

10 Firms Know How To Keep GCs Happy

By **Lance Duroni**

Law360, Chicago (December 01, 2014, 5:29 PM ET) -- Ten law firms have shown remarkable consistency over the years in delivering top-notch client service despite economic turmoil that has left other firms scrambling to keep up, according to a new survey of corporate counsel.

The top 10 firms named in the BTI Client Service A-Team 2015 report's Client Service 30 have averaged 11 years on the elite list, which has been released annually since 2002 and is based on exhaustive interviews with more than 300 general counsel and other legal decision-makers at companies with more than \$1 billion in revenue. The report is published by BTI Consulting Group of Wellesley, Massachusetts.

Skadden Arps Slate Meagher & Flom LLP topped the list for the second-year running, followed closely behind by Jones Day and Sidley Austin LLP, both firms that had previously earned the No. 1 spot multiple times.

Rounding out the top 10 were Morgan Lewis & Bockius LLP, Thompson Hine LLP, Kirkland & Ellis LLP, Faegre Baker Daniels LLP, K&L Gates LLP, Gibson Dunn and Latham & Watkins LLP, in that order.

The rankings are calculated from answers to questions about a detailed slate of 17 activities — as varied as keeping clients informed, having an innovative approach and providing value — that BTI has isolated as driving superior client relationships.

However, one factor in particular — understanding the client's business — is increasingly front and center in the minds of general counsel as they evaluate the firms they hire, according to BTI President Michael Rynowecer.

"Over the last several years, general counsel have been under enormous pressure to add real value to the business — not just save on legal costs but to make acquisitions faster, get regulatory permits faster and to generate revenue faster," he said. "The only way an outside firm can help in that process is to understand the client's business."

The firms that consistently lead the pack in client service are investing heavily in industry understanding, according to Rynowecer, holding events with clients in selected industries to discuss common legal problems. And while some associate innovation with the latest project management software or other technologies, many clients view these sort of initiatives as cutting-edge, he said.

How partners are compensated can also have an outside impact on the service ultimately provided to

clients. Sidley Austin, which has ranked in the top 15 each year of the survey, credits its closed-book compensation system with fostering a culture of collaboration and teamwork that connects clients with the right lawyers for the job every time, according to Larry Barden, chairman of the firm's management committee.

"It's not an 'eat what you kill' kind of system," he said. "When laterals join our firm, they immediately recognize that things are different here," often commenting that they've "never seen people so willing to jump in and help in so many ways."

Glen Nager, one of two client affairs partners at Jones Day, pointed to the importance of a compensation system that doesn't create undue competition between partners to bring in and take sole credit for work.

Jones Day, which has finished atop BTI's survey eight times and never ranked lower than fourth, benefits from an "integrated partnership" model, according to Nager, with a single CEO and managing partner overseeing the firm's operations. Companies that hire the firm also enjoy the help of a "client services lawyer" that manages the firm's engagements with each client, he said.

"Our clients like having a single point of contact," he said. "They often have problems all over the world, so they can just call one person and say, 'I have the following problem, what's your best resource for this?'"

Thompson Hine — which, at around 400 lawyers, is the smallest firm by headcount in BTI's top 10 — has stockpiled goodwill with corporate legal departments by helping them get the most out of every dollar, showing an unusual openness to fee structures outside the standard billable hour.

After the 2008 economic crisis, the firm listened to clients as they clamored for more predictability and alternative fee arrangements that could shield them from the risk of runaway budgets, according to Deborah Read, Thompson Hine's managing partner.

"They really wanted firms to have a better appreciation of when to build the Rolls Royce and when to build the Kia," she said.

The firm's approach has crystallized in a service delivery model, recently dubbed "Smartpath," that blends legal project management, value-based pricing, flexible staffing and process efficiency.

While most firms at least pay lip service to those buzzwords, Thompson Hine has made concrete investments, including pricey budgeting software and other proprietary software developed by its own information technology team in consultation with the firm's lawyers, according to Read.

The firm has also hired a full-time pricing manager and separate director of legal project management, whose job is to train lawyers to think outside the box on delivering legal services, according to Read.

"You can't just have a consultant come in and talk to lawyers for three hours on a random day about legal project management," she said. "It doesn't work that way. You need to make investments and really try to train lawyers to think differently."

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