COHEN ZIFFER FRENCHMAN & MCKENNA

Law.com Pro Mid-Market: ‘There’s More Trust in the Market’: Inside the Rise of Law Firm Spinoffs

What You Need to Know

- Big Law partners are increasingly launching their own boutique shops.
- Better rates, fewer client conflicts and a larger cut of profits are a few of the leading drivers behind spinoffs.
- Spinoffs are winning high-quality work and talent with more specialized offerings than their Big Law counterparts.

A growing number of large law firm partners are eschewing Big Law life, pursuing visions for their own businesses that they say often enable greater autonomy of practice and closer client relationships.

Since the pandemic, Kirkland & Ellis appellate partners Paul Clement and Erin Murphy as Kirkland backed out of representing clients in Second Amendment matters; four Clare Locke partners known for their work representing Dominion Voting against Fox News ; Perkins Coie saw eleven partners from its elections and voting rights practice leave to ; and seven partners left Kasowitz Benson Torres to .

The rise of the law firm spinoff comes as successful partners look to redefine rates for clients and forgo client conflicts, legal consultants and spinoff leaders report. And frequently spinoffs are achieving growth as they compete for more national work and high-quality talent, while offering something that the Am Law 50 simply doesn't.

"We've seen a lot of boutiques launch since the great financial recession, partly because of an intentional shift among Big Law to focus on transactional practices," said Kristin Stark, a law firm consultant at Fairfax Associates.

…

Ken Frenchman, co-founding partner of , said it wasn't necessarily an epiphany during lockdown that led to the launch of the firm. For years the insurance recovery group had conceptualized a conflict-free environment. Yet, demand during the pandemic gave the group even more confidence.

"During the pandemic, we were very busy and expanding our client list more than ever," Frenchman said. "But even if you go from working 50 hours to 70 hours, there's nothing else to do. There was time to think and consider options, and suddenly it just started to sound feasible."

"We had moved [as a group] a few times and this would be take three," he added. "There was a thinking, if we're going to do this yet another time, let's make it the last time. Let's do it ourselves. And we're having a lot more fun than we ever had."

And more and more, Frenchman said he's seen lawyers betting on themselves. "People want to control their own destiny," he said. "To live and die with their own success. And the number of successful spinoffs makes it easier… there is more trust in the market. There was a time when GCs and boards wanted the comfort of having a top five firm behind them… but corporate America is more meritorious these days. They are looking for the best—not just how large a firm is."

Click to read the full article.

Related People

Kenneth "Ken" H. Frenchman

COHEN
ZIFFER
FRENCHMAN
& MCKENNA