



Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Sharing Origination Credit Fairly. Many firms have modified their systems for sharing origination credit to encourage broader participation in business development and greater fairness to junior lawyers on the team. Modifying an outdated system is a great first step; auditing the new systems is important to verify that they are working as intended. To insure a system is fair as actually applied, consider these questions:

- Does your firm invite everyone involved with originating a new matter to propose how the credit should be broken down?
- Does the system require the lead lawyer to give notice to all the affected lawyers of the proposed breakdown so they can respond before the numbers are finalized?
- Does the process involve providing documentation such as who got the first call; who was involved in preliminary courtship of the client; who arranged for any pitch meetings; who attended the pitch meetings; who prepared the materials for the pitch meetings; the nature of the relationship between firm lawyers and key client personnel; who has the relevant expertise; who will manage the matter and the like?
- Is there a way for people to appeal proposed numbers?
- Is there a penalty for unfair allocation?
- Is there protection for people who complain about allocations?
- Are lawyers encouraged to document their roles in client development so there are records available in case of questions?

It is challenging to change a firm's culture relating to sharing origination credit. It is also difficult to prevent bullying by the most powerful lawyers. For more on preventing bullying, see [here](#).

For firms serious about updating their plans for sharing origination credit to meet today's business environment, it is critical to have an audit of the implementation of the new system as part of the plan.

Example: After a group of lawyers broke off to start a new firm, a successful firm decided it was critical to expand the number of rainmakers in the firm. To incentivize more business development activity, the firm modified its system for sharing origination credit. The new system encouraged rainmakers to allocate part of the credit to all the other lawyers who are involved in bringing in new clients. When the allocations continued to award the lion's share of the credits to lead lawyers with other participants receiving token amounts, firm leadership became concerned about adoption of the new system. To accelerate implementation of the spirit of the new system, the firm leadership circulated a form to be filled out in connection with proposed allocation of credit. The form required information such as the role of each person involved in the matter. The firm also required that the lead lawyer invite each lawyer involved to propose a fee allocation before any decision was made and that their recommendations be submitted along with the proposed allocation.

Does your firm's system for allocating origination credit promote the firm's policies? Is there sufficient participation of everyone involved and transparency to insure that the least powerful people will be treated fairly?