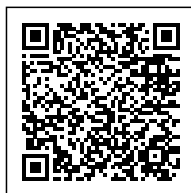


A VIEW FROM NEW YORK: AVOIDING A "LOST GENERATION" IN THE LAWYER SUPPLY CHAIN

Posted on 23/02/2009



Category: [Opinions](#)



The continuing health of a law firm depends on its ability to find and develop junior talent and despite the prevailing economic situation, now is not the time to turn off the supply, argues Bruce MacEwen of Adam Smith, esq.

La salud de un despacho depende de su habilidad para encontrar e identificar talento entre los jóvenes y, a pesar de la crisis económica, ahora no es el

momento de cerrar el grifo de la contratación de abogados junior, afirma Bruce MacEwen, del bufete Adam Smith. Los despachos deben continuar invirtiendo en la contratación de recién licenciados y junior.

An unspoken, and certainly uncelebrated, aspect of the US law firm model is that they rely upon built-in associate attrition. "Built-in" has two traditional meanings but also now a new one:

Traditional A: law firm assistants leave of their own accord due to a variety of factors:

- they have paid off their student loans;
- they are ambitious but the hours are more than they bargained for;
- they basically like practice but do not have a true passion for it;
- they realise that key family time coincides with partnership progression and they choose the family.

Traditional B: law firm assistants are not performing as required and are encouraged to leave.

New meaning C: There has been zero attrition.

The new reality of attrition is however that there isn't any. What to do? First, one can simply acknowledge, from an economic and a human perspective, that this is entirely understandable. Currently, having a job is priceless – few associates now have visions of leaving to join a hedge fund or private equity house. But the question remains: what can your firm do about it?

Logically, law firms can attack this the way they handle their three traditional pools of talent:

- summer associate placements and graduate hiring;

- the lateral associate market; and
- what you do about your incumbent associates.

The easiest response is to alter your policy towards lateral associates: go from selective to super-selective. Only those with spectacular credentials in desperately needed practice areas get a second look.

The intersection of summer interns and first-year hiring, and the ranks of existing associates, is where it gets interesting.

A pragmatic view is that a firm's 3rd-6th year associates are relatively known quantities – trained to your standards and liking – and that removing some to make room for freshfaced barely-qualifieds is borderline crazy. You are demonstrating disloyalty to those in the firm to gamble on unknown quantities. I would argue the opposite.

We have read about the virtues of "just-intime" supply chain delivery in manufacturing. Our industry is the very opposite. Our "supply chain" (associate talent) is three to six to ten years long, depending on where you draw the start and finish lines. It takes that long to turn a potential lawyer into an actual, performing contributor to clients and the firm.

The relevance of this to today's personnel challenge is that you cannot introduce a gap into that supply chain. You need to be in the business of continually recruiting new talent, in order to feed the continually moving production line of senior to midlevel to junior staff required to manage cases and transactions. You cannot inflict the equivalent of a "lost generation".

Counter-intuitive as it may seem, I recommend continuing to feed the associate pipeline from the start, even at the cost of some enforced "attrition". The logical reason is that some of the new talent will be better than the existing talent. It has to be the case.

You may be satisfied with the performance of your 3rd-year qualified assistants currently, but how do you know

those law school graduates won't be better at their level?

When I spoke about a "supply chain" I wasn't speaking metaphorically. If clients are your demand, talent is your supply. Your "supply" (talent) is what you have to sell. You have few higher priorities than increasing the quality of that supply. A prudent reason argues for the same continue-to-recruit policy: if your firm stops recruiting, be prepared for the market to have a long memory and to punish you when the good times return.

Another reason is the positive and optimistic message it sends to your firm internally, to the marketplace, and to any others (clients?) whose opinion you value. It says, "We are investing for the future, confident in the long-term value of our firm and what we provide to our clients".

When century-old firms are collapsing now is not the time to shut down the processes that feed your talent pool, or to act as anything other than a vibrant, going concern. Now is the chance to upgrade the talent "gene pool". No voluntary attrition? I'm sorry to report that your business model depends on attrition, and attrition there must be – unless you'd prefer to reinvent the model entirely.

Bruce MacEwen is a New York-based former private practice and in-house lawyer, author of Adam Smith, esq, and consultant to law firms on strategy, leadership and economic issues. He can be reached via bruce@adamsmithesq.com