

OCS Weekly Bulletin

October 29, 2008

Upcoming OCS Programs & Career-Related Articles

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About OCS

The Office of Career Services (OCS) serves as a bridge between students, alumni and employers. The staff helps students and alumni to shape and realize their career goals. We also provide counseling, workshops and resources on judicial clerkships, international opportunities and non-law alternatives.

OCS is open Monday through Friday from 8 a.m. to 5 p.m. The office is located on the first floor in Room 143 in the Law School's office building on Nathan Abbott Way.

Upcoming OCS Programs

- **“Open Offers & Your Options: How the Current Economy May Affect Your Choices”** - Wednesday, October 29th at 12:45p.m. in Room 280B

We've heard a lot of rumblings in the hallways about how the market is impacting the recruiting season. Is X firm going to retract offers? Is Y firm going to have an oversubscribed summer program? How does the recent downturn affect splitting? How do I find out if my potential summer firm has room for me?

Come this Wednesday at 12:45 for a brown bag lunch and OCS counselors will answer your questions. Combined, we have almost 50 years of experience with the legal market and have been through a number of economic cycles. We'll give you tips on how to assess your options and get the information you need to make an educated decision.

- **1L Job Search Workshops**

Beginning on November 3rd, Career Services is conducting Job Search and Resume/Cover Letter Writing workshops. After you attend one of each workshop, you may meet with one of our four counselors. Sign-ups for individual counseling appointments will begin the second week in November.

You need to log into Symplicity to sign up for your workshops:

1. Go to: <https://law-stanford-csm.symplicity.com/students>
2. Your username is 8-digit Student ID# (with one leading zero) and your password was assigned to you over the summer. To reset your password, click on the “Forgot my password” tab and enter your 8-digit Student ID#.
3. Once logged in, click on the “events” tab to view/sign up for the workshops.

Monday, November 3- Job Search Workshop I, 12:45p.m. in Room 190
Tuesday, November 4- Job Search Workshop II, 12:45p.m. in Room 190
Wednesday, November 5- Resume/CL Workshop I, 12:45p.m. in Room 285
Thursday, November 6- Resume/CL Workshop II, 12:45p.m. in Room 285
Friday, November 7- Resume/CL Workshop III, 12:45p.m. in Room 285

Career-Related Articles

• **Survival Tips for Law Firms: Discount Fees, Cuddle Up to Clients**.....Pages 2-3

A panel speaking on the issue of the future of law firms last week at the DRI conference in New Orleans offered this advice to firm leaders: Be willing to discount fees, step up diversity initiatives and work hard at deepening relationships with clients. Some panelists advocated a return to the days of retainer fees, as opposed to the current law firm model in which companies are billed for every hour of service and law firms are under pressure to bill.

• **Amid Cuts, Firms Insist They're Growing**.....Page 3

Even as large Chicago law firms, including Sonnenschein, Nath & Rosenthal and Jenner & Block, are pushing some lawyers out the door, they say they're growing by hiring new attorneys. Firm leaders say the difficult economic times require them to be particularly vigilant in managing costs, including headcount. Still, the lawyer reductions are becoming a routine way for firms to eliminate attorneys who aren't generating enough revenue in favor of hiring those who promise more profits.

• **Summer Associates Feel the Heat**.....Page 4

Recruiting consultant Jerry Kowalski sums up this year's summer associate hiring season in one word: grim. Law students have good reason to be particularly anxious about landing a summer associate position, he says, because he estimates there will be 30 percent to 35 percent fewer summer associate positions nationwide in 2009. With fewer spots available overall, some recruiters have noticed that law students are casting a wider net as they search for positions, including looking at smaller firms.

Survival Tips for Law Firms: Discount Fees, Cuddle Up to Clients

Julie Kay / Staff reporter

National Law Journal

November 03, 2008

NEW ORLEANS — So, how will the law firm of the future survive? Here are a few tips: Be willing to discount fees or use “success fees,” and embrace other creative arrangements over large hourly billing rates. Also, step up diversity initiatives and work hard at deepening relationships with clients.

That was the opinion of a panel speaking on the issue of “The Law Firm of the Future — Who Will be the New Winners and New Losers” last week at the DRI conference in New Orleans.

More than 1,200 defense lawyers attended the conference, one of the largest gatherings of lawyers held annually.

While the biggest crowds gathered to hear the headline speakers — former House Speaker Newt Gingrich, Newsweek contributing editor Eleanor Clift and NPR's Juan Williams — the session on law firms of the future drew an estimated 600 lawyers.

The law firms that survive during these trying economic times are the ones that are willing to discount rates, said panelists, which included Bruce MacEwen, a New York-based law firm consultant; Sheryl Willert of Williams Kastner in

Seattle; Patricia Diaz Dennis, senior vice president and assistant general counsel of AT&T; and Raymond Williams of DLA Piper's Philadelphia office.

“We are facing pressure on rates,” said MacEwen, who said one company fired its law firm after it became public that firm was charging \$1,000-an-hour rates.

Other cost-cutting trends he has observed include major law firms training lawyers in India, where labor is cheaper, including Clifford Chance and Baker & McKenzie; Fortune 500 companies appointing task forces to do line-by-line examination of legal bills; and highly-itemized billing.

Diaz Dennis noted that AT&T sent out a letter to all its outside law firms two years ago advising them that their budget had to be cut.

“The ones that stepped up to the plate and offered to share that pain with us are the ones who are still working with us,” she said.

Willert said she is increasingly offering clients the option to pay “success fees” — bonuses upon winning a case — instead of straight hourly fees.

Some panelists advocated a return

to the days of “retainer” fees, whereby lawyers are paid an upfront retainer for legal advice, as opposed to the current law firm model in which companies are billed for every hour of service and law firms are under pressure to bill.

“Nowadays I'm under pressure to put dollars in my pocket so I'll be an expert on everything,” Willert said.

Midsized firms have an advantage over larger firms in pricing and should exploit that, said panel moderator Henry Sneath of the 11-lawyer Picadio Sneath Miller & Norton of Pittsburgh.

“Small firms can promise partner level attention that large firms can't,” Sneath said, adding that he refuses, however, to just be “window dressing” as local counsel for a large firm.

Diaz Dennis said AT&T is not adverse to hiring smaller law firms “when we get to know them. They deliver high quality services.”

Also continuing to be a key factor to law firms is diversity of outside lawyers. In 2004, Fortune 500 companies such as Wal-Mart Stores Inc. signed a vow promising to increase the diversity of their lawyers and to fire firms that did not meet

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Survival Tips for Law Firms: Discount Fees, Cuddle Up to Clients

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certain diversity criteria.

Next month, the Minority Corporate Counsel Association will reveal in a long-awaited report on how the companies have fared — and whether they will actually fire poor-performing law firms.

The difficulty is in defining diversity, said Williams. Between age, gender, geography, sexual orientation, disability, race, religion, “we’re all diverse,” he said.

“If you go into a room and it’s all

male lawyers, you want to see a female,” he said. “If you go into a room and it’s all black lawyers, you want to see a white lawyer.”

Willert encouraged law firms to also consider law schools when thinking about diversity of applicants, noting that Harvard and Yale aren’t the only law schools to produce “excellent” attorneys.

Panelists also were unanimous in recommending that lawyers develop deeper

relationships with clients by taking the time to visit them at their offices — without the meter running — to ascertain their needs.

“It will pay off in spades,” MacEwen said. “You can’t just come into your office and answer the phone in this environment. You have to provide impeccable service.”

Amid Cuts, Firms Insist They’re Growing

Lynne Marek

The National Law Journal

October 22, 2008

Even as large Chicago law firms, including Sonnenschein, Nath & Rosenthal and Jenner & Block, are pushing some lawyers out the door, they say they’re growing by hiring new attorneys.

Just before news broke last week that Sonnenschein planned to cut 25 lawyers, the firm announced the prior week that it was opening a Zurich office with two new partners and the prior month that it was expanding its patent litigation team with two new lawyers in Palo Alto, California. While Jenner cut 10 partners in recent weeks, the firm’s managing partner, Susan Levy, is adamant that her firm is “still growing.” “We are aggressively in the lateral market,” Levy said in an interview.

Firm leaders say the difficult economic times require them to be particularly vigilant in managing costs, including head count. Still, the lawyer reductions are becoming a routine way for firms to eliminate attorneys who aren’t generating enough revenue in favor of hiring those

who promise more profits, consultants said. Tough economic conditions give firms the perfect excuse for getting rid of lawyers who are meager moneymakers, boosting the firm’s profit-per-partner ratio and helping it attract stronger lawyers, they say.

Partners who don’t have books of business are becoming irrelevant and associates are cost items if there’s not sufficient work, said John Cashman, a recruiter at Major, Lindsey & Africa.

Katten Muchin Rosenman, another firm with its largest office in Chicago, also laid off 21 associates and counsel last week. Nonetheless, the firm is also still adding lawyers even as it makes those cuts, Cashman said.

“Firms want to make the pyramids steeper, hiring partners that have a whole lot of associates doing the work,” Cashman said. “It’s all about attracting lateral partners that have business.”

In the past, firms might have trans-

ferred lawyers working in slow practice areas to other work, with the long-term perspective that it would still want the attorneys on hand in two years when there was a turnaround, said Amy McCormack, a legal recruiter in Chicago who leads McCormack Schreiber. Now, firms are more short-sighted and are likely to just cut those attorneys, she said.

“Firms are taking a much more of a business-focus in their decisions,” McCormack said. “The real world of business is not always gracious.”

Career-Related Articles

Summer Associates Feel the Heat

Karen Sloan

The National Law Journal

October 21, 2008

Jerry Kowalski can sum up this year's summer associate hiring season in one word: grim.

Law students have good reason to be particularly anxious about landing a summer associate position, said Kowalski, the head of recruiting at consulting firm Kowalski & Associates.

He estimates that there will be 30 to 35 percent fewer summer associate positions nationwide in 2009.

That figure is based on Kowalski's conversations with managing partners at a wide range of law firms across the country as well as talks with law school career services personnel. "It's going to be a tough year for a lot of men and women in law school," Kowalski said.

Not surprisingly, the shrinking pool of summer associate spots is mostly due to the turbulent economy. Law firms are looking for ways to trim budgets, and cutting summer associates is one of the easiest ways to do that, Kowalski said.

A handful of firms have canceled their summer associate programs in 2009, while a larger number of firms have quietly reduced the number of summer associates they plan to bring on.

THE HELLER EFFECT

Law students are faced with the challenge of landing summer jobs during a season when one venerable law firm -- Heller Ehrman -- has shut its doors and others, including Cadwalader, Wickersham & Taft of New York and Clifford Chance, have laid off attorneys.

Recruiters can tell that all the bad news has made students more nervous than usual during the interview process,

said Amy Simmons, head of attorney recruitment and professional development for Epstein Becker & Green.

"I think there's a difference this year. You can sense it," Simmons said. "Students know it's not the same old thing." Epstein Becker plans to hire between six and 10 summer associates, as it did for this past summer.

With fewer summer associate spots available overall, some recruiters have noticed that law students seem to be casting a wider net as they search for positions. Students who in other years may have been firmly committed to securing a spot in a New York office are now willing to look in other cities or at smaller firms.

Houston-based Baker Botts has seen interest in its summer associate class climb this year. "We are definitely seeing higher numbers in our preselection process, so you can assume that students are broadening their search," said Rachel Koenig, the firm's director of recruiting and development.

Baker Botts plans to trim a few positions from the 150 summer associates it had this summer, but that cut is minor compared with some other firms. Baker Botts is cutting down slightly because it wants to ensure that summer associates have quality assignments to keep them busy, Koenig said.

More interest from students means that Baker Botts has been more selective about to whom it offers spots this year. Additionally, the firm is seeing interest from students at law schools that don't typically apply, such as Duke Law School.

"Students realize that they aren't going to be able to be as choosy as they have in the past because there are fewer opportu-

nities," Koenig said.

Kowalski agrees that students are looking at a broader array of firms and locations this year.

Top-ranked students at top-name law schools can still focus on the most prestigious firms, but students in the middle of their classes at good law schools are going to have to be more flexible in their plans, he said.

Not all firms are likely to cut their summer associate programs, however.

Kowalski said firms that rely heavily on banking practices have picked up work during the current financial meltdown and may actually increase the number of summer associates they hire for 2009. Regional law firms, generally, have smaller summer associate classes, and they may well keep the sizes the same as a way to maintain good relationships with their local feeder law schools, he said.

That's the case with Chicago's Hinshaw & Culbertson, which will have between two and five summer associates in 2009, just as it did this past summer.

"We aren't changing anything," said Mary Hess, chairwoman of recruitment. "We've always been very conservative in the number of our summer associates."