

Farella Braun + Martel's Talent Strategy Focuses On 'Sponsorship—Not Just Mentorship'

"We are enormously proud of being a Northern California powerhouse and see many brighter days ahead as we all emerge from the pandemic," managing partner Brian P. Donnelly says.

By Lizzy McLellan

Firm Name: [Farella Braun + Martel LLP](#)

Firm Leader: Brian P. Donnelly, Managing Partner

Head Count: 125

Locations: San Francisco and St. Helena, CA

Practice Areas: We represent corporate and private clients in sophisticated business transactions and complex commercial, civil and criminal litigation with a focus on the technology, real estate, financial services, consumer products and manufacturing, and clean energy industries.

Governance structure and compensation model: Farella Braun + Martel is a partnership model lead by a managing partner, elected every three years. In addition to the managing partner, our executive director splits management duty by focusing on the business and staff sides of the firm. This executive team of the managing partner and executive director are supported by an Advisory Board of four partners appointed by the managing partner and approved by the partnership. The board advises the executive team on

long-range planning matters of strategic importance to the firm, addresses matters of significant firm policy, and provides strategic oversight for key aspects of firm operations. At least one member of the Advisory Board is required to be a junior partner. The full partnership votes on major firm decisions. The firm also has three department chairs who work with our six industry group leaders on go-to market strategy, staffing, and associate development.

Partner compensation, including both a base compensation and potential bonus, is merit based and determined by the firm's compensation committee each year. In assessing compensation, the committee takes into account a partner's business development and client expansion, personal financial contributions, and firm and community contributions.

Do you offer alternative fee arrangements? Yes.

What do you view as the two biggest opportunities for your firm, and what are the two biggest threats?

Northern California, and particularly the Bay Area, continues to be a major



Brian Donnelly of Farella Braun & Martel.

economic driver for the state and the country. For Farella, 2022 will mark our 60th anniversary, and our commitment to the region remains steadfast and is the source of our success. We are enormously proud of being a Northern California powerhouse and see many brighter days ahead as we all emerge from the pandemic.

Who we are—in terms of our location, our attorneys and our offerings—and what we do—with respect to our mix of industry depth and practice offerings—are fundamental strengths that create opportunities.

Our services are both organized and delivered by industry-immersed groups that reflect the region's high growth

areas including technology, consumer products and manufacturing, renewable energy, private clients, real estate and financial services. Farella is at the forefront of what has become an established practice in California but is poised for tremendous growth nationally—cannabis. We were one of the first major full-service law firms in the country to publicly launch a dedicated cannabis practice leveraging our decades of experience working with clients in other highly regulated sectors such the wine and renewable energy industries. We aim to be the best in the areas we operate, really anticipating and understanding our clients' needs.

Secondly, the Farella brand and its professionals are known for integrity, innovation and thought leadership. Our attorneys maintain active practices and are leaders in legal organizations and industry groups in which we operate. Our current roster notably includes the immediate past-president of the American College of Trial Lawyers, former presidents of the American College of Coverage Counsel and American College of Environmental Lawyers, and three Bar Association of San Francisco past-presidents—all credentials that are unique for a firm of our size.

A few of our challenges include the Bay Area's well-known high cost of living and the steady influx of out-of-state firms opening offices and working to establish themselves in Northern California. The pandemic has really made geography much more fluid, particularly with so many working from home. To attract and retain outstanding professionals, we know we need to offer not only

competitive compensation, but also clear support for work-life balance and consistent concern for wellbeing. In just one example of how we've mobilized to help each other during these stressful times, we activated a firmwide phone tree program, whereby each employee, whether a senior lawyer or our newest staff member, was called by another member for the Farella family—randomly assigned with checking in to see how their colleague was doing as the only agenda. We are confident that such initiatives, along with many others, are meaningful differentiators.

The legal market is so competitive now—what trends do you see, and has anything, including alternative service providers (ASPs), altered your approach? Is your chief competition other mid-market firms, or is your firm competing against big firms for the same work?

Our competition is multi-tiered. Depending on the industry sector and the matter, we may be competing against an Am Law 50 firm, a midsize firm like ourselves, or both.

The focus on alternative service providers is worthwhile and particularly relevant on a macro scale with respect to litigation. Part of the reason we feel we have been largely insulated from this disrupter is that large companies—typically a focus of the ASPs—are heavily bottom-line driven. This focus on cost competitiveness and effectiveness plays well to our size and our strengths. We do not offer every practice under the sun, but for those we do, we aim to be an incredibly compelling option—on cost, service and, ultimately, results. In reality,

midsize firms have likely been greater cause for concern and more effective disrupters to big law firms than ASPs.

There is much debate around how law firms can foster the next generation of legal talent. What advantages and disadvantages do midsize firms have in attracting and retaining young lawyers, particularly millennials?

For Farella, creating a sustainable talent pipeline and collaboratively building pathways to partnership are critical to our long-term viability. Over the past two years, we have made a number of innovative changes to increase the number of women and diverse associates being advanced to partner.

In 2019, our Chief Talent and Inclusion Officer spearheaded the launch of our Talent Initiative. The initiative ensures that high potential women and diverse associates are provided with sponsorship—not just mentorship—opportunities to advance in the legal profession and to partnership. In 2020, four of the five associates ascending to partnership were part of this program.

We have been successful in encouraging women and diverse associates to develop leadership skills through participation in a number of outside organizations. In 2019, we became an active member of the Leadership Council on Legal Diversity and to-date have put forward three LCLD Fellows and four LCLD Pathfinders in these year-long leadership development programs. Other associates have participated in leadership programs offered by NAPABA, AABA, Leadership San Francisco and Clean Energy Leadership Institute Fellowship Program.

With a deep bench of trial lawyer experience, we often are called on to take matters to trial. It is well known that women trial attorneys are relatively few compared to women attorneys focusing in other areas. We are making a concerted effort to develop women associates' trial skills. In the past two years, six women associates have participated in the Bar Association of San Francisco's two-day experiential Women in Trial training programs. The firm conducted a two-day program instructed by a sitting judge culminating in mock trials. For many years we have participated in the San Francisco District Attorney Loaner Program where an associate spends three months at the DA's office trying cases.

One thing we can offer as a midsize firm that is hard to get at the big firms is early responsibility and client contact. Because we leanly staff our matters, associates receive more substantive work, take more active roles in strategic planning and case management and experience more direct client contact earlier in their careers.

Does your firm employ any non-lawyer professionals in high-level positions (e.g. COO, business development officer, chief strategy officer, etc.)? If so, why is it advantageous to have a nonlawyer in that role? If not, have you considered hiring any?

Our yardstick for success is a combination of the caliber of work our clients trust us to do and the quality of our attorneys and professional staff. By this measure, for a firm of any size, we are excelling; and, for a midsize firm it is no

exaggeration to say we “punch above our weight.”

We both employ and empower a number of professional staff that are not lawyers in key leadership positions. Among these are our longtime Executive Director, Director of Client Services, Director of Legal Services, Director of Technology, and Director of Human Resources. They are all leaders in their fields and bring deep knowledge and skill sets to their respective roles. Their contributions as part of the leadership team guiding the firm through the beginning of the pandemic and to the present day have been invaluable.

What would you say is the most innovative thing your firm has done recently, whether it be technology advancements, internal operations, how you work with clients, etc.?

Two years ago, we moved to an industry group focus to better understand our clients' businesses and their industries. The more we know about a client's business, the more value and better service we can provide. We committed to becoming experts and leaders in a limited number of industries, based upon our existing client base, our existing expertise, our position within the Northern California legal community, and our analysis as to potential growth areas for the firm. It was a sea change for the firm and I'm proud of the progress we have made.

Does your firm have a succession plan in place? If so, what challenges do you face in trying to execute that plan? If you don't currently have a plan, is it an issue your firm is thinking about?

There is often a myopic view with respect to succession planning: a total focus on the very top organizational member or members. While critical, and certainly something that Farella takes seriously, our focus is holistic so as to ensure that career development, the lack of which often stifles growth and spurs turnover, is organization wide.

We aim to destigmatize this process through our twin focuses on active mentorship and expectation of leadership. Each practice group is asked to think long term about these important issues: 1) is effective knowledge and relationship sharing ongoing between practice leaders and next generation talent; 2) are mentoring relationships—with an eye on diversity, equity and inclusion—being fostered; 3) is every member actively taking a role as a leader—internally, in the community, in the practice, etc.; and 4) are pathways to both partnership and industry group leadership communicated and are motivated individuals supported and encouraged? We recently modified our review process to provide greater transparency concerning partnership prospects. Senior associates receive individualized written comments concerning their partnership prospects and areas to improve their prospects, including a timeline for potential partnership consideration.

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