



Daniel J. DiLucchio

Profile: Melba Hughes, Hughes Consultants, LLC, Legal Recruiters

By Daniel J. DiLucchio

Altman Weil's Dan DiLucchio interviews Melba Hughes, founder of the recruiting firm, Hughes Consultants, LLC, and Executive Director of the National Association of Legal Search Consultants. With offices in Atlanta and New York, Hughes Consultants specializes in placing attorneys throughout the United States, with a client base largely comprised of Fortune 500 companies and AmLaw 100 law firms. As a certified minority and woman-owned search firm, Hughes takes particular pride in producing a diverse slate of candidates for each assignment.

DiLucchio: What do you find is the major motivator for a lawyer to move from a law firm position to an in-house position?

Hughes: Lawyers are motivated to go in-house for a variety of reasons. Most often, they seek the opportunity to partner with one client and to play a more meaningful role in assisting business people meet their objectives. They seek more predictability in their professional lives. Predictability does not mean fewer hours. It merely means a culture where one expects to take planned vacations. Finally, lawyers enjoy the opportunity to do meaningful work without the administrative burden of billable hours.

DiLucchio: Do you find that there are different success factors or personal qualities required for an in-house counsel as opposed to those for a partner or associate in a law firm?

Hughes: The most successful in-house attorneys have the ability to work well with the business people at a company — it often helps to have a working knowledge of the industry and a background in business. A good in-house attorney will quickly earn the trust of the business people by showing them that he or she really understands the company's goals and objectives. Companies seek attorneys with an interest in getting the job done, as opposed to those who tell them why a deal can't be done. Professionalism, great judgment, business savvy, excellent communication skills,

and problem solving ability—these are the qualities corporations seek in their lawyers.

DiLucchio: What sort of compensation adjustment, if any, do law firm lawyers face when they move to in-house positions?

Hughes: It is typical for the most successful law firm lawyers to experience a reduction in cash compensation when they join an in-house legal department. The actual percentage is difficult to predict, as it depends on the level of the position, the geographic region and the norms of the specific corporation. Much also depends on whether the corporation is a financial services entity or a manufacturing company, for example, as well as the size of the company. We encourage candidates to examine the full compensation package and to take a long view on the financial deal. Other components of compensation often include performance bonus, stock options or grants, 401(k) contributions and car allowances.

DiLucchio: Are there opportunities for in-house lawyers to move to law firms?

Hughes: Opportunities for in-house lawyers to move to law firms do exist, but only under special circumstances. Because an in-house lawyer does not have a recent history of building a book of business, he or she is often brought to a firm in an "of counsel" position. It is not unusual for a former general counsel to join a large firm with the expectation of capitalizing on his relationships with his former corporation as well as others. Based on a variety of expectations, ranging from performance goals to personal billings, the individual could then be eligible for non-equity or equity membership at a future date. It is less typical for the more junior in-house lawyer to join a law firm.

DiLucchio: If an in-house counsel wanted to move to a law firm, how important is bringing a "book of business?"

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Hughes: A book of business is a critical component to the successful transition from an in-house assignment to the law firm arena. It would be the unusual lawyer who could immediately deliver a substantial book of business to a new employer on the first day. That said, the in-house lawyer would be wise to produce a detailed business plan if he or she hopes to join a law firm. Potential clients, a timetable, and projected revenues should be included in the plan. I encourage lawyers to be conservative in their predictions. Better to surprise the law firm with your success than to disappoint them. It's much easier to ask for a raise for performance that exceeds expectations than to disappoint and frustrate the compensation committee.

DiLucchio: Are personality or other psychological tests typically used in lawyer recruiting today?

Hughes: Personality and psychological testing are still rare in the legal recruitment world. There are some companies and law firms that rely on these instruments as part of the evaluation process and they insist on using the same process for all of their key employees including lawyers. Candidates are typically informed about this during the very early stages of the recruitment process. As law firms and corporations seek to find new ways of ensuring more success in the selection of employees, I would not be surprised to see an increase in this kind of evaluation in the coming years.

DiLucchio: How important is the concept of emotional intelligence in lawyer recruitment and placement?

Hughes: Emotional intelligence is critical to any successful placement. We pride ourselves on taking the time necessary to understand our client's business philosophy, culture and style. We do the same for our candidates. A recruiter must understand not only the

professional requirements, but also more importantly the emotional needs. By truly discerning this element, a clearer understanding will be reached on what is fueling the decision to make a career transition. Emotional awareness gives the recruiter the ability to step beyond just matching the professional qualifications of the lawyer to the job description.

DiLucchio: Is there more movement from law firms to law departments or from law departments to law firms? What market trends have you seen in the last few years?

Hughes: Twenty years ago, when I started recruiting, only a handful of the brightest wanted to join in-house legal departments. At that time, going in-house was generally viewed as an option of last resort. There was a gradual change in that perception and of course, everyone remembers the complete reversal of this trend with the dot.com boom!

For a brief time, after the dot.com slowdown, law firm lawyers were again cautious about the in-house market. Today, that trend has changed significantly. Some of the brightest and best-credentialed lawyers are once again eager to join corporations. It does

not matter that cash compensation may be greater for the successful law firm lawyer. The competition for premier in-house positions has really stepped up. Many law firm lawyers, in the middle of a slow economy and personnel reductions in law firms, see the traditional legal departments as a safer, more predictable world and they are anxious to learn about those positions.

Today, it is much easier to recruit lawyers from law firms to join corporations. The interesting thing is that corporations have learned that they can demand even more. In today's market place, it's not good enough to be a well-credentialed, big-firm lawyer. The most competitive candidates have excellent credentials, great law firm experience and in-house experience. I expect this trend to continue for many years. ♦

Editor's Note: In a second interview later this year, we'll get Ms. Hughes' observations on recruiting practices in the law firm market, the recent surge of lateral movement of law firm partners, and what the immediate outlook is for associate hiring and compensation.

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