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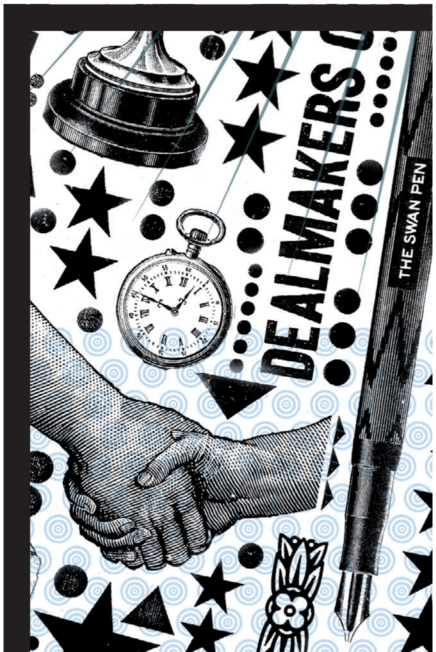


ONE FOR THE RECORD BOOKS

How Goodwin Procter faced down the busiest year in M&A history and flourished.

By Patrick Smith

1,104. That's how many deals Goodwin Procter handled in 2021, about 10% more than its closest competitor.

It was the busiest year on record for M&A, with more deal volume and value than ever before. IPOs and SPACs soared to new heights, and private equity took a bigger piece of the pie while setting a new standard for overall deal value.

For Goodwin, being at the center of this perfect storm meant a year of moving parts. There were late nights, shuffled teams and an endless stream of video conferences. There were growing pains.

Along the way, the firm grew its head count by 10% and increased its hours worked by a staggering 27%. But turning in a record-setting run took more than just long days. Goodwin's banner year was the result of long-laid plans, an increased dependence on business professionals, a collective attitude and some smooth salesmanship on the recruiting front.

Goodwin wasn't the only firm to see a surge in deal volume. In fact, according to data from Refinitiv, the top four deal totals for any firm in M&A history came in 2021. Goodwin's 1,104 deals were the most since 1980, when records were first kept. But Kirkland & Ellis (1,010), Latham & Watkins (983) and DLA Piper (889) all had massive years as well.

As recently as 2013, though, Goodwin was a distant shout from those top deal firms, handling about one-quarter of their volume. In that year, it worked on 85 deals, while Kirkland, Latham and DLA averaged more than 330. But by then Goodwin was already in the midst of redefining itself, setting the stage for future success.

PROFITABLE PIVOTS

The firm's first major step in the right direction came about 15 years ago, chair Rob Insolia says.

"We took a look at where we were as a firm and decided we could not compete with the most successful firms simply by holding ourselves out as the smartest or best M&A or capital markets lawyers," Insolia says. "It was too competitive to differentiate ourselves that way."

Instead, the firm decided it wanted to be among the top four firms in a small

In recent years, Goodwin reoriented itself around "the convergence of capital and innovation," Rob Insolia says.

number of sectors: life sciences, technology, financial services, private equity and real estate.

"The premise was that if you understood the industry of your client as well as the client did, you could leverage off of that," Insolia says.

To meet its goals, the firm expanded. It set up shop in Northern California to focus on technology. It increased its presence in New York to focus on real estate and private equity. It opened an office in London to bolster its life sciences, real estate and technology practices.

And it paid off. In 2008, about the time the strategy was being implemented, Goodwin did 96 deals worth about $23 billion—good for less than 1% market share. Latham's piece of the pie that year was nearly 12%. But by 2017, Goodwin did 388 deals worth $88 billion.

That was the last year before the firm made another strategic shift, according to Insolia. The strategy was sound and it was coming to fruition, but "there was another phenomenon that was taking place that we could be in the vortex of: the convergence of capital and innovation."

Insolia says he wasn't aware of too many firms as focused on technology as Goodwin, and it made sense to couple the firm's expertise with other competencies.

"There aren't many firms that are steeped in tech like us that also have 400 private equity lawyers or 300 life sciences lawyers or a fully built-out financial services practice," he says.

The second pivot also paid off. In four years, Goodwin nearly tripled the number of deals it handled.

"At Goodwin, capital and innovation is how we think about and approach client development and client relationships," Mike Caplan, Goodwin's chief operating officer, says. "Our legal practice areas are a great example of this. It's not just a technology or private equity deal. It could be a capital markets deal, a health care deal, or a deal that needs expertise in data privacy, or crypto, or a private equity fund that is invested in health care."

Caplan cites the firm's international expansion as another driver behind the increased deal flow.

"That of course helped with revenue and volume, but it also changed how we communicated globally across regions," he says.

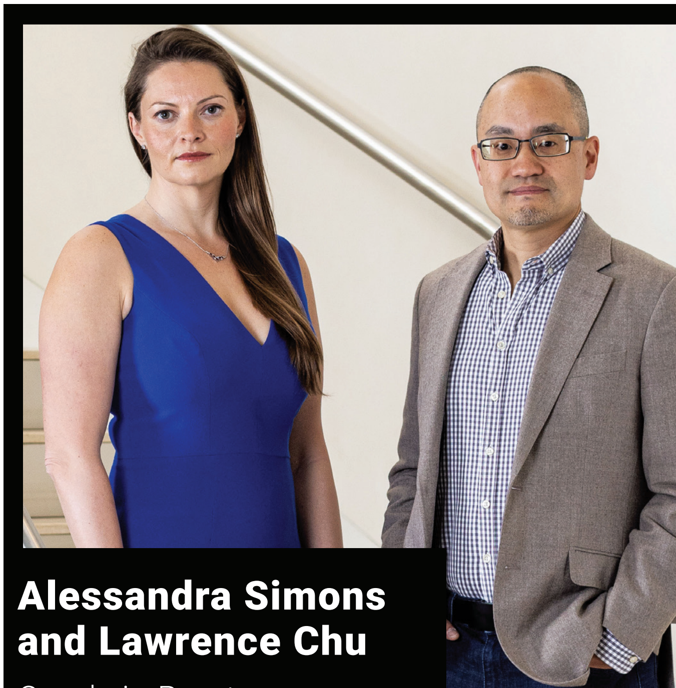
Although transactions for U.S.-based companies still comprise the bulk of the firm's M&A volume and value, additional efforts on the international end allowed it to gobble up cross-border transactions that were previously out of reach

When Caplan arrived at Goodwin eight years ago, he says, the firm was roughly a 50/50 mix of transactional work and litigation. Now the firm leans much more heavily into transactions. The shift has been good for the top line: Goodwin posted 32% revenue growth in 2021.

A GROWING WORKLOAD

In a year when many attorneys reevaluated their relationship with work, the additional workload brought on by the booming M&A market could have been an issue for Goodwin on the talent front.

Eric Talley, a professor of law at Columbia University, says many of his former students, a great number of whom go into corporate law, reached out to him over the past year with concerns about workload.



Alessandra Simons and Lawrence Chu

Goodwin Procter

0But despite a 27% spike in hours worked, Goodwin's attorneys say it managed to avoid burnout among associates.

Aly Simons, the San Francisco-based co-chair of Goodwin's technology **M&A** practice, says part of the reason they were able to handle the workload so well is that the firm has never had a "work to the bone" mentality. And they were prepared.

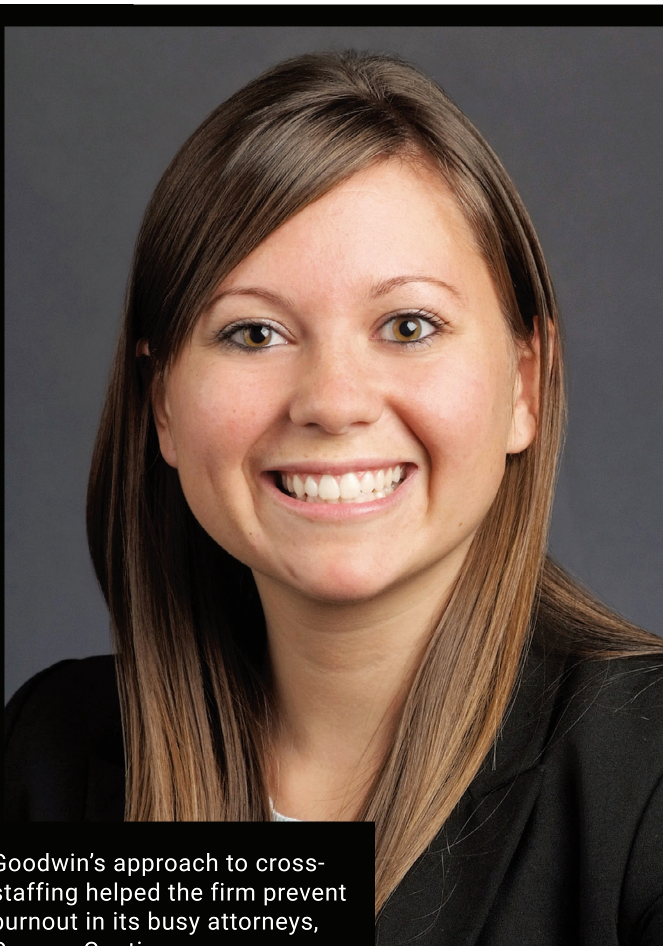
"We do work very hard, but the firm doesn't expect, or want, anyone working ridiculous hours," she says. "We identified early on that there would be a tidal wave. And so we were able to shift things and be better prepared."

The firm was able to mitigate the risk of overwork by adding depth to its teams. In a tight talent market, that meant hiring lawyers in locations where the firm didn't have an office.

Conner Pine, an associate in the firm's technology group who joined in December 2020, was one of those people. He lives in Dallas but works on teams mostly located in San Francisco and Silicon Valley. And the work began immediately.

"It was challenging, but fun," he says.

The firm had a system in place to integrate him into deals immediately, which eased some of the stress of switching firms (he joined from Winston & Strawn) and helped him build relationships early on.


Goodwin's approach to cross-staffing helped the firm prevent burnout in its busy attorneys, Cammy Contizano says.

"Stress- and environment-wise, it was better than the previous firms I worked at," he says. "I love what we do, but it isn't supposed to be everything. I feel free to tell a partner that I can't take something on. It's OK to turn down work."

Cammy Contizano, co-chair of the firm's Washington, D.C., office and a partner in its private equity group, says the firm's cross-staffing had a large impact on keeping people from burning out.

The firm's staffing coordinators had real-time access to who was working on what, so if a deal needed more hands—or just a different, less tired pair—they could quickly make any necessary changes to the firm's teams.

"That allowed us to change with whatever was happening at the moment," she says. "As deals accelerated or slowed, we were able to assess our team and bring in new people when necessary."

One deal Contizano worked on epitomized that agility.

She was representing a company with significant interest in its sale. To increase its return, the team decided to accelerate the sale process, negotiating a merger agreement with four different potential buyers in one week. It required four different Goodwin teams to make it happen, but the firm was able to do it.

"It was daunting," she says, "asking our colleagues to drop everything for a week and just go full force and help us out on a deal that they didn't even know. But people came together from all of our offices and filled these teams and negotiated the agreement with the buyer. We went through the four deals and picked the best one."

HELPFUL HIRES

Staffing up on matters was a concern for every firm in 2021. While Goodwin didn't veer too far from its normal strategy for recruiting talent, there were some changes. For one, the firm decided to allow fully remote associates in cities where it didn't have an office.

"Hiring is the most important thing we do," Larry Chu, co-head of Goodwin's technology M&A group, says.

While the desire to hire at all costs was there, Chu says, the firm tried to maintain its cultural fit and not just get bodies in the room. "Sometimes it takes longer to get the candidates we want," he says.

Larry Watanabe, a longtime legal recruiter in California, has been watching Goodwin's progress for some time and even placed a few candidates there himself. He says the talent shortage has caused many firms to change some of their criteria, although he notes that he didn't see this from Goodwin specifically. "Lateral partners are being hired at firms that three years ago would not have even interviewed them," he says. "But they all need the help."

Watanabe says he's fielded several calls from partners at other firms inquiring about Goodwin.

"I get these calls from partners looking to make a move, and they mention Goodwin," he says. "These are good firms they are working at, but they see Goodwin taking their associates and want to go where they can get work done."

While it's always good to be in high demand, Goodwin had to navigate some tricky messaging last year. In a period of pronounced burnout, selling associates on working at the busiest firm during the busiest year in M&A history is a double-edged sword: Yes, there is work, but also, there is a lot of work.

"It's a delicate messaging challenge for a firm that is that busy," Talley says. "You want to signal to people that if you want to run with the big dogs, this is the place. We have the deal volume, big transactions and this is where you come to get that experience. And I have tons of students who want that. But if that messaging is also, 'And by the way, as an associate here you need to be prepared to make some sacrifices on dental care and personal hygiene and sleep and personal relationships,' that becomes a cautionary note that may cause some people to think they want to go to a slightly less busy firm."

Contizano says while she doesn't want things to slow down too much, a little breathing room might not be a bad thing, both for Goodwin's lawyers and its clients. "There could be some benefits to it slowing down a bit to allow people to get back to the relationship building [with clients]," she says.

THE GO TEAM

While communication and a team atmosphere were essential to Goodwin getting through last year, another element emerged for the firm as paramount to its success. Caplan, Goodwin's COO, says the firm decided several years ago to invest more in its business professionals, whom the firm calls its Go Team. He says the firm's reliance on that group was on display last year in ways he had never seen before.

"We are providing business EQ to our clients and hiring premier pricing teams," he says. "We have folks in operations with client experience who know how to work on discounts and are thinking about how to work with our clients on a different level. That means the leverage model, staffing and RFPs."

Caplan says the firm's commitment to business professionals is an advantage in the talent wars.

"There is this whole associate talent war, but there is also a war for the professional staff," he says. "We don't want our junior people leaving for a few more bucks."

Getting people invested through opportunities to handle interesting work is key. But growing and maintaining that team is not without its struggles. Caplan says one of his biggest worries over the last year was how the firm could scale without significantly altering its culture.

"Bringing people in from other firms, the biggest challenge is how to sell them on the Goodwin culture," he says. "We are doing trainings, videos and all sorts of communications as people start to go back to the office. This will be the first time a lot of people have seen each other physically."

CAN IT CONTINUE?

While the workload has been high, Goodwin's attorneys think it's sustainable as the firm grows.

Expectations for the M&A market in 2022 aren't quite as high as 2021, but deal flow isn't going to evaporate. And that is fine with the lawyers at Goodwin.

"I love the work that I do," Yasin Akbari, as associate in the firm's business law department who has been at Goodwin since 2015, says. "I found it sustainable. I think anyone would say it was a huge year. But we know there are ups and downs. Senior partners who got through the dot-com bubble and came out on the other side share that there are ups and downs. This isn't going to be forever."

Chris Buck, an associate who joined the firm's London office in 2021, says that while there are downsides to the level of work he put in last year, he believes most associates can keep it going.

"Even through this volume of work, our teams are fully staffed and people are able to share that workload," he says. "There is a sense that you are working toward a common goal."

After Goodwin's 2021 surge, maybe that goal is 2,000 deals in a year. At this pace, it might be just a matter of time.

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