firms that are able to recruit and retain the best staff make their attorneys more productive and the law firm is a better place to work for attorneys. An attorney with a book of business has many options of where to take their work. For example, there are countless "virtual law firms" that offer partners the ability to work without support - but most partners need good support.

A good secretary keeps you organized, motivated and helps you get tasks done. Good IT support makes your life and job easier. Good paralegals provide an extra revenue source, allow you to keep costs down for clients and can support you job as well. Attorneys bring up the fact all the time that they have old computers;

phones do not work and so forth. The level and strength of IT support that a firm has is important for an attorney's ability to do the job.

The best law firms attract and can maintain the best support. They are able to keep staff by paying them well, constantly recruiting, making sure that they offer training, are able to keep morale high and more.

Human Resources Services

The human resources department of a law firm is the engine that keeps things rolling. A good HR department is constantly recruiting, checking references, making sure laws are complied with, firing, documenting and doing all sorts of things in the background to keep the firm running. The HR department may also plan various events to keep morale at the firm up, provide orientation for employees and more. The HR department is often responsible for explaining insurance and other benefits to existing and new hires, providing references for past attorneys, employees and others. The HR department is also most often in charge of benefits for the firm (insurance, retirement plan, sick pay).

Financial Services

A large law firm requires a great deal of financial work. From processing payroll, to paying taxes, to getting lines of credit, doing collections, managing budgets and setting compensation, there is a great deal of work that goes into running a law firm effectively. Law firms that do not have good financial management experience all sorts of issues and can go out of business. Financial management is extremely important for law firms.

In addition, most law firms will pay bar dues and other costs for dues and subscription for attorneys.

Marketing Support

Law firms provide a great deal of marketing support to their attorneys. From running the website, to identifying marketing opportunities for attorneys and more, the best law firms run strong marketing departments that can help their attorneys generate and keep business.

Document Storage and Destruction (Onsite and Offsite)

Law firms generate a lot of paper. This paper needs to be filed, processed and (often) destroyed offsite.

Training for Attorneys and Staff

Attorneys and staff inside of law firms need ongoing training. A well-run HR department may also run continuing legal education programs for attorneys in-house and do other things to make sure that the law firm is running well. New attorneys need training and a law firm will provide an infrastructure for this. Paralegals, legal secretaries and others need training as well. The best law firms will have well-developed training in house for their attorneys.

Computers, Phones, Copiers, IT Support

Law firms provide this to attorneys and staff.

Support from a Variety of Departments (Mail Room, Library, Word Processing, Travel Office, Messenger Service)

All of these things are important for a law firm to run effectively and for attorneys to do their jobs well.

The strength of a law firm's support to its attorneys allows them to be more effective, spend their time billing and ultimately provide their clients much better service. Taken together, the support a firm provides its attorneys helps create a better atmosphere for attorneys where the attorneys are happier and the firm is a better place to work.

Partners mention the quality of support they receive all the time as a reason for them moving. When a partner is unable to effectively service their clients and spends their time doing things which do not result in them maximizing their billable hour rates, they lose money. The strength of support that a firm provides can also justify the very high billing rates many law firms charge as well.

[How do you feel about the support and management a law firm provides? Share your feelings below.](#)

Please see the following articles for more information:

[Achieving Career Satisfaction: Make the Investment, But Choose Your Investments Carefully](#)

[Law Firm Management for Peak Performance](#)

[Whether Most Attorneys Consider Prestige or Salary More Important](#)

Partners with Business Should Work with Law Firms That Provide Them the Best Opportunity to Generate Business

Partners move firms all the time because they want to be in the law firm that provides them the best opportunity to generate more business. Many law firms hold their attorneys back because it is too difficult for them to generate business there. Partners I speak with typically bring up these (related) reasons for wanting to move firms:

They Want a Law Firm With Flexible (or Lower) Billing Rates

One of the issues that partners run into in many major, national law firms is that they cannot bring in clients because their billing rates are too high. I spoke with a junior real estate partner at a major New York law firm recently and his billing rate was \$1,150 an hour. He did not see any way he could bring in clients with such a high billing rate because he felt that it was not competitive given that developers and others were able to find exceptional attorneys in the market billing at less than half this rate.

If a law firm's billing rates are very high, and they are unwilling to be flexible with these billing rates, this can make it difficult for partners to bring in and hold on to business. Law firms with the highest rates often drive partners to smaller law firms where they feel they will be able to generate more business.

They Want a Law Firm that Has the Best Brand

Law firms with very strong brands are able to attract the best clients. The largest and best clients want to work with well-branded law firms. Attorneys also consider the brand of the law firm they are working at very important in the marketplace.

If an attorney is at a very well-regarded law firm, this can make it easier for them to attract the best clients. Moreover, the best branded law firms typically have higher profits per partner and are able to attract the best associates and support and pay this support the most money. Attorneys are also quite competitive and want to work in the best law firms they can. Lawyers often base a great deal of their self worth on the brand of the law firm they are working for. Attorneys judge themselves compared to other attorneys based on these law firms. When I speak with law firm partners interested in moving each day, a great many of them are always interested in "moving up" in terms of the brand of the law firm they are working at--but not down.

They Want a Law Firm That is Not Siloed

Many law firms (especially those that are the products of mergers) are often quite hostile places for partners to work. Attorneys will often hoard work and client relationships and there may be a complete absence of cooperation among partners in the firm. These firms are what I often refer to as "siloed."

Law firms that are siloed do not have any sense of camaraderie among the partners and the atmosphere is often one where the partners feel as if they are in a hostile competition with other partners and not cooperating with one another. A few partners may work together to the exclusion of other partners.

Alternatively, one partner may simply work as an island. In these sorts of firms it is rare for partners to share work with other partners, or client relationships.

In addition to not sharing clients, they also often do not share information and are very protective of it. This can make it difficult for partners to learn of trends in the market, opportunities and other things that would come about if they were communicating with each other effectively. Communication among partners and others in a firm and this exchange of information is something that allows attorneys to develop business by learning about what is going on in the market, sharing information, tips and more.

Law firms that are siloed can be difficult places for partners to generate more business because there are often few cross-selling opportunities for the partners.

When I speak with partners in firms like this they often note that the firm feels like "tons of different law firms in one law firm." There is truth to this. The siloed firm is not a cooperative animal.

They Want a Law Firm That Has a National Footprint

Often attorneys working in regional law firms have clients in different states and parts of the country. Many clients also have offices and locations in large cities throughout the country. These clients need people that can do work for them there as well. A law firm with a national footprint allows the partner to give client matters to other attorneys in these parts of the country, meet with them in their offices and generally provide better service. A law firm with a national footprint is important for many attorneys who need the ability to service clients in these parts of the country. Being able to service clients in other areas of the country also results in more income for the partners, the ability to hold on to these clients and not lose them to other firms that can do the work. Also, many clients like having access to national law firms because they tend to have stronger brands.

They Want Law Firms With a Strong Reputation and Bench in the Practice Area

Clients want to take their work to law firms that have the best reputation in a practice area. An attorney with sophisticated intellectual property prosecution work is unlikely to be interested in taking their work to a firm that does mainly litigation and corporate, for example. If a law firm partner does a certain type of work and they need associates and other subject matter experts that do the same type of work and the firm does not have many people like this, they will often move due to this.

They Want a Law Firm With the Fewest Conflicts

Many partners work in major law firms that are difficult places to work due to the number of conflicts that arise. If there are too many conflicts it can be more difficult to bring in business and establish a book. I have seen law firms ask attorneys to cut given clients loose due to (potential) conflicts with other clients the firm may want to bring in. If clients are making it difficult for a partner to service current or prospective clients, they may leave.

They Want to Work in a Law Firm Without a Lot of Turnover

If a law firm has a lot of associate and/or partner turnover, this can make it difficult for the partner to consistently service their clients. People leaving all the time also means partners may have to write off a lot of time, work does not get done and clients and their matters are constantly given a new face. Turnover is also often a sign of cultural and other issues within the firm that can be problematical.

[Do you feel that firms have an obligation to provide the best culture and support? Share your feelings below.](#)

Please see the following articles for more information:

[Will I Be Happier at Another Firm, or Are They All Just Basically the Same?](#)

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

How to Successfully Network in a Law Firm

Conclusions

One of the stories I like to tell recruiters is a story that was once told me by a real estate agent I know who is regularly one of the top performing real estate agents in the country. He states that when he sells a house the process is often so seamless that when people move in they feel like nothing has happened at all. Everything was so easy from seeing the house, to purchasing it. Everything was very smooth and stress free. Meanwhile, behind the scenes the real estate agent and a huge staff of people he employs were doing everything possible to make the experience stress free and invisible for the client.

It is the same thing with good legal recruiters. There is so much back and forth. The law firm may have concerns about the candidate and vice versa. It is the job of a good agent to smooth over all this tension and make both sides feel everything is progressing forward smoothly. Bad agents create issues where there are none. They make things difficult and do not reduce stress. Their presence actually can create stress because they do not see their job as making things as seamless as possible.

If you are a partner with business inside of your law firm, you should simply show up, get paid as much as possible and get the best support and not worry about the details of running the firm (unless you want to). There should not be any drama, or excessive gamesmanship with your compensation. You should be able to do your job, build your book and not have to worry about anything other than that. There should not be constant conflicts, you should know where you stand and you should be happy doing your job. You should like your surroundings, the people there and not have any concerns other than doing your job. That is what you are paying for when you give a law firm a percentage of your book and this is what you are entitled to and deserve. And if you're not getting it, you should look for greener pastures.

Share Your Thoughts

Ex: Are you a partner with business inside of your law firm?

Do you like your surroundings, the people there and have no other concerns other than doing your job? That is what you should be getting when you give a law firm a percentage of your book and this is what you are entitled to and deserve.

And if you're not getting it, you should look for greener pastures.

Share your responses to these questions and your thoughts about how to be a happy attorney in the comments below.