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Answer phone; get work; do work. Answer phone; get work; do work. For many law firm partners, life in the pre-crunch years really was that simple. With deals in such plentiful supply, getting a new instruction was often just a case of picking up the phone. Partners didn't have to leave their desks, let alone the office.

Then, one gloomy day last September, all that changed. The phones suddenly stopped ringing, as the collapse of Lehman Brothers saw the market switch from feast to famine in the blink of an eye.

For junior partners, who as a generation were accustomed to more favourable economic climes, it was the onset of a brave new world.

FIND, MIND AND GRIND

The sustained bull run that culminated in the boom years of the mid-noughties had a profound impact on the market's leading law firms. Most obvious was the steroidal shot in the arm such relentless deal activity had on law firm financials. Driven by a superheated transactional market, turnover grew at breakneck speed and profitability reached new highs. Bars were raised to such an extent that a £1m PEP was no longer an aspirational milestone for the Magic Circle, it was the absolute bare minimum.

But it also had other, more subtle effects on the way that firms and practices were structured. Although a gross generalisation, partners – particularly those at the larger firms – can be separated into three distinct categories: finders, minders and grinders. The finders are the rainmakers – the big-name stars with the skills, charisma and market profile to win new clients and bring in the business. The next level down is the minders – those who help to manage and maintain the existing relationships established by the finders, but don't develop any new ones themselves. Finally, you have the grinders – those who actually execute the work, but have little or no client-facing responsibilities. These roles have remained largely constant over the past decade, but the balance between the three groups has progressively changed. ▶

Let it rain

With transactional activity at an all-time low, the fight for new deals is more competitive than ever. *LB* profiles the young guns leading the charge **CHRIS JOHNSON**

Illustration WWW.STUDIOOSCAR.COM

'Firms got used to a fairly rich diet from their clients over the past 15 years,' explains Jomati Consultants principal and former Clifford Chance managing partner Tony Williams. 'Their relationships with clients changed to broader, institutional ones. There are still key client relationship roles, but they're increasingly performed by a group of partners, rather than being dependent on any one individual. As such, firms aren't really developing those star names anymore. Even the best firms wouldn't claim to have more than 20% of their partnership who are serious rainmakers, and in most cases it would be much less than that. Many firms are going to have real succession issues, as heavy rainmakers – those who are able to generate more than an occasional shower – have become a rare breed.'

With firms struggling to find the resource to meet such unprecedented levels of demand, teams became increasingly leveraged – not only with regard to associates, but also in the number of these so-called 'service partners'. The volume of new partners made up increased year-on-year, and to management boards that were becoming transfixed on the chargeable hour, the numbers looked good.

It's a system that enables firms to exploit frothy markets to their maximum potential, but, as many would soon find out the hard way, it's one that leaves them dangerously exposed when those markets fall. Just as leverage has created problems by amplifying the impact that declining revenue has on profitability, it has also left firms with large numbers of execution partners and little actual work to execute.

THE NEXT GENERATION

Business generation has therefore shot back to the top of the agenda, but there's a problem. With many junior partners having spent their career churning documents on the factory floor, rainmaking has become a lost art. As Tihir Sarkar, an up-and-coming corporate star at Cleary Gottlieb Steen & Hamilton (see page 45), admits: 'My generation of partners are boom partners. We were made up when things were rosy, but it's very different now.'

But while many are finding life difficult (a number have even lost their jobs, with service partners among the groups hardest hit by redundancies), there are enterprising individuals who are bucking the trend and carving out a name for themselves. And with firms labouring in the most competitive market for a generation, now is the perfect time to identify them.

We looked for a proven track record of business generation, and for the 'junior partners' (defined as those that have been partners for no more than five years) to be landing deals and managing relationships that would usually be the reserve of much more senior market players. The results are surprising.

Disappointingly, there are no women, although Ashurst infrastructure M&A expert Eavan Saunders Cole, and corporate partners Nicola Evans at Lovells, Vica Irani at Jones Day and Kate Ball-Dodd at Mayer Brown all made the longlist. 'It's a real condemnation of law firms around the world, but particularly in London,' says Phillip Fletcher, European managing partner at Milbank, Tweed, Hadley & McCloy. 'There are very strong women rainmakers in the market, but this shows that it's still an issue that the profession critically needs to address.'

Another thing that stands out is that of the 11 profiled individuals, six are from US firms. There are a number of possible explanations for this seemingly disproportionate showing, however. The majority of US firms are still growing in London (or trying to, at least), so any lateral partner hire will be brought in with a specific remit to generate new business and help develop the practice. If they manage to transfer any clients or active transactions, they will be doing so by default.

While it's not as simple as saying that US firms are better at treating junior partners as individuals, rather than cogs in a machine – Slaughter and May, for example, deliberately skews the voting process for election to its management board to ensure that younger partners are represented – they are often less structurally regimented environments than some of the larger UK firms.

'US firms tend to be less hierarchical,' Kirkland & Ellis' London office head James Learner explains. 'We don't have these big groups where you can't go out and do things by yourself as a junior lawyer. We encourage our partners to be a bit more entrepreneurial and actively develop their own relationships.'
But despite their differences, the chosen few all have one thing in common: a tireless drive to go above and beyond. So, here they are, *LB*'s picks for the stars of the future. The rest of the market take note: the bar has been set. **LB**

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SUHRUD MEHTA

Firm: Milbank, Tweed, Hadley & McCloy **Practice:** Acquisition finance

Age: 37 **Made partner:** 2006 (aged 34, eight years' PQE)

Key clients: Deutsche Bank, various US investment banks

CV:

2006	partner, Milbank, Tweed, Hadley & McCloy
2000	associate, Milbank, Tweed, Hadley & McCloy
1998	associate, Ashurst
1996	trainee, Ashurst

***LB* says:** As George Orwell might have said, had his dystopian classic dealt with lawyers rather than animals: all lawyers are bright, but some are brighter than others.

Suhrud Mehta takes things further still, according to Milbank's European managing partner Phillip Fletcher, who describes the Cambridge graduate as 'impossibly bright'.

Mehta joined from Ashurst with a broad finance practice in 2000, but when Milbank expanded its Munich private equity business and Frankfurt leveraged finance team in 2004, he was asked to develop the firm's English law acquisition finance practice in London. He has never looked back.

In 2006, the year he made partner, he headed a team of 15 lawyers on what was then the largest UK public-to-private financing – advising the eight arranging banks on the £10bn financing of the Goldman Sachs-led consortium's £15bn bid for BAA. 'Most people wouldn't expect to get an instruction like that in your first year as partner,' he says. 'It was a major career event for me.'

Later that year, he advised the banks on the first German hostile take-private transaction – the €1.5bn financing of Macquarie's bid for software asset management specialist Techam.

Both deals demonstrate Mehta's focus on only the most complex, high-value transactions, with recent highlights including a hotly contested mandate to advise the arranging banks on the $50bn financing of Brazilian mining group Vale's attempted acquisition of Swiss mining company Xstrata, and an ongoing instruction to advise Indian telecoms giant Bharti Airtel on its troubled $23bn merger with South African mobile phone operator MTN.

Milbank's conservative culture means that Mehta's exact billings remain a closely guarded secret, but one source close to the firm tells us that it's 'a very, very big number'. Take what a decent City partner bills in a year and double it, then you'd be in the right ballpark.

Clients say: 'Suhrud is blessed with superior technical skills and acute commercial judgement. He's always aware and focused on the big picture while working through the intricate details of a deal. I choose to work with him because of his experience, his willingness to share market knowledge, and the fact that he's very personable.' *Bertrand Lafontaine, director, Lazard*

The firm says: 'It's a question of intellectual prowess. Over the years I've worked with a handful of associates that have been almost impossibly bright. Suhrud was definitely one of those. As soon as I started working with him, it was clear that he was someone to put on our toughest mandates. Clients don't really use Suhrud for simple deals. The real magic to Suhrud is what he's achieved since we asked him to switch from general banking to leveraged finance and lead our efforts there. The fact that we asked him that before he made partner is pretty special. He's able to turn his hand to so many practice areas – he's probably forgotten more about infrastructure than most people ever know about it. He knows his industry, is great at knowing the commercial drivers behind a transaction and can form teams in a way that very few people can in order to get the job done.' *Phillip Fletcher, European managing partner, Milbank, Tweed, Hadley & McCloy*

Mehta says: 'It makes all the difference when you can provide sophisticated clients with results in complex, challenging situations. You then have a virtuous cycle, a snowball effect of that approach playing out with clients, where they rely on you for their complex transactions. It's also extremely important to have collaboration and collegiality among partners. If you can work together with partners across various practices, that is much stronger than the compartmentalised, siloed arrangements you might find at some of the larger firms. We have a highly collaborative partnership.'

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