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Major, Hagen & Africa wins some, loses some

Recruiting firm's expansion fuels growth in revenue, but prompts some departures

By Jahna Berry

RECORDER STAFF WRITER

Major, Hagen & Africa, one of the world's largest legal search firms, is going through growing pains.

While San Francisco's Major, Hagen has bulked up its staff and added nine branch offices in the past three years, several staff headhunters have headed for the exits.

In just the past year, the firm has added 17 recruiters, bringing the current total to about 65 — a growth spurt of 35 percent. It also has changed its compensation structure and the way territories are divvied up. But the changes haven't been for everyone.

In January, the firm lost two longtime Bay Area recruiters, Anna Marie Armstrong and Carl Baier. In the past year, three of the four recruiters at the Houston office left the firm. Major, Hagen's CEO confirmed that there was some initial turnover when the Philadelphia office opened a few years ago, but said no one has left the office in the past year.

Over the past few years, Major, Hagen has expanded aggressively, opening offices in Hong Kong, San Diego, Los Angeles, Seattle, Milwaukee, Austin, Philadelphia, Washington, D.C. and London.

Major, Hagen's chief executive officer, Carter Brown, says while the expansion has prompted some of the departures, the global growth has strengthened the firm.

While Brown would not disclose finan-



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Anna Marie Armstrong, a longtime Bay Area recruiter, left Major, Hagen & Africa in January to hang her own shingle.

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cial data, he said the expansion has fueled a 50 percent increase in revenues in the past year.

Brown noted that the firm's overall turnover rate has been 5 to 7 percent for the past few years.

"The numbers are pretty small," Brown said, adding that the Houston exodus was "material, but not huge."

Several former Major, Hagen headhunters, who spoke on the condition of anonymity, say the exits were prompted by changes in Major, Hagen's commission structure. As the firm has grown, recruiters also have had less autonomy and their territories have shrunk, they say.

Some recruiters may perceive that territories have shrunk since the new branch offices have opened, Brown said. For exam-

ple, a San Francisco recruiter may have had to stop trolling for clients in Los Angeles after Major, Hagen opened a branch there. But that Bay Area recruiter's L.A. business would have been minimal, he said.

But he added that recruiters have some freedom to serve clients in other territories. "We don't have these walls around our offices," he said.

Brown also downplayed other internal changes, noting that there have been some routine "tweaks" in compensation.

Brown was hired by Major, Hagen nearly four years ago to better focus the firm on global, high-end, legal search work. The firm's recruiters "need to coordinate closely with people all over the world," he said. "Some people would like to be in a local boutique firm."

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One industry expert said that many legal search firms are also expanding, albeit not on as large a scale as Major, Hagen.

“Many legal recruiters are optimistic today,” said Melba Hughes, executive director of the National Association of Legal Search Consultants.

Armstrong, who left Major, Hagen in January, says it was time to hang her own shingle. During the seven years she worked at Major, Hagen, the firm nearly tripled, growing from 25 recruiters to nearly 70, she said.

“I felt the firm had changed significantly since I had joined and the opportunity had come up to do something with my passion,” said Armstrong, who helped Major, Hagen’s clients recruit attorneys of color. Armstrong says her new business, which will open in March, will involve diversity recruiting.

Baier, who ran Major, Hagen’s Palo Alto office, has started Baier Legal

Search, a Portola Valley-based head-hunting firm that focuses on Silicon Valley and intellectual property clients.

“It felt like a good time to pursue a new opportunity,” said Bair, who

‘[Legal recruiters] need to coordinate closely with people all over the world. Some people would like to be in a local boutique firm.’

— CARTER BROWN
CEO of Major, Hagen & Africa

worked at major, Hagen for four years.

Hughes, of the National Association of Legal Search Consultants, said it’s common for seasoned recruiters to leave large firms to start their own businesses.

“After a while, you are billing a significant amount of business,” Hughes said. If such a recruiter strikes out on their own, they can keep 100 percent of

their bounty instead of sharing it with the firm, she said.

One law firm recruiting coordinator speculated that turnover at Major, Hagen would have little effect on its ties with law firm clients.

Mireille Butler, an attorney recruiting manager at Morrison & Foerster, said that like most firms, MoFo maintains relationships with multiple recruiting firms and talks to a few key people at each firm.

Even if one of those key people left a recruiting company, it would not necessarily affect the existing relationship, she said.

“Usually the reputation [of the firm] and the quality of the candidates is the bottom line,” Butler said. “Major, Hagen & Africa has a great reputation.”

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