

# The Measured Approach to Market Uncertainty

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**By Ronald H. Shechtman**

A review of top legal news right now will reveal that many firms emerged from 2020 in a mood to make splashy plays, even in the face of continued uncertainty. That includes announcing market-leading associate salaries and bonuses, entering the burgeoning talent war and pursuing growth through mergers or acquisitions. While that might have been a successful strategy for some firms, particularly those in BigLaw, it's probably not going to work for most midsize firms.

In looking back over the past 18 months, I've found that my own firm, Pryor Cashman, was able to get through the COVID-induced turbulence of 2020 and 2021 by taking an approach that valued constancy over change and steadiness over activity. Pursuing measured, organic growth in line with our midsize firm's values, we have achieved record revenues this year. This is despite a market that continues to experience volatility from the pandemic. We have also been able to reverse personnel reductions implemented in 2020—and even added to our ranks.

But none of that was achieved by making big moves. Instead, we stuck to the tried-and-true approaches

that have worked for us for years, regardless of the external forces beyond our control. Midsize firms can look to these tactics to ride out the rest of the pandemic and weather periods of uncertainty to come.

## **Don't forget who you are.**

In times of stress, law firms—like any businesses—can feel pressure to make dramatic moves. It may be an office change, it may be a leap into the associate salary race, or it may be adding new groups, practices or offices. Whatever the change may be, it can make enough noise in the moment to drown out worrisome thoughts about the firm's future. Its benefits, however real in the short term, may not last long. And they will probably saddle you with a big bill.

A better course, especially for midsize firms, is to revisit the core values of the firm—and recommit to them. (Of course, if a firm cannot identify its core values, that's another problem. And a discussion for another article.)

At Pryor Cashman, one important aspect of our culture is the significant freedom we give to partners so they can develop their practices and



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complement the practices of others at the firm. That value is reflected in particular in our process of lateral recruitment.

Beyond measuring their history of business development, we look at a lateral's potential and demonstrated drive to create new business and how our platform will aid and abet that drive and capacity. The firm encourages an entrepreneurial approach with all our partners, including their marketing and business development efforts and flexibility in rate structure. We are patient as partners grow their practices, working with them to ensure that they use the resources of the firm, especially other partners' expertise, to advance their business development.

This aspect of our culture requires that we give partners significant discretion over their own practices and business development efforts, as

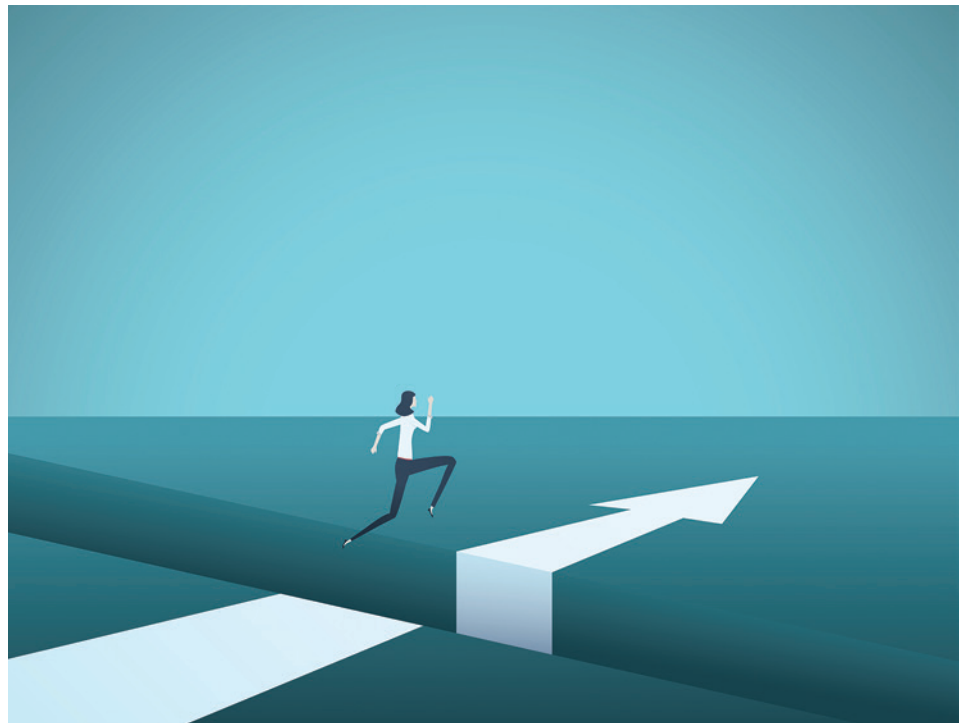
well as the ability to offer alternative fees. In the stress of the pandemic, we could have been tempted to alter our approach and to police our partners' business development activities more tightly. But we didn't.

Instead, we understood that the freedom we give partners in growing their business contributes to an entrepreneurial culture. Staying true to that culture has been one of our main tools for getting through uncertain times. The proof? Almost half of our partners originate \$1 million or more each year.

### **Don't chase every lead.**

Some of our most successful practices have grown out of a keen awareness of opportunities in the marketplace. That does not mean we pursue every shiny flavor-of-the-month practice, although doing so can be tempting in turbulent times. When the world feels as if it is changing so quickly, a law firm can feel like it needs to change its practice mix to reflect the latest developments. We consciously choose to be focused and strategic, however, and that strategy has served us well.

For example, for years we saw emails frequently circulate around the firm asking if anyone knew a good immigration lawyer. Here was an existing need from our clients that, if we could fill it, could result in significant new business. Even then, we did not act right away. Instead, we spent several years looking for the right hires who brought their own



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practices as a base for building a broader one at the firm. Eventually, we built a major corporate immigration practice. It has become one of our success stories, representing a number of professional sports organizations, several Fortune 500 companies and some large New York hospitals.

Again, we did not pursue this because we saw others developing immigration practices and jumped on the bandwagon. Instead, we identified a clear need and spent the time and effort necessary to determine how best to integrate the practice with our existing client needs. The strategy has worked for several other practices as well, including our financial services and family law practices.

### **A midsize model for the road ahead.**

No law firm leader can predict the future, and that has proven to be true the past 18 months. At Pryor Cashman, we will weather whatever comes next by doubling down on our internal culture, giving our lawyers what they need to thrive and staying close to our clients. While not splashy or headline-grabbing, it is a formula that has served us well so far.

***Ronald H. Shechtman** is the managing partner of Pryor Cashman. Under his leadership, the firm has been consistently named the #1 mid-size law firm in New York by Vault while joining the AmLaw 200.*