

Talent & Culture: A Recipe for Success

An Interview with Brad S. Karp,
Chairman, Paul, Weiss, Rifkind, Wharton & Garrison LLP

EDITORS' NOTE Chair of the firm since 2008, Brad Karp is one of the country's leading litigators and corporate advisers. He has extensive experience successfully defending financial institutions and other companies in "bet the company" litigations and regulatory matters. Prior to being named Chair of Paul, Weiss, Karp chaired the firm's Litigation Department. Karp is a 1984 graduate of Harvard Law School.



Brad S. Karp

FIRM BRIEF Paul, Weiss, Rifkind, Wharton & Garrison LLP (paulweiss.com) is one of the world's most successful law firms. The firm has over 900 lawyers worldwide, and market-leading litigation, regulatory, and corporate practices. Paul, Weiss has garnered numerous awards for its excellence and has been widely recognized for its pro bono achievements and its commitment to diversity.

What is the secret to the firm's success?

We have been extremely fortunate to have the right mix of partners, practice expertise, and clients. In the end, our success is based on the talent of our partners, the culture of our institution, and the trust of our clients. We have been blessed in all three areas. We have a uniquely talented, all-equity partnership, an old-fashioned egalitarian and collaborative culture, and a client roster second to none.

Is it harder to maintain culture as you have grown?

As the firm has grown, we have paid greater attention to our culture. The vast majority of our partners grew up in the firm as associates and, as a result, the firm's culture and our core values have become embedded in the day-to-day fabric of the firm, and have been passed down and cultivated over generations. Our culture may well be our most important asset. In many ways, it is the glue that holds the firm together and is one of the main reasons we never lose partners to other firms.

How broad are the firm's capabilities?

We are a full-service, global law firm. But, in my view, the key to running a great law firm is to understand the law firm's strengths and to play to, and invest in, those strengths. For us, we have a world-class, market-leading litigation and regulatory defense practice, as well as a world-class, market-leading M&A and private equity practice. Our firm is built around these two platforms. Our energies and our resources are focused on ensuring that we are the best firm in the world in these

particular disciplines. We have adopted a somewhat contrarian strategy and we do not try to be all things to all clients in all geographies. We operate only in those jurisdictions and practice areas where we are market leaders.

Is the firm's focus the really high-end client or do you deal at all levels?

We represent clients of different sizes and handle a broad variety of matters. We represent our key clients in their most significant matters, some of which may not have a lot of zeroes attached

to them but nevertheless may be of great strategic significance. I would estimate that close to 100 percent of our work is "strategic" in nature, and the vast majority of our matters are big-ticket, bet-the-company litigations, regulatory investigations, and transformative or strategic M&A matters. We are highly disciplined in terms of the clients we represent and the matters we handle. We generally will not handle commoditized matters because that does not play to our strengths.

How has the firm been able to create global reach?

Our ability to handle matters around the world has been one of the hallmarks of our success. Over 90 percent of our lawyers are based in New York and Washington, yet our practice truly is global. We have market-leading practices in Tokyo, Hong Kong, Beijing, London, and Toronto and we currently are handling matters of strategic significance for our clients across the globe, drawing upon our U.S. resources as needed. A significant percentage of our revenue each year is attributable to matters based outside the United States.

Is the business more complex today?

Unquestionably so. The world is increasingly global; the regulatory environment is increasingly complex; and the competition faced by our clients and our peer firms is increasingly fierce. None of these phenomena shows any signs of abating. We believe that – thanks to our talent, our practice expertise, and our experience – we are uniquely positioned to deal with these challenges. Our recent performance certainly bears that out. We are busier and more successful than at any point in our history, handling more cutting-edge, high-stakes matters for more blue-chip clients than ever before, and consistently achieving superb results, generating new opportunities from both existing and new clients.

Has regulation gone too far in the U.S.?

The regulatory scrutiny facing financial institutions, in particular, is unprecedented and is becoming more acute with every passing month. While most trends are cyclical, it is not clear that the pendulum will swing away from regulation in the foreseeable future. Complex regulatory structures have been developed in recent years and it will take enormous political will to disassemble them. Presently, that will is absent not only in the United States but around the world as well. Right now, we see a concerted push for increased regulation, harsher penalties, and enhanced supervision. Countervailing voices have been muted, creating a regulatory and investigative maelstrom. Financial institutions have become a symbolic whipping post for much of this regulatory frenzy. Our job, in recent years, has been to defend financial institutions in this uniquely hostile regulatory, investigative, and litigation environment. We have been quite successful and it is one of the accomplishments of which we are most proud. We ought not lose sight of the fact that a healthy economy requires healthy banks that can serve as a catalyst for investment and economic growth.

Is the legal industry still attracting young talent?

It is – and for good reason. The law is a wonderful profession and a law degree is a tremendous asset. Speaking personally, I cannot imagine a better, more satisfying and more supportive professional home than Paul, Weiss. I get to work with brilliant and collaborative colleagues and talented and sophisticated clients, and try to solve complex and cutting-edge problems. I deal with different issues, different clients, and different industries every day. I'm not sure there is another profession that gives you such broad-based opportunities.

Will the consolidation trend spread to the legal firms?

The trend towards consolidation across the legal industry has been building for decades. I hope there doesn't come a day when the legal market is dominated by a dozen gigantic global law firms. Again, I cannot see Paul, Weiss merging with another firm. It would destroy our culture and imperil our core values. We have spent generations developing a level of talent and expertise and a firm-first, client-first culture that have enabled us to stand out in the key areas in which we practice. This model and mindset have served us very well in the past – and we believe will serve us particularly well in the future. ●