Friday, November 4, 2022
2:05 PM – 3:20 PM PT

Session 301 | The Secrets Behind Setting Compensation in Law Firms

Session Description:
What matters most in determining compensation in law firms? How are objective and subjective factors used? How is pay equity handled at law firms? How does a vereign structure impact compensation? Does it matter in which office you are located? What role does profitability play in setting compensation? Are subject matter specialists compensated differently than corporate lawyers? Are you compensated for serving a leadership role in your firm? Attend this CLE to find out the answers to these questions, among many others, and learn latest trends in law firm compensation.

Moderator:
George C. Chen, Partner, Bryan Cave Leighton Paisner LLP

Speakers:
Tom Chen, Partner, Haynes Boone, LLP
Pankit Doshi, Office Managing Partner, McDermott Will & Emery
Robert C. Kim, Office Managing Partner, Ballard Spahr LLP
MEMORANDUM

Date: November 4, 2022
To: CLE Attendees
From: George Chen (Moderator)
Subject: CLE seminar agenda for “The Secrets Behind Setting Compensation in Law Firms” during the 2022 NAPABA Convention on Friday, November 4, 2022 at 2:05 pm – 3:20 pm PT in Las Vegas, NV

1. Introductions
   a. Panelists

   i. Tom Chen
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      Haynes Boone, LLP
      600 Anton Boulevard, Suite 700
      Costa Mesa, CA  92626
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      Tel: 949.202.3030

   ii. Pankit Doshi
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       San Francisco, CA  94105-2616
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       Tel: 628.218.3818

   iii. Robert C. Kim
        Office Managing Partner
        Ballard Spahr LLP
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        1980 Festival Plaza Drive, Suite 900
        Las Vegas, NV  89135-2658
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        Tel: 702.868.7512

   iv. Gina Shishima
        Chief Strategy and Operations Partner Norton
        Rose Fulbright US LLP
        98 San Jacinto Boulevard, Suite 1100 Austin,
        Texas  78701-4255
        Email: gina.shishima@nortonrosefulbright.com
        Tel: 512.536.3081

   b. Moderator

   i. George C. Chen
      Partner
      Bryan Cave Leighton Paisner LLP
      2 N. Central Avenue, Suite 2100
      Phoenix, AZ 85004
      Email: George.Chen@BCLPLaw.com
      Tel: 602.364.7367
2. Audience Survey (using real-time polling software)
   a. Attendance: Associates, Counsel, Partners, Other (bar chart)
   b. What factors are important for non-partner compensation in law firms? (word cloud)
   c. What factors are important for partner compensation in law firms? (word cloud)

3. Associate Compensation
   a. Trends
   b. Lockstep vs. bands
      i. Tiered lockstep based on hours Bonuses
   c. Bonuses
   d. Discretionary components

4. Counsel Compensation
   a. Trends
   b. Role of counsel and its impact on compensation
   c. Bonuses
   d. Discretionary components

5. Partner Compensation
   a. Trends
   b. Non-Equity partner (non-profit sharing) vs. equity partner (profit sharing) vs. hybrid
   c. Objective system vs. subjective system
      i. Relative importance of objective vs. subjective
      ii. Different criteria for different partners
   d. Open system vs. closed system vs. hybrid system
   e. Lockstep vs. bands
   f. Office locations and sizes
   g. Vereigns
      i. Different credit for bringing in work for a different profit pool
   h. Formal leadership roles within law firm
   i. Originations vs. working lawyer collections
      i. Most significant factors for most law firms
   j. Profitability
      i. Hourly rates
      ii. Leverage
      iii. Your practice vs. law firm, office, & department/practice area
   k. Multi-year trend vs. single year
   l. Corporate lawyers vs. litigators vs. subject matter specialists
   m. Bonuses
   n. DEI
   o. Pay equity
   p. Implicit bias elimination
   q. How to communicate your value to your law firm
      i. Self-evaluation
         1. “I” vs. “we”
      ii. Interviews
      iii. Politics
      iv. Advocates/sponsors, office managing partners, department/practice group leaders
      v. Decision makers
1. Board/Management Committee vs. Compensation Committee
   vi. Squeaky wheel

6. Q&A

7. Conclusions, Take-Aways, and Action Items
THE SECRETS BEHIND SETTING COMPENSATION IN LAW FIRMS

2022 NAPABA CONVENTION

Las Vegas, NV
November 3, 2022
Introductions

Panelists:

- **Tom Chen**, Partner (Haynes Boone, LLP)
- **Pankit Doshi**, Office Managing Partner (McDermott Will & Emery)
- **Robert C. Kim**, Office Managing Partner (Ballard Spahr LLP)

Moderator:

- **George C. Chen**, Partner (Bryan Cave Leighton Paisner LLP)
Agenda

- Introductions
- Audience Surveys
- Associate Compensation
- Counsel Compensation
- Partner Compensation
- Q&A
- Conclusions, Take-Aways, and Action Items
Audience Real-Time Survey (#1)
Audience Real-Time Survey (#2)
Audience Real-Time Survey (#3)
Associate Compensation

- Recent trends
- Lockstep vs. bands
- Bonuses
- Discretionary components
Trend Comparison of Median Total Comp

Source: ALM 2021 Survey of Law Firm Economics – Executive Summary
Counsel Compensation

- Recent trends
- Role of counsel
- Bonuses
- Discretionary components
Partner Compensation

- Recent trends
- Equity vs. Non-Equity
- Objective vs. Subjective
- Open vs. Closed vs. Hybrid
- Lockstep vs. Bands
- Office Location & Size
- Vereigns
- Formal leadership roles
- Originations vs. Working Lawyer Collections
- Profitability
- Multi-Year vs. Single Year
- Corporate vs. litigation vs. specialist
- Bonuses
- DEI & Pay Equity & Implicit Biases
- Communicate Your Value
EXHIBIT 2.2 – AVERAGE TOTAL COMPENSATION BY PARTNERSHIP STATUS

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.5 – AVERAGE TOTAL COMPENSATION BY COMPENSATION TRANSPARENCY

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.1 – AVERAGE TOTAL COMPENSATION BY PARTNER TENURE

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.4 – AVERAGE TOTAL COMPENSATION BY CITY

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.3 – AVERAGE TOTAL COMPENSATION BY PRACTICE AREA

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.7 – AVERAGE TOTAL COMPENSATION BY GENDER

Source: MLA 2020 Partner Compensation Survey (redacted)
EXHIBIT 2.8 – AVERAGE TOTAL COMPENSATION BY ETHNICITY

Source: MLA 2020 Partner Compensation Survey (redacted & annotated)
Q&A

Panelists:

- **Tom Chen**, Partner (Haynes Boone, LLP)
- **Pankit Doshi**, Office Managing Partner (McDermott Will & Emery)
- **Robert C. Kim**, Office Managing Partner (Ballard Spahr LLP)

Moderator:

- **George C. Chen**, Partner (Bryan Cave Leighton Paisner LLP)
Conclusions, Take-Aways, and Action Items

► Panelists:
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  ▪ **Pankit Doshi**, Office Managing Partner (McDermott Will & Emery)
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  ▪ **George C. Chen**, Partner (Bryan Cave Leighton Paisner LLP)
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