

SETTING THEMSELVES APART FROM THE PACK

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By OLIVIA CLARKE

When John Hickey interviewed in 1975 for a summer internship at Kirkland & Ellis, the firm had a reputation for being a sweatshop. That same cutthroat reputation almost dissuaded Kevin Evanich from applying for a job there about 24 years ago.

"[Corporate transactional lawyers] had a reputation of being really pretty rough people to deal with -- always negotiating for the final point, never giving in, and basically grinding opponents into the ground," said Evanich, now a member of the firm's management committee. "It was clear to us many years ago that we could no longer be that way."

Luckily, Evanich and Hickey didn't listen to the rumors because both said they have found a welcoming and supportive environment at Kirkland. They said the firm's internal and external culture has shifted over the years to meet its clients' changing needs.

"Our culture has always been about going out and recruiting the best potential lawyers and training them to be the best lawyers," said Hickey, also a member of the management committee. "Turn over every stone, know every case inside and out, and know it better than the other side."

"I think our clients used to want us to take everything to the mat. That's changed. Clients on the corporate side used to say, 'Get me every penny you can get.' Our goal of giving and providing the service our clients want hasn't changed, but their wants and needs have changed."

Like Kirkland, many of today's firms now recognize the importance of defining their culture. Perception sometimes matters when it comes to recruiting the best lawyers, and building strong client relationships.

"You have to know who you are and who you want to be in order to gauge how you are doing. If you don't have a defined culture, you don't have a defined identity," said Ron Safer, managing partner of Schiff Hardin.

With the growing competition among Chicago law firms, it becomes increasingly vital for firms to define who they want to be in the legal market. A defined culture helps set themselves apart from the pack, and recruit the lawyers and clients that will fit in best at the firm.

"We are problem solvers," Evanich said. "Deals are now done with minimal blood on the floor. I attribute the enormous growth of the private equity practice to a change in that attitude. We are more user-friendly for more clients, and

clients understand the deep experience brought to [each matter], and a willingness to find solutions and compromise." The importance of culture The ability to attract and retain lawyers is a major focus for today's law firms, said Sarah Brule, a branch director at Robert Half Legal.

"[Lawyers] are paying much closer attention to their company's work environment," Brule said. "Aside from looking at salary, they inquire about corporate culture. They are looking for more enriched work environments, great career development opportunities, and they also inquire about benefits information."

Law firms competing in the same market generally pay about the same for entry-level lawyers and lateral hires, so a way to distinguish themselves is by their culture, said Joel Henning, a legal consultant and vice president of Hildebrandt International.

Henning often recommends that two firms with different types of culture shouldn't consider merging because there is nothing worse than trying to merge law firms with incompatible cultures.

"I think if you go back 25 years there was less likelihood that cultures were at risk because there was less lateral movement in and out of law firms," Henning said. "Today there is a risk of jeopardizing a law firm culture, for example, by hiring highly profitable senior lawyers who are not nice people and, in my experience, law firms have been burned by that. I think that the savvy law firms today will take a pass on a lawyer if he or she is not going to fit in."

Culture has very little to do with what you say, and instead relies on what everyone at the firm does, said Bryan I. Schwartz, Levenfeld Pearlstein's chairman. The only way to refine a firm's culture is to hire people who are invested in the culture, he said.

"Culture cannot be delegated with five exclamation points," Schwartz said. "It starts from the top and goes down. If the leaders aren't dedicated to building a culture, it has absolutely no chance.

"There is a big difference between having fun and building a culture," Schwartz said. "It's who we are, how we deal with clients, how we deal with people, how we deal with the sickness of an individual, how we deal with poor performance ... You do not want people who just want hugs, and don't want to be in a high-performance culture."

One of the problems with developing a firm's culture is that lawyers do not understand what that means because they haven't been trained in people development, Schwartz said.

"I just think it requires a lot of dedication, a lot of work, and most firms would rather bill time than do that," he said.

Some firms do a poor job conveying to law students the differences between

their firm and other firms, and their recruiting practices can be generic, said [David Van Zandt](#), dean of the [Northwestern University School of Law](#).

Students may sign up for 30 interviews, and they can't research every firm in an in-depth way, he said. Some firms now hire professionals who can help them improve their recruiting, Van Zandt said.

He said he's long recommended to law firms that they figure out ways to get applicants to invest more in them. By getting law students to learn more about the firm, they will more likely come and stay because they made that investment. The interview process could be more intensive, with law students interviewed for more than 20 minutes.

This process would not involve law firms simply looking at the 30 top students in a class, and picking new associates based only on their grades, he said.

"If they can't define their culture at the recruitment side, and communicate that to the students, there are probably going to be more mismatches," he said. "If they did a better job differentiating themselves up-front, they would probably have a better hold on the students." Internally speaking when Russell Eggert decided to leave Mayer Brown after 20 years, he talked to seven or eight Chicago firms.

Eggert usually learned pretty quickly whether a firm would be the place for him. Those firms where the lawyers didn't show each other respect were scratched off his list.

He chose Reed Smith Sachnoff & Weaver because he likes how senior management makes decisions. They explain why they want to do something, provide evidence, discuss it, and offer details about their decisions, Eggert said.

"Some firms exuded an atmosphere of mutual respect and collegiality, and some didn't," Eggert said. "The way people interact with each other, particularly partners and associates, or even partner to partner, is a pretty good litmus test."

Reed Smith values open communication, said Michael LoVallo, the Chicago office's managing partner.

The firm, for example, holds regular teleconferences with the partners so that information about the firm can be shared. It also provides open forums where partners can anonymously submit questions to senior management, and the questions get read and answered, LoVallo said.

Quentin "George" Heisler, the partner-in-charge of McDermott Will & Emery's Chicago office, said the firm tries to create an environment where lawyers can work efficiently without having to deal with jerks or abuse.

The firm attempts to control negative behavior through its compensation and financial rewards, Heisler said. In its compensation system, managers raise

questions about a lawyer's willingness to cooperate with his or her colleagues.

"Part of the culture has to be that we are fair and supportive to our younger lawyers," Heisler said. "We spend very significant amounts of money training and developing new lawyers. We are assuming in the highly technical world we exist in that most schools don't prepare our lawyers for the highly technical practice areas we have. There has to be a commitment to that teaching."

When the founding partners started Barack Ferrazzano Kirschbaum & Nagelberg almost 25 years ago, they wanted a casual atmosphere in terms of things like dress code, but not in terms of the work ethic, said Howard Kirschbaum, a founder.

Those lawyers who stay with the firm have an excellent chance of becoming equity partners, and that is not always the case in larger firms, Kirschbaum said. The turnover within the firm is also very low, he said.

"The people whom you hire comprise the bulk of the firm, and actually create the culture," he said. "For us it has definitely been about trying to create an informal atmosphere where senior partners' doors are always open, and you feel free to talk about anything you want to talk about." A culture that fits Creating an internal culture can be tricky, said Thomas M. Fahey, managing partner of Ungaretti & Harris.

"You don't want to be labeled as a 'lifestyle firm' because if you are not careful you will attract people who don't have the requisite work ethic to come work for you," Fahey said.

Ungaretti & Harris' ideal lawyer has an entrepreneurial streak, which is needed because the firm often competes against the largest firms for projects and clients -- without the advantage of size or name, Fahey said. The firm's lawyers do not need a big firm atmosphere to be successful.

"We like people who have each other's backs and are willing to sacrifice individual gratification for the greater success of the firm," Fahey said.

"I think you have more individuality in a mid-size firm in how you practice and manage your clients," he said. "As long as you meet our standards of excellence, then you have some latitude in how to go about the practice of law."

Evanich, from Kirkland & Ellis, said the firm's lawyers must be supportive of each other, and willing to pitch in on client matters.

While many firms' compensation systems are almost formulaic, Hickey said Kirkland factors in the quality of lawyering, and how good a lawyer he or she is to colleagues. This is in addition to economic factors -- the hours billed and the revenues generated, he said.

"If you look at any group of people that has to get a group effort together to compete against other groups, whether it's a debate team or an Army unit, what

happens to that group internally is, they bond," Evanich said.

"As a result of that external competition, the individuals need to bond with one another in order to maximize their group's chance of success."

When Nate Eimer and David Stahl helped start Eimer Stahl Klevorn & Solberg about eight years ago, they said they hoped to create a firm where compensation is not based on the number of hours billed because that type of system teaches lawyers that quantity, not quality, is important.

The firm doesn't assign clients to specific lawyers, instead, lawyers work with a client depending on the matter, they said. This idea creates a culture where all the lawyers feel responsible for all the clients.

They also didn't like how their previous law firms kept financial information from partners and associates. They instead share a broad outline of the financial information with associates, and all the data with partners.

"It makes [lawyers] financially responsible. They learn that it is not public information," Eimer said. "They see dramatically the effects, from year to year, of their efforts ... The driving force is to treat everyone as responsible adults."

Eimer Stahl has not hired lateral partners with large books of business because nothing prevents them from leaving when prospects become better elsewhere, Stahl said. The firm prefers hiring lawyers who want to help build a law firm.

"I think the primary goal is to make sure there is a sense of ownership in the firm, in terms of emotional ownership and intellectual ownership," Eimer said. "I want [the firm's lawyers] to understand why they are doing what they are doing, and how it fits in, not just with our needs as a firm, but, more importantly, with the clients' needs."

Creating client relationships Don Hershman, a principal and a member of Much Shelist Denenberg Ament & Rubenstein's management committee, said most of the firm's lawyers want to do more than practice law. They want to also impact their clients' businesses.

"We encourage [lawyers] to meet with clients, walk plant floors, read trade journals, know what the competitors are doing, and focus the services in a way that can help their clients. Instead of being reactive, we try to be proactive," Hershman said. "We want to say to the client, 'Hey, have you thought about this?'"

Much Shelist surveys its clients, and asks what it should be doing more effectively.

Many clients like that all the lawyers work within the firm's four walls, and they don't need to deal with different offices for their legal needs, Hershman said.

The firm is committed to being a middle-market independent firm, he said.

"If we didn't define our culture to be these types of things, you can lose focus. It can be scattered," he said. "You can't be all things to all people. We know our strengths and we know our weaknesses.

"We won't be doing billion-dollar, cross-border transactions. We can do significant domestic transactions."

Reed Smith keeps track of the time lawyers spend helping their colleagues so that it can build teamwork, LoVallo said.

"The culture is one where, without any hesitation, if you are involving a partner or another lawyer in something, you have complete confidence that your matter or your client is going to receive the best attention, and the same attention that this person would give to their own client," he said.

Heisler, from McDermott Will & Emery, said lawyers learn to be responsive to clients at all times because firms often lose clients when they are not responsive.

He said McDermott promotes an entrepreneurial nature among its lawyers, and is very interested in developing new and existing business.

Safer, from Schiff Hardin, said his firm's culture includes a client intimacy model that allows its lawyers to spend the energy getting to know the client's business, its personality, and its staff.

"You have to have communication with the client, and that is not a matter of informing the client of how it's going to be," Safer said. "Rather, it is communicating how things should be, and making sure everybody is on the same page. That takes a certain mindset. We look for people willing to search for the answers together."

One thing the firm has been tremendously successful with is helping midsize companies grow into Fortune 500 companies, Safer said. These clients do not have 50 cases going at one time, and don't have 100 deals occurring simultaneously. The firm often defends them against life-threatening litigation because of their size and scope.

"The work that we do for them is critically important," he said. "We cannot fail. That creates a certain energy, a certain urgency that is energizing."

Pro bono work has historically been very important to Sonnenschein Nath & Rosenthal, said Bob Messerly, managing partner of the firm's Chicago office.

The firm, for example, created Legacy Charter School in North Lawndale, and members of the staff donate their time there. Employees are usually allowed to leave work early when they volunteer at the school or for similar projects.

Up to 100 hours of pro bono time may be counted toward a lawyer's billable

hours, Messerly said. And, with permission, even more pro bono hours may be counted, he said.

"We recently have undertaken a strategic plan about where we want to be in the next five or 10 years," Messerly said. "One of the primary tenets was to grow, but grow in a way that we can retain our firm culture. We don't want to grow or expand if we are not going to be the same firm. That is what drives a lot of people to be here."

Sonnenschein tries to set itself apart by keeping its recruiting classes small, with about eight to 10 summer associates, Messerly said. The firm wants summer associates to feel like their classmates are their friends rather than their competitors.

"For years we've had an informal policy that if somebody does not fit within our culture, we won't hire them -- regardless of how economically desirable they may be," he said.

Eimer said Eimer Stahl typically represents Fortune 500 companies, and has turned away individual and small clients that do not want to be clients for the long run.

Stahl said the firm is interested in establishing long-term relationships with its clients. At the same time, it doesn't like to impose its judgments on clients, but instead tries to operate in an open manner.

For example, Eimer told one client that the next legal step could be expensive so the client should consider whether to move forward. In the end, the client did move forward, and won the case. The matter ended up costing very little, but the client appreciated the candor, he said.

Evanich, from Kirkland, said his firm continues to be focused on client service.

"When a client needs something, you don't negotiate a deadline," he said. "You give them what they need when they need it."

Kirkland lawyers listen to their clients, and figure out a way to meet their needs, Hickey said. Because of this, he said the firm develops many institutional client relationships.

"We are not a group of people who mistreat people," Evanich said. "We are motivated folks who want to produce the highest quality of work, and care a lot about each other and the name of the firm."