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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

8 Firms That GCs Say Are Worth The Price Tag

By Kira Lerner

Law360, New York (April 26, 2014, 4:03 PM ET) -- In-house lawyers are willing to pay a handful of BigLaw firms premium rates because the firms have changed their approach to fees, budgeting and the delivery of services, all of which has increased the value of their brands, according to a survey of general counsel.

In choosing who to hire, clients will pay larger firms above-market rates if those firms have a reputation for delivering top-notch service, continuing to improve their client experience and making creative approaches to client service part of their routine, according to the BTI Brand Elite 2014: Client Perceptions of the Best-Branded Law Firms report from The BTI Consulting Group (Wellesley, Mass.).

"If you go back three or four years, what you were hearing is, 'You're big and expensive,'" said BTI President Michael Rynowecer. "Now what you're hearing is, 'You're big and you're delivering value.'"

The survey singles out Jones Day, Kirkland & Ellis LLP, Latham & Watkins LLP and Skadden Arps Slate Meagher & Flom LLP as firms that clients believe are worth the high rates in exchange for premium value. Skadden is also included in the survey's "Value Leaders," or firms making changes in the client experience to add value, along with Faegre Baker Daniels, Ogletree Deakins Nash Smoak & Stewart PC, Reed Smith LLP and Seyfarth Shaw LLP.

Large firms were hit hardest by the financial crisis but were able to emerge by embracing alternative fees, Rynowecer said. Smaller firms, which one boasted equal or better performance for lower rates, are now losing that advantage as clients realize the value of their larger competitors.

"Now, we're in a different stage of the market where [large firms] have gone from getting beat up about their rates to starting to deliver alternative fees to now turning that into an advantage," he said.

Each of the firms ranked by BTI has improved its relationship with clients and changed the way it delivers services, whether through changing staff levels, meeting with clients on nonlegal matters or adding services without increasing its price tag.

"Clients overall want their legal work to be done and done in a high-quality, timely way," Rynowecer said. "But then, in order to add superior value, clients want more. They want to understand issues they don't currently understand."

Skadden has maintained its position as a leader in value by delivering on a systematic and continuing basis across its client base, Rynowecer said. While other firms may start client service initiatives

periodically because of the additional time and money required, Skadden makes its unique service delivery part of the way it operates.

“They are not sporadic, they are not one-off and they are tailored,” he said. “These are clearly in-depth and client-specific initiatives.”

Faegre Baker Daniels managing partner Andrew Humphrey said his firm had leveraged its recent merger to increase its value and land a spot on the report’s top five value leaders. By utilizing new talent and unique skill sets from both sides of the combination, focusing on listening skills, and improving its project management process, the firm has been able to deliver a more valuable experience to its clients, Humphrey said.

“If you can understand your client's business, industry and challenges, you can provide much better client service and that’s what’s driving value,” he said.

Since completing its merger in January 2012, Humphrey said the firm had been focusing on how to structurally integrate the two firms and also integrate their talent. For example, Baker & Daniels LLP brought a strong U.S. Food and Drug Administration practice to the new firm, and Faegre & Benson LLP’s life sciences attorneys have learned to cross-sell the firm’s services.

“It takes time to get to know your colleagues in that area and to get to know their experience in order to really robustly and enthusiastically recommend them to clients,” he said. “I think that is picked up by clients, who are saying, ‘Wow, they have a broader skill set and an ability to help us in a deeper way than they did before.’”

The report and rankings were based on more than 300 individual interviews with corporate in-house counsel between March 2013 and July 2013, according to BTI. Represented companies had an average revenue of \$16.4 billion and a median revenue of \$4.1 billion.

--Editing by Elizabeth Bowen.