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# The Real Reason Partners Change Firms

## The Ten Inertia Busters

By: Sandford A. Lechtick

Many firms currently are losing their best and brightest partners. When partners change firms, everyone assumes it's because of money. And sometimes it is the money. More often than not, however, other factors played a greater role.

Lawyers are generally risk adverse, do not like change and, like most everyone, are creatures of habit. Partners that have practiced with each other for several years and have formed strong bonds are not going to leave merely for a few more bucks. Most partners that move do so for one or more of the following reasons.

- Their practice groups have been "squeezed out." As law firms become more business oriented, firm leaders evaluate which practice areas are most profitable, least profitable and which best fit the firm's strategic growth objectives. Even practice groups that make money may not make enough money. In addition, they may not spin off much work for cross-marketing to other practice areas.

The squeeze-out may be subtle. A particular partner's associates may not make partner or the group may be slowly starved with all good associates going to partners with greater perceived growth potential.

- The pressure to increase billing rates are intense. Many partners are now being forced to bill at \$400 per hour, which makes their clients balk. Some partners conclude that their firm is pricing them out of the market. When they start to lose key clients due to rate hikes or see a likelihood of that happening, they look at their options.
- Some partners feel that imminent conflicts of interest will force clients away. While law firms would like to be perceived as executing well thought out business plans regarding the firm's choice of clients, many firms decide by informal discussions (often led by the firm's leading rainmakers). These decisions may keep away many partners' potential clients, forcing the partner to turn to more conflict-free territory.
- Partners often want to leave firms that are stingy in spending money for business development. One law firm I am familiar with balked at footing the bill on a partner's trip -- even though he consistently generated more than \$2 million annually in business. Some firms are so busy they actually discourage business development. The partners who wish to develop their own practice in addition to their 1,900-plus billable will eventually leave the firm.
- Fallout from the quest for more business leaves partners at some firms with the feeling that they're no more than profit centers with dollar signs on their foreheads. "Oh, your book is \$7000,000? When are you going to hit a million?" As law firms become more and more

bottom-line oriented and the fight continues for the soul of the firms, partners, sometimes feel that they are only as good as their book.

- Many partners move to firms that actually operate as a cohesive whole, not as a collection of fiefdoms run by tribal lords who seldom interact, other than to discuss lease renewal and bonuses. Law firms that encourage cross fertilization, where litigators and transactional lawyers interact and share matters, where the fight is not over origination credits but with the firm's competition do better in retaining talent and capturing laterals. Eighty percent of partners that move leave for firms that balance profit and people issues.

Lawyers want to be treated fairly, where their compensation is commensurate with their contribution to the firm in terms of hours, revenue generated, sacrifice and overall commitment. In the final analysis, it takes a lot for a partner to leave his friends and the comfort level he has achieved from practicing at the same place with the same people for several years. Firms that show appreciation attract and retain the best lawyers.

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