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## PRIME MOVERS

For some Am Law 100 firms, 2005 was a turning point.

**FOR THE AM LAW 100 AS A WHOLE**, 2005 was another in a series of strong years. Gross revenue rose 10.6 percent on head count growth of just 2.9 percent. Average revenue per lawyer increased 7.5 percent, to \$725,626, while average profits per partner rose 11.2 percent, to a little more than \$1 million. But the size of the equity partnerships themselves increased little: just 0.4 percent.

For some firms, last year was especially notable. At Cahill Gordon & Reindel, 2005 was a year for reexamining the firm's practice mix

after growth stalled. Dechert posted double-digit gains on big head count increases, while Boston firms embraced the merger market. Kramer Levin Naftalis & Frankel climbed onto The Am Law 100 for the first time, while Sutherland Asbill & Brennan returned after a long absence. Vinson & Elkins recovered the loss of Enron Corp., its one-time biggest client; and Jenkens & Gilchrist fell off The Am Law 100 after becoming embroiled in a tax shelter scandal.

These are the stories of those firms.

## Population Boom

Dechert brought in plenty of bodies last year. But the firm says it's all part of a plan.

**DECHERT CHAIRMAN BARTON WINOKUR** is careful not to gloat. Although his firm's gross revenue increased 31 percent in 2005, to \$577 million, and profits per partner rose 26 percent, to \$1.56 million, Winokur doesn't want to jinx himself by bragging. Besides, being careful is Dechert's edge. "Someone once said to me, 'You are more known for the work you turn down than the work you take,'" Winokur says. "It's tough, and it takes a lot of discipline, but we decided four years ago to target areas where we are or could reasonably become a player, and we put our resources there."

Last year, Dechert's strategy for building its so-called player practices was simple: Hire people—lots of people. Between August 2004 and January 2006 the firm added 270 lawyers, bringing total head count to 950 after hovering just below 700 for several years.

### DECHERT

Philadelphia **823 LAWYERS**

Am Law 100 rank **29**

Revenue per lawyer **\$700,000**  
(8 percent increase)

Profits per partner **\$1,560,000**  
(26 percent increase)

Compensation—all partners **\$1,195,000**  
(23 percent increase)

Fifty-seven lawyers moved to Dechert's New York office from Swidler Berlin Shereff Friedman in January 2005, and 41 lawyers joined in Paris and Brussels from now-defunct Coudert Brothers in the fall. More than half of the new hires were in litigation.

Of course, fast growth brings its own challenges. The influx kept Dechert's revenue per lawyer growth at 8 percent—respectable, but down from 11 percent in 2004 and 2003. Winokur attributes the drop to increased leverage and says the average will go back up as new associates start billing more hours at higher rates. Dechert's leverage rose from 4.4 lawyers per equity partner in August 2004 to 4.9 lawyers per equity partner in August 2005, which helped drive value per lawyer up from \$315,000 in 2004 to \$360,000 in 2005. "The focus this year was always, how is this going to help us build our team?" says litigation partner Sean Wajert. "We were managing for the future."

The practice areas where Dechert has been gunning for greater prominence include private equity, structured and real estate finance, and funds management, as well as product liability, antitrust, securities, and white-collar litigation. The firm recently added intellectual property litigation and international arbitration to the list.

Wajert says the personnel investments this year, particularly in his product liability group, where the firm added 25 new associates, show Dechert's commitment to being a powerhouse firm with the depth to handle multiple high-stakes matters at once.

"Diane's victory in the fall was the biggest thing for us on the trial side,"

Wajert says, referring to Dechert partner Diane Sullivan's defense of Merck & Co., Inc., in a Vioxx consumer fraud trial in New Jersey superior court. "But we were extremely busy on several mass torts, including the diet drug work for Wyeth, ongoing work for Philip Morris USA Inc., ephedra litigation, and the continued blood products work for Baxter." Dechert led two Wyeth Fen-Phen trials last year against seven plaintiffs and won defense verdicts in all seven. Sullivan is scheduled to lead Merck's defense in another New Jersey Vioxx trial in June.

The product liability docket, Winokur says, is a good example of how, even within a practice area it is expanding, Dechert is deliberate about its growth. "We get interviewed for most of the big product liability matters," says Winokur. "We try to choose cases that provide the best return for the firm. It's not [partner] Joe Smith saying, I want this case because it's my client. It's a group, picking the best one for the firm."

Recent arrivals agree that Dechert rewards firm-building over fiefdom-building, both through the compensation system and also less tangible means. Andrew Levander, a white-collar and securities litigator from Swidler, says he got offers from several other

firms but chose Dechert in part because of its emphasis on teamwork. "The first week I was here, I desperately needed associate help for an investigation," Levander recalls. "I sent out an SOS, and within 12 hours, I had eight associates in Palo Alto reading e-mail. If you say you need resources, people are dedicated to getting them."

That type of collaboration and focus, Winokur hopes, prepares Dechert to achieve success on a level that will test his humility for years to come.

—ELIZABETH GOLDBERG



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