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Law Firm Apprenticeship Programs Add Extra Step for New Associates

Jeff Jeffrey
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After three years of law school, a hundred grand of debt and weeks sweating out a bar review and exam, it's time to start practicing law in earnest, right?

At a handful of firms, the answer is fast becoming "not yet." These firms are putting new recruits through additional apprenticeship programs that they say will better train their attorneys for life at a law firm and for handling clients. Think of it as the equivalent of a medical residency, only with suits instead of scrubs.

The latest -- and so far largest -- firm to move to an apprenticeship model, 659-lawyer [Howrey](#), announced its program last week. Starting next year, first-years at the firm will get a pay cut -- from \$160,000 to \$100,000 in base pay plus a \$25,000 bonus to pay down law school loans -- and they'll spend a good portion of their time attending classes with partners and shadowing them on client matters. The apprenticeship period will last two years.

Robert Ruyak, Howrey's managing partner, said associates will be doing far less client work, and when they do work on client matters it won't necessarily be billed to clients. "We really want them to focus on learning the skill they need to be first-rate litigators," Ruyak said.

Howrey joins Philadelphia's [Drinker Biddle & Reath](#); labor firm [Ford & Harrison](#), Ohio/Kentucky firm [Frost Brown Todd](#); and Dallas' [Strasburger & Price](#), which have all put together apprentice-style programs.

Drinker Biddle Chairman Alfred Putnam said his firm's six-month apprenticeship -- announced in May -- will help trim salaries and avoid deferring for a year the start dates of 33 associates. "Sure the economy pushed us into this, but I really think this is the way the industry needs to move," Putnam said. Drinker Biddle's program is still in the design phase, but Putnam said it will be ready to present to the firm's partners by July 14.

SAVINGS AND EXPENSES

For the firms, there's a cost savings from cutting salaries and, in most cases, the size of their classes -- though they



lose some billable hours, and there are costs for starting up the program. They also get the benefit of telling clients that they don't have to pay for new associates (at least directly). Firm leaders contend that they'll build associate loyalty and, by the time they are fully ready to take on clients, they'll be more efficient earners. "We launched our program as a direct response to what clients were telling us. It only made more sense after the economic downturn," said Margaret Holman, director of professional development at Ford & Harrison. The firm started its program in 2007.

But not everyone's buying it. "If you're a top-flight law student and you talk to one firm offering \$80,000 or \$100,000 to take extra classes and then you talk to another firm offering \$160,000 to do work you can bill to a client, I don't see that as much of a choice," said Carter Phillips, managing partner of [Sidley Austin's](#) Washington, D.C., office.

Stephen Neal, chairman of Palo Alto, Calif.-based [Cooley Godward Kronish](#), said "these firms are starting with the assumption that the issue first years have is inadequate training. That's simply not true. Today's law students are better trained than ever before, and firms already offer extensive training for young lawyers. But sitting them in a classroom isn't going to give the kind of training they need anyway."

Ruyak counters that an apprentice-style program will free associates from the kind of document-review grunt work that dominates their time. That kind of work, he said, is going to staff attorneys, who will help make up lost billable time. The move to an apprenticeship has been in the works for about a year now, and is the logical next step in the firm's well-documented overhaul of its associate program, Ruyak said. The firm did away with lockstep compensation in January, opting for a merit-based system in which associates are judged on their ability to meet a set of core competencies.

Like other firms following the apprentice model, Washington, D.C.-based Howrey will assign a coordinator to oversee the associates and ensure they are meeting goals. (In Howrey's case, this is Heather Bock, the firm's chief professional officer.)

The first class will have 20 associates -- down from 26 new hires this year. Associates would get training from partners on topics such as rules of procedure, basic trial skills and motions. Secondments to clients will also be stepped up to help develop relationships, as will pro bono assignments -- which will give associates hands-on experience without the pressure of billing. The coordinator will ensure that they are meeting benchmarks such as attending an appropriate number of depositions or taking and succeeding in the prescribed number of classes.

Billable-hour requirements have been slashed to accommodate the program, but they haven't been eliminated completely. Howrey expects associates to bill 700 hours their first year -- spending about a third of their time on client issues. In year two, the requirement jumps to 1,000 hours, or about half of their time. Time billed to clients by first-years, though, will be at about half of Howrey's current first-year billing rate of \$300, the firm said. Another firm, Strasburger, used to charge \$250 for first-year work, but in its apprenticeship program, very few, if any, of those hours are actually billed out.

'HOT TOPIC FOR CLIENTS'

Obviously, a reduced fee for associate work is good public relations with clients. "For clients it's been a long-standing problem that we're paying \$300 or so an hour to train associates," said Michelle Bloch, who manages the legal vendor relationships for [Sun Microsystems Inc.](#), a Howrey client. "That's been a hot topic for clients for some time. We commend Howrey for stepping up to the plate. This program will get associates up to speed without soaking the clients."

Ford & Harrison's Holman echoed that, saying "clients have really responded well to this program because they see we're making an effort to meet them halfway. It's already resulted in them turning to us more often."

Howrey said the program will cost it between \$3 million and \$4 million to implement, including lost billable hours and training costs. The cost was about \$600,000 at 200-lawyer Ford & Harrison. But the firms say those costs will be recouped by the extra work clients bring to them in the future. Richard Ripley, a Howrey partner who oversees associate programs, said his firm also can turn to its stable of staff attorneys to make up the difference in hours that need to be billed. Mark Golman, Strasburger & Price's development partner, said another cost benefit he has seen is a reduced amount of attrition, which saves the firm from having to recruit replacements and bring them up to speed on cases.

There's also a substantial savings in salaries. At Howrey, the drop from 27 to 20 associates and the pay cut will reduce first-year salary costs from \$4.16 million to \$2.5 million. Salaries rise at Howrey for the second year of the apprenticeship to \$125,000 plus another \$25,000 bonus for getting through the program successfully. "Our paying less is a way for us to separate those who are solely in it for the money from those who want to be litigators with us for the long haul," Ruyak said.

Ford & Harrison, which launched its program in 2007, paid its inaugural class of six apprentices its standard \$130,000 because they signed on under that salary rate. Those hired for next year will make \$115,000. Drinker Biddle dropped

salaries for the first six months of the year to \$105,000. Associates can then expect their salaries to go up to "market rate" at the end of the initial six months.

Frost Brown Todd dropped salaries to \$80,000 from the roughly \$100,000 it offered, depending on the market. Strasburger & Price, which has about 180 lawyers, pays its four first-year associates \$120,000 with a \$10,000 stipend to cover bar expenses.

The pay may be lower than in years past at these firms, but with firm's benefitting from a buyer's market, law students can't say much.

A second-year student at the [University of Virginia School of Law](#), who requested anonymity when speaking about prospective employers, said lower salaries wouldn't deter him from applying to firms offering apprenticeship programs. "Of course you want to make as much money as you can, but I'm not sure I'm ready to work 70 or 80 hours a week staring at documents," the student said. "Either way, I'm going to be making more money than I ever have in my life."

GONE AFTER THE RECESSION?

Will it work? The initial reviews from law firm and in-house consultants are positive. "In my time as an in-house legal director, I didn't want first-years working on things. I would tell firms that. This is clearly a good idea," said Tim Glassett, a Huntington Beach, Calif.-based consultant at [Rees Morrison Associates](#). "It's inevitable. The industry needs to change, and everyone knows it," said Jerry Kowalski, who runs the [Kowalski & Associates](#) consulting firm in New York.

But some doubt that the idea will last beyond the recession. Once the economy turns around, they say, these programs will be a tough sell for firms. "If these programs are done right, they could really benefit young lawyers. But if they're just repackaging what they have been doing, you're going to see a lot of people getting frustrated," said Mark Weber, assistant dean for career services at [Harvard Law School](#).

Ruyak, however, said his firm is committed to the program, and that the apprentice system is a necessary to keep firms -- and associates -- successful in the future.

"The old model is broken," Ruyak said. "You're bringing on these extremely bright individuals and letting them waste their careers buried in documents where they aren't really learning the practical skills it takes to be a lawyer."