

Laura Ellsworth, partner in charge of Jones Day's Pittsburgh office, says the city offers more opportunities than "I'd ever dreamed of."

While many large law firms are making cuts, Jones Day says they're thriving, in part, because of an effort to put the client first



JOE WOJCIK

Surviving through service

BY PATTY TASCARELLA

Almost every massive law firm in the United States has announced cuts in administrative staff, associates or pay — and often a combination of two or all three — since the economy hurtled downward last fall.

Three operating in Pittsburgh announced layoffs last month:

■ Philadelphia-based Morgan Lewis &

Bockius eliminated 216, including 55 of its 1,412 lawyers.

■ K&L Gates LLP, Pittsburgh's largest firm with 1,900 lawyers in 32 offices, terminated 115 positions across its U.S. offices — 36 associates and 79 staff.

■ Reed Smith LLP, Pittsburgh's second-largest firm with 1,700 lawyers across 23 offices, cut 100 positions in the U.S. and United Kingdom, including 26 associates.

So why is Jones Day, with 2,491 lawyers

all told, unscathed to date and, more importantly, how is it doing so?

Laura Ellsworth, partner in charge of Jones Day's Pittsburgh office, believes the firm's culture can take the credit. The fact that the growing pains associated with international expansion are long behind Jones Day also helps.

"The awkward teenage years are 20 years behind us," Ellsworth said.

Founded in Cleveland with its current

SURVIVING: Multi-office firms like Jones Day must work seamlessly

managing partner in Washington, D.C., Jones Day was among the earliest firms to expand internationally and erase geographic barriers by having lawyers work on teams spreading several offices.



Lori Carpenter of Carpenter Legal Search says other firms should look at Jones Day's compensation system.

Its Pittsburgh office opened in 1989 with 17 lawyers, the first outside firm to enter southwestern Pennsylvania. By the time Ellsworth took the helm in 2003, the firm employed 123 in Pittsburgh, including 56 lawyers. In January, it listed 118, 60 of them lawyers. Numbers have stayed relatively constant and, in times like these, that's operating lean.

The office will have 10 summer associates, the same as in recent years,

although other large firms are reducing their summer programs.

And this fall, six new associates will join the office — and, unlike at many large firms, haven't had their start date pushed back. Nor has Jones Day announced salary cuts or freezes.

"Is this a crazy time? Do I take a deep breath before I read the newspaper every morning? Absolutely," Ellsworth said.

"But one of my favorite sayings is, 'Destiny is not a matter of chance, it's a matter of choice.' That's written in pencil above my desk. There are more opportunities in this city than I'd ever dreamed of."

Jones Day took practical steps to foster what Ellsworth calls "a client service culture."

It pays based on merit instead of having set salaries according to level of experience, and has a blind compensation system through which lawyers know their own pay but no one else's.

It does not use the popular concept of "origination credit," in which whoever brings in a client receives a percentage of its payment to the firm regardless of how much work they're performing for the client.

This enables the firm to put the most qualified lawyers on the case rather than deferring to territorial rights to a particular piece of business.

"It's fairly rare," said Lori Carpenter, CEO of Downtown-based recruitment firm Carpenter Legal Search.

"It's been the Jones Day way, and it's worked extremely well for them. Some other firms would benefit immensely by looking at their compensation system. It's the epitome of a true partnership."

It also smooths over the inevitable cyclical ebbs and flows of practices, accommodating when lawyers have down time as handily as when their particular arena booms.

That balance creates "a much healthier relationship where lawyers are not distracted," Ellsworth said.

"Fundamentally, you think about your client's interests, not yours. In a period of downturn, there's no distractions and the firm continues on the same steady steps."

The other thing Ellsworth believes has made a difference for Jones Day is its penchant for original solutions to complex problems.

"We address things no one's ever thought of before," she said. "We handled the Sherwin-Williams lead pigment case in Rhode Island, which has been described as one of the most significant tort cases of the past decade because no one had seen a case like that. In these economic times, there are a lot more of those really thorny problems that take creative thinking, and that's our sweet spot. Companies will depend on solving these problems to survive."

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challenge is working seamlessly. Jones Day is not alone in that approach. Since its earliest days in Pittsburgh, as many as five lawyers from other offices will be working at a desk Downtown on any given day. Space has always been set aside.

Last summer, when Jones Day moved to three new floors in Mellon Bank Center, it included offices specifically designed for lawyers visiting from other offices.

"There's nothing new about working in teams," said Marlee Myers, managing partner of Morgan Lewis's Pittsburgh office and co-chair of its technology practice.

"We don't have an office by office structure in our firm; we work through practices."

David Pusateri, Pittsburgh office managing partner at McGuireWoods LLP, said lawyers from other cities work in the Downtown office whenever they have Pittsburgh dealings.

"The other week, I was in our Chicago office for a few days and in our Richmond offices," he said.

"We regularly have people here for various and sundry reasons and we'll get an e-mail memo saying, 'Please welcome the following lawyers visiting from wherever.'"

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