

Law Firms That Hire You Are Always Making Business Decisions

By Harrison Barnes from Los Angeles Office Managing Director

Law firms make business decisions about everything they do, including hiring attorneys who can make the most money for the firm.

A law firm will not hire you unless they think you are the best business decision.

Understanding the aspects of your candidacy that make you a good or bad business decision is important.

You can sometimes benefit by making yourself appealing to law firms that make bad business decisions.

Law firms make lousy business decisions all the time. Many attorneys find great success by exploiting these poor law firm decisions.

I was speaking with an associate the other day inside of a large Los Angeles law firm who makes almost

\$500,000 a year. *The attorney expected to laterally move to another law firm and make a similar amount of money. The attorney told me they wanted to move because they were not billing enough hours to make partner*

and had not become indispensable to people in the firm who had the power to make them a partner. Since the attorney had been out of law school for over ten years, was a litigator with no business, and had no special talents--other than graduating from a top law school and working at a few top law firms--I told the attorney that the odds of finding something at another major law firm that paid as well were very slim.

It usually does not make sense for any law firm to pay a litigation associate \$500,000 a year. Hiring this person could be a bad business decision for many reasons.

- **There are plenty of attorneys from top law schools, with business generation skills, who will work hard**

and do the same work for half that amount--or less. There is absolutely no reason for a law firm to throw away \$500,000 a year paying someone more than what they are worth in the market. Offering an associate \$500,000 a year would be a bad business decision.

- **Paying an associate \$500,000 a year would make it difficult for the law firm to remain competitive in the market.** Law firms are businesses and need to provide a service at a reasonable cost to their clients. If a law firm pays its associates \$500,000 a year, it is going to be much more difficult for them to charge competitive rates-- which ultimately makes the law firm less competitive as well.
- **Paying an associate \$500,000 a year when they are leaving their existing firm because they are not working hard enough, or ingratiating themselves to the right people, would be a bad business decision.** If someone is not working hard at their existing firm, they are probably not going to work hard at a new firm. If the attorney is also not concerned enough about their job to ingratiate themselves with higher-ups, they likely won't be very good at getting clients or being indispensable at a new firm either.

Of course, like most decisions, there is occasionally a flip side.

- **If the attorney is in a very niche practice area where the law firm has a ton of work, and cannot find anyone else to do the work, it might be a good business decision to hire them for \$500,000 a year.** This only applies if the law firm can make money from them. There are tons of litigators in the market, so this would not be the case with the attorney mentioned above. If they paid a new attorney more than other associates and partners in the law firm, it would also be a bad business decision because hiring them would lower the morale of everyone the attorney works with. This would ultimately harm the law firm, despite whatever business this new attorney brings to the table.
- **If the law firm uses for recruiting and retention purposes the fact that it pays senior associates \$500,000 a year, it could be a good business decision.** If a law firm pays its associates rates that far exceed what everyone else is paying, it will attract the attention of law students, lateral associates, and others who also want that salary. This could be a remarkably effective recruiting tool that serves to build the strongest bench of talent possible for the law firm and ultimately is a good business decision. If an attorney is paid twice the amount they would be paid by a competitor, they are likely to stay much longer--saving the law firm tremendous amounts of money in recruiting-related costs. For certain law firms, this may be worth it. By retaining attorneys longer, the law firm's clients are also likely to get better continuity of service from their attorneys.

Law Firms Can Make Baffling Business Decisions

Earlier this week I was speaking with an attorney who is ten years out of a third-tier law school and has never worked in a law firm. Instead, they have worked primarily as an investigator for a series of state agencies and have changed jobs every 12 to 18 months. This attorney received an offer paying over \$350,000 a year to work as a labor and employment attorney with a top law firm in a major American legal market. Someone at the law firm "really connected" with the person, brought them in for the interview process, and got them hired. None of this makes any sense for several reasons:

- This attorney is unproven in a law firm environment, and the law firm is taking a huge risk because there is no guarantee the attorney will suddenly operate effectively in a law firm.
- The attorney has no experience with brief writing, working with clients, or other things that labor and employment attorneys do on a day-to-day basis.
- The law firm could hire a second or third-year attorney with experience from a top law firm for less than half of that salary.
- The same law firm that hired the attorney might need to push out attorneys with seven or eight years of experience and no business or prospect of making partner.

- The attorney has never had any employment stability anywhere--and this is likely to carry over to their new job as well.

This is a classic example of a bad business decision. I speak with attorneys every day who have been the beneficiaries of bad business decisions--so they continue happening.

Are You a Good Business Decision to Law Firms?

The most important thing you can do when looking for a new position is to consider from a business standpoint the same factors that a law firm will likely consider when hiring you. This is one reason why being

good at what I do is far more difficult than it might look. *A good legal placement professional presents you as a good business decision to law firms*

and shows them why they should hire you. Your job when looking for a new position is to find firms where you either are--or can convince them you are--the best possible business decision.

The secret to getting the best position you can in a law firm--to getting any law firm job--is to realize that law firms that hire you are always making business decisions. A law firm will not hire you unless, all things considered, you are the best business decision. Most law firms will also not keep you around unless you are the best business decision.

Much of what I do in my legal placement career is finding law firms for attorneys where the attorney is the most logical business decision. If you are an attorney seeking a position, you need to understand that as soon as a law firm sees your resume, they are going to be forced to make a business decision. Understanding the aspects of your candidacy that make you a good or bad business decision will pay you countless benefits.

Alternatively, you may want to find law firms that are making poor business decisions--because this is another way to get hired. Most law firms that make hiring decisions make poor business decisions on an ongoing basis. If you understand where this can be exploited for your benefit, you will have a decided advantage over other candidates.

Factors Every Law Firm Considers When Hiring Can The Law Firm Make Money from This Person?

The law firm will ask themselves if they have the work to make money from you, if you have enough business for them to make money from you, or if they anticipate a future where they can make money from you. The law firm will also ask themselves if they can afford to pay you what you are likely to ask for or demand in the

market. [The firm will also consider whether your presence in the firm will help them attract clients](#)--such as being a former politician or having a special skill that they can sell to generate more business in the market.

I frequently place associates and others in law firms with no openings. The key is to find a law firm that has a lot of work in a certain practice area and present them with an associate who has the skills to do the work. I estimate over 60% of the placements I make are at firms that do not have any formal openings. Law firms often hire employees when they have a lot of work and a particular attorney looks like a good business decision.

If you are dependent on getting work from others, the law firm will simply ask whether or not they have enough work to keep you busy. If they do, they may bring you on. If the law firm does not, they will be taking a risk by hiring you--and may not be willing to take the risk.

If you have business, the law firm will do its version of due diligence to find out if this business is real and whether they can make money from you and your business.

Law firms often make bad business decisions and hire people when they do not have enough work--or the attorney they are hiring does not have enough business. Many law firms have gone out of business because they committed to guaranteed compensation for partners with business, regardless of whether that business ever materialized.

Other law firms make poor business decisions and simply hire attorneys because they look good on paper, because they are recommended by someone, or because the law firm hopes they will have work for them in the future. Some partners switch law firms every few years and convince law firms they will generate business when they do not--and this business never materializes.

[How Law Firms Make Money from their Attorneys and Clients: A Guide to Law Firm Economics for Attorneys](#)

The best way to get hired by a law firm is to portray yourself as someone the law firm will make money from. One of the easiest ways to do this is to tell the law firm you "work all the time" and convince them you are likely to work tons of hours, bring in major business, and not expect a lot in return.

Some attorneys go to interviews and, for whatever reason, give law firms the impression they prioritize work-life balance and are unwilling to work very hard. While there is nothing wrong with wanting this, you need to understand that every law firm gets a lot of applicants for most positions. If you give the firm the idea that you are not the hardest-working applicant, they are likely to hire someone else who they can make more money from.

Many attorneys also interview with firms and give the impression they will leave if their salary and bonuses are not consistently matched with what the highest firms are paying, and they will always be keeping score. Attorneys at all levels do this--but all it does is demonstrate to the law firm that there may be issues managing you if they hire you. A law firm wants to pay an attorney billing 2,400 hours a year roughly the same amount as an attorney billing 2,000 hours a year. If they think you are always keeping score, they are not likely to hire you. The law firm wants to take advantage of you working harder than others.

See Also:**[Big Law Interview Tips and Law Firm Interview Preparation: A Complete Guide for Law Students and Attorneys](#)**

You may represent an opportunity for a law firm to make a lot of money from you, but the law firm may not even care. Law firms pass up opportunities to make lots of money from attorneys all the time.

If you are an attorney with significant baggage--you were involved in a scandal, fired from a job, or have something else negative about you--a law firm may decide to pass on the opportunity of hiring you. I see law firms reject attorneys all the time due to issues like these, even when they could potentially make millions of dollars a year from the attorneys in question. The reason typically is because of the potential damage to the law firm's reputation or the morale of its existing attorneys. It's a price they're unwilling to pay.

If the law firm does not like you and does not see you fitting in with other attorneys, they may not want to make money off you.

Law firms also regularly reject attorneys who are in a practice group the law firm may be losing interest in. Many large law firms have come to dislike labor and employment and patent law, for example, because there is a lot of downward pressure on rates. Even though they can make money in these practice areas, they prefer to focus their efforts elsewhere.

Law firms make bad business decisions when they allow their interest in money to overwhelm all other factors. In most instances, an attorney who represents an opportunity for a law firm to make money will be hired if the opportunity seems legitimate. To find a law firm that will be interested in making money from you, all you usually need to do is knock on enough doors. I have known attorneys who barely avoided getting convicted of felonies and were still hired by top law firms--and these were not good business decisions.

Law firms also make bad business decisions when they hire people who they can make money from but will create problems in the firm. Certain attorneys complain a lot, have sued former employers, and have a tendency to create problems wherever they go. Other attorneys may simply make the firm look bad if they hire them--and therefore, the firm is best off avoiding them.

If We Can Make Money from This Person, Will It Be Long-Term?

[Law firms want to hire people who are likely to be there long-term.](#) This means if you are hired as an associate, the law firm wants to believe you will stay as long as they want you to. If the law firm hires you as a partner, they want to believe you will stay, work hard, and accept the compensation the law firm decides to pay you without leaving or becoming unhappy. The law firm also wants to believe an associate shows the potential to make partner and a partner shows the potential to bring in even more money in the future.

A law firm does not want to hire people who are unlikely to stay long-term. Attorneys who leave cost the law firm money because work does not get done, other people need to be hired, and it is often bad for morale. If someone is not working out, they may need to be spoken with time and time again about their performance or other problems, which creates management issues. Law firms want to hire people who will sit down to do their work, try hard, lead by example to raise the performance of their peers, and aspire to the firm's ideal: productive and effective partners who are throwing off lots of money.

If you look like you will not stay around long-term, then the law firm is taking a risk by hiring you. A law firm can often see the signs you are not going to stay around and still make bad a decision nonetheless.

A perfect example of the sort of attorney who is unlikely to get hired by law firms is the attorney who goes in-house, takes extended time off, or does something else with their career besides practicing law for an extended period. These attorneys have already shown they are less than thrilled with the law firm model and are unlikely to stick around.

Another example is the attorney who had several jobs lasting just one or two years. If an attorney does not stay in a position very long, they will likely do this in their next position as well. Regardless of what the attorney says, their past typically speaks louder than words.

Attorneys who want to change practice areas oftentimes seek reduced-hour positions, negotiate their salaries over small sums of money, and make other demands so they will stick around--or as a condition of hiring them in the first place.

Attorneys with a solid, verifiable history of business generation and collections are typically far better hires than attorneys who rely on "business plans" and other unclear promises of potential future results. The best business decision is to hire reliable people who will not leave anytime soon.

History often repeats itself. If someone has been at their current firm for several years, the odds are they will be at their next firm for several years. If someone is relocating because they are having performance issues or personality problems at their current firm, the odds are they will have the same issues at their new firm.

Law firms typically like hiring attorneys who are relocating from another market to the market where they grew up. The reason for this is that if an attorney is relocating to their hometown, they are more likely to stay. They are also likely to be relocating for reasons that are not performance or personality-related. In contrast, an attorney who is moving firms within their current market is likely to be suspect--and someone who might relocate again in the future.

An attorney who is applying to a position in a market where they have no contacts (aside from the largest cities and markets, such as New York, the Bay Area, Denver, and Austin) is likely to be suspect and someone who is at risk of not staying. Law firms in many major markets are typically less suspicious of people relocating to their city because they know their city is a great place to live and practice law. However, if you are from a market like New York City and trying to relocate to Cleveland with no contacts or family ties there, the Cleveland firm will doubt your intentions of staying. Hiring you would seem like a bad business decision.

Law firms make bad business decisions when they hire people who are not committed to law firm practice, who are likely to leave for another firm, who are simply not good attorneys, or who will undermine the firm and the people they work with. Even though law firms want to avoid making bad business decisions whenever possible, it still happens.

The best way to get a position with these law firms is to find one that is so busy it ignores the warning signs, find a law firm where your qualifications seem extraordinary, or have a story about your (former) lack of commitment to the practice of law. Law firms that make bad business decisions may be blinded by one aspect of your personality or record that makes you seem better than you are.

I am constantly amazed at the resumes of Yale Law School graduates because they benefit from some of the worst law firm business decisions imaginable. While there are many notable exceptions to this rule, it is extremely common for graduates of this top law school to do things other than practice law--even after trying their hand at it for only a few years--and then decide they want to come back to law practice. In almost all circumstances, the attorney who leaves the practice of law will, in very short order, leave again--and this is what almost all Yale Law School graduates do after returning to a law firm. Despite this fact, law firms continue to make bad business decisions that they would not make if the attorney did not have Yale Law

School on their resume. I have seen it over and over again throughout the two decades I have been doing this job.

In the same vein, law firms are often blinded by the early success of an attorney who did extremely well at a top law school, clerked for a well-known judge, or worked at a top law firm. An attorney like this can coast through a succession of jobs with no sense of permanence or any evidence of commitment to the future.

If you are not committed, a law firm should not hire you--doing so will be a bad business decision. Nevertheless, law firms do this all the time. Most often they do so because there is some sort of shining achievement on your resume that signals success in your future. However, past success should never be confused with the ability to commit.

To get a position with most law firms, it is important to portray yourself as someone who is committed to their new job. If the law firm truly believes you will commit and you can convince them of this, they will hire you. Something I have noticed is attorneys who demonstrate upward mobility on their resume are more likely to be hired than attorneys who do not. The benefit of upward mobility is it looks like you constantly improve, reach higher, have good relationships with the firms you work in and are more likely to stay. In contrast, when you search downmarket, law firms will believe you are running away from something--and you are likely to run away from them, too.

See Also:

[Why a Law Degree is Actually a Business License: Why Attorneys Should Treat their Legal Careers Like a Small Business](#)

[The Importance of Law Firm Economics to Your Legal Career](#)

Will This Attorney Support or Undermine Our Existing Business Model?

Law firms have business models, and most law firms ask themselves if you will support their business model if they decide to hire you.

There are many rules that different law firms follow when they hire attorneys. Depending on their prestige level, they may expect you to have attended a law school of a certain quality or graduated at a certain level of your class. If you do not fit into their business model, the odds of you getting hired decrease. Law firms have these business models because they represent to clients that the firm provides a certain quality of service, and [they use the attorneys working there to elevate their brand](#).

Other aspects of a law firm's business model revolve around its models for advancing attorneys. [For example, many law firms only hire lateral attorneys with fewer than five or six years of experience at the associate level](#). These same firms will often expect these attorneys to leave if they do not have business and/or are not being made partner after eight to ten years at the law firm. The business model of these law firms requires competition at the associate level for advancement and only allows the top performers to rise. This competition increases profits for the law firm and, presumably, the quality of work coming out of the law firm as well.

Most law firms require that lateral partner candidates have a certain amount of business, from certain types of clients, at certain billable hour rates.

Law firms make bad business decisions and hire people who undermine their business models all the time. In some cases, they may hire people who do not have the qualifications to work there because the person is

related to a client, or the law firm is desperate to bring someone new in. I know of one law firm in Los Angeles that, for years, hired at least a few people to work in its office as attorneys who were not even attorneys.

Law firms typically make bad business decisions when they start drifting away from their business model. They may start hiring senior attorneys with no business when they never did before. Because they get busy, they may start lowering the qualifications for the attorneys they hire. Law firms start sacrificing the quality of attorneys they will hire in exchange for short-term rewards. If you can find law firms doing this, you can exploit their business models and get hired when you ordinarily would not.

Many upstart law firms often have not solidified their business models and what is important to them. You may get hired by these law firms if you apply early on before they have solid business models. There are lots of major law firms around the United States that started very small and are filled with early hires who would never get hired there now. You should do your best to try to find these sorts of firms in a search.

The longer a law firm has been around, and the more established it is, the less flexible its business decisions will be when hiring.

Many law firms have well-defined business models. [If you can convince potential employers that you fit in with their business model, you're more likely to get hired. Identifying with the people the law firm hires and the way the law firm operates will make them feel more comfortable hiring you.](#)

How Likely Are We to Have Another Business Opportunity Like This in the Future?

Depending on its location, size, and how established the law firm is, you will look like a better business opportunity in some markets over others.

If you went to Harvard Law School, a large law firm in New York City would likely think this is impressive--however, there is no shortage of Harvard Law School graduates who want to work in major New York City law firms. In contrast, if you are looking for a position in a mid-sized city in the Midwest, a law firm is going to look at your Harvard Law degree far differently because there are not as many of you wandering around. You are unique and you will raise their profile with clients. If you have the right experience, they may hire you only because it's a rare opportunity.

In a similar vein, if you have experience in a niche practice area and the law firm does not see a lot of attorneys with your qualifications, they too are likely to be interested--especially if someone like you does not come along very often. For example, when the economy is doing well, often trademark attorneys are in high demand. Because this is a niche practice area there are not a lot of trademark attorneys out there, so they become especially marketable outside of major markets where law firms do not see a lot of them. When the economy is doing very well the same goes for attorneys with experience in areas like securities and capital markets. If a law firm believes that someone like you is going to be difficult to find in the future, they may hire you simply for that reason.

The rarer you are, the better.

When I am working with attorneys, I always stress how important it is to look at several different markets. [The more markets you look at--and often, the smaller the markets you look at--the more likely you are to be the sort of attorney the law firm rarely sees.](#)

Law firms are most likely to make poor business decisions when they do not understand their desirability. Many law firms do not know how to market themselves or their jobs. For example, many law firms do not advertise jobs on their website, much less external ones. They may rely on their attorneys to recruit new attorneys. They may have a poor understanding of how easy or difficult it is to find different types of attorneys.

If you apply to a law firm that does not have an opening and sees you as an opportunistic hire, they are more likely to hire you than if they had a formal recruiting process in place.

Law firms, like people, need to understand their marketability.

- **If a law firm is in a major market, it is likely to get a lot of applicants and have an easy time finding people.** If you want to be more marketable, you need to look at firms in smaller markets.
- **If a law firm is a brand name in the legal market, it is likely to have an easy time finding people.** If you want to be more marketable, you need to look at law firms that are not brand names or are just starting. They are more likely to make exceptions and hire you.
- **If a law firm knows how to effectively promote its openings to the outside world, it is likely to have an easy time filling jobs.** It is often easier to get a position with a law firm that does not advertise its openings. Law firms that promote their openings get more applicants than ones that do not. You will have a better chance of getting interviewed and hired by a law firm that does not know how to promote itself than one that does.

When I was in college, law school, and clerking for a federal judge, I ran an asphalt business outside of Detroit. Because I worked with asphalt sealant and hot tar, I would destroy most of the trucks I used each summer by coating the insides and outsides with tar. So I typically purchased several trucks each summer and simply disposed of them at the end of summer.

There were a couple of ways I could buy used trucks. One was to search a large publication like the *Detroit Free Press*, *Detroit News*, or *Recycler* classifieds. These publications were widely distributed and expensive to advertise in. The people who listed their used trucks typically asked for top dollar and knew what they were worth. If I wanted to purchase a 15-year-old truck, the sellers would ask for something like \$2,000 to \$2,500 for a decent truck. The sellers who advertised in these markets usually were not desperate to sell and could afford to wait for a buyer who would pay the price they wanted.

In contrast, if I drove 30 minutes outside of the major Detroit suburbs, I could pick up all sorts of small local newspapers that had limited circulation and were inexpensive--or even free--to advertise in. When I called these sellers, I was often the first person to call after they had been advertising for weeks. By that time they had usually lowered the price of the truck they were selling and were open to even lower offers. To make a long story short, instead of paying \$2,000 to \$2,500 for a decent truck, I often spent no more than \$400 to \$750. The sellers who did not know how to advertise their trucks were making bad business decisions.

People often exploit us due to the knowledge they have that we do not.

Years ago, I almost sold one of my companies to a venture capitalist. I was on the verge of selling when one of the people I was dealing with made a remark that I could not believe when it finally sunk in. He told me the deal was a "no-brainer" for them because it would not even cost them anything to purchase the company.

"What do you mean?" I asked.

"Interest rates are low. We just got a loan against your future cash flow and are purchasing the company with that."

Essentially, he said they would borrow to give me a chunk of money, then after paying back the loan with the cash from the business they would own it. I was instantly struck by how insane it would be for me to sell. I could simply get a loan and still own the business. But I did not know how this game was played, nor did I know how to get loans at the time. Someone almost took a company from me because of a simple understanding I did not have.

Conclusions

Any law firm that hires you will do so because you appear to be the right business decision. All business decisions represent money-making opportunities for law firms. At each step of the hiring process, you need to understand that how you position yourself as a money-making tool (which is what you are to the firm) will determine how likely you are to get hired.

Because your billable hours represents so much potential profit, law firms cannot afford to make mistakes when they make business decisions about hiring you. Yet they make mistakes all the time. While it may not seem like the best thing to say when searching for a job, you can benefit when a firm makes a poor business decision in hiring you.

- If you are hired by a better law firm than you belong at, this is a bad business decision that may help your career.
- If you are hired by a law firm that pays you more than the market demands, this is a bad business decision that helps you.

However, when a law firm makes a bad business decision in hiring you it can also backfire. A law firm that pays you too much may eventually catch on and be punished by the market for doing so. A law firm that hires you when you do not have the proper qualifications may put itself in a position where clients and other attorneys in the firm are turned off by your presence.

The more firms you apply to, the more likely you are to get hired and be the beneficiary of a bad business decision. This is one reason why it is so important to reach out to the widest variety of firms in as many markets as possible. There is always someone out there who believes you are their best possible option and gives you even more than you are seeking.