

# The View from Above: Here is What Keeps the Managing Partners of Big Law Up at Night

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Every year at *Chambers Associate*, we get the pleasure of having one-to-one conversations with the senior leadership of some of the biggest law firms in the country – and the world. Largely, we conduct these interviews to get a sense of the firm’s market position, commercial strategy, and targeted areas of growth straight from the source to feed back to our readers. We also get to hear some of the fun stuff, too. [Here’s last year’s article](#) in case you’re curious about what a managing partner’s favorite legal drama is (spoiler alert: you should be).

But let’s take a look at some of the serious stuff we learned. As part of the interview, we ask managing partners to tell us about their market position, which trends are most affecting the legal industry, and what their commercial strategy is focused on. Our interviewees usually rattle off a couple of different points, but interestingly enough, many of them mentioned the same things. Check out these graphs:

## Artificial Intelligence

As you can see, the words on everyone’s minds were *artificial intelligence*; understandably so, as the technology has made major strides in the last few years. 31% of managing partners interviewed highlighted AI as the most significant focus in their commercial strategy, and a huge 69% of them said that it was the trend impacting the legal industry the most. Many firms are quickly adapting to using AI in the workplace, particularly with generative AI models to help with tasks like legal research, drafting, and doc review. This type of approach was echoed by Douglas Clark, managing partner at Wilson Sonsini:

*“We look at AI in two primary ways at the firm. One is representing great companies that are developing platform AI technology, and we continue to do that...Internally, we’re closely studying how AI can benefit us and beginning to deploy AI in terms of back-office efficiency which is important, and it’s a strong use case for AI and, where appropriate, for practice efficiency on the client side. Our focus is very much on data governance to make sure client confidentiality is first and foremost in any application of AI.”*

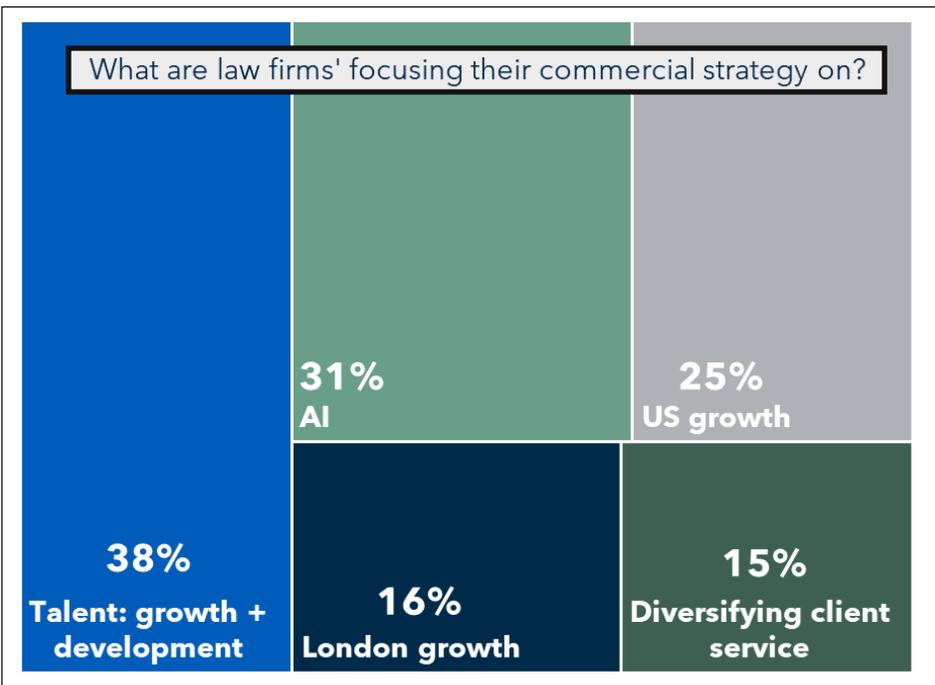
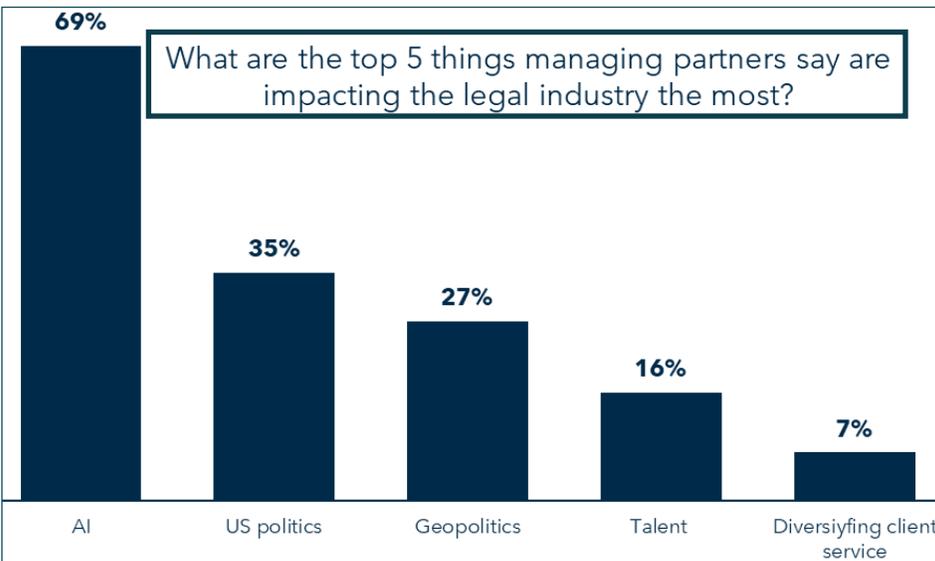
Naturally, there is a degree of caution around how AI will shape the industry. In our associate research, we hear whispers of AI replacing some of that work which traditionally falls to junior associates. Something which some fear could have a domino effect of layoffs or less need for junior talent. But Morgan Lewis’ chair, Jami McKeon, puts that speculation to bed:

*“There’s a lot of fear that the legal profession is going to change in a way that will eliminate jobs for associates, and that’s not true. Technology has not hurt us. We were one of the first firms that created an e-data practice more than two decades ago. Before that, we had to crawl on the floor and go through boxes and take handwritten notes. Has that resulted in less jobs for associates? No. E-data is a \$100 million practice for us. And we have grown exponentially in every way since then. Technological advancements have never slowed the need for excellent legal help; it just changes the tools available to use in that effort.”*

*“The challenge for every law firm is figuring out to how to use tech in a way that’s advantageous for its client and helps expand the practice for its lawyers. We have to make sure that people don’t lose the mindset of looking for opportunities to be creative, be thoughtful, and be engaged because of their fear that these jobs will go away. I don’t believe they will go away.”*

Indeed, many managing partners we interviewed embraced the potential AI may have on the industry, and Ira Coleman, chairman of McDermott Will & Emery, had some sage advice for how to best adapt to these changes:

*“It’s going to be those that can harness the power of AI and accept it and learn from it and shape it who are going to be some of the most successful people in the legal profession as we move forward in the future.”*



*“So, my advice to young people in law school now is to spend any spare time you have learning about AI, understanding how it works – at least keeping a list of questions and potential answers and solutions for how AI can improve the legal profession for our clients. I wouldn’t spend a lot of time worrying about whether AI is going to put law firms out of business or whether we’ll hire less associates because of it; I would focus on understanding what it can do, understanding what the potential capabilities are, how to marry those two, and then really learning what’s next.”*

### **Talent**

Another key takeaway is talent. 38% of managing partners underlined talent growth and development as a focus for their commercial strategy. One of them was Rachel Proffitt, chief executive officer of Cooley:

*“Another trend is there is a lot of talent mobility in the legal market and it’s critical that we continue to identify that talent that is going to be the most additive to our goals so that we remain competitive and protect our unique culture.*

*“As the industry goes through this evolution with talent mobility, it’s important that we find talent that is deeply connected to our core values and commitment to providing excellent service, together.”*

Indeed, targeted lateral hiring will continue to be a prominent feature of firms’ long-term strategy, particularly when we are starting to see more segmentation in the market among the elite of Big Law, as Barry Wolf, executive partner and chair of Weil’s management committee tells us:

*“I think that we will see further stratification of the top of the market. We will continue to see the amount of lateral activity and that will probably accelerate as an industry matter, so the competition for clients and talent will remain intense and will continue to grow. We have already been seeing particular firms that are not necessarily in the top tier merging, and that trend will probably continue and accelerate.”*

What this means for recruiters is that connecting the right talent to the right firm will continue to be very important. Jami McKeon illustrates how crucial it is for firms to not just attract, but also retain the right talent in order to stay at the top of the game:

*“It’s really important to be a place that welcomes and nurtures the best talent. What we’ve said for a long time, and I firmly believe, is that inclusive teams are important because better decisions get made for clients as well as for the firm when you have a variety of perspectives, backgrounds, and experiences at the table. If I’m speaking to people with identical backgrounds and life experiences, the likelihood of me getting a well-rounded perspective is low. Instead, you want a wealth of perspectives when tackling a problem.*

*“We’re very thoughtful about that and being thoughtful always moves the needle. We are in the business of solving tough problems for clients; to do so, we need the best talent and the broadest perspective.”*

### **Location & Growth**

We all know it’s cool for firms to be in growth mode these days. Whether that’s practice growth or location, or both together. We do see some trends emerge from our interviews. In terms of global growth, 15% of managing partners signposted London as a market focus. Bill Malley, managing partner of Perkins Coie, was one to mention it:

*“We are continuing to make strategic investments and are excited about the growth potential of our European tech focus. A big focus is attracting talent. London is an opportunity to meet the needs of tech clients, ultimately bringing the strengths of Perkins Coie to European clients while also benefiting our US clients.”*

Then, a quarter of our interviewees highlighted growth on home soil as forming their commercial strategy. Justin King, finance and investments partner at King & Spalding, noted that, for them, it was Texas which was the focus:

*“We’re always looking for strategic opportunities to grow our footprint, and so, this past year we opened an office in Dallas, our third in Texas and 24th globally. We recognized that a lot of good things are happening in the Dallas market, so we’re doubling down on growing some of our key practice areas including corporate, restructuring, business litigation, and the like.”*

Many managing partners feel that their location and their client-focused approach set them apart from their peers in the market, but not all firms are growing for growth’s sake. Take Herb Washer, chairperson at Cahill:

*“I would say that we are quite New York centric. I think there has been a trend in the law to really build out these global law firms that have practices in every jurisdiction and cover every substantive area of law; our model is a bit different*

*and a bit more focused. Our goal is to be ‘best in class’ in specific areas in London, New York, and Washington DC, but we’re really not focused on other locations.”*

The emphasis on a particular location/s demonstrates a clear focal point for four-office firm Cahill and other firms like it. It bodes well for potential associates or laterals to join a firm that is cognizant of exactly where it’s positioned in the market. As Scott Luftglass, vice chairman of Fried Frank, puts it:

*“We start from the following premise that really great law firms don’t have to be and can’t be all things to all people. Instead, I think law firms have to focus on what their core practices are and build out from there. Law firms need to find practices that are complementary to those core areas of work that allow for a team-driven provision of legal services.”*

### **Diversifying client service**

Pursuing growth at home or abroad typically ties into conversations about client service and expanding their client base. Firms are client-focused by nature, but this is something managing partners like Freshfields partner Andrea Basham really hammered home in our interviews:

*“The firm made a strategic decision many years ago that—although it was already a powerhouse in Europe and Asia—it was necessary to build a premier, market-leading US practice in order to serve clients at the highest level on a global basis. Freshfields US [...] is a destination practice for all the*

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*large clients you would expect — not only in the US but globally.”*

But it's not enough to just open up offices here, there, and everywhere in the interest of client service. Nowadays, firms have to focus on developing their services to go beyond just the practice of law for their clients. This approach is becoming crucial for the top firms in order to retain their clients and an edge on the competition. Take the below from Mike Renaud, chair of the IP division at Mintz:

*“The changes that have been occurring in the industry mean that you'll fail in the market if all you're offering is awesome legal services – the market wants more. It's not good enough to just be a great lawyer, you have to really know your client's technology and the business of it, too... As costs increase, the value of legal services goes up and clients get tired of paying more per hour without getting more in exchange. Investment in teaching, and the knowledge of clients, is going up.*

*“If you're not clued in to your client's business and don't understand their challenges, business plan, and corporate needs, you're not going to be successful. Even though we're an AmLaw 100 firm, we can't rest on our laurels. We have to continue to learn, innovate and*

*train, and that has to line up with clients or we won't get the work. Clients won't pay the premium that firms like ours ask for if you don't give them something they couldn't get from AI themselves, or from a lawyer working as a sole practitioner. Subject matter expertise and business knowledge are critical today and will only get more so.”*

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