



Spotlight on: Kirkland & Ellis – tax on the rise

Kirkland's Tax Practice Group has risen from Tier 3 to Tier 1 in *The Legal 500 United States* rankings for 'International Tax' between 2017 and 2019. US Editor (content), Helen Donegan, speaks with team partner Dean Shulman about their rise in the rankings, and also asks about Kirkland's lateral hire practices

Helen Donegan: Can you provide a brief overview of your tax practice group?

Dean Shulman: We have developed one of the finest transactional tax practices across all our US offices, as well as in London and Munich. As of the end of September 2019 we have 132 lawyers in the tax practice firmwide, whereas in 2014 we had about 60 tax lawyers. Our primary focus is on collaborating with our mergers and acquisitions, restructuring, investment funds, capital markets, and real estate practices to provide best-in-class service to our broad client base.

“Our rise in the rankings is the by-product of continuing to add top-of-the market tax talent into our already robust tax practice”

HD: Congratulations on your team’s success in the international tax rankings over the past couple of years. What would you attribute your team’s rise in the rankings to?

DS: Our rise in the rankings is the by-product of continuing to add top-of-the market tax talent into our already robust tax practice. We have augmented our historically dominating private equity M&A business with a strategic M&A business to create an unparalleled position in global M&A. Some firms have a major presence in one or the other, but to be so strong in each is rare. Add to that our restructuring and investment funds practices and it is a powerful combination and very synergistic. Having a tax group that can handle such a broad and unmatched range of transactional matters has been a critical component to the success and growth of our transactional practices. By adding star tax lawyers across all our offices, and more than doubling the size of the tax practice over the past five years, we have positioned ourselves as leaders in the transactional tax world.

HD: The Legal 500 research does consider the bench strength of law

firm teams. Other than the obvious strengthening, what has been the impetus behind your lateral hires?

DS: We have consciously worked to hire fantastic tax lawyers in all of our offices at all experience levels, and believe we have been successful in doing so. In large part, this has been necessary to match the extraordinary growth the firm’s transactional practices have seen across offices.

HD: What do you think is the best way of attracting talent to your team?

DS: I think it’s convincing them that they will work in a collegial environment, with incredibly smart people on the most interesting transactions in the marketplace. Usually when lateral candidates meet our team it sells itself. The level of candidate really isn’t what we focus on – we want really smart people who work collaboratively within our group and with their colleagues across the firm in all offices. I think the proof that it has worked is we have successfully and regularly hired fantastic tax lawyers, both at the entry level as well as from our competitors, and have lost very few of our tax lawyers to competitor firms. And candidly, we

aren’t huge fans of hiring partners through head-hunters. We like to hire lawyers that we know well from working on transactions.

HD: Your website says Kirkland are committed to ‘fostering an environment in which [lateral hires] are seamlessly integrated’ into the firm’s culture. How is this achieved?

DS: Frankly, we have a lot of experience integrating laterals and I think the culture of the firm is that existing lawyers realise that hiring strong laterals has been a real contributing factor to the continuing growth and success of the firm as a whole. I joined the firm about five years ago after many years at another large law firm and felt completely integrated into Kirkland within a couple of weeks of joining. I saw immediately the culture of collaboration (among home-grown and lateral attorneys), and how it was and still continues to be a secret sauce to the firm’s success. It leads to being open-minded in considering new approaches to things like business development, training, and staffing. For example, I have found at Kirkland that almost all new business efforts involve a tax lawyer

– which is not necessarily the case at other firms. I have personally seen that inclusive approach to business development lead to significant new clients and business opportunities. Said differently, adding the best practices of other fine firms to existing Kirkland best practices has been a pretty potent force.

HD: How well does the tax practice group represent the firm’s overall commitment to diversity and inclusion?

DS: If you look at our lateral hires in the last few years in the tax group you can see that we take diversity seriously. We work really hard in our group to meet the challenges of – and the firm’s commitment to – diversity. Diversity and inclusiveness is important to the firm leadership, both because it is the right thing to do and also because our clients rightfully expect it. The opportunity to harness different viewpoints is always a plus in my experience, especially in an area as complicated as tax law. In the last 12 months we’ve hired terrific diverse tax lawyers in several of our offices. Kirkland continues to attract women and diverse attorneys to the firm through

“We are proud to be part of a world-class tax department but also feel our best and highest mission is to enhance the overall success of the firm by being an integral part of our wider transactional practices”

a combination of active on-campus recruiting, participation in diversity career fairs, and consideration of candidates from a broad base of law schools. We continually refine our initiatives to promote diverse hiring, including participating in diversity job fairs across the nation, promoting our 1L Diversity Scholars and 2L Diversity Fellowship programmes and ALLSA initiative, and expanding our mentoring programmes for women, racial/ethnic, and LGBT law students. Inside the firm, in 2018 Kirkland held 191 diversity and inclusion events, including 66 women’s leadership events, 64 LGBTQ+ events, and 61 Diversity Leadership Series and other initiative events.

HD: What do you think was your team’s greatest success in the past year? And why?

DS: There are many, but I would say it would be continuing to play a major role in the success of our transactional teams that have put

us at the top of the league tables in number of transactions executed and dollar volume year after year, as well as handling the largest and most complex restructuring and investment fund matters. As an example, we are representing long-time client Bristol-Myers Squibb in the \$90bn acquisition of Celgene, as well as continuing to represent many of the leading private equity firms in their fund raising and M&A activity. You don’t get into that leading position in so many areas without a world-class tax department with the breadth and expertise to handle any deal in the marketplace at the highest levels.

HD: Our Historical Data shows that, within Kirkland, your team has seen the most consistent rise in the rankings over the past couple of years. Do you undertake independent practice group activities to improve performance, or are all activities linked to efforts of the firm overall?

DS: One area in which we work to improve performance is by working very hard to train our younger tax lawyers through both formal and informal training and mentoring programmes. We have monthly tax lunches as well as other formal training programmes that provide substantive training in all areas of tax law. We take seriously the role of annual reviews so we can provide constructive feedback to our attorneys at all levels – and the firm overall takes the review process very seriously and we think it helps attorneys develop and take command of their careers. These activities and programmes are, in most cases, an integrated part of Kirkland’s leading attorney training programmes across the firm and all our offices.

HD: What do you think you do differently to your competitors?

DS: I think we try to think of ourselves as an integral part of our transactional practices in a way that other competitor firms may not. In other words, we are proud to be part of a world-class tax department but also feel our best and highest mission is to enhance the overall success of the firm by being an integral part of our wider transactional practices (M&A, investment funds, restructuring, capital markets, and real estate). Law firms succeed when lawyers work seamlessly together across practice

areas to deliver best-in-class outcomes to clients, and that is what our tax practice does. We pay little attention to billing credit or the number of hours a lawyer bills. We care a lot more about an attorney’s ability to work collaboratively with colleagues, and to meet our clients’ needs whenever and wherever they arise.

HD: What would you say are the biggest changes or challenges on the horizon for corporate tax within the US, and how will this affect your team?

DS: We hope to see continued strength in our transactional practices because they are so diverse and international in scope. Tax reform has certainly created its complexities and challenges, not only in the cross-border tax world but also in the restructuring of troubled companies. But we have not seen a reduction in the need for our tax skill-set and, in fact, it has increased because of the significant and broad structural impact of the new law. As an example, in some cases, tax reform has made the efficient restructuring of over-leveraged companies more difficult, and our leading restructuring tax practice has become even more vital in making sure businesses can survive following a restructuring of their debt, whether in or out of bankruptcy. ●