



Portfolio Media, Inc. | 111 West 19th Street, 5th floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Amid C-Suite Boom, Partners Relinquish Control To Non-Attys

By **Aebra Coe**

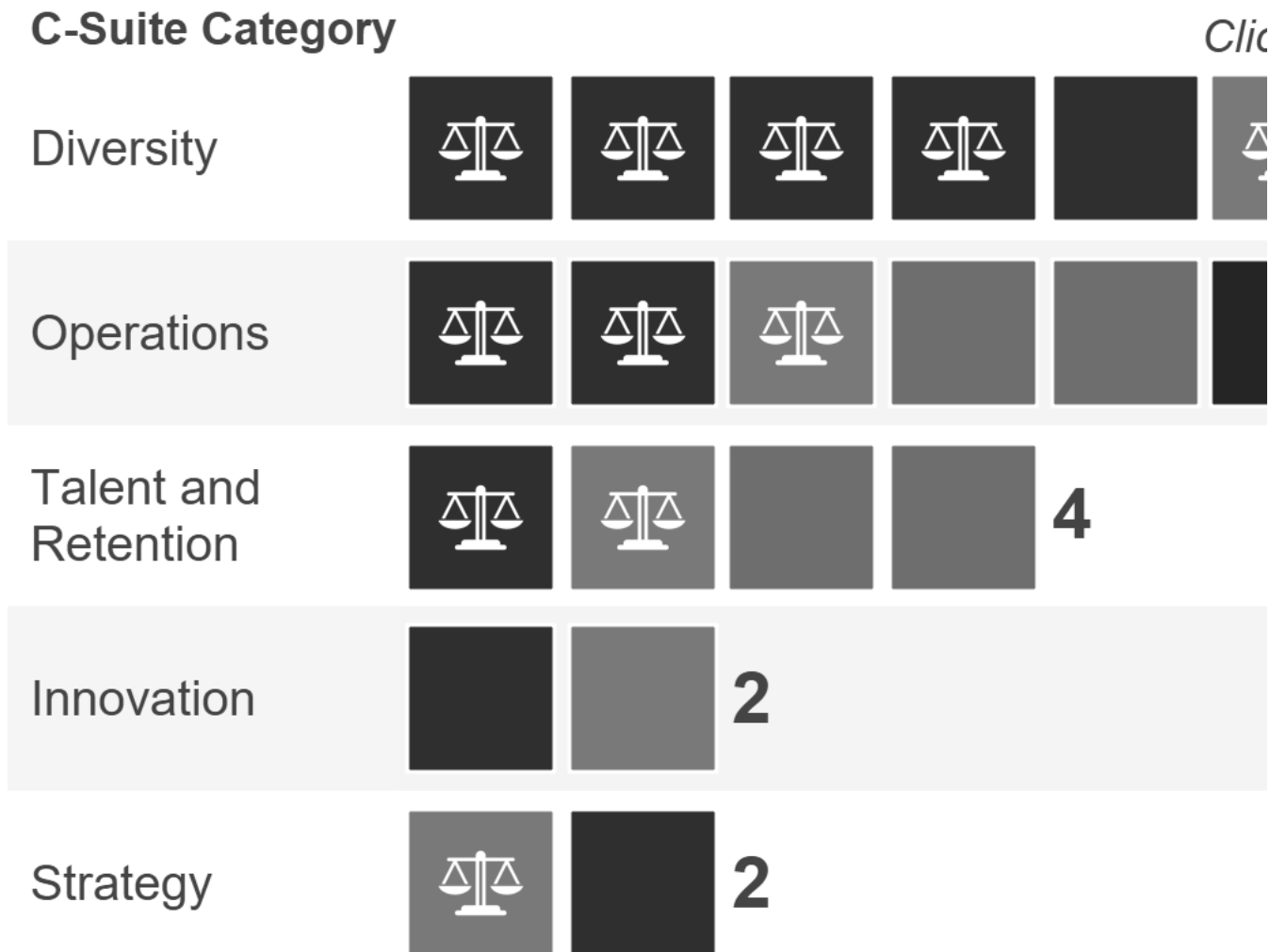
Law360 (October 14, 2021, 4:45 PM EDT) -- At least 25 law firms have created new C-suite positions in 2021, continuing the hiring boom and creating a dynamic where law firm equity partners must take a step back in their firms' management and relinquish control to nonpartners, and even nonlawyers.

Law firms are busy filling out their C-suites with chief operating officers, chief diversity officers, chief talent officers and other professionals. The shift has been coming for a while and may have been accelerated this year as law firms grapple with management and workplace issues surrounding the coronavirus pandemic, experts say.

The trend reflects a recognition among law firms leaders of the increasing complexity of the law firm business model, especially among midsize and large law firms, according to Keith Wetmore, a managing director at legal recruiting firm Major Lindsey & Africa who served as chair and chief executive partner of Morrison & Foerster LLP for more than a decade in the early 2000s.

C-Suite Boom

At least 25 law firms have added new C-suite positions since the beginning of the year, according to a



*Some of the firms, notably Eversheds Sutherland and Milbank have a substantial non-U.S. presence.

[Click to view interactive version](#)



With that complexity comes more reliance on people whose sole job is the firm's management and who aren't busy practicing law, Wetmore said.

"You can't have important functions run by volunteers who practice law 2,200 hours a year," he said, referring to the industry's longtime model in which partners volunteer to take on leadership roles, all while juggling busy practices.

You can't have important functions run by volunteers who practice law 2,200 hours a year.



Keith Wetmore

Managing director
Major Lindsey & Africa

Law firm lateral hiring, for instance, often entails adding 50 to 100 lateral attorneys a year, Wetmore said, which is "basically taking on a small law firm." Hiring a chief talent officer to oversee the strategy and coordination of that hiring can be a game changer, he said.

Of the at least 26 new law firm C-suite positions created this year by 25 law firms that were identified through a review by Law360 Pulse, 16 are held by lawyers and 10 are filled by professionals who are not lawyers.

For a long time in the industry there was a reluctance on the part of attorneys to bring professionals, especially those without a law degree, into their law firms to help run the business, said Peter Johnson, the founder of Law Practice Consultants and a former law firm managing partner.

But there has been a realization that partners can make a bigger contribution to the law firm when they refrain from spending too much time on management tasks, he said.

"Partners' highest and best use is going out and bringing in more business and billing their time," Johnson said. "Lawyers are beginning to understand they have to move over and delegate to professionals who can assist in running a significant business."

The pressure to build out a more robust C-suite is coming from clients as well, according to Ron Jordan, founding principal at legal recruiting firm Carter-White & Shaw LLC. Clients more often expect their outside counsel to run their businesses as efficiently and effectively as they do, he said.

... [Law firms] want their clients to feel they're not only competent legally, but a well-run, fine-tuned business.



Ron Jordan
 Founding principal
 Carter-White & Shaw

"If you think about law firms in the past, it's been a conglomeration of like-minded people with law degrees. To mirror what their clients are doing, they want their clients to feel they're not only competent legally, but a well-run, fine-tuned business," Jordan said.

Additionally, according to Johnson, as law firms have added C-suite positions, those hires have often proven to be useful in moving the firm forward, leading firms to continue the process of delegating more high-level tasks to those not actively practicing law.

"Particularly during the pandemic, many nonlawyers on C-suites have performed extraordinarily well," he said.

April Campbell, executive director of the Association of Legal Administrators, says that she also sees that as law firms add C-suite positions, they often witness strides toward their goals and then choose to add more positions.

"There are so many demands on firms to function less like an ad hoc professional service firm and more like a strategic, cohesive corporation or business, and they are hiring people from outside legal who know how to do that," Campbell said. "I think once they see what value an outside perspective can bring, the more they want of it."

A 2017 report by Colliers International found that among midsize and large law firms, those with chief technology officers, chief human resources officers and chief financial officers were on average more profitable than those without those C-suite positions by a fairly significant margin.

Once firms see the effectiveness of having leaders in the C-suite, they seem to create additional positions.



April Campbell
 Executive director
 Association of Legal Administrators

"Once firms see the effectiveness of having leaders in the C-suite, they seem to create additional positions as they see the results in profits, client satisfaction and employee retention," Campbell said.

One major pitfall law firms tend to encounter as they add these new positions is creating a role that is a top executive in name only, failing to provide the clout, power and resources that a professional needs to really make a difference in the firm, says Heather McCullough, co-founder of law firm management consultancy Society 54.

Law firms need to provide chief executives with the technology, budget and people they need to do their jobs well, she said.

"Often, we'll pull people into roles and expect that because they have a background in being a COO, for example, that they're able to magically solve the problems that exist or take the firm to the next level of profitability," McCullough said. "But often we put them in these roles, but we don't give them the

manpower or the budget to achieve their goals."

They also need respect from the law firm's partners, something that has at times been elusive for nonlawyers looking to help lead a law firm, says Michael Blanchard, a former law firm management consultant who recently was hired as COO at Woods Oviatt Gilman LLP.

Blanchard says he's seen people enter law firms from other industries and grow frustrated when their ideas and suggestions are not heeded, or they're not given the decision-making authority to implement their ideas.

The firms that are smart, Blanchard said, will make sure partners relinquish that control and don't get in the way of C-suite professionals taking on higher-level responsibilities.

"All of these positions, the point is to take more of a leadership role in driving strategy as opposed to implementing the strategy that's set by a managing partner or an executive committee," Blanchard said.

--Editing by Orlando Lorenzo. Graphics by Chris Yates.

All Content © 2003-2021, Portfolio Media, Inc.