

Cooley Revenues Approach \$2B in Major Growth Year

Profits per equity partner climbed 27.9%, crossing the \$4 million mark for the first time. "This was the best year in the history of this firm," said Cooley's Joe Conroy.

By Dan Packel
March 3, 2022

In a year when Cooley opened a new office in Chicago that's now up to 60 attorneys, doubled head count in Asia and added a total of 40 lateral partners, revenue was bound to increase.

But not only did the top line climb 28% to \$1.987 billion, Cooley's revenue per lawyer also increased by 8.3%, indicating substantial productivity gains.

"This was the best year in the history of this firm," said Cooley chairman and CEO Joe Conroy, who emphasized that the gains were a validation of the firm's strategy for lateral growth.

"We don't buy books of business," he explained. "When we recruit lateral talent, we close our eyes and say how accretive these people will be when they come to our platform. The second part of making good decisions is having a culture that embraces lateral growth, so that somebody doesn't walk in the door and people ask, 'Who's he? Who's she?' There's an immediate embrace from a practice perspective. We've done both of these things well."

The Chicago office, which opened in May 2021 with 10 partners assembled from DLA Piper, Latham & Watkins and Winston & Strawn, serves as a case in point for Conroy.

"It's not like we were bringing in a bunch of lawyers based in Chicago to do Chicago-based work. Those capital markets lawyers are tuned into the national franchise," he said. "The M&A lawyers are immediately integrated into the national franchise."



(Photo by David Handschuh/NYU)

CEO Joe Conroy at Cooley's offices in New York.

The Chicago office was launched with transactional lawyers, which shouldn't be a surprise for a firm where the business side delivers 75% of the revenue, according to Conroy. But in recent months, the firm has added several former federal prosecutors there, along with white-collar hires in New York and Boston. The firm also added a team of financial services litigators from Buckley in Chicago and Washington, D.C. early in 2021.

Conroy acknowledged that the firm—well known for its Silicon Valley client base—is not historically known for white-collar defense and investigations work.

“What that shows is two things,” he said. “It’s the evolution of our client base and the need for our client base to have lawyers to help them get the government off their back and on their sides. But also, these lawyers could choose to go anywhere. They believe in the differential opportunities in our clients over the coming years.”

No doubt, these lawyers and other recent hires are also enticed by the compensation on offer at the firm. Profits per equity partner at Cooley crossed the \$4 million mark for the first time in 2021, climbing by 27.9% from the previous year.

Conroy said that, as in past years, the firm’s emerging companies practice—representing the “best, most diverse, most high-growth, most innovative, most diverse companies on the planet”—served to drive the firm’s “business engine” in 2021, and increasing parts of the “litigation engine” as well.

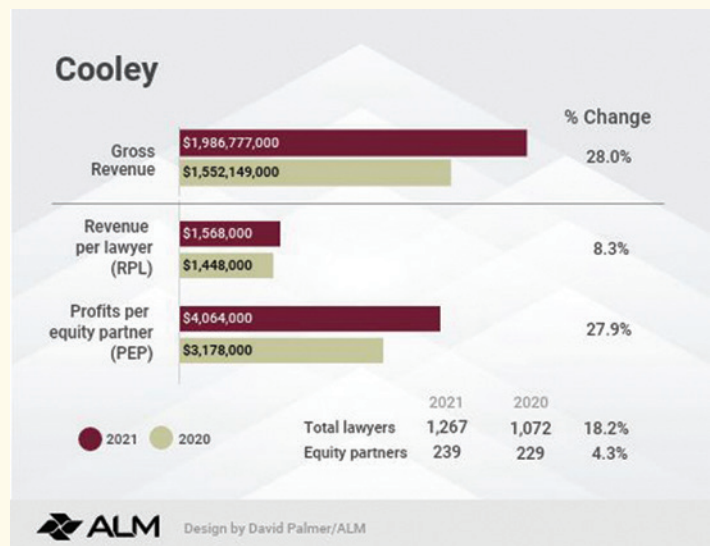
On the corporate side, he also singled out the volume and quality of work being done by the firm’s life sciences lawyers, particularly in capital markets transactions, both on behalf of issuers and banks.

And Conroy said that Cooley’s cyber, data and privacy group now qualified as a truly global practice, with resources around the world.

Surging revenues in London were also a major part of the firm’s story for 2021. The top line there grew by 50%, topping \$105 million, a jump that Conroy attributed to the emerging companies market in the U.K.

“We’ve captured that and dominated that market,” he said. “Whether it’s companies over there accessing U.S. capital markets or companies here doing deals there, particularly in tech and life sciences, there’s so much trans-Atlantic connectivity between our partners that’s resulting in big M&A deals and several notable SPACs.”

Looking elsewhere around the globe, Conroy said that Asia had joined Northern California, the East



Cooley’s year-over-year performance.

Coast, and London and continental Europe as the firm’s fourth major “power center.” The firm has three offices in China and a fourth in Singapore.

“Asia is an incredibly powerful piece of the pie for us, not just measured by what they’re doing and producing, but also the amount of U.S. work they’re doing there,” he said.

Conroy said the firm has no plans to open up additional offices, emphasizing that the plan is to grow in these existing centers.

Cooley last year grew its overall partnership, including the equity partner ranks by 4.3% to 239 and the nonequity tier by 12.3% to 112. Its overall lawyer head count rose by 18.2% to a total of 1,267 lawyers. Those associates that composed the bulk of this growth added significant heft to the firm’s core business practices in the U.S. and around the globe.

Conroy also highlighted a larger than usual partner class for 2022, with 28 new partners compared to 16 the previous year. “It shows the willingness of our partners to invest in our future,” he said. “It’s a significant statement in how we believe in ourselves.”

Cooley