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WSSFC 2026

Practice Management Track – Session 3

Fair Compensation: Determining the Best Compensation Structure for Your Firm

Presented By:

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About the Presenters...

Julie Bogle is a retired attorney and longtime advisor to closely held and family-owned businesses. Her legal practice focused on tax planning, estate planning, and business succession, with particular expertise in helping business owners navigate the complex intersection of family, business, and wealth. Over the course of her career, Julie practiced law before joining Smith & Gesteland, where she helped build its family business practice, which later became part of BDO USA. She has advised generations of business-owning families on tax-efficient strategies, ownership transitions, and the challenges of keeping a family business both successful and within the family. Julie has written and presented extensively on tax, estate planning, and business succession topics and has been actively involved with the Wisconsin Family Business Center. She brings to her presentations not only substantial technical expertise, but also the practical perspective gained from working closely with families and business owners over many years.

Christopher J. Dodge is one of the founders and current president of Fuhrman & Dodge, S.C., an eleven-attorney law firm located in Middleton, Wisconsin. Chris's primary practice involves contract, business, and property disputes, as well as litigation involving the banking, dealership and construction industries. Chris is also regularly involved in the operation of business, including representation of business clients in their day-to-day needs, employment matters, purchases and sales of businesses and resolving problems arising out of disputes between business owners. Chris has an extensive practice in collections and business formations. Chris received both his Bachelor of Science degree and his Juris Doctor degree from the University of Wisconsin – Madison. His is admitted to the State Bar of Wisconsin, the U.S. District Courts for the Eastern and Western Districts of Wisconsin, and the U.S. Court of Appeals for the 7th Circuit. Chris is also a member of the Dane County Bar Association, the Western District of Wisconsin Bar Association, and the James E. Doyle Inns of Court. Chris is a musician (drummer), music fanatic and loves to travel, camp, and spend time with family and friends.

Jessica M. Kramer is the managing partner of Kramer, Elkins & Watt, LLC in Madison. Jessica has been practicing in the Madison area since earning her law degree from UW in 2004 and focuses her practice on commercial real estate with an emphasis on representing landlords, including manufactured home communities, throughout Wisconsin. She provides landlords with comprehensive representation, including drafting customized lease packages, prosecuting evictions, defending administrative actions such as fair housing complaints, and providing day to day advice on tricky tenant issues. Jessica's approach to her practice involves providing the right balance of appropriately aggressive advocacy clients desire and the practical advice they need. Jessica is a trial attorney by training and regularly litigates landlord-tenant matters, employment matters, and business disputes.

Doug W. Rose is a founding partner of Rose Payne. He has over thirty years of trial experience in military, state, and federal courts. Doug has handled a number of significant cases over the years. This includes a seminal case on the economic loss doctrine in Wisconsin, *Digicorp v. Ameritech,* which was a six figure jury verdict with a punitive damage award that resulted in a Wisconsin Supreme Court decision that is now strong precedent. In 2010 he was lead counsel in an insurance bad faith claim which resulted in a jury verdict of over $8,000,000 in favor of his client. In 2017 he was lead counsel defending a claim for over $3,500,000 brought by the City of Milwaukee for construction defects; following a two week trial the jury found in favor of the defense on liability and the City recovered nothing.

Law Firm Compensation Models

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Christopher J. Dodge, Fuhrman & Dodge, S.C., Middleton
Julie M. Bogle, retired, Madison

Attorney compensation is one of the most consequential—and often most complicated—issues in law-firm management. A compensation system does more than determine what lawyers take home at the end of the year. It signals what the firm values: billable production, client development, teamwork, leadership, profitability, mentoring, or some combination of these factors. More importantly, it ensures firm profitability and lawyer satisfaction with their work and with the firm.

There is no universally correct compensation model. The right approach depends on the firm's size, practice areas, partnership structure, strategic objectives, and culture. The American Bar Association notes that virtually every firm has unique structural characteristics, making a one-size-fits-all compensation system impractical.

The Major Law Firm Compensation Models

1. Lockstep Compensation

Under a traditional **lockstep model**, compensation increases primarily according to seniority and progression through established partnership tiers.

The principal advantage is predictability. Partners know how compensation will develop over time, and there is less incentive to compete internally for clients or hours. This can encourage collaboration and make it easier for lawyers to share work. It also encourages longevity, since compensation automatically increases as lawyers continue with the firm.

The disadvantage is that traditional lockstep can provide insufficient differentiation between partners who make dramatically different contributions. A highly productive rainmaker may receive approximately the same compensation as a partner generating substantially less revenue. Lockstep models have therefore become less universal.

2. Merit-Based Compensation

A **merit-based model** evaluates attorneys based on a combination of individual performance and firm objectives.

Potential factors include:

- Billable hours
- Revenue generated
- Collections
- Client origination
- Client retention
- Matter profitability
- Leadership
- Mentoring
- Business development
- Firm administration
- Professional recognition

This model gives firms greater flexibility to reward attorneys who make significant contributions outside traditional billable work.

It also requires more judgment. If the criteria are unclear, lawyers may perceive the system as subjective or unfair. For that reason, firms using merit-based compensation should clearly define the factors that influence compensation and explain how they are weighted.

3. Formula-Based Compensation

A formula-based system uses predetermined financial metrics to calculate some or all of an attorney's compensation. For example, a partner's compensation might be influenced by:

Compensation = Base Amount + Production Credit +
Origination Credit + Firmwide Bonus

Production may be measured through collections, billings, or other financial metrics.
The principal attraction is transparency. Attorneys can understand how their actions affect compensation, which is critically important.

The risk is that lawyers may focus excessively on whatever the formula rewards. If the formula rewards only billable hours, for example, partners may have less incentive to delegate work, mentor associates, develop new lawyers, or participate in firm management.

Ideally, compensation systems should recognize contributions such as leadership, mentoring, training, and pro bono work in addition to financial metrics.

4. "Eat What You Kill"

The **eat-what-you-kill** model ties compensation closely to the revenue generated by an individual attorney or partner.

A partner who originates and handles $2 million in business may receive substantially more than a partner who generates $750,000. This approach is attractive because the connection between performance and compensation is easy to understand. Attorneys have considerable control over their economic results.

However, it can create significant cultural problems. Partners may compete for clients, resist sharing work, or become reluctant to refer matters to colleagues. Internal competition and client portability are significant disadvantages of silo-based compensation systems.

The model can also create a business-continuity problem: if clients identify primarily with one partner, the firm may be vulnerable if that partner leaves. In addition, it does not encourage mentorship or firm administration, and it may lead to disagreements over overuse of firm resources such as paralegal and staff time by certain lawyers over others.

5. Origination-Based Compensation

Many firms provide **origination credit** to attorneys who bring clients or matters to the firm. For example, a firm could credit a partner with a percentage of revenue generated by a client the partner originated. The credit may continue for a specified period or, depending on the firm's policy, continue as long as the client generates business.

Origination is particularly important in partner compensation. Origination and personal production are two major inputs in many non-lockstep partner compensation systems. Origination systems can be contentious, however. Questions frequently arise over:

- Who actually originated the
- client?
- Should credit belong to one lawyer or several?
- How long should origination credit last?
- What happens when another partner develops the relationship?
- Should credit follow the client or the original lawyer?
- How should a team-generated client be credited?
-

A well-designed system should establish these rules before disputes arise.

6. Equal Partnership

Under an **equal partnership model**, partners divide profits relatively equally regardless of individual production. The model emphasizes the idea that the firm is a collective enterprise rather than a collection of individual practices.

Its advantages include simplicity, collaboration, and a strong sense of shared ownership.
Its weakness is the potential for free-rider problems. A partner who generates substantially more revenue may become frustrated if compensation is identical to that of a partner contributing considerably less.

7. Hybrid Compensation Models

Many firms ultimately adopt a **hybrid model**, combining elements of several approaches.

For example:

Attorney Compensation = Base/Lockstep Component +
Individual Performance + Origination + Firmwide Performance

A firm might allocate:

- 40% based on seniority or partnership tier
- 25% based on collections
- 20% based on origination
- 10% based on firm profitability
- 5% based on leadership, mentoring, and other contributions

Hybrid systems can balance individual incentives with institutional goals. They also allow firms to adjust compensation as their strategic priorities change. The Law360 Pulse 2024 Compensation Report confirms that hybrid models are gaining ground: 22% of equity partners now work under hybrid compensation structures, and the numbers are rising.

The Origination Credit Minefield

Origination credit is a common factor in hybrid models, but it can cause a host of problems in a firm of any size. A common scenario is this: Partner A establishes a relationship with Client Z and introduces Client Z to Partner B, who has the expertise to handle Client Z's work. Over time, Client Z becomes very close with Partner B, and works exclusively with her. There are significant fees involved over a long period of time. Should Partner A get origination credit, having done nothing to establish the client but make an introduction?

One option firms are using is moving to matter-level origination tracking instead of client-level tracking. Each engagement gets its own origination analysis, allowing credit to be assigned based on actual contribution. The partner who made the introduction gets credit for the relationship, and the partner who converted the relationship into the engagement gets credit for the matter. It's more granular, but it's fairer, and it eliminates the tendency to hoard a relationship without converting it to further engagements.

Compensation for Associates

Associate compensation is typically different from partner compensation.
Associates may receive:

- Base salary
- Annual or discretionary bonuses
- Hours-based bonuses
- Performance bonuses
- Business-development incentives
- Special bonuses for exceptional matters or contributions

Billable-hour expectations can play an important role, but firms increasingly have to consider whether hours are still an appropriate proxy for value. The legal industry is experiencing pressure from alternative fee arrangements, technology, and artificial intelligence, all of which may reduce the relationship between hours worked and client value.

A compensation system that rewards only hours can therefore create unintended incentives. Associates may prioritize maximizing recorded time rather than improving efficiency.

The Importance of Collections

One of the most important distinctions in law-firm compensation is the difference between **billings and collections**. Obviously, collected, not billed, fees are what funds the firm's operations and keeps its staff paid, and thus is the more important economic measure.

A compensation plan should therefore address questions such as:

- Are attorneys credited when work is billed or collected?
- Who receives credit for discounted matters?
- If an attorney is late with his or her billings, what are the consequences?
- How are write-offs treated?
- How are aged receivables allocated?
- Who bears responsibility for collections?

These rules can materially affect attorney behavior.

The Problem With Over-Relying on Billable Hours

Billable hours remain an important metric at many firms, but they are an imperfect measure of lawyer value.

Consider two attorneys:

> **Attorney A** bills 2,200 hours.
>
> **Attorney B** bills 1,600 hours but originates $3 million in business, develops junior attorneys, manages several major clients, and improves the profitability of the practice group.

A compensation system based almost exclusively on hours could reward Attorney A more heavily even if Attorney B creates substantially greater long-term value for the firm.
This is why modern compensation systems often combine financial and nonfinancial measures.

Transparency and Governance

Another important consideration is whether compensation is **transparent or confidential**.
In an open system, partners can see how compensation is determined and potentially what their colleagues earn. In a closed or "black box" system, individual compensation may be known only to management or the compensation committee.

Neither approach is automatically superior. What matters is whether attorneys understand the rules well enough to believe that the process is consistent and fair. At minimum, firms should clearly communicate:

- What factors determine compensation
- How those factors are measured
- Who makes compensation decisions
- How often compensation is reviewed
- How disputes are resolved
- How origination credit is assigned
- How extraordinary contributions are treated

Many firms use complex compensation formulas while others provide relatively little information about how compensation decisions are reached. Surveys repeatedly show higher satisfaction in firms in which compensation decisions are “open” (compensation decisions are shared among at least the partners) than in firms where compensation decisions are closed.

Designing a Better Compensation System

A strong attorney compensation system should answer one fundamental question: What behavior does the firm want to encourage?

- If the firm wants aggressive business development, origination should matter.
- If it wants collaboration, compensation should reward cross-selling and team performance.
- If it wants strong associate development, mentoring should count.
- If profitability is the priority, collections and matter economics should be incorporated.
- If long-term institutional stability is important, client retention and firmwide performance should receive meaningful weight.

The best systems therefore align individual incentives with the firm's broader strategy. Compensation systems may need to morph over time as economic forces on the firm, the attorneys within the firm, and the firm's profitability needs change.

Conclusion

Law firm compensation is not simply an accounting exercise. It is a strategic management tool that shapes how attorneys work, how they interact with one another, how they develop clients, and ultimately how the firm performs.

Traditional models such as lockstep, equal partnership, and eat-what-you-kill each offer advantages but also create distinct incentives and risks. Increasingly, firms are using hybrid approaches that combine seniority, individual production, collections, origination, profitability, and broader contributions such as leadership and mentoring.

The most effective compensation system is not necessarily the one with the most sophisticated formula. It is the one that attorneys understand, perceive as fair, and that consistently rewards the behaviors necessary for the firm's long-term success.

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Law Firm Compensation Models

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7 Major Law Firm Compensation Models

1. Lockstep
2. Merit-Based
3. Formula-Based
4. "Eat What You Kill"
5. Origination-Based
6. Equal Partnership
7. Hybrid

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1. Lockstep Compensation Model

- **Compensation increases according to seniority and progression through partnership tiers**
- Advantages:
  - Predictability
  - Less incentive to compete internally
  - Encourages longevity
- Disadvantages:
  - Insufficient differentiation between partners who make dramatically different contributions
  - Not tied to the revenue an individual partner generates

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2. Merit-Based Compensation Model

- **Evaluates attorneys based on individual performance and firm objectives**
- Potential factors include:
  - Billable hours
  - Collections
  - Client retention
  - Matter profitability
  - Business development
  - Professional recognition
  - Revenue generated
  - Client origination
  - Leadership
  - Mentoring
  - Firm administration
- Advantages:
  - Greater flexibility to reward attorneys who make significant contributions outside traditional billable work
- Disadvantages:
  - Requires more judgment
  - Needs crystal-clear criteria for how compensation is influenced so as not to be considered unfair

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3. Formula-Based Compensation Model

- **Uses predetermined financial metrics to calculate some or all of an attorney's compensation**
- For example:

  Compensation = Base Amount + Production Credit + Origination Credit + Firmwide Bonus

- Advantages:
  - Transparency: lawyers understand how their actions influence their compensation
- Disadvantages:
  - May create excessive focus on whatever the formula rewards
- Ideally, formulas recognize contributions like leadership, mentoring, training, and pro bono work in addition to financial metrics

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4. "Eat What You Kill" Compensation Model

- **Ties compensation closely to the revenue generated by an individual attorney or partner**
- Advantages:
  - Easy to understand connection between performance and compensation
  - Allows attorneys considerable control over their economic results
- Disadvantages:
  - **Client portability**: firms are left vulnerable if a partner leaves and takes their clients with them
  - **Internal competition**: potential to create significant cultural problems
    - Competing for clients
    - Resisting sharing work
    - Reluctancy to refer matters
    - Disagreements over use of firm resources
  - Does not encourage mentorship or firm administration

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5. Origination-Based Compensation Model

- **Many firms provide origination credit to those who bring clients or matters to the firm**
- For example, a firm could credit a partner with a percentage of the revenue created by the clientele they originated
- Origination and personal production are two major inputs in many non-lockstep compensation systems
- Frequently asked questions may include:
  - Who actually originated the client?
  - Should credit belong to one lawyer or several?
  - How long should origination credit last?
  - What happens when another partner develops the relationship?
  - Should credit follow the client or the original lawyer?
  - How should a team-generated client be credited?
- To prevent contention, a well-designed system should establish the answers to these questions before disputes can arise

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6. Equal Partnership Compensation Model

- **Partners divide profits relatively equally regardless of individual production**
- Emphasizes the idea that the firm is a collective enterprise, as opposed to a collection of individual practices
- Advantages:
  - Simplicity
  - Collaboration
  - Strong sense of shared ownership
- Disadvantages:
  - Potential for free-rider problems
  - Frustration for attorneys who generate substantially more revenue than a partner who is identically compensated

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7. Hybrid Compensation Model

- **Combines elements of several approaches**
- Example formula:

  Compensation = Base/Lockstep Component
  + Individual Performance + Origination
  + Firmwide Performance

- Example allocation:
  - 40% based on seniority or partnership tier
  - 25% based on collections
  - 20% based on origination
  - 10% based on firm profitability
  - 5% based on leadership, mentoring, and other contributions

- Advantages:
  - Balance individual incentives with institutional goals
  - Allow firms to adjust compensation as strategic priorities change

- Increasingly popular: 22% of equity partners now work under hybrid compensation structures *(2024 Compensation Report, Law360 Pulse)*

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The Origination Credit Minefield

- While origination is a common factor in hybrid models, it can create problems for a firm of any size
- Common scenario:

Partner A establishes a relationship with Client Z, and introduces Client Z to Partner B, who has the expertise to handle Client Z's work. Over time, Client Z becomes close with Partner B and works exclusively with her. There are significant fees involved over a long period of time.

Should Partner A get origination credit, having done nothing to establish the client but make an introduction?

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Potential Solution

- Some firms are moving to **matter-level organization** instead of client-level tracking
- Each engagement gets its own origination analysis, allowing credit to be assigned based on actual contribution
- The partner who made the introduction gets credit for the relationship, and the partner who converted the relationship into the engagement gets credit for the matter
- Eliminates the tendency to hoard a relationship instead of converting it to further engagements

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Compensation for Associates

- Typically different from partner compensation
- Associates may receive:
  - Base Salary
  - Annual or dixcretionary bonuses
  - Hours-based bonuses
  - Performance bonuses
  - Business-development incentives
  - Special bonuses for exceptional matters or contributions
- Billable hour expectations often play an important role, but firms have to increasingly consider whether hours are still an appropriate proxy for value
- A compensation system that rewards only hours has the potential to incentive attorneys to maximize recorded time, rather than improve efficiency

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The Importance of Collections

- Difference between **billings** and **collections**
  - Collected, not billed, fees fund the firm's operations and therefore are a more important measure
- A compensation plan should address questions such as:
  - Are attorneys credited when work is billed or when it is collected?
  - Who receives credit for discounted matters?
  - If an attorney is late with his or her billings, what are the consequences?
  - How are write-offs treated?
  - How are aged receivables allocated?
  - Who bears responsibility for collections?
- These rules can materially affect attorney behavior

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The Problem With Over-Relying on Billable Hours

- Billable hours are an imperfect measure of lawyer value
- Consider two attorneys:
  - Attorney A: Bills 2,200 hours
  - Attorney B: Bills 1,600 hours but originates $3 million in business, develops junior attorneys, manages several major clients, and improves profitability
- If the compensation system relies too heavily on hours, Attorney A could be rewarded more heavily even if Attorney B creates substantially greater long-term value for the firm
- This is why many modern compensation systems combine financial and nonfinancial measures

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Transparency and Governance

- **Is compensation transparent or confidential?**
  - **Open system:** partners see how compensation is determined and potentially what their colleagues earn
  - **Closed or "black box" system:** individual compensation may be known only to management or the compensation committee
- Neither approach is automatically superior
- The crucial aspect is that attorneys understand the rules well enough to believe that the process is **consistent** and **fair**

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Transparency and Governance Continued

- To ensure attorneys are confident in the **consistency** and **fairness** of their compensation, at a minimum, firms should clearly communicate:
  - What factors determine compensation
  - How those factors are measured
  - Who makes compensation decisions
  - How often compensation is reviewed
  - How disputes are resolved
  - How origination credit is assigned
  - How extraordinary contributions are treated
- Surveys repeatedly show higher satisfaction in firms in which compensation decisions are open than in firms where compensation decisions are closed

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Designing a Better Compensation System

A strong attorney compensation plan should answer one fundamental question:

What behavior does the firm want to encourage?

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Align Individual Incentives with the Firm's Broader Strategy

- If the firm wants **aggressive business development**, origination should matter.
- If it wants **collaboration**, compensation should reward cross-selling and team performance.
- If it wants strong **associate development**, mentoring should count.
- If **profitability** is the priority, collections and matter economics should be incorporated.
- If long-term **institutional stability** is important, then client retention and firmwide performance should receive meaningful weight.

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Sample Firm #1

Associate Compensation

- Gross Production Receivables minus out-of-pocket client expense
  - 60% to lawyer
  - 40% to firm
- Discretionary bonuses throughout the year when deemed appropriate
- No origination compensation
- No distinction between partners and associates (other than distributions)

Partner Compensation

- Quarterly profit distribution to partners based on their percentage of the total receivables brought in by the partners.
- In the 4th Quarter, total profit distribution for the year is reconciled to be in line with each partner's percentage of total receivables for the year.

Non-Monetary Compensation

- Bar dues
- Malpractice insurance
- $500 monthly toward health insurance
- CLE's
- Match up to 4% of monthly SEP contributions

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Sample Firm #2

Associate Compensation

- New associates, for an initial period, are paid a base salary with no percentage compensation for production or origination.
- Then, Associates are moved to a percentage formula based on amounts collected (not amounts billed).
  - 30% Production
  - 15% Origination

Of Counsel Compensation

- 25% Production
- 15% Origination

Partner Compensation

- 35% Production
- 15% Origination
- Distributions are based on ownership %

Managing Partner Compensation

- Managing Partners receive additional compensation of $1,250/month for management duties.

Non-Monetary Compensation

- CLEs
- Malpractice insurance
- Marketing budget
- Attorney cell phone
- Life insurance
- Profit sharing

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Sample Firm #3

Associate Compensation

- No associates at the Firm.

Partner Compensation

- No formula. 2 owners are paid as needed based upon mutual agreement.
- Paid as a split of draw, not a distribution.

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Sample Firm #4

Associate Compensation	Based exclusively on money in the door. Attorney collections up to $50,000: Firm will receive 30% Attorney collections $50,001-$90,000: Firm will receive 25% Attorney collections $90,001-$120,000: Firm will receive 20% Attorney collections over $120,000: Firm will receive 15% No bonus program and no base pay. No origination percentage.
Partner Compensation	Partners split the firm expenses as well as the Associate's percentage. Partners get a paycheck and a draw depending on collections for each month. We try to maintain income for partners to be 60% wages and 40% draws. No management payment.
Non-Monetary Compensation	Firm pays for all communal expenses, i.e., rent, supplies, internet, phones, computers, software, website, certain marketing, office supplies. Associate pays for all of their own individual expenses, i.e. CLEs, their own marketing.

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Sample Firm #5

Associate Compensation	Partner Compensation	Non-Monetary Compensation
• Competitive Base Pay. We aim to be in between the 50th-75th percentile and run annual reports via the "Economic Research Institute Salary Assessor". Base salaries are adjusted annually. • Firm pays 100% for Vision, Dental, Health Insurance • Mandatory Annual Cost of Living Adjustments • Discretionary Bonuses. Based on Firm performance + individual factors • Firm pays $500/month that Associates can apply towards their car notes or car leases • Firm pays for cell phone bills (up to $80/month) • Disability/Life Insurance • Simple IRA with a 3% match • All professional dues + CLE	• Base Pay determined annually • Distributions based on ownership %	• No Billable Hour Requirements • PTO starting at 4 weeks for all attorneys • 12 paid holidays + Floating Holiday • 2 weeks of paid bereavement leave (for immediate family) + 4 days of paid bereavement leave for (extended family) • 8 weeks of Paid Parental Leave • 10 days special PTO for child-care emergencies. • Attorneys are given work flexibility but we are not a work-from home Firm.

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Sample Firm #6

WA = time actually billed and collected* across all matters

OA = time billed and collected for all matters a particular partner originated or brought into the firm

RA = time billed and collected for all matters a particular partner manages (typically the RA attorney has most of the WA for these matters, but not always – particularly if associates are heavily involved).

***Collected income is still credited even if collected in a subsequent two-year period even if it was billed in a previous period; it is credited during the period in which it is collected.**

- Associate Compensation:

Base Salary plus 10% of billed and collected work for OA (origination)

- Partner Compensation:

Compensation is reworked every two years (ideally) based on a formula that takes into account working attorney, originating attorney, and responsible attorney credit. The breakdown is 2/3 WA, 10% RA, and the remainder (23.33%) OA.

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Sample Firm #7

Shareholders:

- 5% to originator
- 5% to manager
- 90% to producer

Shareholders must pay their percentage of overhead (divided equally).

Profit is divided between Shareholders based on contribution.

Associates:

- Paid on salary
- No additional paid for origination, management, or production
- Amounts are added to their "column"

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Sample Firm #8

Partners:

- Production: 66.67%
- File management: 10%
- Origination: 23.3%

- Weighted formula based on previous year's collections
- Each category is calculated separately from firm totals
- Equity adjustments

Associates:

- Flat minimum monthly salary
- Minimum floor set for billed hours
- For work billed beyond minimum for next 200 billed hours: 40% paid
- For work billed beyond minimum for 200+ billed hours: 50% paid

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Conclusion

- Law firm compensation is a strategic management tool, that shapes how attorneys work, interact with one another, develop clients, and ultimately how the firm performs
- Traditional models like lockstep and eat-what-you-kill each offer advantages, but also create distinct incentives and risks
- Hybrid approaches are increasingly common, combining seniority, individual production, collections, origination, profitability, and broad contributions such as leadership and mentoring

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Conclusion

- The most effective compensation system is not the one with the most sophisticated formula
- The **most compensation effective system** is the one that:
  1. **Attorneys understand**
  2. **Attorneys perceive as fair**
  3. **Consistently rewards the behaviors necessary for the firm's long-term success**

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