

Recruiting During
The 2008-2009 Recession
Making Sense Out of Uncertain Times

NALP - 2009

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Last Year I knew
all of the answers

Today
I'm Not Sure
I Know the Questions

Collision Between
Recruiting and Reality

- Declining & Uncertain Needs
- Falling Demand, Revenue, Profits
- Accelerated recruiting at schools
- Accelerated decisions by students
- Deferred start dates...layoffs
- Truncated summer programs
- Uncertainty about needs in next 1-3 years
-Still...recruiting must proceed...or?

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Collision of Competing Concerns and Constituencies

- Law Schools
- Offices of Career Services
- Law Firms
- Law Firm Partners
- Law Firm Associates
- Law Firm Recruiting Professionals
- Clients

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The best and the brightest students

- | | |
|----------------|---------------|
| ■ Ambitious | ■ Fearful |
| ■ Determined | ■ Debt Ridden |
| ■ Independent | ■ Skeptical |
| ■ Self Reliant | ■ Angry |
| ■ Resilient | ■ Confused |
| ■ Brilliant | ■ Pessimistic |
| ■ Hard Working | ■ Cautious |
| ■ Versatile | ■ Anxious |

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In A Recession 1 Size Does Not Fit All

- Leading Wall Street Firms
- Leading firms other Top 5-10 markets
- Leading firms in smaller cities
- National firms in high income markets
- National firms in other markets
- National firms in all markets
- Mid size / small firms active in OCI
- Elite Rolls Royce Boutiques
- Rates, Hours, Profits, Associate salaries

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Student Opinion Millenials face the monster

- What they say v. what they mean
- Unstated concerns
- Tackling the debt monster
- Envisioning long-term career
- Applied during a boom....
- Graduate into an abyss

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Accelerated Media

- 1970's and earlier the pre-media era
- 1980 – American Lawyer
- 2000 - Greedy Associates
- 2003 - Vault
- 2007 – Above the Law
- Transparency – benefits /disadvantages
- What's Next.....

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Inherent challenges of recruiting

- Matching needs 2-3 years hence
- Matching area needs to student preference
- Understanding generational differences
- How generations react to boom and bust

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Industries & Professions In Transition

- Automobiles
- Airlines
- Computers
- Accounting
- Legal Profession

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Velocity /Transparency of Change

- Boom to bust cycle – 98-01-06-09
- Manic hiring to disarray and ...
- Compensation derby turns upside down
- Utilization from 110% to 70% or lower
- Some practice areas from red hot to cold
- Entire Recruiting System built on supply demand relationship – now topsy turvy

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Responding to Rumors

- Ignore?
- Respond?
- Deny with care
- The rumor could be right
- Resist temptation to manage the news
- Your student audience is skeptical – don't give ammunition to make them cynical

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Impact of Recruiting Changes

- Cash Savings short term
- Cash Savings long term
- Internal message – set an example
- Immediate recruiting reaction
- Long term impact recruiting

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Recruiting – Tail of the Dog

- Profitability
- Cash Flow
- Client Service
- Stopping Partner Defections
- Preserving Glue of the Partnership

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Practical Problems This Summer and Fall

1. Going to campus this Fall

- GPA cutoffs
- More selective on other core traits
- Focus on ties to city
- Focus on commitment to private practice
- Focus on work ethic and people skills
- Likelihood of long term retention

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2. This Fall Should You

- Change campus visit list
- Restructure interview teams
- Reduce schedules
- Go to campus just to be “visible”
- But “we” always go to X School
- But “I” always go to X School
- Go to a campus but slash call backs
- Cancel and force interviews to Spring?

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3. OCI Tactics

- Candor
- Criticizing the Competition
- What you say and how you say it
- Preparation more important than ever
- Staying on message.....
- Know your data

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4. Fall 2009 OCI

- Fewer invites for callbacks
- Rapid response to call backs
- Higher % of call backs accepted

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5. Student Attitudes On Campus

- Vary among 1L 2L 3L
- Vary from school to school
- Common concerns
 - Denial
 - Fox holes
 - High velocity rumors in post modern world
 - Death by text message – like measles in kindergarten

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6. Call Backs – Fall 2009

- Students will schedule fast & furious
- Managing your offers
- Speed of acceptances
- Weakest will accept more rapidly
- Spike in concern about oversubscription
- Less is more
- Splits? You must be kidding

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7. Working With Management

- Pressures and Priorities
- Recruiting is 1 piece of the Puzzle
- End of year focus on revenue / collections
- Reporting to management on trends
- Understanding rapidly evolving needs
- You may have to shift on a dime

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8. Billable Hours

- Time inflation
- Delegation
- Client resistance on rates and hours
- Write off allocation
- Training industrious motivated but concerned associates
- Students still crave concrete data

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9. Compensation

- Starting Salaries? – Specific or vague
- Variable starting salaries?
- Is one step back enough?
- Class Gaps?
- Levels within class?
- Hours-based when hours scarce?

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10. Analyze Your Competitors

- Who are my real competitors
- Aspirational Competitors?
- Beware Antitrust Concerns
- www.LeopardSolutions.com
- Track head counts, practice areas, laterals, market trends and all the rest

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11. Deferrals.....

- Capacity to absorb
- Likelihood of return
- Defining public interest expansively
- You may want the associates to return
- Dealing with Gap Classes 2012-2018
- Overlapping classes arrive at once
- Or a system of perpetual deferrals
- Deferral – hope they drift away
- Putting off the inevitable

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12. Some Questions Impossible

- Substandard Summer Program Offers
- Withdrawing 3L offers
- Offer \$X but cut it 2-6 months later
- Digesting two classes at once
- Who to terminate first? – Recruits, New Associates, Experienced, NEP, Equity

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13. Suspending Recruiting

- Immediate savings
- Gap in the ranks
- Investment bank analogy
- Damage to firm reputation? Benefit?

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14. Shift to the Spring

- Cumbersome but may be necessary
- Leader – followed by avalanche
- Administrative chaos subordinated to law firm necessities
- Is Winter the new Spring
- Callback week during Spring break

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15. Summer Program Elephants in the Room

- Offer percentage – timing
- If you have to say “no offer”
- Reviews
- Recommendations
- Offers letters – time and starting salary
- Work Flow -
- Atmosphere
- Meeting with Management

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16. The Recruiting Website

- Candor about changes
- Simplicity
- Directness – not denial
- Clarity –not obfuscation
- The data students want to know -

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17. The End of “Equal Protection”

- Variable starting salaries
- A very difficult sell in any environment
- Larger differences within classes
- Comp overlap among classes

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18. P.R. Doublespeak

- Students / media / clients see through it
- Don't congratulate yourself on wisdom of your decisions
- L/T damage from mishandled publicity
- Clarity – simplicity - sincerity

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19. Mirage of Stealth Tactics

- Counterproductive
- Ineffective
- Worse than candor
- Latham 1991 model
- Wallowing in semantics –

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20. Implications of Litigation Slow Down

- Reduced volume
- Corporate counsel budget pressure
- Slaying the E discovery beast
- Standard assumptions on entry level hiring needs may be set aside

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21. Students Sources of Knowledge

- Vault
- Above the Law
- AmLaw and other surveys
- Friends
- Peer pressure
- Rumor – velocity and context
- Drumbeats ancient hearsay
- Your Website – the 5 minute test

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Radical ideas

- Suspend OCI in Fall 2009
- Break away from pack on OCI timing
- Discontinue summer programs for 1-3 years
- Reduce associate salaries
- Lower base – higher bonus potential
- Phase out entry level hiring

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What if the Recession Steepens?

- Suspend Sumer Program
- Discontinue Fall OCI in 2009
- Cut salaries across the board
- Terminate current associates
- Deferred associates - terminated

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5. Kimball Professional Management

About Frank Kimball

- Frank Kimball is the only former hiring partner of one of the largest national firms who provides search services, project consulting and training for leading law firms. He has interviewed, hired, placed, or counseled more than 9,500 law students and attorneys. Each year he meets 1:1 with more than 200 law students who are considering joining the nation's leading law firms and with more than 200 lawyers considering lateral moves. Frank was a partner with McDermott, Will & Emery from 1986-1992, served for six years on the hiring committee, ran two summer programs, and was chair of the national hiring committee in 1990-1992.
- Frank's firm has placed partners and associates with more than thirty firms including Baker & McKenzie, Bartlit Beck, Bell, Boyd & Lloyd, Chapman and Cutler, Faegre & Benson, Foley & Lardner, Gardner Carton, Grippo & Elden, Howrey, Jenner & Block, Jones Day, Katten Muchin, Kirkland & Ellis, Latham & Watkins, Mayer Brown, McDermott, Will & Emery, McGuire Woods, Miller Canfield, Neal Gerber Eisenberg, Perkins Coke, Schiff Hardin, Seyfarth Shaw, Sidley Austin, Skadden Arps, Sonnenschein, Stein Ray & Harris, Vedder Price, and Winston & Strawn.
- He has trained hundreds of campus and office interviewers and presented programs for hiring partner retreats for more than twenty AmLaw 200 firms including Shearman & Sterling, Paul Hastings, Akin Gump, Katten Muchin Rosenman, Winston & Strawn, Jenner & Block, Gardner Carton & Douglas (now Drinker Biddle), Arnold & Porter, Schiff Hardin, and Neal Gerber Eisenberg. He has completed consulting projects for many AmLaw 200 firms and interviewed on campus at two dozen law schools.
- Frank has presented more than 50 programs to more than 3,000 students at Chicago, Columbia, DePaul, Georgetown, Harvard, Illinois, Kent, Michigan, Northwestern, NYU, Virginia, Washington & Lee, Loyola University of Chicago and Indiana University. Frank has presented scores of programs for hiring and managing partners and placement professionals including hiring committee retreats, seven NALP Annual Conferences, NALSO annual meetings, IOMA Seminars, and programs for recruiting professionals in Los Angeles, Philadelphia, and other markets.
- A 1977 Michigan graduate, Frank won the Campbell Moot Court Competition (with his brother George), was a Note & Comment Editor of the Michigan Journal of Law Reform, and a Senior Writing Instructor. He graduated magna cum laude from UCLA, is a member of Phi Beta Kappa, and was Second Speaker at the 1973 National Debate Tournament.
- A practicing litigator in two national firms, he argued appeals in takeover, shareholder derivative, class action, banking, tax, and probate cases and represented leading investment banks, commercial banks, offerors and targets in more than thirty contested takeovers and tender offers.

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Firms Where We Have Placed Lawyers

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Bartlit Beck	Freeborn	Kirkland	Miller Canfield	Sonnenschein
Bell Boyd	Gardner	Latham	Ropes & Gray	Ungaretti
Chapman	Grippo	Stein Ray	Schiff Hardin	Wildman
Eimer Stahl	Howrey	Mayer Brown	Seyfarth	Vedder
Faegre	Jenner	McDermott	Sidley Austin	Winston
Burke Warren	Jones Day	Neal Gerber		

Kimball Professional works with AmLaw 200 firms in California, New York, and Washington, D.C. on project consulting and lateral hiring. For information on our experience in those markets and opportunities for lateral candidates, please e-mail or call, Frank@KimballProfessional.com, 773-528-7548. Where we are unable to assist you because of client conflict reasons we are pleased to refer you to exceptional search firms in each market.

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Practice Area Experience

Antitrust	Corporate	Benefits
Estates	I.P. Patent	I.P. Non Patent
Litigation	Outsourcing	Private Equity
Public Finance	Private Finance	Real Estate
Sports Law	Tax	Trade Ass'n NFP
White Collar	Govt Contracts	Environmental

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