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# Understanding How Small Firms Hire

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## Introduction

Small law firms comprise a large percentage of lawyers in private practice. There are significant differences between how small and mid-sized firms recruit and how large firms recruit. Knowing these differences can help you conduct a productive job search, interview effectively, and evaluate the terms of an offer.

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### How small is small?

The precise definition of a “small” or “mid-sized” firm varies depending upon the market in which it is located. For our purposes, we are addressing firms which employ fifty (50) or fewer attorneys. In smaller cities and rural markets, a small firm might be fewer than five lawyers. Conduct some research to understand what small means in your market. Small firms generally do not have extensive administrative staff resources devoted to recruiting, retaining and developing their new attorneys. It’s up to job applicants to reach out to these employers and understand their hiring criteria.

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### When do small firms hire?

Small firms tend to hire on an “as needed” basis, and typically do so very close in time to when there is a vacancy. This is generally true for both full-time attorney and part-time legal internship positions. For many smaller firms, there is really no predictable hiring schedule. These firms often hire in response to the acquisition of a large matter or the departure of a current attorney or legal intern. When small firms do hire, the process often plays out very quickly and requires an immediate response from the applicant.

For other small and mid-sized firms, there tends to be a discernible pattern of hiring activity each year particularly with regard to legal internships. These firms are often larger in size, more established in the legal market, or have a specialized practice area. With these firms, it is common for them to have predictable periods of hiring activity. For example, many of these firms will recruit their summer legal interns between February and April and have them start in May or June. Similarly, many of these firms will recruit for new associates between September and November as new graduates are being admitted to the bar.

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### What do I need to know about reaching out to small firms?

Small firms are less likely than other legal employers to actively post the opportunities that are available with them. They are focused on the business of practicing law, not the business of recruiting talent. As such, job seekers must take a proactive

approach in trying to secure opportunities with smaller firms.

Smaller firms rely heavily on their own networking contacts, professional associations and simple word of mouth to find candidates for positions within their firms. They generally believe this is a more efficient and effective way to find candidates who will fit into their firm environment. For job seekers, this means that research, advance planning and a great deal of networking are the keys to getting onto the hiring radar screen of small firms.

Your law school career services may keep small firm databases or your local bar association may have a job posting service. Your law school professors may have connections at small firms and may refer students when vacancies occur. Understand all of the resources at your disposal and work hard to cultivate your network in order to learn about those vacancies that are often filled by word-of-mouth.

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### What do I need to know about interviewing with a small firm?

Small firms do not all use a standard interviewing format. In fact, their individual processes generally vary widely from firm to firm. Some small firms will conduct a single one-to-one interview with candidates. Others will have candidates meet with multiple attorneys in a group format or panel interview. Still others will use a two-stage interview process in which candidates have a brief initial interview and then return on a second occasion to meet with more firm attorneys. Since the process can vary so dramatically from firm to firm, it is appropriate to ask about the firm’s interview format when scheduling an interview time.

As a job seeker, it is important to understand that small firms are often prepared to move forward quickly with their hiring decisions once they get to the interview stage. These firms, particularly those with fewer attorneys, will frequently make hiring decisions during the initial interview. You should be prepared to respond professionally to such an offer if it made during your interview.

When preparing to interview at a small firm, you should understand the range of practice areas and be prepared to speak about your specific experience and ability to do the

work. Since small firms are not in a position to offer extensive training or mentoring, your ability to give specific examples of how you can be an effective team player from the start will be compelling. To that end, you should acquire experiences in law school that afford you a range of skills and be ready to speak about those experiences during the interview.

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## Understanding the economics of small firm practice

A compelling job applicant understands that small firms are businesses; they depend upon client relationships, cultivating new business, and billing hours in order to make money. While a small personal injury firm will have a different compensation model than an insurance defense firm, you should understand a few key concepts:

- **Firm income** is realized from billable hours *and* collections, not just about the work you do;
- **Client development** is an essential aspect of small firm success and it's important to cultivate clients and engage in "rainmaking" early in one's career, especially at a small law firm;
- **Firm expenses** consist of overhead and operating costs, personnel training, and re-investment.

Your value as an associate at a small firm is your ability to generate income, cultivate new client relationships, serve existing clients, and minimize firm expenses.

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## Evaluating your "fit" with a small firm

There are many intangibles to making a good hiring decision, particularly at a small law firm. You are being interviewed for a position, for certain; but you must also gauge whether the firm is a good fit for you. Because small law firms have fewer attorneys, you are often working in a fish bowl so it's especially important to ask yourself:

- Do you like the lawyers with whom you will be working?
- Does it seem like a supportive environment?
- Are there lawyers who are your age or experience level or would you be on your own?
- What is the firm's reputation generally?
- Are there opportunities to grow professionally?
- Does the firm practice in areas that align with your strengths and interests?

There are just a few questions to help guide you in making a wise choice when considering a small firm.

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## How do I respond when I receive an offer?

Responding to an offer from a small firm no different than responding to any other employer. Always be polite and professional – say thank you to acknowledge the offer and let the employer know you are excited about the offer. Ask questions about the offer if you have questions and confirm the timeline in which the employer needs to have a response. Many smaller firms will want you to provide a quick response, but they are generally willing to allow you to take a few days to fully review and consider the offer. Keep in mind that most small firms do not adhere to NALP guidelines regarding offers.

Be sure to inform the firm of your decision in a timely and professional manner once you have made a decision. If you are accepting the offer, be sure to get the agreed upon offer confirmed in writing (even if that's an email) so that its terms are clear and certain to all parties involved. If you are not accepting the offer, be sure to communicate your decision in a clear and respectful manner. You want to be confident that there is no ambiguity around your final decision on the offer.

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## May I negotiate an offer with a small firm?

Negotiating with a smaller firm requires preparation, patience and professionalism. As you start to think about negotiating with the firm, you need to engage in some critical self-assessment. You need to understand your skills and the value they contribute to the firm. You also need to be realistic in your assessment of your skills and knowledgeable about the legal market that you are entering. Having a reasonable valuation of your skill set, along with an awareness of the economic market realities, you will be able to enter into negotiations with realistic expectations about the offer you hope to receive.

As with any negotiation, you need to be prepared to consider the offer as a whole and be ready to prioritize the elements of the offer that are most important to you. You need to engage the firm in a professional and productive exchange over the terms of the offer. If you are asking for a deviation in the original offer terms, you need to justify your "asks" by pointing to market factors and personal experiences that support your requests. You should be prepared to pitch your request as a "win-win" situation, showing how the firm will benefit from accommodating the change in terms.

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## What should I consider as part of an offer from a small firm?

A full-time offer from a small firm will consist of many factors. You need to be sure to ask about all of the things that are relevant to the position and to your professional growth and development while you are in the position. Some key factors include:

### *Salary*

It goes without saying that salary is usually the first point of concern in a job offer. You clearly want to know the salary you are being offered. But having a salary figure is not enough. You need to understand how the salary is structured. Does it include bonuses? Is it based on a minimum number of hours billed or collected by the firm? When will it, or can it, be reviewed? Will it adjust upward when you are admitted practice in the state? Knowing the detailed terms surrounding your salary figure will help you to more thoughtfully evaluate the entire job offer. Avoid getting into a small money debate with the firm. Doing so can cast you in a bad light in the firm's view and contribute to a feeling that you are not genuinely interested in being part of the firm.

Consult your law school career services office to obtain small firm salary information. While there are many excellent national salary surveys (NALP and Altman Weil to name two), data about small firms is difficult to ascertain and there is wide variation depending on type of practice and region. Because law school career services office keep data about starting salaries for graduates, it stands to reason that they have the most reliable data to guide you or at least be able to give you a salary range based on prior employment data.

### *Insurance benefits*

Inquire about the insurance benefits which are available as part of your offer (if any). The types of coverage offered by smaller firms can vary greatly. You will want to know if the firm offers health insurance, dental insurance, vision insurance, life insurance, short-term disability insurance, and/or long-term disability insurance. If these benefits are offered, it's important for you to understand who can be covered by each plan, what portion of the premium you are responsible for and what type of coverage is provided. Knowing these things will help you to create a realistic understanding of how your insurance elections will impact your overall finances.

### *Retirement options*

Ask if the firm provides any type of retirement planning options (i.e., 401K plans). If they do, you will want to find out more about the terms of the plan. Does the firm contribute to the plan on your behalf? If so, at what rate?

Will the firm match your contribution rate? Knowing the details about the firm's retirement plan can help you to determine how much you may be able to contribute, and if there is added financial value in the offer in the form of retirement funding.

### *Leave time and work schedules*

You will want to understand what type of work schedule you are being offered and what leave time you will be given. For many applicants, the details of your daily work schedule can be of critical importance. You should not be hesitant to ask about vacation time, paid sick time, parental leave time and/or elder care release time. You should also not be hesitant to ask about the firm's policies around tele-work or flex time options. All of these things can impact your consideration of the overall offer—and are often items areas where smaller firms are able to work with candidates to make the offer attractive to them.

### *Professional Development/Bar Association Memberships*

You need to know how professional development fits into any offer that you receive. Every jurisdiction has its own unique requirements for continuing legal education (CLE), bar membership, pro bono activities, professional occupational taxes, and client security trust fund fees. Knowing the requirements of the jurisdiction in which you will be practicing is crucial as it will help you to have a comprehensive conversation with the firm about these items during your negotiation. Will the firm pay for your bar membership? Will the firm pay for your CLE credits? And, is there a limit on how many credits for which they will pay? Does the firm support pro bono activities? And, how does the firm allow you to count those hours? Knowing more about the firm's policies and practices can help you to evaluate the overall offer you are presented, particularly if the firm is willing to pay for many of the professional requirements for which you would otherwise have to pay out of your own pocket.

### *Miscellaneous*

Depending upon your individual circumstances, there may be unique items that you will want to raise during your negotiations. Some of those items may include bar review cost, bar registration fees, moving or relocation expenses, daily parking fees, or routine commuting costs.

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