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MANAGING PARTNERS:

KEEPING THE PLATES SPINNING

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KEEPING THE PLATES SPINNING

Six managing partners share tips, insights
and how they keep their balance

BY CHICAGO LAWYER STAFF

PHOTO BY LISA PREDKO

Combined, these six managing partners have nearly 1,200 lawyers under their watch.

That's 1,200 salaries to meet, 1,200 billable-hour expectations to manage, 1,200 bodies to find desk space for, 1,200 pro bono opportunities to arrange.

We reached out to six managing partners to see what it takes to run the show, asking them about everything from balancing administrative duties with client caseloads to improving pro bono volunteerism while streamlining fee structures.

Interviews have been edited for length and clarity.

WHAT TRENDS DO YOU SEE IN THE LEGAL MARKETPLACE?

MICHAEL A. MOYNIHAN, *Freeborn & Peters*

A lot of the upper end of the middle market, which is where we typically do most of our work, we're seeing more businesses hiring in-house attorneys for more bread-and-butter legal service. According to some of the trade intelligence, the percentage of businesses who are increasing their in-house capabilities is at a historic high. In a way, our clients have become some of our principal competitors.

LINDA T. COBERLY, *Winston & Strawn*

There is, I think, a long-term change in demand, particularly as some clients take some kinds of work in-house. And so it's an increasingly competitive market, both in terms of clients and in terms of talent. Some of the kinds of transactional work that they engage in regularly, they will bring in internal resources to do that work rather than looking to outside law firms. We still see a significant demand for large-scale litigation — big ticket, bet-the-company cases — which have been critical to Winston & Strawn for a long time.

MITCHELL S. ROTH, *Much Shelist*

Chicago, I think, is one of the busiest and hottest markets in the country, maybe after New York. So what I've seen in the last six to 10 years is an abundance of law firms trying to get into Chicago and be successful. To be a successful national or international firm, you need to have a hub in the Midwest, which is Chicago. So, the competition in Chicago is fierce, not just for clients but for talent. That trend continues and I don't see it stopping. I also see a trend away from firms our size.

So, a lot of our longtime competition has merged out of existence. Again, there are a whole lot of factors, and I can't speak to any individual firms. My opinion is a lot of them didn't have a proper transition so they needed to make a move to solidify the future for the lawyers. I'm sure there are plenty of examples where their belief was that they merged for better service for their clients, but a large percentage of them needed to do a deal out of weakness, not out of strength.

MICHAEL A. LOVALLO, *Reed Smith*

I do think lateral recruiting continues to be and is a growing area of importance in the marketplace. Also, differentiation — it is more and more important, really, being known for certain things that we really are best-in-class on, which not only helps the reputation in those practice areas but also the reputation of the firm as a whole. I think that has become of increasing importance.

CAN ALTERNATIVE FEE STRUCTURES WORK FOR A LARGE FIRM?

REBECCA S. EISNER, *Mayer Brown*

The pros are, of course, clients are interested in predictability and we're interested in pleasing and serving our clients, so we have to find ways to manage their legal costs and make it more predictable. So all of our practice

areas are focused on gathering data that help us to provide better estimates that lead to an alternative fee arrangement, whether it is a fixed fee or some type of budgeted estimate.

The cons are, I think, when you try to apply a fixed-fee arrangement to a matter that's completely unpredictable. If the factors are in our control, then I think it's reasonable that we should be able to estimate what the costs should be. When the factors are outside of our control is when it becomes more difficult to give a fixed-fee arrangement, so we work with our clients to try to identify those variables and, wherever possible, try to put a cost or a range on those to make it as predictable as possible.

Fixed-fee arrangements really require a good working relationship with the client. You need to have worked together for a little bit so the client understands how you operate and you understand how the client operates so you can take all of those variables into account. You have to have good communication all along the way. But I will say we are increasingly seeing alternative fee arrangements and fixed-fee structures.

MARCI A. EISENSTEIN, *Schiff Hardin*

It's quite clear alternate fee structures are part of doing business today. You need to use them on appropriate matters, and they need to be structured so they are mutually beneficial to the client and the law firm. Whatever fee structure is negotiated with the client, we put client service and quality first. They can be used in phases of litigation; they are used in transactional matters. There are also arrangements like monthly retainers for a certain kind of work. There are a range of possibilities here.

LOVALLO

The best situations are the ones that really work as one wins. That's the idea where our clients have confidence in us because we have an arrangement where we really have skin in their game and where our interests are ideally aligned, and so coming up with arrangements where we very thoughtfully and, in advance, think about ways where the best results for our clients are the best results for us and vice versa. It's got to be a win-win, it's got to work for both parties in terms of actually building not just a sustainable relationship but one that really grows.

ROTH

With a lot of our larger deals, once we understand what the deal looks like, [the clients] want a flat fee. That way, whether I have two lawyers or 20 lawyers on the phone, or whether the deal takes 20 days or 90 days, the client's not worried there's some runaway-train bill coming. I wouldn't expect to walk into a retail store and [the merchandise] not to have some kind of price tag. So as lawyers we should try to provide transparency for our clients. It's certainly on the uptick, but it's not where it should be.

MOYNIHAN

We have seen a modest uptick in alt-fee structure work, both in litigation and transactional side of things. I'd say 10 or 15 percent greater than 10 years ago. But it still means that 80-plus percent of our work is still done on a billable-hour basis. I'm surprised, based on how much it's been talked about over the years, there hasn't been a greater percentage of these fee arrangements in effect at our firm. I think what clients really want at the end of the day is to have that discussion about fees, understand and have transparency about what they're going to be charged, and how we're both going to sit down and plan for an expense that will be incurred in the future. Most of the times the discussion is the end result.

HOW DO YOU BALANCE YOUR ADMINISTRATIVE DUTIES AND YOUR OWN CASELOAD?

COBERLY

I tend to do it day-to-day where I will actually carve out all or part of the day for a brief and schedule no meetings at all. I occasionally work from home on



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MITCHELL S. ROTH
Much Shelist

those days just to maximize the amount of uninterrupted time I have for those matters, but that doesn't happen very often anymore. I do client work at odd hours. But I love that work, and it's very meaningful to me. It's really a question of managing a calendar. And delegating.

ROTH

Being a firm of our size, culturally, we've always had our executive committee, including our managing partner, continue to practice law. I love doing deals. I'm a deal junkie. So, you know, the stronger our directors are, and the more work they are able to do to manage the firm, the less we have to do. We have really, really good, independent non-lawyers. From a strategic standpoint and with other roles that I play, I would probably say it's two-thirds lawyering and one-third management and that can fluctuate depending on the day. And I will say it's not easy. There are many days and many weeks and many months that I feel like I'm failing at everything. When I'm doing deals for clients, they don't really care what my strategic responsibilities for the firm are.

MOYNIHAN

Ideally, we would spend half of our time on firm management issues and half of our time on our own practices. I think we've found the ideal doesn't always work. It's all dependent on what's on our desks at any particular point in time.

EISNER

I still practice about 70 percent of my time. I have a very active practice in technology transactions and cybersecurity, and I enjoy my clients and my work very much. The administrative part of the job involves everything from some details such as approving outside groups who want to come in and use our meeting space to having input into partner compensation and partner promotions in this office, so it spans a range from administrative matters to strategic matters and a lot in between.

When I first started the job two years ago, I was waking up at 4 a.m. every morning wondering how I'm going to get everything done in a day. I've since learned how to sleep through the night again, and I'm happy to say that while I don't think we feel the job is ever done, I've become more organized and efficient at the administrative side so that I can focus on the strategic side.

LOVALLO

I think I had an advantage. I had been co-managing partner at [Sachnoff & Weaver] for five years before the merger and so I think I really had a head start, which was fortunate because I've always had a very active practice as well. So I really knew how to balance the practice with the management responsibilities and actually not view them as competing with each other, but in certain ways enhancing each other.

I think, as a general trusted adviser to my clients, ... having participated and running our business here, ... gives me a really good perspective on the challenges that they face in managing their business. But it is balanced. I'm very fortunate, though. I have a great team in Chicago working with me on the administrative side. This is not a solo job.

EISENSTEIN

Given the way the managing partner role is structured at Schiff, it's requiring most of my time and my energy and commitment. I'm less actively engaged in day-to-day client matters now. But I keep in touch with clients and I participate in meetings with new clients and new client initiatives. No one manages a law firm of this size alone. It's a team sport. The managing partner's best-kept secret is having a team of trusted colleagues you can rely on.

WHAT IF ANY RECENT MOVES OR CHANGES HAVE YOU MADE TO YOUR OFFICE SPACE?

EISENSTEIN

Every prudently managed firm is constantly reviewing and evaluating real estate needs. In Chicago, we recently reupped our lease in the Willis Tower. We're consolidating our space to enhance our facilities so that they are better aligned with how our lawyers work. That translates into saving money for the partnership and a smarter workplace for our attorneys.

MOYNIHAN

We're retrofitting our Chicago office, that's a project that's almost about to start, that will incorporate some of these design trends that we're talking about: Make more use out of less space. We want to use the space as best we can, and we want to be able to incorporate as many people into our footprint as we possibly can without renting additional space.

EISNER

There's been no moving from the building, but we did undertake an extensive renovation in 2016. We renegotiated our lease to stay in the building and extend our lease in the building. As part of that, we undertook a renovation, and as part of the renovation we accomplished several things: We reduced the total number of floors that we're leasing and we made more effective use of the space that we kept.

We dropped by two floors — we have eight floors total. As part of the renovation, we put glass office fronts in our attorney offices and this allows the staff who sit more in the center of the building to enjoy the benefit of natural light.

We also added collaboration space, so on every floor there is a café space where people can get their coffee in the morning. There's seating areas where people can sit and chat with each other and there are workspace areas where people can come and bring their laptops and sit and collaborate, working together. And we're finding that there is a lot of work going on in the collaboration spaces, which is exactly what we hoped would happen. This is a big space, and we have to provide opportunities for people to get to know one another. And that's what we did.

LOVALLO

We are undergoing a renovation over the next year. I am already involved in that personally, having moved to some swing space. I think the space is going to be exciting. It's going to really facilitate collaboration, but we're looking at space efficiency too. We're going as much as possible to uniform-size offices, regardless of status, as much as the floor plate allows.

They're going to be very close to identical in size, as much as possible, but more than that there is going to be a tremendous amount of light that we're going to be using so that everybody has the benefit of light in the workplace, whether you have a window-line office or an inside office or are in a general working place. That's what we want.

WHAT ARE SOME THINGS YOUR FIRM DOES TO ENCOURAGE PRO BONO?

COBERLY

On one of the things I've been most proud of is our participation in [The Chicago Bar Foundation's] Investing in Justice Campaign. We publicized the campaign to everyone in the office to explain what it was and explain what it goes for and our pro bono work. The response of the staff for the campaign for justice was really gratifying to me. We had a significant participation from non-lawyer staff, which I found really gratifying because it told me that our staff feels connected with the firm. They're proud of the firm, they're proud of being part of the firm and they're proud of the work we're doing together.

EISENSTEIN

The firm is in its second year of a partnership with Lawndale Christian Legal Center. That is an organization which provides legal representation for juveniles charged with criminal wrongdoing and who face either juvenile detention or incarceration as adults. We're actively doing pro bono work with many other organizations like the International Refugee Assistance Project.

We've been in a partnership with Chicago Volunteer Legal Services since I've been at Schiff, and that's 38 years. We revised our pro bono policy this year so that all the pro bono hours worked by our associates go toward their billable hours without approval by me.

MOYNIHAN

Every equity partner in the firm has their own sort of pet projects that they work on, but the firm as a whole does a lot with legal aid-oriented providers and military-related charitable organizations. It depends upon the individual providing service, but everyone at the firm is involved in substantive pro bono work.

ROTH

We've got a program now where we're trying to do social responsibility with our clients. Again part of our culture and our history is giving back to the community, and that's through pro bono, charity boards and other activities. There's a lot of firm life in there, whether it's working at a food pantry, hospitals we're building, helping inner-city communities, building parks or otherwise.

You get a client or two in there and go do something. It's kind of like team-building. It helps out the community and it strengthens our relationships with

clients. The social responsibility isn't unique, but the coupling with our clients is definitely unique.

LOVALLO

We've done some major things. One of our Chicago partners, Duane Sigelko, was in the *Wall Street Journal* last fall about his very hands-on work in the refugee protection program in Greece and in the Middle East. We received just last month the [2017] Law Firm Human Rights Practitioner Award from National Immigrant Justice Center. We are really very involved with it. It's just an important part in the community. We do other little things like also give ribbons to people who do pro bono work, different colors based on the number of hours, but probably the most important thing is putting your money where your mouth is and really giving billable credit for it.

EISNER

We are a signatory to the Pro Bono Institute's Law Firm Pro Bono Challenge and, as a signatory to that, we exceeded the goal of 3 percent of billable hours being dedicated to pro bono. It's part of our culture. It's something that attorneys hear about from the time they come in as a summer associate and continue to hear on a regular basis. We have two full-time professionals who manage our pro bono program. It's just a long-standing tradition here. Our new pro bono director last year started a new pro bono program called Got 20, and the idea was to encourage people who had not participated in pro bono before to just try it. We had a significant uptick in participation through that program, and the nice thing is that once they try 20 hours of pro bono work, they realize how satisfying it is and they want to do more. ^{CL}

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