



## Tomorrow's Stars

Over the past two decades, law firms have become increasingly explicit in setting criteria for promotion. Firms have identified quantitative and qualitative partner performance expectations aimed at telling a fuller story of what a successful owner of the firm looks like, including more specificity around target metrics and behaviors. However, despite these advances, most firms remain heavily focused on defining criteria based on the current environment, with minimal discussion of future partnership requirements - the contribution expectations and performance criteria which will be necessary to cultivate and promote *tomorrow's stars*.

There are two fundamental trends which argue for rethinking how firms set criteria for partnership. First, the significant changes in the legal industry are redefining what it takes for firms, and lawyers, to be successful. Second, law firms in the US and elsewhere are facing a wave of partner retirements. The confluence of industry-wide change and demographic transition begs the question: Who will be the owners of law firms of the future? Not only will the composition of firm partnerships differ in terms of size and demographics, these law firms will be competing in an unprecedented environment requiring a different ownership skill set than the one which worked for firms 20-30 years prior.

For many firms, the promotion criteria and expectations used to consider partnership candidates today reflect current, or even past requirements. For example, some firms (albeit, a waning group) still reflect on years of experience as a key decision-making factor in the promotion process. While all firms must seek to maintain or improve legal excellence in promotions, longevity on its own tells us little about ownership skills or abilities. In the past decade, more firms have honed in on working attorney and business generation metrics as key criteria for partnership, which has re-focused partners on financial contributions but done little to generate thinking around future requirements of the owners of the business.

In order to succeed in years to come, firms must pause to consider what the future might hold and to better define who will be their future stars. The following is a list of some of the obvious and less obvious criteria firms should be seeking to identify:

**Client Collaborators:** The evolution of client hiring trends and processes, as well as current industry analytics, all point to ongoing demand pressure and intensifying competition for clients in the future. Unlike the legal industry of 15-20 years ago, tomorrow's partners will not see work simply walk in through the door. Fundamental shifts in the way in which clients use law firms, as well as major advances in technology will continue to put downward pressure on demand for services and require partners to compete more directly and aggressively for market share and client relationships. The lawyers most skilled at generating new clients, expanding services to clients across teams of lawyers, and sharing and leveraging knowledge of the client's business to enhance service delivery, will offer superior value to law firms in need of revenue growth and market share.

**Consummate Networkers:** Technology has reshaped traditional business relationships and client hiring trends. Today and into the future, highly networked law firm partners will disproportionately benefit from practice growth, as they expand and leverage their connections to identify emerging business opportunities and deliver those opportunities to their network, both internally and externally. It will be more and more about *who* they know, rather than *what* they know. This skill set differs tremendously from the 'just do good work' philosophy common years ago and requires both an interest and an aptitude for building, maintaining and leveraging a broad network of personal and professional connections for the purposes of business expansion and delivering value to one's connections.

**Externally Oriented:** Consistent with being focused on clients and their network, star partners of tomorrow will also maintain a strong external orientation. They will seek to understand and stay abreast of changes in the global and local economy and the impact those changes have on their clients' businesses. Future partners will also remain engaged in learning about the legal industry and competitors, enabling them to gain perspective on the firm's relative position in the market and the competitive challenges and opportunities it faces. While firms today often give a nod to this criterion, too many owners of law

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firms today fail to maintain a working knowledge of the legal and business climate. The lack of a true focus on businesses and legal industry trends impedes partners from advising clients in the most informed way and results in undereducated thinking and sometimes voting on key firm decisions.

**People Managers:** Historically, lawyers have been known as professionals who enjoy working autonomously, free of the burden of managing teams of people. However, in response to client calls for greater efficiency, many law firms of the future will adopt models with a larger number of non-partner and even non-lawyer staff, all of whom will require training, development, feedback, and effective communication. Successful owners of the future will need to be skilled people managers, capable of delegating effectively, communicating regularly, providing candid formal and informal feedback, and motivating team members. These skills and abilities will require cultivation among potential future partners but once mastered will offer disproportionate benefits to the firm and its employees in highly leveraged models.

**Professionally Agile:** Many of the most successful professionals (in legal and beyond) are ones who have reinvented themselves at multiple junctures in their careers. Being attuned to changes in the external market, commoditization pressures, or rising/declining demand, they have recognized a need to pivot and adapt their practice, skill set or network. As law firms encounter growing uncertainty, complexity and volatility driven by changes in technology and the global economy, partners most open to change in their own practice (in terms of demand, specialization, the application of technology, or evolution in service delivery models) will more successfully adapt and reposition themselves when necessary. These are also the partners who are most likely to understand the changing strategy, business, and operational requirements of the law firm itself, such that they act as facilitators of change rather than obstacles.

**All-In:** Numerous firms already state expectations of 'full engagement' for equity partners, typically in some form of total contribution hours, both billable and non-billable. And yet, law firm leaders agree that too many equity partners, some of whom are highly paid, contribute in too limited a way. These individuals do not currently operate in a holistic capacity as a business owner, and often times, the narrowness of their contributions inhibits cross-practice or cross-office growth, talent development, and performance improvement. Many firms have already moved away from protecting partners who are not fully committed and all-in based on tenure and existing status as a partner. This trend will continue to escalate, and ownership will be reserved for only the most committed.

The list of attributes of tomorrow's star partners could go on. Suffice it to say that in the future, more and better client-focus, market awareness, interconnectedness, adaptability, leadership, people management, collaboration, business-mindedness - among other characteristics - will all be asked of law firm partners. Given the limited pool of individuals who are likely to meet all of these criteria, future partnerships will likely face intensifying competition for star partner talent. As a growing number of baby boomers head towards retirement, firms will be looking to fill the client relationship skills and substantive expertise gaps left by retiring partners, while also meeting the future ownership requirements driven by changes in the industry. Competition for the highest performing and most well-rounded next generation partners will skyrocket. Firms which take steps now to identify and cultivate the ownership skill sets required to succeed in the future will outperform others in terms of partner composition and contribution.

It is time for law firms to seek an answer to the question - who will be tomorrow's stars?

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