

Practical Training: How to Better Prepare Students and First Year Associates to Hit the Ground Running

April 25, 2013

PRACTICAL LAW COMPANY®
■■■

GT GreenbergTraurig

GW LAW

Panel

- **Christopher Lafferty**, Head of Product Development and Strategy at Practical Law Company
- **Adriane Kyropoulos**, Manager of Employment and Human Resources at Practical Law Company, Inc.
- **Susan Fine**, Director of Professional Development at The George Washington University Law School
- **Serena Claire Josephs**, Attorney Professional Development Manager at Greenberg Traurig, LLP

Agenda

- State of the Legal Market
- Case Study: The George Washington University Law School Inns of Court Program
- Case Study: Greenberg Traurig, LLP Training Programs
- Open Discussion
- Questions

The State of the Legal Market in 2013 and Beyond

- Fifth year of the economic downturn that began in the third quarter of 2008
- 2012 showed only modest growth as law firms continued to face the combined impacts of sluggish demand, declining productivity, falling realization rates, and the need for further expense reductions
- While there were some bright spots, on the whole the legal market remains depressed. Similar trends were seen in the legal markets in the United Kingdom and mainland Europe.

Some Metrics from 2012

- Number of lawyers in US grew by 2%
- Demand for lawyers grew 0.5%
- Growth in productivity (total number of billable hours recorded by a firm divided by total lawyers) remained at -1.5%
- Productivity has essentially remained flat for the past 3 years
- Firms raised rates in 2012, although clients continue to push back aggressively
- Realization rates (percentage of work performed at standard rates that are actually collected) continued to decline, reaching historic lows

Add it all together, and. . .

- Sluggish demand growth, persistent overcapacity, client resistance to fee increases & declining realization rates resulted in modest growth in profits per partner of US firms (3.58%)
- Growth differed by segment:
 - Am Law 100 firms grew on average by 2.45%
 - Other firms grew profits by an average of 4%

The Global Footprint

- 96 Cross Border Mergers announced in 2012, substantially more than in any prior year
- Several US law firms continued an aggressive global expansion, with 56 foreign offices opened

28 in Asia (primarily South Korea & China)
15 in Europe (primarily Germany and Russia)
6 in the Middle East and Africa
7 in Latin America / Caribbean

2012 Annual NALP Survey Results

- 49.5% of law school graduates in 2011 had obtained jobs in law firms, compared to 50.9% for the class of 2010 and 55.9% for the class of 2009
- Of the graduates who did find jobs in law firms, nearly 60% were in smaller firms of 50 or fewer lawyers, compared to 53% for the class of 2010 and 46% for the class of 2009.
- The proportion of new jobs in firms of more than 250 lawyers decreased from 33% to slightly over 21% in just two years

2011 Law School Graduates had to get creative

- Overall employment rate for class of 2011 was 85.6% (6.3% lower than the high of 91.9% for the class of 2007)
- Of those employed, 65.4% obtained jobs for which bar admission was required; this metric drops to 56.7% if part time jobs and jobs lasting less than one year are excluded.
- Almost 12% of jobs of reported jobs were part time
- Graduates working for legal temp agencies rose to 2%, the highest level recorded by NALP
- Median starting salary fell 5% from 2010 level, a 17% decline since 2009. Median starting salary for graduates entering private practice fell over 18% from 2010, a 35% decline since 2009.

The Brass Ring?

- 15% of 120 firms surveyed by Wells Fargo Private Bank's Legal Specialty Group say they intend to cut partners in Q1 2013, continuing a 3 year trend
- 55% of the 113 managing partners and firm chairs responding to a recent *American Lawyer* survey said they planned to ask 1-5 partners leave the firm in the coming year. 5% reported that they planned to cut 11-20 partners in 2013.
- Number of non equity partnerships has increased in AmLaw 200 firms:
 - 169 firms now report two-tiered partnerships (146 in 2000)
 - 25% of AmLaw 200 lawyers are equity partners (36% in 2000)
 - Equity partners now average 2.5 times total compensation of their non equity colleagues.
 - The compensation of equity partners jumped 11% in the last year
 - The compensation of non-equity partners remained flat

It's about more than just the economic downturn!

- The recession alone does not tell the whole story.
- Even in the boom years of the decade preceding 2008, other market forces were pushing the legal market to an inflection point.
- These fundamental changes are here to stay.

Consider the following

- Growing availability of public information with respect to law firms, their capabilities, clients, profits, earnings that has created a more efficient market for legal services
- Drive towards commoditization of legal services has impacted the work of lawyers at all levels
- Growth of enabling technologies has leveled the playing field between large and smaller firms & has changed legal staffing patterns
- Emergence of non-traditional service providers
- The changing roles of in house counsel and corporate law departments
- The impact of globalization

Critical shifts have occurred

- It's a buyer's market for the foreseeable future
 - Clients influence structure and delivery of legal services
 - A new emphasis on efficiency and cost effectiveness
- Dramatic increase in competition among firms
 - Firms will need strategic focus
 - More commoditization of legal work, alternative fees, fewer equity partners, more contract lawyers, smaller first year classes, greater use of legal process outsourcers are likely permanent trends
- As large markets become more competitive, they tend to become more segmented, with individual providers focusing on the parts of the market they can best serve

What will employment look like for attorneys going forward?

- Firms are moving toward more flexible staffing models, expanding their use of non-partner track associates, staff attorneys, part time attorneys and contract lawyers, to the point where they will outnumber partners and on-track associates
- Smaller first year classes
- Greater numbers of lawyers will be pushed towards jobs where JDs may be preferred, but not required
- Increased competition can be benchmarked against the larger trend of excess capacity – in the next 10 years, American law schools will be graduating over twice as many new lawyers as will be needed to fill the legal jobs available

Case Study: The George Washington University Law School



Inns of Court Program

- First-year sections now Inns of Court named after former Supreme Court justices
- Creating a supportive law school community with advisory teams for each Inn comprised of faculty, staff and upper-class students
- Weekly Inn meeting for educational, career-related and social programming that is built into the first-year schedule
- Heightened focus on proactive career planning and professional skills development



Fall 2012 Program Highlights

- *Developing a Professional Mindset*
- *Keys to Success in Law School and Your Legal Career (Finding Meaning & Motivation)*
- *Understanding the Legal Market and Choosing a Practice Area*
- *How to Conduct Informational Interviews & “Career Conversations” Workshop*
- *Navigating the Law School Experience: How to Create Your Personalized Path*
- *Networking and Relationship-Building*
- *Presenting Your Best Self to the Hiring Committee*
- *Exam Preparation*



Spring 2013 Program Highlights

- *Preparing for Interviews with Individual Coaching*
- *Foundations and Application of Positive Psychology to the Law School Experience*
- *Resilience for Lawyers*
- *Journals and Competitions*
- *Workshop on Managing Matters and Teams*
- *Perspectives on Course Selection*
- *What Makes Lawyers Effective? Developing Professional Skills through Externships and Other Experiential Learning Opportunities*
- *Fifteen Things Every Supervisor Wishes You Knew: Guidance for New Professionals*



Proposed Professional Skills Programs For Upper-Class Students

- *Communications Skills*
- *Business of Law*
- *Developing a Client Service-Oriented*
- *Client Development*
- *Project Management*
- *Accounting for Lawyers*
- *Managing Mood and Stress*
- *Negotiation and Conflict Management*
- *Leadership Training*



Case Study: Greenberg Traurig, LLP

Starts with Summer Associates

- Shareholder in Charge of Professional Development & Director of Professional Development introduce Core Competencies and Mentoring Program to Summer Associates



First-Year Associate Orientation

- First Year Success Orientation
 - When?
 - Four webinar sessions October through November
 - What?
 - First Year Associate Success Skills
 - Introduce Core Competencies Framework
 - Key Component?
 - Local partner(s) overseeing associate training and mentoring
 - discuss competencies with local associates after webinar portion

Practice Group Orientation

- On-site skills training for two practice areas
 - Litigation Skills Academy On-Site Training
 - Motions
 - Depositions
 - Trial Advocacy
 - Corporate Associate Training
 - Junior Associate Boot Camp
 - Mid-level & Senior Associate Meeting

Hoffman
— professionalism center

LITIGATION
SKILLS ACADEMY

CORPORATE
BOOT CAMP
JANUARY 2012

Corporate Boot Camp

- What is it?
 - Three Day on-site training
 - Lectures
 - Due Diligence, M&A Basic Acquisition Structures, etc.
 - Interactive programs
 - Sloppy Document
 - Negotiations Training
 - Resource information
 - PLC
 - Informal Mentoring

How to Make a Practice Group Boot Camp Happen

- Find a Champion
 - Practice Group Leader
- Champion “recommends” two training chairs
 - Training Chairs have complementary skills
- Create a Syllabus with Training Chairs
- Pick an attractive location within budget
- Ask Practice Group Leader to champion budget
- Ask Partners to come to training to teach

Discussion