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## **What this Country and What the Legal Profession Needs Are More Systems of Ranking Lawyers and Law Firms: Some Musings**

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Professor [Steven Harper](#), a former Kirkland & Ellis partner and currently a professor at Northwestern University School of Law [recently posted](#) an interesting piece about the forthcoming US News and World Report [special issue](#) containing a ranking of “[m]ore than 5,000 law firms [which] will be ranked in 125 legal practice areas nationally, by state, and by metropolitan area.” In January, US News reported that it had by then already accumulated 50,000 client references and had requested data from the law firms it planned on grading. Insofar as some firms may not voluntarily supply such information, perhaps relying on [our view on the subject](#), US News boldly reported that it “will be able to secure from various sources quantitative data concerning those law firms that do not provide the requested statistical data.” I am not quite sure that this was a subtle threat, a boast of US News’ unique investigative reporting skills or an expression of unique legerdemain possessed by US News.

In all events, Professor Harper advances initially advances the hypothesis, indeed, a rather well accepted notion, that AmLaw’s 1985 introduction of the AmLaw 200 rankings changed law firm managers behavior in focusing on the sometimes foolishly exalted and frequently criticized “profits per partner” metric, which he describes as the “definitive metric.” With all due respect to Professor Harper, for whom I have enormous respect, I doubt that anybody believes the AmLaw metric to be either definitive or reliable. But, he is certainly spot on in describing the mere existence of the metric changed law firm manager behavior in the last 25 years. Certainly, somewhat sadly, a bit too often not very much for the

better.

In two decades of being involved in law firm mergers and acquisitions and lateral partner movement, the importance of the reported PPP of a particular law firm was always of virtually no consequence to all of the players involved. In every early discussion between law firm leaders of a proposed significant combination, the leaders simply completely discounted and ignored the reported AmLaw numbers and simply asked their counterparts for the “real numbers.” The only consideration given to the AmLaw annual reports was how the proposed combination would catapult the combined firm’s standing in the ranking. Indeed, in virtually every press release regarding a combination of significant law firms, the release boasts that the combination will elevate the combined firm to a higher AmLaw ranking.

Insofar as lateral partner or practice group movement, the issue of reported AmLaw PPP is simply treated as a matter mentioned *en passant*, of no significant import to any of the players. As I commented to Professor Harper, market forces dictate actual compensation of new laterals. The market sets the value of a lateral partner based on portable business and the demand or the current vogue or demand for the lateral’s skill set. In short, a lateral with a particular amount of business and practice area will almost always receive virtually the same monetary offer, with little material variance regardless of the standing of the offering firm in the rankings. A firm of substantial seven figure reported PPP will generally not make a credible offer of materially different remuneration of lower ranked law firms or even unranked law firms. The only variation may be that a potential lateral may see some future upside in the firm with reported higher PPP. Often, the lower ranked firm will counter that with a longer term “no cut” contract or some other salary enhancements.

The real question for me is, among other things, why is there a virtual epidemic of publications and web sites that rank lawyers and law firms? Frankly, I dunno.

There already exists a plethora of lawyer rankings, aside from AmLaw and US News: Martindale once was the gold standard. Today, we have, among others, [www.superlawyers.com](http://www.superlawyers.com), [www.bestlawyers.com](http://www.bestlawyers.com), [www.lawyers.com](http://www.lawyers.com), [www.lawyers.com](http://www.lawyers.com), [www.avva.com](http://www.avva.com) , the [ACC Value Challenge](#) and perhaps to a limited extent, [www.vault.com](http://www.vault.com) .

Most of these ranking reports are patently efforts, usually largely successful,

by the reporting entity to reap substantial financial reward for its own pecuniary interest, not that is something to be embarrassed about. Some reporting entities shamelessly solicit advertisements from the “winners” in their journals, raising serious questions for a reader as to whether an award is bought and paid for. Some host lavish pricey dinners at which awards to the winners, already previously announced, for which “winners” buy tables and drag along clients for the Academy award inspired fete. Some engage in extensive pre-announcement hype to assure both wide circulation of the particular edition in which the awards are announced and charge advertisers a hefty premium for advertisements in the issue. In all fairness, none of this can be said of the ACC Value Challenge, which actually does provide a service to the true beneficiaries of its rankings, namely clients who use the results in selecting counsel.

The consequences of the glut of awards and rankings, intended or otherwise, are, among other things, a spate of press releases by firms of its receipt of high rankings or bestowal of awards to particular lawyers in the firm, inclusion of the awards or rankings in the firms’ web sites and in many instances, law firm corridors lined with framed awards.

But, again, what’s the point? The rising tsunami of rankings and awards completely dilutes their value and, indeed, their reliability.

In the end however, market forces and the succor of profitability will doubtless incentivize the various ranking entities to simply proliferate. Vanity will surely not cause any lawyer or law firm to raise a hew or cry about these various rankings. There certainly is no redress, appellate review or even accountability for any rank bestowed or award conferred. No Darwinian system will ferret out any of these entities as being less fit. Nor will, I would doubt, any creative lawyer be able to successfully assert a claim against any of these rating or ranking agencies on behalf of a disgruntled client dissatisfied with the outcome of its case, claiming that the firm was retained relying on such rating or ranking entity, notwithstanding the pending claims against the financial rating agencies following the bursting of the home mortgage balloon.

I am simply thinking of waiting a year or two and then publishing a ranking of the various ranking entities. There may be a buck or two in that.

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