

Working in a Law Firm: What You Need to Know

**Office of Career Services
Professor Mitt Regan
Center for the Study of the Legal Profession**

Law Firm Organizational Structure

Managing Partner

Executive Committee

Professional Managers

Partnership:

(1) Equity (2) Income

Departments (Head)

Practice Groups (Leader):

Teams (Leader)

Matters

Client Relationship Partner

Supervising Partner

Junior Partners

Associates

Law Firm Internal Labor Market

Rainmakers

Equity Partners

Client Relationships

Service Partners

Matter Managers

Specialists

Senior Associates

Junior Associates

Formal Assignment Systems: Practice Manager

Informal Assignment System: Personal Contacts

The Fundamental Equation

$$\text{Hours} \times \text{Rate} = \text{Revenue}$$

Billing Rate

Target Profits per Partner	\$1 Million
Number of Partners	50
Total Target Profits	\$50 Million
Total Lawyers	200
Target Profits Earned/Lawyer	\$250,000
Annual Hours per Lawyer	2,000
Profit per Hour	\$125
Hourly Rate =	Cost per hour + \$125

Pressures on the Model

Disaggregation of services

Non-law firm providers

Legal services spectrum

**Wider availability of legal
information**

Responses

Budgets

Differential pricing

Fixed fees

Outcome-based fees

Outsourcing

Temporary lawyers