

Facing 'Changing of the Guard,' Midsize Law Is Readying the Next Generation of Talent

Leaders at Keker, Van Nest & Peters and Farella Braun + Martel believe selective, client-based growth and a sharpened focus on the next generation of talent are giving them an edge over the competition.

By Jessie Yount

What You Need to Know

- Leaders at Northern California's largest regional firms are betting on organic and selective growth to carry them forward.
- The strategy contrasts with Big Law's flight to scale, which has resulted in some mergers with regional firms of late.
- Training next-generation talent and business generators is another competitive advantage, firm leaders said.

Northern California has proven itself to be a legal market where just about every law firm wants to be—and a market where both the large and small can succeed.

Amid competitive pressures, some midsize firms have ended their run of independence of late, such as Cooper, White & Cooper joining with Am Law 100 firm Womble Bond Dickinson and Wendel Rosen combining with expected Am Law 200 contender Fennemore Craig.

Yet, leaders at several regional firms said they are bullish on their go-it-alone strategy, highlighting a commitment to organic and selective growth, as well as a sharpened focus on training and elevating next-generation talent.



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Keker, Van Nest & Peters, a 44-year-old litigation firm whose clients include Google and Facebook, has used this approach to grow its attorney head count from about 80 in 2017 to 103 today, with plans to grow to about 120 by year's end.

"The ethos of our firm [is that] we are focused on one thing: litigation with a trial emphasis, and our belief that we can do it better than just about anybody," said Keker name partner Elliot Peters.

"We are doing great from a financial perspective, and a recruiting perspective and elevating home-grown talent to partnership," Peters

continued. "We don't plan to change who we are or what we do."

Though the firm tends to see a couple of departures to Big Law every year, and hasn't hired a lateral partner in about two decades, it continues to grow its ranks with larger summer classes and a focus on extending stand-up trial opportunities to young lawyers.

Peters said the approach allows the firm to offer "extremely high-quality, efficient and stable teams" to clients. And its team approach helps the firm retain and expand client opportunities because clients aren't just interacting with one partner, he said.

Farella Braun + Martel, a 120-lawyer firm that celebrated its 60th anniversary in 2022, has prioritized growth opportunities from existing client relationships, according to managing partner Brian Donnelly.

“Our primary focus is on where the work is coming from. Unlike a large firm with thousands of lawyers, we have to be selective in where we look to invest [because] we don’t have a thousand attorneys to spread the costs over,” Donnelly said.

He noted that Northern California is a market where firms can afford a narrow regional focus because of its rich industries such as tech, which generates general litigation and corporate work as well as more specific work in areas such as real estate and private wealth planning.

Donnelly added that, in some ways, the firm can be more entrepreneurial and extend opportunities (that are uncommon in Big Law) to young lawyers.

“Big firms don’t want young partners hustling on smaller matters or coming up with creative fee arrangements to work with their contemporaries, who might not have the wherewithal to pay large legal fees,” Donnelly explained. “But we are coming off of several years of record profits because so many of our partners are contributing and bringing in work.”

Readying the Next Generation

Competition for talent remains a top challenge for firms in Northern California. While it has spurred some recent mergers, it also presents an opportunity to differentiate from the competition.

“It’s become harder for small indigenous firms to scale,” said Northern California legal recruiter



Elliot Peters of Kecker, Van Nest & Peters.

Avis Caravello. “These firms aren’t all that different from Am Law 100 firms, but in the Bay Area it is especially difficult to compete because of the many Am Law 100 and 200 firms that have deeper resources.”

From a recruiting perspective, the small firms “are hitting up against this challenge more and more. It is harder to find talent,” she said.

Art Shartsis, co-founder and managing partner of 47-year-old Shartsis Friese, said the firm is working to fill spots on its roster, with a particular focus on younger partners as the firm grapples with some retirements.

But Shartsis said that as the 43-attorney firm has diversified its practice areas, it has been able to develop more business generators.

He also highlighted the firm’s compensation system, noting that it has an open system that is based on objective criteria. And it has a one-tier equity partnership, which means there aren’t people washing out or twiddling their thumbs in “never-never land.”

Donnelly offered a similar view.

“There is going to be a significant changing of the guard in who runs law firms, and a lot of midsize firms have not had their next gen-



Brian Donnelly of Farella Braun & Martel.

eration develop their own books or get the requisite training,” he said.

Donnelly, who will complete his second term as managing partner in 2022, said that the firm instills in its attorneys the concept that business generation is a key part of legal practice.

“We’re taking steps to get our younger partners involved in various aspects of management, and I’m confident that we have great midlevel partners that have the proper experience to step up,” Donnelly said.

Peters said that at Kecker, the firm has achieved a broad set of business generators. He rattled off a list of five teams that went to trial in the last six weeks, none of which were led by name partners at the firm.

That was accomplished in part because “it’s one thing to be a great trial lawyer, and one thing to build a firm,” Peters said, pointing to the firm’s founders John Kecker and Bob Van Nest. “The latter requires generosity.”

“The strength of the wolf is now in the pack,” he added. “That makes us stronger and more stable because we have so many oars in the water rowing in the same direction.”

Courtesy photos