

Micro-Hiring: An Emerging Trend in Law Firm Selection and What It Means for Your Firm

By [LawVision](#) on June 30, 2015

A new trend is emerging in how corporate clients select and hire law firms. Micro-hiring, or the selection of an individual or small team of lawyers for a very specific role in a matter, is growing increasingly common, especially among larger and more sophisticated buyers of legal services – and those in industries under intense pressure to reduce costs such as oil & gas and healthcare. Similar to cherry picking, micro-hiring allows clients to hand-select the attorneys they consider to be the absolute best in an area of expertise without having to hire the same firm to handle all aspects or phases of a matter. Micro-hiring is the product of a confluence of drivers including:

- demand for greater efficiency and lower cost legal services
- increasing comfort with using alternatives to law firms
- better matter management tools to break down, dissect and control phases of matters
- adoption of technology that handles core functions
- access to internal and external information ranging from expected legal outcomes and judge's opinions to staffing approaches and billing rates
- insourcing of a broader range of legal work not limited to routine daily matters but with ever greater levels of complexity

Micro-hiring can take many forms. Some are more novel than others, yet the trend itself is accelerating as clients increasingly aim to create the most high-quality, cost-effective teams from a wider pool of resources. Some common approaches include:

Phased hiring – using in-house counsel or smaller or less sophisticated law firms for the majority of the work and then bringing in the big guns when it gets to a critical turning point such as defining strategy, negotiations or trial

Co-counsel – hiring two experts (or expert teams) to work together (e.g., combining local resources from stand-out firms in the U.S. and EU rather than hiring a multi-national firm; or pulling together e-discovery counsel with a team responsible for strategy and trial prep)

National litigation counsel – the designation of a single law firm to coordinate a national litigation portfolio. The law firm itself does not have to be national but will instead select, hire and coordinate a cadre of resources local to each jurisdiction.

Teaming of resources – hiring groups of lawyers from small firms and bringing them together to work in the way the elusive cross-disciplinary, multi-functional team from a large firm would (i.e., clients are creating their own hand-selected teams, often from specialized boutiques, to mirror BigLaw at a fraction of the cost – this is perhaps the most intriguing of the approaches and the one that warrants the closest attention)

Corporate clients relish the control they get from using micro-hiring techniques. Among other benefits they believe they are getting higher overall quality by accessing the individuals who are truly the best for the job, regardless of firm. Plus, by controlling the attorney teams, they are able to select the cost structure most suited to the task, rather than try to negotiate for lower rate work, for example, from a large firm that may be unskilled at appropriate staffing, project management or other efficiencies (which, let's face it, still applies to most firms, regardless of size).

What this means for law firms now and in the future:

- Boutique models hold particular appeal
- High-end advisory service models are equally attractive
- Cross-selling at larger firms may grow increasingly difficult (despite the proven financial [benefits](#) of selling integrated services)
- Growth in attorney numbers and full-service offerings are not strategic imperatives
- An ability to cultivate and actively work referral sources (in legal and beyond) will become a more important asset
- Holistically servicing the client with your own and others (aka playing well with others) will drive financial rewards

Staying current with your clients' changing needs and priorities is a strategic imperative. The speed with which clients are shifting their buying behaviors and alternatives are entering the market is accelerating. For those reluctant to consider new ways of doing business, consider the words of Lao Tzu, "If you do not change direction, you may end up where you are heading." Is where you are heading today where you want to be in the future?