

THE AMERICAN LAWYER

With Scale Top of Mind, More Law Firms Are Willing to Put Merger Option on Table

By Andrew Maloney

January 12, 2024

What You Need to Know

- Law firm mergers are off to another strong start in 2024, with multiple combinations announced this week that span all corners of the continental U.S.
- Analysts and firm leaders say more firms are seeing the benefits of scale and are putting the idea on the table.
- 'It seems like the firms that before had dug their heels in...have already merged or have come to the table for talks,' said one recruiter.

Law firm mergers are off to another strong start in 2024, with multiple combinations announced this week that span all corners of the continental U.S.

Indeed, after ticking up in 2023, merger interest continues to run hot. And it's not a coincidence that more firms seem to be finding marriage partners. Industry analysts and firm leaders say in an era where the benefits of scale have become more apparent, more firms than ever before are willing to consider proposals.

"The principle thing that's changed over the past 24 months is higher-performing, higher-quality firms are putting mergers and acquisitions on the table when they hadn't done that historically," said Kent Zimmermann, a law firm consultant at Zeughouser Group.

Zimmermann helped engineer one of the arrangements that was announced this week:



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Atlanta-founded Kilpatrick Townsend's merger with Chicago firm Horwood Marcus & Berk Chartered, which does business as HMB Legal Counsel.

The tie-ups announced this week include that deal, which featured the No. 90-ranked firm in the Am Law 200, as well as Phoenix-founded Fennemore Craig (No. 191) merging with Seattle-based litigation boutique Savitt Bruce & Willey; and New York-founded Barclay Damon's (No. 163 in the NLJ 500) combination with Washington, D.C.-based Shapiro, Lifschitz & Schram. On just on Friday, Am Law 200 firm Phelps Dunbar, based in New Orleans, announced it is combining with a 25-lawyer firm, Memphis-based Farris

Bobango, to form “one of the South’s largest law firms with 400 lawyers.”

Zimmermann said he’s advised HMB for years, and the firm had been approached by numerous suitors before it found what he described as a “unicorn deal” with Kilpatrick, one that included “powerful” benefits of scale for HMB, whose partners could continue working together but also grow their clients across an Am Law 100 platform and capture new ones.

From Kilpatrick’s perspective, it was an opportunity to grow by nearly 60 lawyers in a premium market with a strong M&A and private equity practice, he said.

People in the industry for years have agreed scaling up is desirable. But firms usually have tried to do it more through laterals and associates. They often find their net growth, after retirements and departures, isn’t giving them the benefits they’d hoped, Zimmermann said.

“What I mean is being able to keep up with the market for associate and partner compensation, having the money to do that. I mean having visibility to get more at-bats to work on interesting matters and clients. I mean having a longer deal list, and a longer list of litigation wins, and a better client list to inspire the confidence of prospective clients and recruits about the strength of the platform,” he said. “So, that’s the No. 1—the recognition of benefits of scale that I’m describing. That is a huge driver on why so many firms are interested [in mergers].”

Susan Mendelsohn, a longtime Chicago law firm recruiter and consultant, also noted “tremendous appetite” for merger discussions now, driven especially by midsize firm concerns over their competitiveness.

The lion’s share of discussions are coming from firms under 300 attorneys, she said.

“They see the larger law firms are gaining market share with clients and able to climb down in fees,” she said. “For volume work, larger firms

are discounting fees and in some cases, they’re encroaching what the midsize firms had to offer in the past, which was a lower fee scale.”

She also said other recent mergers involving Chicago firms included those that had previously been opposed to the concept, like Freeborn & Peters (which ultimately merged with Smith Gambrell) and Novack and Macey, whose lawyers joined with Armstrong Teasdale.

“It seems like the firms that before had dug their heels in—‘we will never merge’—have already merged or have come to the table for talks,” Mendelsohn said.

One Am Law 200 firm that’s been on the hunt for mergers lately, and remains so, is Dinsmore & Shohl. The Cincinnati-based firm, ranked No. 114 in last year’s Am Law 200, used combinations with smaller firms to open in San Diego and Orlando in 2023 and could very well use a similar playbook to expand in Texas this year.

Josh Lorentz, the firm’s managing partner and chairman, said in an interview this week that his firm is “absolutely” still looking for combination partners after opening with a litigation team lateral in Houston. In general, he said, firms are more open to the merger option now, particularly after the pandemic altered how firms were able to work and grow.

“Particularly with some smaller firms, in certain practice areas and in certain geographies, there’s more of a willingness today to listen to opportunities about merger than there was maybe five years ago,” Lorentz said.

“People are just more willing to listen about the future and creating connections than in previous years, and when you’re willing to listen, you often hear the opportunity a little differently than if you disregard the chance out of hand,” he added. “That’s something I think is a little different. People are more willing to listen.”

Christine Simmons contributed to this report.