

[Industry Faces New Dynamics as Departing BigLaw Attorneys Open Boutiques](#)

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Call it "boutiquification" of law. The emerging growth of boutique law firms created by attorneys who departed BigLaw firms is creating new dynamics in the industry, with impacts on everyone from lawyers to their clients.

As someone who spent her entire career at BigLaw, working full-time throughout law school and working my way up to become a partner at one of the nation's premier law firms, I can appreciate the opportunities afforded by BigLaw firms to younger attorneys. I was able to work on some of the most complex, bet-the-company cases with some of the country's finest lawyers throughout my almost 20 years at BigLaw. It is impossible, however, to ignore the problems lawyers nationwide are saying will ultimately hurt these prestigious law firms by costing them one of their strongest assets: the lawyers who they have invested in and trained for years or decades.

Specifically, the reasons for the increased establishment of boutique law firms include:

- **Compensation.** Although BigLaw firms have made strides in offering the alternative fee structures their clients seek in today's competitive marketplace, they have failed to ensure their compensation models keep pace with new fee arrangements. They have not figured out how to incorporate the benefits of those new fee arrangements to the attorneys working on the matters. In many cases, when big law firms offer clients fixed fees, the attorneys who do the work are required to bill hourly against those fixed fees. This means the attorneys don't benefit from the upside of the fixed-fee arrangements, but must deal with the downside

whenever cases require working more hours than expected under fixed-fee arrangements, which translates into lower compensation.

- Diversity. Looking back 30 years ago at firms that comprise BigLaw, the upper ranks were noticeably white and male. Today, looking around at BigLaw top management and equity ownership, it remains noticeably white and male.

It doesn't start out that way. Women comprise approximately 50% at the nation's law schools, but 20 years later, they only make up a small fraction of the ownership at BigLaw—a mere 20%. The stats are even more staggering for minorities who are just shy of 40% at the nation's law schools but make up only 8.6% of equity partners at BigLaw. We all know that the starting salaries at BigLaw are significant, but clearly that high compensation has not been enough of an incentive to retain women and minorities at expected levels.

Many firms tout diversity and put in place mechanisms to ensure diverse lawyers have mentors or sponsors and they are trying to have them engage more with clients. But when it comes down to it, especially in litigation, what we see whether on the client-facing side or the managing partner side, the ones trying the really tough cases are not as diverse as one would hope. Too often, we see women and other minorities relegated to working in back rooms, not doing any client-facing work, and not getting critical opportunities to argue key motions in court or, better yet, the critical first or second chair roles in trial. Moreover, many law firms are structured so origination credits are given to the older senior partners who brought in the client decades ago, despite that the work has been done and the client relationships maintained by younger, diverse attorneys. Given that many BigLaw firm compensation structures are based on "origination credit," this structural problem can lead to dissatisfaction among younger and more diverse attorneys. Unless this credit, both in compensation and in recognition of the work done by the diverse lawyers, is more equitably distributed, BigLaw will continue to face the exodus of women and minorities.

- Sharing the spotlight. Lots of firms talk about the benefits of succession planning, but many of the senior partners do not want to give up the spotlight to the next generation— even when it is in the firm's best interest. Even when it comes to news coverage, many of the law firms give all the credit and attention (minus a possible brief shout out) to the senior partners for client outcomes that may have been obtained by younger partners. Beyond affecting people's sense of job satisfaction, this hoarding of the spotlight also affects their bottom lines: all the attention given to older partners leads to more work coming to them, and hence the cycle continues.

Let's see what happens in the next decade. Let's hope it's not another case of "the more things change, the more they stay the same."

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