

Practice Management

Large Law Firms Hiring More General Counsel

Taking a lesson from clients

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Does your firm have a general counsel? Most of the largest firms in the country do. According to a March 2005 Altman Weil, Inc., report, 69 percent of the firms surveyed have designated general counsel, a 6 percent increase from Altman's 2004 survey. Anecdotal reports confirm the trend.

Law firms are merely catching up with their clients.

Increasing firm size and ongoing efforts to improve management practices appear to be the cause. "As firms diversify and grow, they become like corporations of some size," observes David A. Soley, Portland, MA, Co-Chair of the Section of Litigation's Business Torts Litigation Committee. "Throughout the country, they are seeing that they are as large as or larger than their

clients," he notes. The corporate world, including other professional service corporations such as accounting and consulting firms, has long benefited from general counsel. Law firms are merely catching up with their clients.

The majority of firms responding to the survey have designated one of their partners to serve as part-time general counsel, although the number of full-time general counsel increased 6 percent between 2004 and 2005. A few firms, such as Akin Gump Strauss Hauer & Feld LLP and Shearman & Sterling LLP, have recruited corporate counsel from other companies to act as full-time general counsel.

The numbers show that a majority of firms are comfortable with a part-time general counsel. Full-time general counsel, however, may be more efficient and responsive than attorneys who also have other client obligations, suggests Richard H. Goshorn, general counsel of Akin Gump.

Anecdotal reports from current law firm general counsel show that each firm's situation is unique. For example, Dean Kitchens, general counsel of Gibson, Dunn & Crutcher LLP, emphasized the complexity of the conflict issues generated when a firm has offices in

many jurisdictions. John Shuikin, general counsel of Shearman & Sterling LLP, described responsibility for "many day-to-day lawyering tasks," including governance, human resources, and vendor contract issues. The survey results also reflect a wide variety of duties assigned to general counsel.

Insurance companies may reward firms that implement strong loss-prevention systems, notes Peter J. Winders, general counsel of Carlton Fields. Merely assigning the

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general counsel title to a partner is unlikely to impress an insurer, but the general counsel's work in improving a firm's systems could merit a lower premium. □

Resources:

Altman Weil, Inc., "Results of Confidential 'Flash' Survey on Law Firm General Counsel," available at www.altmanweil.com/pdf/2005LawFirmGCSurvey.pdf.

Peter J. Winders, *Law Firm General Counsel—Extravagance or Necessity*, 15 PROF. LAW. 1 (2005), available at www.carltonfields.com, click "Publications"/Title.