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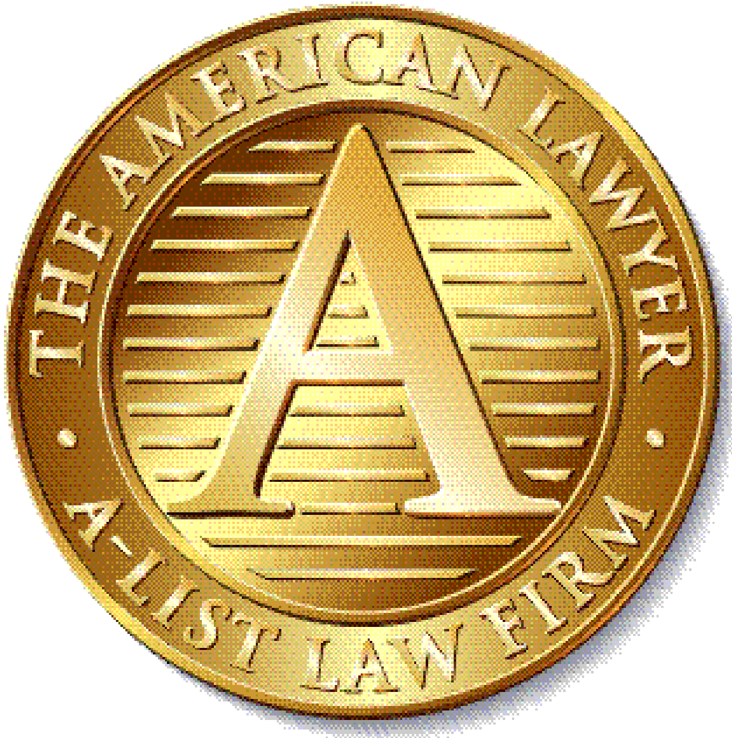
A-LIST LAW FIRM

BEST IN SHOW

Introducing The A-List

Twenty Firms that Lead the Pack



The A-List

Who are the nation's first-tier law firms? We tallied Am Law 200 revenue, pro bono scores, associate satisfaction, and our diversity scorecard. It turns out that money alone won't buy a place among the new elite.

By Aric Press

ONCE THERE WAS AN AGE, THE OLD-timers say, when lawyers could tick off by rote the names of the nation's leading law firms. They were dotted across the land like regional royalty. Within the limits of "not-our-sort" bias, they hired the best people, served the biggest clients, and sought—by word and deed—to uphold the highest standards of the profession.

Today, matters are more confused. Firms leave home. Rankings proliferate. Standards blur. Our Am Law 100 and 200 reports measure law firms as businesses. That's a vital metric. But it can't be the only standard for a self-respecting profession. Others are experimenting with new benchmarks. Our friends at Vault ask big-firm associates what they think of places where they haven't worked. That's interesting, but we don't think it yields a genuine list of "top firms." Our mates at the Chambers directory distill their interviews into a roster of "firms with the most big hitters nationwide." Unless you're recruiting for a softball league, that leaves us unsatisfied as well.

We need something far better. Lawyers should know not only what their standards are, but also who meets them. The best firms are exemplars, and exemplars are important. They're entitled to praise, and, just as critical, they inspire not only envy but better performance from their competitors. This information should be important to recruits trying to decide where to spend their careers, to laterals looking for a new office to call home, and to the firms themselves. With these ends in mind, this month we offer our first Am Law A-List of U.S. law firms.

Only 20 firms make The A-List, the top 10 percent of The Am Law 200 as calculated by a formula we describe below. As with any exercise in rankings, this one is imperfect. It is not meant to be a roster of those with the most able lawyers—though many of the nation's best practice in A-List firms. Nor is it meant to be a guide of whom to call when your voicemail includes a troubling message from Eliot Spitzer. The A-List is a measure of firm qua firm performance. As the old-timers would say, these are the elite firms. We like to think of them as The New Elite.

For the past several months we've cast

Illustration by Gerard Huerta

2003 ▪ The A-List

Rank	Firm	Total Score*	RPL Score	Pro Bono Score	Associate Satisfaction Score	Diversity Score
1	Davis Polk & Wardwell *New York*	1,094	198	185	146	182
2	Debevoise & Plimpton *New York*	1,065	177	192	192	135
3	Paul, Weiss, Rifkind, Wharton & Garrison *New York*	1,064	197	191	95	193
4	Arnold & Porter *Washington, D.C.*	1,063	163	197	164	179
5	Cleary, Gottlieb, Steen & Hamilton *New York*	1,048	188	184	123	181
6	Latham & Watkins *National*	1,035	157	193	181	154
7	Cravath, Swaine & Moore *New York*	1,028	188	188	86	190
8	Sullivan & Cromwell *New York*	1,018	199	186	86	162
9	Skadden, Arps, Slate, Meagher & Flom *New York*	1,007	191	182	83	178
10	Patterson, Belknap, Webb & Tyler *New York*	1,005	146	200	170	143
10	Wilmer, Cutler & Pickering *Washington, D.C.*	1,005	163	198	143	140
12	Heller Ehrman White & McAuliffe *San Francisco*	985	163	190	91	188
13	Hale and Dorr *Boston*	959	168	161	187	114
14	Fried, Frank, Harris, Shriver & Jacobson *New York*	955	151	183	100	187
15	Covington & Burling *Washington, D.C.*	950	139	199	149	125
16	Simpson Thacher & Bartlett *New York*	932	196	173	0	194
17	Bingham McCutchen *National*	925	146	151	155	176
18	**Jenner & Block *Chicago***	**921**	**151**	**194**	**146**	**85**
19	Weil, Gotshal & Manges *New York*	914	185	129	127	159
20	Willkie Farr & Gallagher *New York*	904	173	165	118	110

*The total score was calculated by doubling the RPL and Pro Bono scores and adding those to the Associate Satisfaction and Diversity scores.

around for a shortlist of core professional values that we could assess objectively. We found four: successful law practices; pro bono performance; decent treatment and development of young lawyers; and diversity of workforce. As it happens, we already measure each of those qualities over the course of the year. Those rankings form the basis for The A-List.

Lawyers prize several other virtues. But we couldn't find a way to grade a firm's willingness to take on unpopular causes or fight fiercely for their clients or maintain a cohesive culture. Those are characteristics of great firms, but for now they are the stuff of anecdote and exhortation. We sought, to the degree possible, unassailable yardsticks. Here are the standards we used:

▪ **Revenue per lawyer** RPL is both a fair measure of the success of a firm's practice and an approximation of client quality and satisfaction. Clients with the deepest pockets and hardest problems can retain any firm; their willingness to pay top dollar is a rough measure of what they think a firm is worth. The rankings come from our July and August 2003 issues.

▪ **Pro bono** Providing high-quality, free legal services to the poor and to organizations that serve the poor is a bedrock professional value. We ask law firms to report their activities each year, and we rank them by a formula that includes both per capita hours and the number of firm lawyers who performed at least 20 hours of service annually. The Am Law 200 pro bono rankings appear in this issue.

▪ **Associate satisfaction** Training and developing the next generation of lawyers is one of the key missions of any profession. To assess how well firms fulfill that duty, we survey third- and fourth-year (midlevel) associates every June. We score the firms based on the answers from their young lawyers. The associate rankings come from our October 2002 issue.

▪ **Diversity** Each fall our sibling publication *The National Law Journal* conducts a census of law firms to prepare its NLJ 250 list. From that data, another of our publications, *The Minority Law Journal*, compiles a diversity scorecard, which ranks the firms on percentage of minority lawyers. The rankings we used for The A-List come from the *MLJ*'s Summer 2003 issue.

In each survey, each firm was ranked, usually one to 200. For The A-List, each of those ranks was assigned a grade. For example, the firm that finished first in revenue per lawyer earned 200 points; the firm that finished last received one point. On the pro bono, associate satisfaction, and diversity surveys, firms that didn't participate received no points. We then used a weighted formula to compile the A-List rankings. We doubled the scores for both revenue per lawyer and pro bono and added them to the scores from the associate satisfaction and diversity surveys. (Expressed as a formula, it would be: [RPL score x 2] + [PB score x 2] + AS score + D score = total score.)

Then we ranked the firms by their total scores. The top 50 became the honored top quarter. The top 20 form The A-List.

Our weighting system reflects a value judgment. Of the four measures we use, we think that revenue per lawyer—as a reflection of the health of a firm's practice and its success at serving clients—and pro bono work are the most important. We think that a firm's primary duty is to its clients—both its paying and needy ones. For what it's worth, we experimented with a variety of different weights for the four categories. What we found was that The A-List was essentially the same with whatever formula we used.

Our 2003 A-List is printed on page 85. What the firms have in common is outstanding results across the four categories. For example, 14 of the top 20 firms finished in the top quarter of The Am Law 200 in three of the four categories, and two firms—Arnold & Porter and Latham & Watkins—were four for four. Doing well in any single category wasn't enough. For example, only eight of the top 20 firms on the RPL chart made The Am Law A-List in 2003.

The A-List firms ranked as low as sixty-second on revenue, seventy-second on pro bono, and 116th on diversity. One firm, Simpson Thacher & Bartlett, did not receive any points in the associate satisfaction survey—it didn't have enough respondents on the midlevel survey last year—but because of its extremely high scores in the other three categories, it made The A-List anyway.

We also ran the numbers for the past two years—those charts appear on the next page. We found that The A-List has both consistency and fluidity. Over the three years, 28 different firms made the top 20. But 13 firms made the list each year: Arnold & Porter; Cleary, Gottlieb, Steen & Hamilton; Cravath, Swaine & Moore; Davis Polk & Wardwell; Debevoise & Plimpton; Fried, Frank, Harris, Shriver & Jacobson; Hale and Dorr; Heller Ehrman White & McAuliffe; Latham & Watkins; Paul, Weiss, Rifkind, Wharton & Garrison; Simpson Thacher & Bartlett; Skadden, Arps, Slate, Meagher & Flom; and Wilmer, Cutler & Pickering.

Remarkably, Davis Polk finished first on each A-List. Over the three years, the firm finished in the top quarter in ten of the 12 ranked categories. It slipped twice in the associate survey, but even then finished no worse than eightieth.

Why do firms enter or fall off the list? Sullivan & Cromwell barely missed our retrospectively produced 2001 A-List; its sharply improved pro bono scores put the firm on The A-List for the past two years. Boston's Bingham Dana was a top-quarter firm until it merged with San Francisco's McCutchen, Doyle, Brown & Enersen, a top ten A-List firm. Together, Bingham McCutchen is a 2003 A-List firm.

By contrast, Sidley & Austin made the 2001 A-List, but after merging with Brown & Wood has slid to fiftieth place this year. What happened? Precipitous drops in pro bono and diversity rankings dragged down the firm's score. Shearman & Sterling also made The A-List in 2001, placing fifteenth. This year, the firm finished seventy-ninth, having slid in every category.

The three years' worth of data shows gains as well as losses. Six firms rose like the proverbial hockey stick graph: **Jenner & Block**; Weil, Gotshal & Manges; Howrey Simon Arnold & White; Hogan & Hartson; O'Melveny & Myers; and Stroock & Stroock & Lavan. This year **Jenner** and Weil both made The A-List; the other firms are on the cusp.

As a publication, we believe in transparency. That's an editorial position that reeks of self-interest, but we think we have a commonality of interests here. Firms that started reporting their pro bono numbers this year shot up our charts. Both Cadwalader, Wickersham & Taft and King & Spalding finished in the top quarter, thirty-seventh and forty-second, respectively, this year, after reporting their pro bono numbers for the first time.

Firms can cling to a none-of-your-business position if they choose; we still don't have subpoena power. We see value, however, in exemplary firms doing what they should: leading by word, deed, and reporting of data.

We've waited this long to raise the obvious question: Where's Wachtell? Wachtell, Lipton, Rosen & Katz is not on the list, not even in the top quarter, because it refuses to report its pro bono work and, therefore, gets a zero in that category. This is uncomfortable for everyone. Wachtell perennially leads the Am Law 100 revenue-per-lawyer charts, and is filled with outstanding lawyers (for confirmation, check out Stephen Gillers's endorsement on page 71). But short of a firm cooperating on its pro bono record, we have no way of assessing its performance. We know that Martin Lipton devotes countless hours to New York University; partner John Savarese serves as a trustee of the city's leading public service think tank, the Vera Institute of Justice; and the firm wrote a big check to a scholarship fund for the children of 9/11 rescuers. All extremely laudable, but none meet the definition of pro bono work used by *The American Lawyer*. Washington, D.C.'s Williams & Connolly is in a similar position. A distinguished group of lawyers, the firm was a finalist in our first Litigation Department of the Year competition. But it does not report any pro bono activity and, as a result, doesn't make The A-List of exemplary firms.

It's not just Wachtell and Williams & Connolly that suffered for their zeroes. The list of those who failed to respond in one category or another is filled with famous firms: Kirkland & Ellis; Morrison & Foerster; Hughes Hubbard & Reed; Milbank, Tweed, Hadley & McCloy; Munger Tolles & Olson; Akin Gump Strauss Hauer & Feld; Kaye Scholer; and Irell & Manella. All might have made The A-List this year if they had filled out their forms. We wish them well for next year.

We expect there will be a next year for all of us and for *The American Lawyer*'s A-List. Do we have the correct list of categories? Should we broaden it to include a ranking of firms by women partners or women equity partners? Can we develop measures of client satisfaction or partner retention? Money counts; always has, always will. But we are determined to find other measures of law firm performance, and invite your participation, suggestions, and criticism. In the meantime, let us take pride in the records of the firms who made The A-List. We who stand and wait salute you.

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