

The 2020 A-List: Amid Upheaval, Firms Focus on Finding Balance

In a tumultuous time for the industry and the country, the leaders of firms on The American Lawyer’s annual A-List ranking are seeking to address both financial and social considerations.

BY DAN PACKEL



THE COMBINATION OF THE CORONAVIRUS crisis and the recent explosion of attention on the country’s legacy of racial inequality only serves to highlight the importance of balancing financial concerns with social considerations when running a law firm.

That’s the message from several managing partners who saw their firms move up on The American Lawyer’s A-List for 2020. While the ranking considers revenue, it also accounts for cultural markers like pro bono work, associate satisfaction, racial diversity and gender diversity among the equity partnership.

“There’s never been a more important time for us to be focused on a number of these areas,” said Arnold & Porter Kaye Scholer

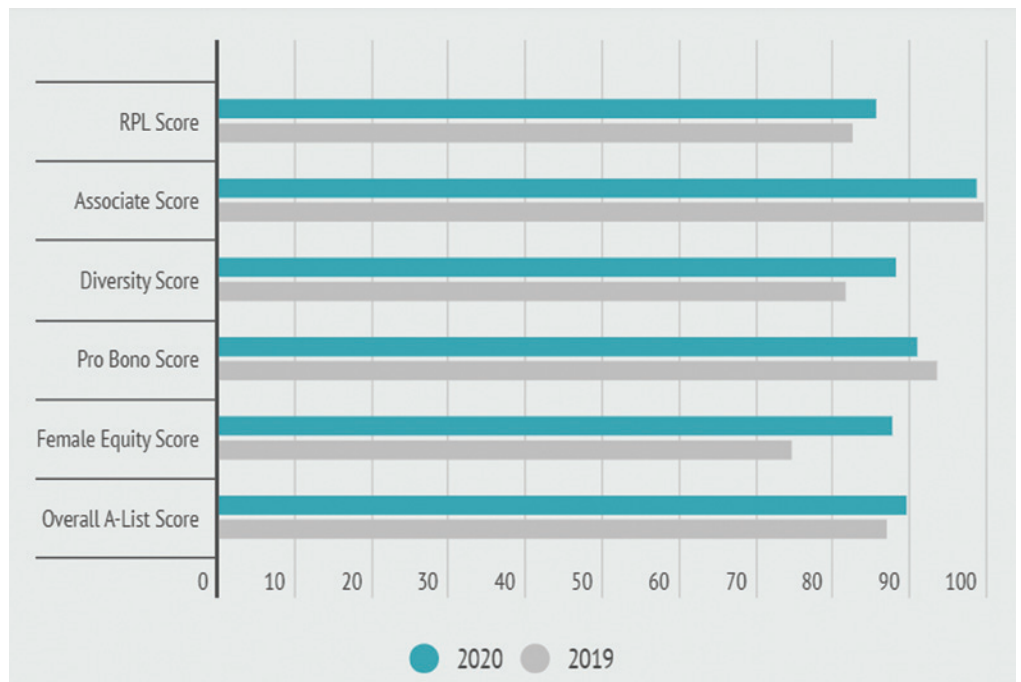
Chairman Richard Alexander. “We can’t separate the pandemic from the reckoning in the country and the world with respect to social and racial justice.”

Arnold & Porter climbed nine places to land at No. 19 on this year’s list. The firm was last recognized in 2017, based on figures generated before its merger with Kaye Scholer.

“In both firms, there was concern that the core values of the legacy firms would be preserved and enhanced,” Alexander said. “That’s the thing I’m most proud of.”

At O’Melveny & Myers, improvements in the firm’s metrics for racially diverse attorneys and women in the equity partnership fueled a four-place jump into the No. 3 position, marking

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the firm's third straight year in the Top 10 and its fifth time on the list in the last five years. The firm's score for female equity partners climbed by 13 points, while its score for diverse equity partners rose by 6.5.

Managing partner Brad Butwin explained that while these areas had been priorities for the firm for some time, the improvements also stemmed from an ongoing practice of self-evaluation. "We constantly judge ourselves," he said.

Butwin added that diversity is the only standing item on the agenda of every single one of the firm's policy committee meetings.

"It's a pillar of our strategic planning," he said. "We're also more deliberate in how we staff matters and ensure that all attorneys and staff actually see diversity at all levels of the firm, particularly at the senior level. Our almost all-equity partnership means there's no second tier where women and other diverse attorneys languish."

Like Arnold & Porter, Los Angeles-based Manatt, Phelps & Phillips returned to the list following two years off, rising seven places to No. 15. Its 20.5-point improvement in the female equity partner category was the single biggest improvement in any metric for any firm on the A-List.

"This is a reflection of a long-term approach that's really embodied in the culture here, where you can really bring an authentic self to work," managing partner Donna Wilson said.

Although she wasn't in the role the last time Manatt made the list, as a female partner, an openly gay woman and a mother, Wilson has long felt comfortable being herself at the firm. More recently, however, the firm has reformulated its organizational structure with the goal of introducing more women and diverse partners into leadership roles in practice and industry groups, on its compensation committee and board of directors, and in the C-suite, where five of six C-level directors are women.

"When women and members of diverse communities see themselves in the leadership, that helps them bust through whatever ceilings might be there," Wilson said.

In a year that's been marked by upheaval and uncertainty, there's also plenty of continuity in the upper reaches of the A-List. Munger Tolles & Olson topped the list for the second year in a row, while landing in the top five for a fifth time in the last five years. Ropes & Gray, at No. 2, notched four straight years in the top three. And nine out of 10 firms in the top 10 were the same year-over-year; Morrison & Foerster, while bowing out of the upper echelon, remains firmly entrenched on the list, moving from eighth to 13th.

The holistic approach to success embraced by all of these firms may be tested as COVID-19 continues to flare upon across the country, imposing increasing costs on the U.S. economy.

"Firms can allocate resources in lots of different ways," Butwin acknowledged. "Some can focus exclusively on revenue per lawyer, for example, and choose to spend less in other areas."

But there's also a business case for promoting diversity. Research has shown that diverse teams deliver better advice. "To build and sustain deep, long-term client relationships, we need a vibrant and diverse workforce with all of our team contributing," Butwin added.

And leaders across the A-List also embrace the idea that law is not just another profession. In their eyes, lawyers have duties not just to their clients and their firms, but society as a whole.

"The legal profession needs to use the power of the law to address injustice in this world. The pandemic and the issues in the country with respect to social justice are really laying bare the inequities in the system," Alexander said. "Irrespective of the economics, there are important obligations that law firms have, and we expect to double down on that."

METHODOLOGY

The A-List recognizes firms based on a combination of factors, both financial and cultural: revenue per lawyer, pro bono commitment, associate satisfaction, racial diversity and gender diversity (the percentage of equity partners who are women), with RPL and pro bono given double weight. Each metric measures Am Law 200 firms' relative performance—a firm's score in a given category is based on its ranking among all 200 firms. Each category, as well as the overall score, is based on a 100-point scale.