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August 16, 2020 04:00 AM

Benesch, Tucker Ellis could soon be the largest law firms in Cleveland

JEREMY NOBILE

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The North Point Office Building and Tower on Lakeside Ave. in downtown is the home of national powerhouse law firm Jones Day. The firm has been growing outside of Cleveland even as its presence in Northeast Ohio shrinks.

Jones Day and BakerHostetler are still the biggest firms in Northeast Ohio, but their declining in-market attorney levels have narrowed the gap with the growing regional firms.

Global BigLaw firm Jones Day has grown into a dominating presence in the Cleveland legal market since its founding nearly 130 years ago, yet it's ceding ground to smaller regionals growing bigger in the local market while it shrinks.

To be fair, owning the title of the largest firm in any given market — especially those outside marquee regions like New York and Washington, D.C. — is not incredibly important to most firms. In a tech-enabled and interconnected business world, the location in which an attorney is based is less relevant than it was decades ago. And most firms don't hire people exclusively for the sake of growth.

Even if no one is overtly aspiring to be the largest firm in Cleveland, the patterns in firms growing or shrinking indicate there may soon be a new largest firm in town, which speaks to the evolving business of law.

Jones Day remains the largest firm in Northeast Ohio in 2020 with 172 in-market lawyers, according to the [Crain's law firm list](#). It's followed by BigLaw firm BakerHostetler (160 lawyers) and Cleveland-based regionals Benesch (146 lawyers) and Tucker Ellis LLP (142 lawyers).

Jones Day's Cleveland office has shed lawyers at a rate of about nine a year since 2010, when its in-market bench was 236 lawyers deep, a decrease since that peak of 26%.

Firmwide, Jones Day reports more than 2,500 attorneys in total, the same it reported in 2010.

Baker's peak in Cleveland in the past decade was at 193 lawyers in 2012. It reports 978 firmwide attorneys today. Its local office has decreased 17% since that high-water mark, while its total attorneys has increased 49% during the same time.

Benesch and Tucker report firmwide attorneys of 259 and 223, respectively. Both have grown in Cleveland more than 40% compared to their sizes 10 years ago.

With some exceptions, the trend with BigLaw firms is to slightly withdraw from Cleveland over the years. In terms of in-market lawyers, Squire Patton Boggs (104 Cleveland lawyers) has shrunk by 30%.

Benesch and Tucker are on track to become the largest firms in the region as they grow and Jones Day shrinks. It's a tacit endorsement, they say, of growing demand for their work. Both firms have been growing steadily outside of Cleveland as well, but Northeast Ohio remains each of their largest hubs.

Benesch managing partner Gregg Eisenberg said the retraction of the Cleveland legal market is mostly a reflection of the economy itself.

"If Northeast Ohio grows," he said, "that allows a lot more lawyers to be here to support those clients."

In that sense, he added, the overall attorney market dwindling over the years is somewhat "tragic," but not a surprise.

Growth strategies

With Cleveland losing some prominence as a business region over the decades with a slow-drip exodus of Fortune 500 companies, law firms founded here that see themselves as national players are moving toward developing themselves in major U.S. and international legal markets. To be sure, most have succeeded in doing that. Unless they had prior Cleveland roots — like Squire global managing partner and prominent Cleveland attorney Fred Nance — national and global-minded firms typically plant their top executives not in their home market headquarters, but in regions like Washington, D.C. (i.e. Jones Day, Baker).

This doesn't mean those firms have any plans to leave Cleveland or to completely disengage from the civic scene, though their diminishing presences may create more opportunities for

competing firms.

In a statement, a Jones Day's Cleveland partner-in-charge, said, "Size is simply not a focus for the office" because of its "One Firm Worldwide" strategy, but that the firm remains "deeply engaged" in the city and isn't "going anywhere."

Jones Day's office has mostly reduced through attrition and with some once-Cleveland lawyers relocating to other markets. It's not uncommon for some top lawyers to join practice teams that take them away from the city, particularly at BigLaw firms.

Baker declined to comment on its Cleveland market hiring trends, but Cleveland office managing partner Matt Tenerowicz emphasized the firm's commitment to the city, which is its hometown and home to its largest location.

Tucker Ellis managing partner Joseph Morford said he's "proud" of what's been accomplished in Cleveland, noting that's come predominantly through one-off lateral hires.

While regionals like Benesch and Tucker do work in other larger legal markets than Cleveland, their strategies are clearly to win business in more midsize markets, like those throughout the Midwest.

Industry outlook

Amid the COVID-19 pandemic, reductions in the legal market raise questions of the possibility for layoffs that could shrink the market further.

[Firms are cutting costs](#) in various, deliberate ways — not just enjoying the savings that come with a steep dropoff in lawyer travel — due to a general economic downturn. Efforts vary throughout the industry but range from [re-evaluating use and cost of real estate](#), to adjusting compensation, to furloughing support staff and freezing hiring or canceling intern programs.

Barring some exceptions, most attorneys are not being laid off. After all, firm revenue depends wholly on them. But those lawyers may be sharing a secretary's help with more colleagues now.

As for most industries, things could change if the economy gets worse. But for legal service providers, business is already looking better today than a few months ago. [Securing millions of dollars in Paycheck Protection Program loans](#) certainly helped many firms, including Benesch and Tucker. Firms are reporting a gradual increase in demand for work in recent weeks, though.

Early on in the pandemic, large law firms were projecting dire losses for 2020. Budgeting models were once predicting firm profitability taking hits this year in the 25% to 30% range, said Tom Clay, a principal with law firm consultancy [Altman Weil](#).

Most firms won't hit budget this year, but the situation is not as dire as it once seemed. Courts are opening back up to the benefit of litigators. Transaction work is poised to benefit from pent-up demand. Those fighting or defending insurance companies have their hands full. And like the Great Recession, bankruptcy practices will be busy for a long time. There's little worry of "lawyers becoming homeless," Clay said.

"In large, the legal community responded quick (to the pandemic)," he said. "And their economics are looking much better."

Inline Play

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