

Law Firm Leaders: Jenner & Block's Craig Martin

By Sam Reisman

Law360 (August 21, 2019, 1:56 PM EDT) -- At the beginning of the year, Craig Martin became chair of Jenner & Block LLP, his professional home for his entire legal career, and commenced a listening tour to hear from the partners about the present and future of the firm.

Martin spoke to Law360 recently about the biggest changes ahead for the industry and how to bolster Jenner's core values — which he defines as excellence in the practice of law; pro bono work and civic engagement; and a commitment to diversity and inclusion.

"Law firms have not done as much as they can and should with regard to diversity and inclusion, and we want to continue to move the needle on that at Jenner & Block," he said.

This interview has been edited for clarity and length.

What have been your major priorities as chair so far?

I have been very interested in talking to our partners about what our core values are, to make sure that everyone is committed to the value proposition of the firm. It's nice to be able to say the firm is almost uniform with respect to those core values.

The next issue is strategy. We actually do three or four things very well and at the highest end of the legal market. In the marketplace, we are known for excelling in the trial and appeals field, the rough and tough of litigation. I expect we will continue our focus on that in an even more material way as we go forward.

The second thing we do incredibly well, and are known for doing, is board-driven and C-suite-driven investigations; that is something, I suspect, we will increase materially our focus on. The third area we're involved in is public company transactions. Finally, the other area we really excel in is the governance area, where we are frequently called in to advise corporate boards on any number of issues.

Our view is that the marketplace is becoming much more segmented, consumers of legal services are becoming much more sophisticated — they have been for years — and they look for firms that excel where they excel. We are basically known as operating in the niche of sophisticated impactful litigation,



Craig Martin
Jenner & Block
chair

investigations and public company transactions. And I suspect our strategy will be to continue to move that program forward.

What are the challenges that law firms are facing now that they weren't facing 10-20 years ago?

One of the challenges that law firms have is what we essentially do is take talent and deliver it to the marketplace, to our clients. So you can talk about the client end of the spectrum. But you also have to talk about the talent end of the spectrum. If you read the legal publications, there's this tremendous focus on [lateral] movements in the legal industry.

We have lawyers coming into the legal profession, and we have a moral imperative to deliver to them a legal industry that is even better than the one we came into. For example, when I talk about diversity and inclusion, we need to have law firms that are diverse and reflective of the communities that we serve.

Another major issue: if you've ever seen the movie "The Paper Chase," it's a gruesome portrait of what it's like to be in law school — how difficult and how competitive it is. The profession has evolved quite a bit since then, but it needs to continue to evolve. The stress we put on young people at our law firms and in the legal arena needs to be complemented by programs that address mental health, wellness, physical health and taking care of the whole person. And that is an important issue for us as people, but it's also an important issue because we think lawyers who are well adjusted, working in an environment that is diverse and inclusive, are going to deliver the best legal services and best results for their clients.

Should the industry do away with the billable hour?

I don't think the industry gets the choice. The client gets the choice. My view of the billable hour is it's useful. It's here to stay for some time, so I don't see it going away in the next five or 10 years. However, I do know that we, and all sorts of places, are doing alternative arrangements. For us, that began decades ago, so that's nothing new. Models that we have engaged in [include] fixed pricing, fee cap arrangements, arrangements with discounts and bonuses based on success fees. So there are all sorts of arrangements we are doing that don't necessarily rely on the billable hour, but it is client-driven. If a client wants to pay us by the billable hour, we're fine with that. If a client wants to do something alternative, we're open to those arrangements.

Jenner has taken a very deliberative approach to growth, as far as not opening offices or acquiring practices at the same rate as some similarly sized firms. Can you talk to me about the firm's strategy with respect to growth?

What we have done is really focus on what we do best, and that has been our mantra. We don't need to be all things to all people in order to do what we do best. In the particular high-end niches where we practice law, we want to be number one or number two. The strategy of just acquiring a particular practice for diversification or growth alone is not something that we have been interested in doing.

Do you think that U.S. law firms are in danger of losing business to the Big Four as they expand their legal offerings?

There's no competitive threat for Jenner & Block with regard to that, and that again goes back to what we do. In the space that we're in, the competition from accounting firms or consultants really does not exist. With regard to other firms and some of those firms that have undergone a number of mergers and

compete in the legal space that also involves consultants, I think they have a risk with the Big Four and other accounting and consulting firms encroaching on what they do. It doesn't necessarily need to be lawyers who do certain of those consulting services.

Do you think regulations will ever be changed to allow non-lawyer ownership of U.S. firms, and would that be a welcome change?

First of all, I don't have a crystal ball. And I don't see it as something that's going to move in the U.S. in the next five or 10 years. I do hear frequently of different models that different folks are thinking about. Including litigation funders and so forth, with regard to, quote, "investments" in law firms, which are not technically investments in law firms. I don't see them coming to the legal industry as it exists now in the U.S.

Is litigation funding something your firm has used or investigated at all?

Both. Litigation funding began in Europe and has moved into the U.S. There are a number of litigation funders out there who we know very well. I wouldn't speak to specific instances in which we've engaged in litigation funding. If our clients are interested in that, we're not standing in the way of it. Litigation funding, I suspect, will become more prevalent in the legal industry. I think that is here to stay.

--Editing by Brian Baresch.