

OCS Weekly Bulletin

February 3, 2009

Upcoming Programs/Events & 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 Programs/Events

- **1Ls: O'Melveny & Myers LLP Presents: "Diversity and Pro Bono Commitment in the Legal Profession"**- Wednesday, Feb. 4th at 12:30pm
- **1Ls: Panel Discussion with Weil Gotshal: "Due Diligence Project: Class of 2011- Informed Choices in Challenging Times"**- Wednesday, Feb. 11th at 12:45pm
- **"Law Firm Economics 101"**- Thursday, Feb. 12th at 12:45pm (open to all students)
- **Academia Panel**- Wednesday, Feb. 18th at 12:45pm (open to all students)

1Ls: O'Melveny & Myers LLP Presents: "Diversity and Pro Bono Commitment in the Legal Profession"- Wednesday, Feb. 4th at 12:30pm

O'Melveny & Myers LLP invites you to a candid discussion on these hot topics.

Date Wednesday, February 4, 2009
 Time 12:30 p.m. to 1:45 p.m. (panel starts at 12:45 p.m.)
 Location 280B (Stanford Law School)

Lunch will be provided by Rush Hour Catering (Fajita Bar)!
 Please RSVP before January 30 to Lindsey Schwarz at lschwarz@omm.com.

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Upcoming Programs/Events (cont.)

1Ls: Panel Discussion with Weil Gotshal: “Due Diligence Project: Class of 2011- Informed Choices in Challenging Times”- Wednesday, Feb. 11th at 12:45pm

All first-year Stanford Law School students are invited to join us for lunch and a panel discussion from 12:45-2pm in Room 272. An iPod Shuffle will be raffled.

To submit questions for the panel and to RSVP, please email razia.ahmad@weil.com by Feb. 6th.

“Law Firm Economics 101”- Thursday, Feb. 12th at 12:45pm (open to all students) in Room 280B

Join Trent Norris, a partner with Arnold & Porter LLP, as he explains:

- How law firms make money
- How to assess a firm’s financial strength
- How to read the AmLaw 100 data
- How law firms are structured

Academia Panel- Wednesday, Feb. 18th at 12:45pm (open to all students)

Thinking of teaching law one day?

Want to find out more about the steps to becoming a law professor?

Join us for a panel with Prof. Barbara Fried and Prof. Alan Sykes on Wednesday, Feb. 18th at 12:45pm in Room 280B

Career-Related Articles

- **Hildebrandt, Citi: 2008 Was Bad, 2009 Will be Worse**.....Page 3
- **The Accidental Laterals**..... Pages 3-5

Whether they worked at Heller or Thelen--or were pushed out at other firms--some partners didn’t have a choice about finding a new job.

- **Self-Marketing Is Key to Being a Top Lawyer**.....Page 6

Young attorneys beginning their careers may find that navigating the profession is far more complex than the bar itself. A multitude of smart folks pass the bar, only to find themselves stuck behind prefabricated desks, wondering why opportunities fail to abound. Attorney Shai Littlejohn writes that career success requires being three parts lawyer and one part marketing agent. If you are frustrated about the trajectory of your career, consider whether you have been cultivating or neglecting “brand you.”

Hildebrandt, Citi: 2008 Was Bad, 2009 Will be Worse

February 2, 2009 12:17 PM

Posted by Zach Lowe

For those lawyers wondering just what happened in 2008 and what's going to happen in 2009, we point you to a prediction that's as good as any we've seen: this client advisory note from Hildebrandt International and Citi Private Bank.

The upshot: The current crisis is the legal community's worst since at least 1991, most firms saw profits per equity partner either stay flat or fall by up to 15 percent in 2008 (though some of our Am Law 100 reports have noted a decline of as much as , and things will get worse in 2009--especially if your firm isn't willing to change its salary structure or its billing demands. We can also expect that a few firms will not survive this crisis.

The 2008 data is based on a survey of 140 law firms and billing data reported by 74 firms, including 30 in the Am Law 100.

Last year's problems was pretty

straightforward: Overall demand for legal work either held flat or declined (depending on a firm's reliance on securities and transactional work), while head count grew by 5 percent, just like it has nearly every year since 2000. That's a recipe for hard times.

As for 2009, the report predicts that some practices (bankruptcy and regulatory work) will see a jump in demand, while the rest will continue to sputter. The result: an expected decline in net income ranging from 5 percent to 15 percent at most firms.

The rest of the Hildebrandt-Citi note focuses on what firms should be doing to right themselves--and that's where we get the most interesting material. Some of the suggestions:

- Dump associate locked-step pay and start paying associates based on merit.
- Use more creative staffing structures,

including naming fewer partners and instead keeping more lawyers in some form of in-between stage between associate and partner, such as "of counsel" or "senior attorney."

• Acquiesce to client demands for discounts and alternative billing arrangements--and even initiate them. This could mean helping clients outsource more routine work and, when it comes to litigation, offering to find firms who can do some work, such as routine discovery and deposition-taking, at cheaper rates.

To view the complete report, go to: http://www.hildebrandt.com/PublicDocs/CLIENT_ADVISORY/2009_Client_Advisory.pdf

The Accidental Laterals

Ross Todd

The American Lawyer

February 1, 2009

Anne Pitter practiced with the same group of corporate attorneys for 15 years. They stayed together even as the name on the door changed: Baer Marks & Upham merged into Brown Raysman Millstein Felder & Steiner, and Brown Raysman merged into Thelen Reid Brown Raysman & Steiner. But when Thelen fell apart last fall, Pitter was on her own.

In the month after Thelen's dissolution vote in late October, Pitter met with close to a dozen firms, about half comparable in size to 500-lawyer Thelen. With large firms struggling to drum up enough work to keep their own lawyers busy, Pitter says, most weren't willing to hire a partner like her who primarily provided service to other partners' clients. Recruiters told her big firms weren't interested in anyone with less than \$1 million in portable business. When she couldn't promise those kinds of numbers, some headhunters simply stopped returning her phone calls.

"It was apparent that a bigger firm--which is the environment I was used to practicing in--was not going to be as interested in me as I was in them," Pitter says.

In a year when some law firms have been paring their ranks and others have dissolved completely, Pitter was part of the glut of talented lawyers looking for a new work home. In May, Sonnenschein Nath & Rosenthal let six partners go as part of larger lawyer and staff cuts. In October, Jenner & Block management told The National Law Journal that the firm had recently cut ten partners. Add to those numbers the partners pushed out less publicly at other firms and the 200-plus equity partners from dissolving firms like Heller Ehrman and Thelen, and it's clear that not everybody who ended up on the lateral market this year intended to be there. Call them accidental laterals.

With so many lawyers job-hunting--and not by choice--the tenor of their experience was markedly different than that of the typical lateral itching to find a new home. Accidental laterals often crammed searches that typically take months into just weeks. And since it was public knowledge that Heller and Thelen lawyers were looking for a new home, more firms competed for the attention of partners with

portable business than would be expected in normal circumstances. To the end, many believed they wouldn't have to move at all. "We were the guys who stayed on and hoped that we would be able to pull it through," says former Thelen corporate partner Stanley Bloch, who ultimately moved to Seyfarth Shaw in November.

What can firms and tomorrow's accidental laterals learn from this past year? On the recruiting side, the advice boils down to a maddening bromide: Move quickly-but not too quickly! Unwieldy recruitment processes have to be expedited to accommodate client and new partner needs, say former Heller and Thelen partners who have just gone through the process. "For the firms that see an opportunity and want to capitalize on it, it's necessary to put aside all the rules and just be there," says former Heller IP cochair M. Patricia Thayer, who moved to Orrick, Herrington & Sutcliffe in October.

Yet recruiters and some partners urge firms not to skip "cultural" and practice filtering that occurs during standard lateral courtships. Shotgun lateral acquisitions

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can lead to failures. “You will find a lot of ex-Brobeckians at their second and third firms now,” says Major, Lindsey & Africa’s Dan Hatch.

For partners who need to move, the primary lesson is to be clear-eyed about what they can bring with them. In a down economy, big-firm partners who don’t have big packets of portable business will need to look at midsize and boutique firms. After a month of searching, former Thelen partner Pitter joined 30-lawyer Hartman & Craven in New York. “For a small firm it has very diverse practice groups. . . . It can offer the tax, the trust and estates, the corporate, the real estate, and the litigation,” she says. There is life outside The Am Law 100.

Undoubtedly, in 2009 more lawyers will end up on the market who had no intention of being there, starting with the 75 Thacher Proffitt & Wood attorneys who didn’t get the life preserver from Sonnenschein. “Let’s be very clear, we are now in a time where the shake-out hasn’t happened yet,” says San Diego-based recruiter Michael Patrick. Echoes Pitter: “It’s going to get harder before it’s going to get easier.”

FOR FIRMS WILLING TO MOVE QUICKLY, many accidental laterals—especially those from dissolving firms—have inherently attractive qualities. For one, there’s no need to play amateur psychotherapist: The motives for moving are clear and compelling. “These are unique opportunities,” says Thomas Fitzgerald, managing partner of Winston & Strawn, a firm that picked up eight partners from Heller and 13 from Thelen. “[These moves] obviously involve very good lawyers who had no interest in looking,” he adds. Says Jones Day partner Joe Sims: “We got some people who we might not have gotten to talk to us but for the fact that they didn’t have a choice. They had to talk to somebody.” Jones Day picked up 20 Heller partners across the firm’s New York, Washington, D.C., and San Francisco offices.

To do so, the firm bent the rules a little: In a couple of cases, since managing partner Stephen Brogan was out of the country at the time, Jones Day made an exception to its long-standing practice of having candidates meet Brogan so that he could make the final decision on their hire.

Jones Day wasn’t the only firm that made accommodations to bring new partners aboard. At Orrick, laterals typically go through a vetting process that culminates in what partners call the “fishbowl,” where a recruit spends time on either coast meeting with upward of 100 partners over a couple of days [see *The Art of Retaining Laterals*, February 2008]. Although former Heller chairs Robert Rosenfeld and Barry Levin asked to go through the fishbowl process because they thought it would be a good way to get to know Orrick, most of the 30 Heller partners whom Orrick hired did not.

San Francisco partner Mark Levie helped coordinate the work of 40-plus partners who had a hand in the recruitment process, including a handful of former Heller partners whom Orrick had previously recruited. Although bicoastal interviews were an impossibility, Orrick partners still drafted memos identifying the potential laterals’ strategic fit and projected financial performance at Orrick. “We had a selectively strong appetite,” Levie says. “Still, we couldn’t accommodate everything [the former Heller partners] wanted us to do.” Levie notes that Orrick was cautious about bringing on Heller associates: It hired 27 former Heller associates, slightly fewer than the number of partners it took on.

The opportunity for a mass hire is a warning signal to many firms. These accidental laterals, after all, provide vivid evidence that bad things can happen even to good firms. “There’s no more stark reminder of the dangers of growth than talking to these people and watching them face what they have faced,” says Lorie Almon, co-managing partner of Seyfarth Shaw’s New York office. In the weeks after the Thelen partnership voted in late October to dissolve, Seyfarth partners met with about 35 Thelen lawyers. Seyfarth was an attractive refuge: financially conservative and free of long-term debt. That prudence led Seyfarth to make offers to about half the partners interviewed, says Almon. Eventually 15 Thelen attorneys joined Seyfarth, including eight who came as partners.

Firms that had previously identified needs in a specific practice or location were willing to take on entire groups of lateral hires. At a partner retreat last

spring, Howrey partners looked to expected growth in the energy and infrastructure sectors and targeted construction litigation as an area for lateral hiring. When Thelen’s high-profile construction litigation group came onto the market, Howrey acted fast. “We saw, we sought, and everything came together in about 45 days,” says James Martin, Howrey’s chief recruiting officer.

Martin, a former legal recruiter, calls the term “lateral” a misnomer. If someone is on the move, he or she should be looking to move upward instead of sideways, he says. “If they did \$30 million in business a year where they were, in 18 months we think they can do \$40 million here,” he says of the 43-lawyer Thelen construction group.

ACCIDENTAL LATERALS talk about stability with a zeal that most recruits reserve for profitability. Recruiter Michael Patrick says that, during the recruitment process, many have “an almost fetishistic absorption into really digging deep about management” and firm finances. After the experience of practicing in an atmosphere of swirling rumors and endless headhunter phone calls, these laterals often say they’re looking for a place where they can just focus on providing service to their clients without distraction.

The first time that Daniel Porter and three of his partners changed firms in 2008, there was nothing accidental about their move, and stability was far down their list of priorities. Porter and company, then at Vinson & Elkins, represent foreign importers in tariff and unfair trade disputes in the United States. Looking to move, they focused on how their practice might fit into other firms’ global strategy. After searching about four months, they moved to Heller in April. “We thought we’d found our place. We thought we’d be there forever,” Porter says. Firm finances were a secondary concern, he says: “It never crossed our mind that we’d have to be concerned with a big law firm going under.”

After Heller dissolved, that mindset changed. Last fall, when Porter and his colleagues started looking for a new home for the second time in a year, they asked new questions, about things like firm finances and long-term debt. “The financial end of things became much more

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important this time,” Porter says. “You try not to make the same mistake twice.” With a handful of competing offers on the table, Porter and his former V&E partners moved to Winston & Strawn in early November along with lawyers from Heller’s offices in Shanghai, Beijing, and Hong Kong. The fact that Winston & Strawn didn’t have long-term debt was “very important,” Porter says.

Just as some partners are drawn to financial stability, others seek to keep groups of their partners together to preserve their practices. Rather than look for the best deal for herself, Patricia Thayer, Heller’s cohead of IP litigation, led an effort to find a place for her entire group. Although 16 Heller IP partners decamped for Covington & Burling on October 1, prompting banks to call in the firm’s loans, more than 40 IP lawyers remained spread across the firm’s offices in California, New York, Seattle, and Madison, Wisconsin. Thayer and many of her partners at first hoped they could move as a unit. “You can’t practice together in a very, very coordinated and integrated way without forming enormous personal bonds,” Thayer says. Staying together seemed a reasonable goal, especially with the market for IP talent being so competitive.

After the firm’s dissolution vote in late September, Thayer’s phone began to ring almost nonstop. She got a string of calls from recruiters, friends at other firms, and clients—but says she largely ignored the recruiters, because she thought she could manage the move through her own contacts. About a dozen firms expressed serious interest and began initial discussions. But while Thayer looked for a place to land collectively, individual partners and groups also explored their own options.

Within a couple of weeks, it was apparent to the partners that no single firm could take on the geographical spread and technology mix of the entire Heller IP team, let alone deal with the client conflicts. Although the IP lawyers could not stay together, most moved in groups. The Madison office even auctioned itself off to Perkins Coie, office furniture and all [see *Going Once, Going Twice . . .*, December 2008]. Thayer and a dozen IP partners and associates in the San Francisco, Seattle, and Menlo Park, California, offices ended up at Orrick, while others landed at firms

such as Perkins Coie that were part of the initial discussions.

“There’s enormous sadness in having to separate from some of my colleagues,” Thayer says. “I trust that I’ve made a great choice here, but I’ve been here for a [short time]. To say that I’ve lived happily ever after and here’s why would be premature at this point.”

SOME PARTNERS FORCED to make a move are opting out of big-firm life altogether. With rate pressures from clients ratcheting up in the economic downturn, small firms offer a structural advantage for partners who want to grow their business. Former Jenner & Block equity partner Tanya Stanish, like a half-dozen other ex-big firm partners contacted for this story, has found new work—and new contentment—at a smaller firm. Stanish’s move began with a knock on her office door last February.

“There was no prior warning. No signs. No heads-up,” Stanish says. At the door were two members of Jenner & Block’s management, coming to tell Stanish that the firm would not support her family law practice going forward. They said that the firm thought highly of Stanish’s skills and would give her time to find a new position—but that she should start looking.

After about ten years at Jenner providing matrimonial and custodial advice to firm clients and prominent Chicagoans, Stanish says it was tough to think about leaving the firm. “At first when you’re given that kind of news, it seems kind of overwhelming and scary,” she says. Within a few weeks, though, she made contact with a Chicago firm that had a family law practice that she respected. Although a recruiter also got her interviews at another firm, in July she moved to the firm she had contacted on her own, 35-lawyer family law boutique Schiller DuCanto and Fleck.

Stanish’s rates at her new firm are about 20 percent lower than her rates at Jenner, so it’s been easier to pitch for new business. Although she has a lower billable hours requirement, she says her compensation is comparable. Since her new firm focuses on family law, she says, she has more access to paralegals and associates who have training in her practice area. “[Initially] it was rough, but I’m so happy where I am now,” Stanish says. “I’d

like people to know what seems at first like an overwhelming situation can work out for the better.”

Stanish isn’t the only former big-firm partner who has gained new perspective after being shown the door. Says one partner who moved from a Chicago-based Am Law 100 firm to a midsize firm: “I’ve found here that people really enjoy practicing law with each other and are less concerned about how their partners are doing financially.” The partner, who asked to remain anonymous, moved last year after being asked to look for a new place to practice. His compensation fell 10-15 percent, but he says he has been able to find a better work/life balance. “This wound up being a blessing in disguise,” he says.

Some members of the Thelen and Heller diaspora also have found new homes at small firms. James Moak, an insurance and employment litigator, had serious discussions with about six firms, including three in The Am Law 200, after Thelen’s dissolution vote. He ended up joining the small Los Angeles firm Meserve, Mumper & Hughes, where he already knew a handful of the partners.

“I’ve been practicing for 30 years, and my kids are educated and married,” says Moak, 55. “I took this as an opportunity to do whatever the hell I wanted to do.” At Meserve Mumper, Moak says he has been able to approach clients he was forced to drop at Thelen because of conflicts and rate pressures. So far, he says, those clients have been receptive to sending work his way at his new firm.

Moak served on the hiring committee at Thelen, so he says he gave the lateral process some thought before his unplanned move. He says questions about compensation structure and strategic fit are easy to ask and answer, but it’s tougher to gauge how a lateral will mesh with the practice and the people at a particular firm. “‘Tell me why I’m going to like it here’ is a difficult question to get the straight answer to,” he says. Although Moak says he wishes he’d made the move to a smaller firm years earlier, he sums up a sentiment that many former Heller and Thelen lawyers echoed: “Even if you’re unhappy in your big-firm environment, it’s painful to have to move on.”

Self-Marketing Is Key to Being a Top Lawyer

Shai Littlejohn

The National Law Journal

February 03, 2009

Young attorneys are often led to the field of law because of a seductive proposition: You can do anything with a law degree.

Unfortunately, a law degree does not even guarantee an opportunity in law, let alone an entree into a different field. For those law graduates who choose to pursue legal careers, many find that navigating the profession is far more complex than the bar itself, and while some learn to tread water and stay afloat, others tank.

A multitude of smart folks pass the bar, only to find themselves stuck behind prefabricated desks without much interest in the subject matter that fills their days. Their brains overloaded with statutes and data, many wonder why opportunities fail to abound.

Unfortunately, a critical message was omitted from the recruiting process: Although you may be able to do anything with a law degree, a law degree and solid experience alone will not do it for you. For those young attorneys who dream of becoming top lawyers, the key is to be three parts lawyer and one part marketing agent.

If I were a law school dean, I would establish a course called "Self-Marketing for Lawyers." Before a single student graduated, this required course would demonstrate how careers excel or stall based upon the personal brand lawyers create or neglect. This is true in nearly every intellectual profession no matter what field you want to maneuver.

Everyone has a personal brand even though most don't seem to know it. Your personal brand is how decision-makers view you. It is the total sum and breadth of your work history, reputation, involvement, initiative and personal values. Brand you is riding on whether people think you are competent, committed, available and willing to offer counsel. Sometimes for

free. And often after hours.

If you are frustrated about not attaining high levels of success in your career, consider whether you have been cultivating or neglecting "brand you."

Your personal brand is established by the places you work and the titles achieved while there. It is your reputation for producing or failing to produce reliable, timely and quality work product. Your brand reflects your ability to communicate specialization but also to understand the issues and policies affecting your entire organization.

For top lawyers, career is not just about self interest. It is about contributions to the interests of the decision maker and the larger community.

Through expertise, involvement and shared values, top lawyers continuously cultivate reputable self-brands. It's the essence of those brands that separates top attorneys from colleagues destined for repeated lateral moves or career stagnation.

Top lawyers know that, while most of their colleagues look forward to relaxing at home at the end of the day, the highest-achieving ones do not focus on when one day ends and another begins. They look forward to the firm reception or foundation meeting at night because they are acutely aware that a little extra involvement is what moves the ordinarily competent attorney into the extraordinary, top attorney column. Even when not working, the top attorneys remain available and on call, considering the interests of their employers and communities at all times.

If it sounds like too much work, think again. Top attorneys don't view their involvement as work as much as they do a service for the people and causes they find most compelling. They recognize involvement as an indispensable component to staying on top in their careers.

If your objective is to become a good lawyer, then good jobs must suffice. You cannot offer only enough to be a good attorney and then be disappointed when you are not offered the top jobs.

Should you desire the top jobs, then simply put -- the top jobs go to the top lawyers. So it raises the question: What does it take to become a top lawyer? Build your brand.

Decision-makers give top jobs to the attorneys with the strongest brands. These are the brands that demonstrate shared values like reputation for responsiveness, accuracy, discretion, political savvy, family and participation in lofty priorities beyond day-to-day work.

Brands achieve recognition based upon consistency. While it is difficult to change a negative brand image, it is easy to destroy a positive one through inconsistency. Lawyers who desire higher levels of opportunity should begin contributing their time on workplace committees, in local politics or in community organizations. They should hone an expertise and develop relationships through involvement in shared interests.

In time, the sincere involvement produces beneficial relationships that lead to the opportunities nearly every lawyer desired at the start of his or her career.

Shai Littlejohn is general counsel for the DC Sports and Entertainment Commission in Washington, D.C. She actively builds relationships through involvement in community affairs, politics and associations. Littlejohn also writes the weekly Web column "Smell the Roses." She can be