

Ropes & Gray's Path to Law Firm of the Year



JULIE H. JONES

DAVID C. DJAHA

By Brenda Sapino Jeffreys

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What You Need to Know

- Ropes & Gray is Law Firm of the Year in The American Lawyer Industry Awards 2022.
- The firm had strong financial performance in 2021, and topped both the U.S. A-List and the U.K. A-List.
- Chair Julie Jones said a combination of strengths may explain why the firm received the award.

Ropes & Gray, tapped as Law Firm of the Year in The American Lawyer Industry Awards 2022, excelled by hitting on many cylinders, topping both the U.S. A-List and the U.K. A-List, and posting double-digit increases in key financial metrics in 2021 as the firm focused on strategic industry sectors.

Along with attention to public service and diversity, as illustrated with the firm's leading A-List rankings, Ropes & Gray has, despite its size, developed a strong corporate practice focusing on middle-market deals, closing 280 over the last two years in several industry sectors including life sciences and health care.

Ropes & Gray's record financial results in 2021 reflect the firm's strategic industry focus on life sciences and health care, along with private equity, asset management and technology.

The global firm is among the 10 highest-grossing firms on the Am Law 100 and also the Global 200, and boasts more than 1,400 lawyers in 13 offices.

Revenue at Ropes & Gray hit \$2.67 billion in 2021, up 21.9% when compared with \$2.19 billion in 2020. Even after adding 75 lawyers to its overall head count, revenue per lawyer (RPL) was \$1.95 million in 2021, a 15.4% improvement from \$1.69 million the prior year.

Net income surged to \$1.160 billion in 2021, a 29.9% increase when compared with \$893.3 million in 2020. With 1.1% more equity partners, profits per equity partner (PEP) came in at \$4.33 million in 2021, up 28.4% when compared with \$3.37 million the year before.

Chair Julie Jones said in an interview in December that a combination of strengths may explain why the firm was recognized as the law firm of the year.

"It's a reflection of financial performance, which was extraordinary in 2021. It also reflects the fact we have developed an extraordinary brand in the marketplace. The financial performance is a result of our impact on clients. We are known for our industry expertise," she said.

The evaluation period was July 2020 through the end of May, and Jones notes that during that time, especially in 2021, transactional markets were busy with M&A and private equity work, and clients were focused on investing.

Jones said in an earlier interview that 2021 was a strong year for transactions across industries, as private equity buyers were active, considering the

firm does work for nine of the 10 largest PE firms. The improved revenue developed as the firm gained market share with the firm's large clients, she said, a goal the firm had been working on for a while.

The work is not just for large clients, though, as the firm has built a significant middle-market corporate practice, took advantage of the heated transactional market and worked on an extensive range of deals.

According to information the firm provided to *The American Lawyer*, those deals included helping Planet Fitness acquire Sunshine Fitness, spinning off Saks.com from Saks 5th Avenue, and helping Harvest Partners buy Yellowstone Landscaping, and the firm landed the work because of its scientific, specialty, and regulatory experience.

Jones said middle-market work is Ropes & Gray's heritage that develops out of its private equity practice, she said. In many cases, middle-market clients come to the firm as investors starting their own businesses, she said.

"You follow the people. You have to operate in a way where deals are different, in many ways based on size, but ... you need the personal touch," she said.

"It was a frenzy of dealmaking" during 2021 and into this year, Jones said.

Demand was "really strong" for the first half of this year, but M&A dropped off during the second half like at most elite firms, Jones said.

"The business environment has gravity. We are pulled by that," she said.

To counter that gravity, Jones said, the firm will continue to build its talent and continue to do "what Ropes & Gray does best" and to make sure lawyers are "looking around corners."

For example, she said, the firm has a large practice representing the asset management industry, which is dealing with ESG opportunities and challenges. The firm has developed a "cutting-edge offering" to help clients deal with ESG issues.

Looking Beyond the Numbers

The firm's success at topping the 2022 A-Lists goes far beyond the firm's practice or financial results. The

annual ranking looks at RPL but also associate satisfaction, pro bono commitment, racial diversity and women equity partnership numbers.

Ropes & Gray was tied in the 2022 A-List in the U.S. with Munger, Tolles & Olson, but held the top spot on the U.K. list alone.

In the U.S. ranking, Ropes & Gray gained 16 points on the diversity metric, and made small gains in RPL and associate satisfaction. In the U.K. ranking, the firm scored quite high on RPL and number of women partners.

Ropes & Gray has worked on the things that matter in the A-List rankings, Jones said.

For instance, she said, at the end of 2020, "I said we need to change the face of Ropes & Gray," and the firm has improved its diversity since then.

"There's a long way to go in racial and ethnic diversity among our partners, but in gender diversity, women are a third of the number of equity partners," she said.

Jones said she was a strong believer to get people back into the office, once it was safe, because the law firm is a teacher/student environment. She said younger associates and partners were coming into the office, but the senior associates weren't as enthused about it because they already knew a lot of people and had their feet on the ground. However, she said, that's a critical group that needs to hone their skills.

"The goal wasn't just to get people into their seats. The goal was to use their time wisely," she said.

The firm's success on the metrics that comprise the A-List rankings is related to good communication, Jones said. Partners meet over a phone call or Zoom every other week, she said, noting that "information cannot be a currency when you are part of a partnership."

"It seems trite to say it, but people are at their best, sort of owning their business [with] transparency of what we are doing," she said.

The firm's partners are motivated, she said, by the fact the firm cares about hitting diversity and pro bono goals.