5 Ways for Associates to Prepare for Partnership
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• **Dan Binstock** is a partner with Garrison & Sisson, a Washington, DC legal recruiting firm. Dan is the author of “The Attorney’s Guide to Using (or Not Using) Legal Recruiters: Answers to important questions most attorneys don’t know to ask ... but should” (2015). He has also been named one of the Top 100 Legal Consultants and Strategists (Lawdragon, 2017). He is the current Chair of the Ethics Committee at the National Association of Legal Search Consultants and on their Board of Directors.

• He is frequently called on by law schools (e.g., Harvard Law School, Georgetown Law Center) to serve as an expert adviser on the Washington, DC legal market. His commentary and/or articles on the legal market have appeared in publications including the Wall Street Journal, American Lawyer, National Law Journal, Law360, ABA Journal, Fortune, Washington Post, and Washington Business Journal.

• Prior to becoming a legal recruiter in 2004, Dan practiced intellectual property law with Finnegan Henderson, a national intellectual property boutique based in Washington, DC. He earned his J.D. magna cum laude from American University, Washington College of Law, where he served as editor on the International Law Review. Dan received his undergraduate degree in psychology from the University of Maryland, during which time he also performed as the pianist for the musical political comedy troupe, the Capitol Steps.

• **Betsy Munnell** is a business development coach, career advisor and social media trainer who brings to her work the wealth of experience she acquired in her twenty-five years as a successful partner at Edwards Angell Palmer & Dodge (now Locke Lord LLP). Through her Boston based company, EH Munnell, Betsy coaches and advises law firm partners and associates at all levels of experience, helping them build and expand self-sustaining practices.

• Betsy is a frequent contributor to the ongoing debate on the future of legal education and practice, advocating intensive training in business and financial skills and business generation. She is also an active advocate for progressive diversity strategies at large law firms and among the select group of coaches featured on Diversity Lab’s new site, Top Lawyer Coaches. In addition, Betsy is the co-founder of an interactive business education program that enables participants to apply finance, business strategies and valuation concepts to the interpretation, negotiation and amendment of legal documents.

• Betsy attended Harvard College and Harvard Law School. She serves as a Visiting Advisor in the Office for Career Services at HLS, where she provides intensive, individual coaching, and an accelerated transition to law firm practice, to select 2L women.
Today’s Webinar

• Developing and maintaining a persuasive, distinctive, and authentic brand.

• Building crucial professional relationships and developing business.

• Understanding the business/economic side of law firms.

• Identifying critical provisions of partnership agreements (and why this is relevant right now).

• Becoming a better supervisor/manager.

5 Things Most Associates **Wish** They Had Fully Considered

**Before** Becoming Partner
Developing and maintaining a persuasive, distinctive, and authentic brand

Define Your Brand

Leverage Your Brand

Maintain Your Brand
Building crucial professional relationships and developing business

There should be a note on every lawyer’s desk that says “What have I done today to make the people I am dealing with more successful and more comfortable?”

Jim Durham, The Essential Little Book of Great Lawyering

We don’t want people to be interested in us as a means to an end, as a destination for their own purposes. We want people to be interested in us as fellow-voyagers, people who care about us enough to go on a journey with us.

David Maister, The Trusted Advisor
Building crucial professional relationships and developing business

It’s all about people.

Don’t be marketing-phobic. It’s not about selling - it’s about giving.

Give freely and for free.

The Holy Grail: Be a “trusted advisor” who constantly adds value.
Understanding the business/economic side of law firms

## Types of Partnership

<table>
<thead>
<tr>
<th>Title</th>
<th>Voting Rights</th>
<th>Capital Contribution</th>
<th>Share of Profits</th>
<th>Fixed (i.e., guaranteed) Compensation</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Partner</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Generally, no, but can be negotiated for a defined period of time</td>
<td>Highest prestige; upside is participation in firm’s profits.</td>
<td>Capital contribution; potential liability.</td>
</tr>
<tr>
<td>Non-Equity (or “Income”) Partner</td>
<td>Yes (although some voting rights limited or denied)</td>
<td>Historically not, but is an increasing trend for firms to seek some type of capital from non-equity partners.</td>
<td>No</td>
<td>Typically</td>
<td>Predictable income/cash flow; usually eligible for bonuses; reduced liability since capital contribution is limited.</td>
<td>Less prestigious than equity partnership; less economic upside potential.</td>
</tr>
</tbody>
</table>
Understanding the business/economic side of law firms

What is emphasized for compensation?

- Certain firms emphasize different things (business development vs. billable hours):
  - Finder vs. minder vs. grinder
    - Finder: Primary strength is developing new business.
    - Minder: Primary strength is managing people doing the work; keeps the trains running on time.
    - Grinder: Primary strength is “grinding” out the work
  - What fits with you?
    - Who are you and what type of firm/compensation system will fit best with your personality?
    - Note: increasing and significant focus on all partners becoming “finders” as some part of their role. It’s often not enough to just do “good work.”
Understanding the business/economic side of law firms

What is my earning potential?

- Many firms have an “eat what you kill” component to compensation – those who bring in $ are highly rewarded.
  - **Pros**: More incentive to generate business.
  - **Cons**: Can create more internal fighting over credit.

- If you have high business development potential, find out the firm’s compensation ratio.
  - The ratio from lowest-to-highest paid partner (some firms are 1:3 and some are 1:20).
  - Partners who generate a lot of business tend to want higher ratios so there is no “cap.”
Understanding the business/economic side of law firms

Capital Contributions

• Cash the firm obtains by partners to help operate the day-to-day of the firm.
• Can be anywhere from 10 – 60% of your compensation, depending on the firm.
• Some firms will require payment up front (you’ll likely need a loan), and others will take it from the back-end of your compensation over a period of years until the amount is met.
• If you leave, may need to wait years to receive it back.
• If you leave and firm dissolves, you can lose the money/be liable.

How healthy is your firm?

• Short-term vs. long-term debt?
• Are there capital calls on partners to secure more money for things other than investments in real estate, office remodeling, etc.?
• Are rainmakers or significant partners leaving?
• If your firm publishes information, are metrics such as profits-per-partner or revenue-per-lawyer decreasing?
• Are partners hoarding work from associates?
Understanding the business/economic side of law firms

Resources

• Adam Smith, Esq.: https://adamsmithesq.com
• Economics of Law Practice: Where does the money go? https://www.myazbar.org/AZAttorney/Archives/May97/5-97a3.htm
• Finders, Minders, and Grinders: http://www.happierbetterlawyer.com/blog/2017/1/13/are-you-a-grinder-or-a-finder
• What Being a Non-Equity Partner Means: https://www.americanbar.org/publications/law_practice_home/law_practice_archive/lpm_magazine_articles_v33_is6_pg12.html
• Partnership Pitfalls: https://www.americanbar.org/content/dam/aba/administrative/young_lawyers/c3_partnership_pitfalls_minter_cushing.authcheckdam.pdf
Critical provisions of partnership agreements (and why this is relevant right now)

Partnership agreements vary widely. Key things to think about:

• How will compensation structure change, and will it affect your cash flow?
  • What is your monthly draw and how will it affect overall compensation?
  • How will your benefits be impacted?
  • Sometimes new partners will take home “less” than they did as a senior associate.

• Capital contribution
  • How much?
  • How is it paid in? At once or over time or reduced from back-end?

• How and when can you get your capital contribution back if you leave? For example, one year or five years?

• How secure is your position? What does it take to remove you from the partnership?
Critical provisions of partnership agreements (and why this is relevant right now)

Resources

- I wish I had known: 
  https://www.americanbar.org/publications/law_practice_home/law_practice_archive/lpm_magazine_articles_v33_is6_pg12.html

- Articles by Ed Reeser: 
  https://www.jdsupra.com/profile/ReeserLawFirm_docs/
Becoming a better supervisor/manager

• **In short**: The skills that make good lawyers (critical, pessimistic) are often contrary to the skills required to be a good manager/supervisor.

• Some of the best lawyers (especially litigators) are the absolute worst managers.

• Lawyers are often never taught to manage.

• Being a good supervisor/manager is much easier said than done. Takes self-awareness, an open mind, and learning.

• **Benefit to You**: The better managers/supervisors often benefit from the best associates, more internal respect, and more leadership opportunity.
Becoming a better supervisor/manager

Resources

- Dr. Larry Richard: http://www.lawyerbrain.com/
- David Maister: http://davidmaister.com/category/managing/#articles
- Books
Upcoming Career Advice Series Webinars

• Friday, December 8, 2017, 1-2pm ET, Keeping Up with LinkedIn

• Friday, January 12, 2018, 1-2pm ET, Catapult Your Career: Networking and Relationship Building Strategies for Junior Associates and Law Students
http://ambar.org/careers
https://www.linkedin.com/company/aba-legal-career-central
https://www.facebook.com/ABALCC/

https://www.youtube.com/channel/UCgleeqg8YUPO-F4Uvwz3eYAA
https://twitter.com/abalcc

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