



Targeting Laterals

In building its West Coast practice, Goodwin Procter is wooing high-powered attorneys with unusual success.

HOW DIFFICULT IS IT FOR AN East Coast firm to come into California and build a successful practice by raiding other law firms of some of their most talented partners? Perhaps no firm is in a better position to answer that question than Goodwin Procter. In less than two years, the Boston-based concern went from 0 lawyers in the Golden State to 80. (Nationwide, the firm now has 850 attorneys, and in 2006 it showed revenue of \$506 million.) The West Coast laterals hired by Goodwin include veterans from Latham & Watkins, Wilson Sonsini Goodrich & Rosati, Morrison & Foerster, Pillsbury Winthrop Shaw Pittman, Heller Ehrman, and premerger Cooley Godward. In fact, since 2006 the firm has mounted nothing short of a recruiting blitz on the California legal market.

Yet as recently as the late 1990s, the firm was considered only “super-regional,” with nominal outposts in Washington, D.C., and New York.

Then, in 2001, Goodwin’s partnership decided it wanted to turn the firm into a national powerhouse and acquired New York-based Schneck Weltman & Hashmall, bringing the head count to 490 attorneys. Soon afterward the firm set its sights on California.

Two years ago this month, Goodwin opened its first two California offices: one in San Francisco, the other in Century City. Then, in quick succession, it opened offices in Los Angeles, San Diego, and Palo Alto.

The goal, quite simply, is to “dominate” (a word firm Chair Regina Pisa uses matter-of-factly) in six practice areas: the firm’s four historic strengths of real estate capital markets, financial services, private equity, and products liability/class action litigation, plus its substantial technology and intellectual property practices.

However, from the start, Goodwin had a critical decision to make. Should it establish a presence in California by acquiring other firms, or should it simply see how many high-powered

laterals it could attract? Goodwin chose the latter approach, to avoid the inevitable integration problems that arise from mergers. But, as recruiter Lyndon Parker of Mestel & Co. in Los Angeles observes, growing *de novo* has its own pitfalls. “Getting people from various firms, trying to put them under one heading, and being far from the mother ship doesn’t give you the greatest stability,” he says. “That doesn’t mean you won’t be good for a period of time, but as the culture of the mother ship begins to seep in, it’s going to affect people differently. And if those people haven’t worked together before, there’s a strong likelihood that there’ll be some disaffection.”

Other firms’ experiences reveal the challenges of opening offices in California: New York-based White & Case and Minneapolis-based Dorsey & Whitney, for example, were both forced to scuttle their San Francisco offices in July and November 2006, respectively, though they each still maintain offices in Silicon Valley and Southern California. And in March 2003 another New York firm—Kelly Drye & Warren—closed its California operations altogether.

However, as insiders attest, Goodwin’s decision to establish beachheads in California was taken carefully. In fact, the firm spent nearly 18 months studying California’s legal topography, identifying potential clients and California market leaders in the targeted practice areas. They also surveyed their own clients—including Prudential and Citrix Systems—to determine which law firms they used on the West Coast and whether those clients would be receptive to moving that business to Goodwin. The feedback was encouraging, and the firm moved forward.

PARTNER MOVES

Heavyweights that Goodwin has successfully recruited over the past two years include: Paul Churchill, who spent twelve years working in Cooley Godward’s real estate practice; Lew

Feldman, who for five and half years was a real estate partner at Pillsbury Winthrop and one of its top rain-makers; Gerald Dodson, a preeminent litigator from Morrison & Foerster; former Heller Ehrman life sciences partners Ginger Dreger and Paul Davis; and the former head of Wilson Sonsini's fund services practice—Robert Fore—and his successor, Jonathan Axelrad. How did the firm attract them and scores of other defectors? Much of the credit, it seems, goes to Pisa, the firm's dynamic chair.

Pisa joined Goodwin in 1982, the same year she graduated from Georgetown's law school. Now 52, she became both the firm's youngest and first female managing partner in 1998. People use words like *personable*, *sincere*, *disarming*, and *straightforward* to describe her. And when it comes to wooing laterals, her pitches—according to those on the receiving end—can be almost impossible to resist.

"Every lateral I've talked to, and I mean this sincerely, says that once they sit down and talk with Pisa, it dramatically increases their level of interest in Goodwin," says Larry Watanabe, a principal at legal-staffing consultancy Watanabe Nason Schwartz & Lippman. "She spends a lot of time with laterals, tells them a story, and comes across as someone you'd want to be your friend. There's an art to that. She's managing a business, but

she makes it very personal. That makes a huge difference."

Churchill, Feldman, and Dodson all echo this sentiment. "Perhaps it wasn't the wisest thing to do," Dodson muses about his decision to join a firm new to the state. But after meeting with Pisa, he says, "I really stopped interviewing with other firms."

Watanabe, whose firm has about 50 law partners actively interviewing at any one time, says that Goodwin has "perhaps made the single largest impact of any out-of-town law firm within California over the past decade." In fact, he says, "It appears that every major partner within California is either talking with or has considered Goodwin as a lateral option."

But Goodwin's California blitz is not always a blessing for recruiters. Watanabe, for one, admits that some of his clients have accepted offers from Goodwin instead of deals he brokered for them at other firms. And, according to one industry observer who wishes to remain anonymous, Goodwin sometimes alienates recruiters by freezing them out of the negotiating process after candidates are presented to them.

Responds Marijane Benner Browne, Goodwin's director of lateral partner hiring: "We take the lead from our candidates, who, at a certain point in the process, sometimes tell us they would prefer to continue discussions with firm leaders directly, without the assistance of recruiters. We take their positions very seriously and defer to the candidates on that issue."

NO TURNING BACK

Now that Goodwin has staffed its California offices, it represents more than 500 clients in the technology and life sciences industries. The firm maintains that its primary objective in

hiring laterals is to build business for the firm, but not by acquiring their books of business. Because of this, Pisa says, there are very few conflicts that would prevent the firm from going forward with a candidate. "For some partners who've wanted to join us, we've said, 'You're going to have to leave those clients behind,'" explains Pisa. "And they say, 'You mean you don't want the business?' And we say, 'No, we want you.'"

Among those who can attest to this is former Townsend and Townsend and Crew patent litigation partner Byron Cooper. When Cooper decided to join three other Townsend attorneys in their move to Goodwin, several potential indirect client conflicts came to light, delaying their move. Cooper and his partners examined whether they could get more work from Goodwin's existing clients than from their existing clients at Townsend. They concluded they could attract enough work from Goodwin's clients, and thus they made the decision to join Goodwin's Palo Alto office in June 2007. It was tough to suddenly cut the line and run, says Cooper, especially after cultivating close bonds with their Townsend clients. It was "a big risk on the part of both Goodwin and us," says Cooper.

Beyond the challenges of developing offices from the ground up, Goodwin is also rolling the dice on the economy, which at this writing does not look so good. As a January report issued by Hildebrandt International observed: "It would be prudent for leaders and managers of law firms to assume that the current economic slowdown is likely to have a detrimental impact through 2008." But Goodwin faces no greater challenges than other firms in the market. Plus, as recruiter Lyndon Parker suggests, if you're strong, there's something to be said for coming in at a weak time.

"There's no turning back for us," says Pisa, who envisions a firm that is every bit as strong on the West Coast as it is on the East Coast. "Failure is not an option." —William-Arthur Haynes **CL**

LATERAL MOVES AT CALIFORNIA'S TEN LARGEST FIRMS, 2007

Name of Firm	Number of Partners Who Joined	Number of Partners Who Left
Latham & Watkins*	N/A	N/A
Morrison & Foerster	8	21
O'Melveny & Myers	0	10
Wilson Sonsini Goodrich & Rosati*	N/A	N/A
Lewis Brisbois Bisgaard & Smith	26	20
DLA Piper US	11	9
Sheppard Mullin Hampton & Richter	15	6
Gibson, Dunn & Crutcher	5	1
Heller Ehrman	2	11
Paul, Hastings, Janofsky & Walker	2	3

* Did not release data