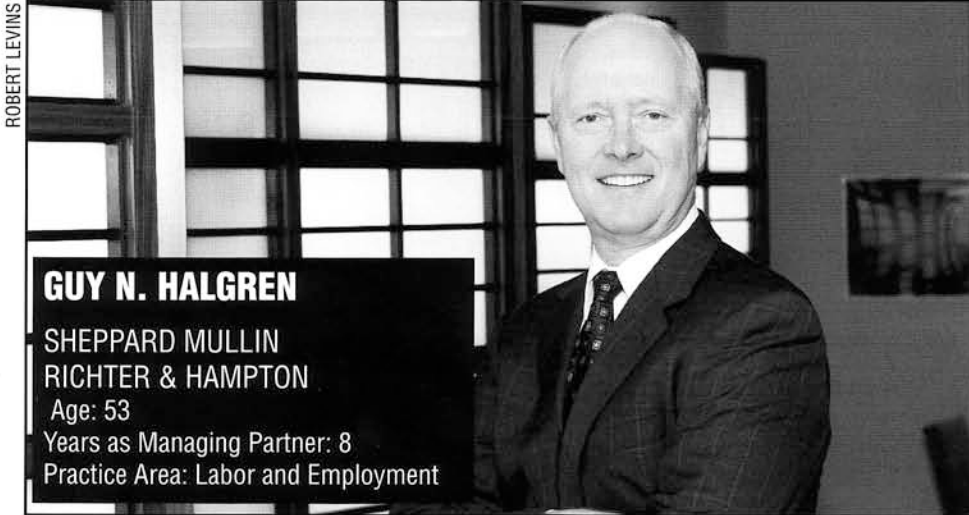


TOP SOUTHERN CALIFORNIA LAW FIRMS

## MANAGING PARTNER A-LIST

**GUY N. HALGREN**SHEPPARD MULLIN  
RICHTER & HAMPTON

Age: 53

Years as Managing Partner: 8

Practice Area: Labor and Employment

Some firms in recent years have grown too big, too fast, flaming out under the pressures of ill-fitting mergers and conflicts among firm leadership. So the curious thing about Sheppard Mullin's rapid expansion over the past decade from a four-office California firm to a national one with 11 offices is how smooth it's been. Guy Halgren, the man behind Sheppard's controlled growth, has managed to put together a national firm that lawyers are loathe to leave through his intimate involvement in firm lateral hirings and his commitment to maintaining a collegial culture despite the firm's 550-attorney size.

**DJ: What is the biggest challenge you've faced in the last year?**

**HALGREN:** I'm sure this is the same answer everyone else gives you. We've really been focused on adjusting to the rapidly changing market, especially over the last eight months. Business obviously has been tough for clients, so it's more important than ever to be close to clients, listen to clients, understand their needs. It really is emphasizing to our attorneys, who are good at this anyways, but really emphasizing to them that just because times are tough, it's not a time to avoid talking to clients. It's time more than ever to talk to them.

**DJ: What is your biggest challenge going forward?**

**HALGREN:** I'm a big believer in Jim Collins' book, "Good to Great." The key to an organization is the people. Since I've had this job, my biggest challenge will be to make sure I have the right people on the bus, which is an expression he uses. Over the next 12 months in particular, we're going to give a lot of time and attention in leadership training and management succession.

**DJ: How are you guiding your firm through the stormy economy?**

**HALGREN:** I've always said my job is like that of a sports coach. I think it's highly presumptuous for me to think I know more about a partner's practice or

market than they do. I'll ask questions and intervene as appropriate. But generally I want to get the best people, provide an environment where they excel, coach them as necessary, communicate clearly, operate transparently, and then get the heck out of the way. In terms of creating that environment, we've been progressive in coaching our attorneys regarding alternative fee structure and creating protocols that should result in win-win outcomes with our clients. I think the billable hour will remain the norm of the foreseeable future, but we will see an increasing number of non-hourly deals, like fixed fee deals and annual retainers to cover a particular kind of work. We're also in the process of revamping our talent model to make sure we attract and retain the attorney resources our partners need to provide ever increasing quality and service, but at a lower price and more predictable cost. We'll have more flexibility in attorney advancement and more variations and positions going forward.

**DJ: What lessons have you learned from managing your firm through this downturn?**

**HALGREN:** It's not something I've learned, but it's been reinforced to me, which is that it's really all about the people. More than ever the quality of the people you have, their intelligence, client service, integrity — that comes through in tough times more than ever. Another lesson I've come to appreciate is that it's good to be a conservatively managed

law firm. Fortunately, I inherited that kind of firm in 2001. A third thing is that I'm really coming to appreciate more than ever that in times of challenges, there are many opportunities. It's really a question of examining those challenges and then figuring out solutions you can present to clients.

**DJ: Have we seen the bottom?**

**HALGREN:** Yes, I think so. I think it's going to be choppy through the rest of this year. You'll see months that are up and months that are down, but overall we're at the bottom. Looking around our firm and the various practice groups, talking to practice group leaders, I think the practices that have been affected most by the recession have bottomed out — transactional practices like corporate and real estate. At the same time, some of the countercyclical practices like bankruptcy and antitrust have been increasingly strong over the last several months. We've got some other specialty practices, like government contracts and antitrust, that are just booming at the moment. So when I put it all together, not all of our practices are on the upswing yet, but I do feel our practices are at the bottom, or on the upswing or continuing to be strong, one of those three.

**DJ: What is your biggest accomplishment as a managing partner?**

**HALGREN:** When I got the job in 2001, we were a firm of excellent client-oriented lawyers, but we weren't sure what we wanted to be when we grew up. We went through a lot of self-examination and internal debate back in the early part of this decade. We finally decided we didn't want to do a merger, we did not want to become a megafirm. We did want to have the scope and scale to handle our clients' most important matters, but we also wanted to be a place where people knew their colleagues and wanted to come to work. We grew Sheppard Mullin from a regional California firm of about 290, four offices, into a national firm with international capabilities, with 550 attorneys and 11 offices. I'm really proud we kept the firm a special place to work through that whole thing. Over the last 12 months we've brought in 26 lateral partners, but only two of our partners left to join competing firms.

**DJ: Have you made any mistakes in running your firm?**

**HALGREN:** Oh, yeah. I've made countless mistakes. Fortunately, my personality is one that looks forward and not backwards. I try to admit my mistakes and move on. I've made several mistakes in hiring people who did not work out, but I think that's an unavoidable by-product of the growth, which I think is my biggest accomplishment. Having said that, 80 percent of the lateral partners we've hired since I became chairman are still with the firm.

— Rebecca U. Cho