

## With Trials on Hold, Winston Sees Revenue Slide But Profits Lift

The firm had several trials postponed in 2020, but the firm cut expenses while maintaining productivity, Winston's leader said. Some of those expense changes were on the staffing side.

By Andrew Maloney  
March 24, 2021

With trials on a pandemic pause, Winston & Strawn's gross revenue declined by roughly 3% to \$981.2 million last year. But profits were bolstered by reduced expenses, said firm chairman Tom Fitzgerald, and profits per equity partner increased by 4.6%, to \$2.42 million.

Winston had "almost double digits" in terms of the number of scheduled trials postponed in 2020 because of COVID-19, Fitzgerald said in an interview, but he noted that a silver lining was the ability to cut travel and other expenses while maintaining productivity in a remote environment.

Some of those expense changes were on the staffing side. Winston launched a resource center that offers a "panoply of services," Fitzgerald said, from handling documents and engagement letters to billings and collections. The firm last [September](#) confirmed it was eliminating some employee positions when it created a new center for professional support services.

All told, the pandemic "was initially in many ways a shock to the system," Fitzgerald said. "And then we kind of thought about what we needed to do, and we executed on it. And our disappointment in



Courtesy photo

Winston offices

revenue was simply rooted in the lack of our ability to put a trial together and people in a box and do that safely. But we certainly respect the courts' decisions in those cases."

The firm's lawyer head count shrunk 5.3% to 832 attorneys, with decreases of 3.9% (to about 144) in the equity tier and 10.2% (to about 196) in the nonequity partner tier. Fitzgerald said the primary driver of those reductions were retirements and regular attrition.

“I do not think we’ll have a similar number of retirements this year. But it was a very, very heavy year,” he said.

Winston also saw some lateral exits in 2020. For instance, a three-partner New York-based **capital markets team** went to White & Case and **two lawyers** left for Paul Hastings, including a restructuring leader.

With lower attorney head count, Winston’s revenue per lawyer rose 2.3% to \$1.179 million.

Speaking on international office performance, Fitzgerald said the firm doesn’t emphasize revenue and profit numbers for individual offices. And the firm declined to detail specific London revenue. But Fitzgerald noted that offices across the globe had particularly good years, pointing to a 20% increase in revenue in London and a profitable year in both Paris and Moscow. In Hong Kong, the firm’s office was “very productive” but could not close on some transactions due to the pandemic and because of civil unrest in the region.

Winston last year **entered into a strategic alliance** with Shanghai-based law firm Yuanda, which the firm said would enable it to further expand its services to clients in mainland China.

The firm closed its office in Dubai in the summer, as Squire Patton Boggs **hired the majority** of the lawyers there. But Fitzgerald said the firm discovered the Dubai outpost wasn’t needed.

“We found we could do the work out of London. London took in all that revenue, all that work, all that productivity. And we were more nimble and we were more cost-effective,” he said.

The firm’s global success is “without question” linked to international offices’ focus on more transactional work, he said.

The firm’s well-performing practice areas last year included private equity, finance and especially capital markets, he added. While litigation was down due to the lack of trials, antitrust and complex commercial remained strong, and IP work was “at-budget,” he said.

“When we look at our footprint and landscape in practices, absent the loss of those trials, we would’ve been pretty flat, or up a little bit,” Fitzgerald said.

Fitzgerald said he doubts the firm is going to open any new offices as the year goes forward “because that means more rent, and we don’t need more rent.” But, he added, the firm is in talks with a steady flow of potential lateral partners.

Winston was in merger talks with Los Angeles-based Scheper, Kim & Harris last year, a 15-lawyer white-collar and complex litigation boutique, and **officially announced** the acquisition last month.

While Winston doesn’t need to do a merger, he said, the firm will continue looking for ways to grow.

“Are we open [to merger talks]? Of course, we’re open,” he said. “We think our franchise is worth it. Our talent pool is deep, and it’s spread among very important practice areas and sectors. So we would certainly be interested in the opportunity that someone shares that talent base and would share the goals that we have for the firm.”

*I’m a Chicago-based reporter covering the business of law, focusing on national and global law firms for The American Lawyer, Law.com and other ALM publications.*