**The mild-mannered lawyer who grew a global behemoth**

**Bob Dell**, who is retiring as chair of Latham & Watkins, led the law firm's aggressive expansion, writes **Caroline Binham**

When Bob Dell first became chairman of Latham & Watkins, the US-headquartered law firm was rooted in Los Angeles with a smattering of outpost across the US and in London, Hong Kong and Moscow, newly emerged from Soviet rule.

There were also few international law firms in the way the legal market now understands them. Today, Latham, with $2.3bn in revenue, is the world’s third largest, with 31 offices in 14 countries.

Much of that transformation is down to the strategy of Mr Dell, 62, who will step down as chairman’s chair at the end of this month, and from the firm where he has been for 32 years of his career, initially as a litigator before he moved into management.

In the past two decades he has orchestrated a strategy that has seen Latham grow from a firm of 583 lawyers whose centre of gravity was very much Los Angeles, to the $2.3bn international behemoth it is today, with more than 2,100 lawyers across 31 offices worldwide.

That international growth – aggressive in its lateral hiring of partners – has been achieved, unusually, without merging with another firm.

When pressed on what he feels is his greatest achievement, Mr Dell replies: “Building a global law firm that a lot more importantly, do so while preserving our highly valued culture.”

Such a legacy is enough to confer upon Mr Dell the North American Innovative Lawyers’ first-ever special achievement award.

Latham has taken on the competition in two of the most cut-throat legal markets in the world – New York, and more recently, London – and is doing so successfully. It has built on its key practice areas and a few choice clients to become a rounded force.

“When Bob took over 20 years ago, Latham was an LA firm. We expanded to a few other things outside LA, although not terribly well,” the managing partner of a firm headquartered in New York confides.

“Twenty years ago, our competition would have been the Southern California firms. Now Latham is very much on the ball.”

Caroline Binham, correspondent

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**Latham’s target of 1900 billable hours for its associates has quasi-mythical status**

**Bob Dell**, chair

It is a strategy that already worked in another highly competitive legal market that Latham targeted: New York.

Latham built its Manhattan office around three key clients: Drexel Burnham Lambert, the investment bank; Hughes Aircraft, the defense contractor; and KKR, the private equity firm.

In the years immediately preceding Mr Dell’s chairmanship, Drexel imploded after Michael Milken, its “junk bond king,” was jailed for insider trading; Hughes was acquired by General Motors; and KKR’s deal closed just before the start of the 1990s.

“Suddenly we had a huge portion of our revenue decline quite dramatically,” Mr Dell recalls. “It was a trying time.”

A managing partner of a well known New York headquartered law firm sees the secret of Latham’s success as the twin pronge of focusing on key clients and choice hires.

Latham partners take home on average $2.4m a year, while first-year associates earn $175,800. Compare that to the most elite UK firms, where average profit per equity partner stands at £1.28m ($2.2m), and newly qualified solicitors can hope to earn £47,000.

Like most US firms, though, there is a quick quip. Latham’s target of 1,900 billable hours a year for its associates has quasi-mythical status. “We have very high performance standards,” Mr Dell shrugs. “That includes asking – or at the least moving down the equity rungs of partnership – those who do not meet those standards.

During the financial crisis, which hit nearly all big firms hard, Latham made redundant 190 associates and 250 staff. “Getting Latham” gained traction for a while as a goal for getting laid off. Mr Dell maintains that at a partner level, Latham is stable, with around 2-4 percent leaving each year “for retirement or other reasons.”

Compensation, he acknowledges, is key to Latham’s culture. Law firm culture is a slippery concept, with many firms claiming a unique ethos. Unsurprisingly, Mr Dell uses words such as “teamwork” to try to define Latham’s. “Speak to Mr Dell’s partners and rivals, and it emerges that Latham has a partnership remuneration structure that rewards collaboration akin to firms that use a lockstep model – where partners move up the point-system of equity, which determined take-home pay, according to seniority – while recognizing individual merit, as an “eat-what-you-kill” firm model does.

Eighty-five per cent of partners’ pay is in profit share, 15 per cent is reserved for performance-related pay. “But if you perform well but not in a teamwork fashion, you’re not going to tap the next pool,” Mr Dell explains. “So we use the compensation system to reinforce the culture.”

Caroline Binham, correspondent