

Hogan Lovells' \$3 Billion Revenue Goal and NY Expansion Plans After Merger Talks



Hogan Lovells is looking to grow in New York by hiring attorneys, expanding finance work, and possibly considering new mergers after ending talks with Shearman & Sterling. The firm aims to make its New York office rival its most prominent offices in Washington, London, and Paris. Miguel Zaldivar, Hogan's CEO, stated that the firm has a clear mandate to build and achieve \$3 billion in annual revenue, but it does not necessarily require a merger to achieve its growth goals.

Law firms have resumed merger conversations after a pandemic-related lull in the early stages of the pandemic. Law firms seek to strengthen profitable practice areas to better compete with large rivals and fend off new competition as states experiment with allowing non-lawyer-owned legal entities.

Hogan already has 16 of the top 20 global financial institutions as clients and aims to expand its "high-end" finance work in New York. Zaldivar stated that if Hogan could tap into the same business level in New York that it conducts in other major cities, it would significantly broaden the firm's offering.

Before Hogan's New York office rivals its other significant offices, the firm needs to grow more. According to the firm, Hogan currently has 121 lawyers in New York, compared to 414 in Washington, 479 in London, and 167 in Paris.

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The firm has been adding partners in the city, including Peter Cohen-Millstein and Megan Ridley-Kaye from Linklaters, who work on mergers and acquisitions, and Kristy Greenberg, former deputy chief of the criminal division with the US attorney's office for the Southern District of New York.

Hogan's work in New York has included representing Berkshire Hathaway Energy in a project to deploy the first-of-a-kind TerraPower reactor and working with the Tampa Bay Lightning and its owner, Jeffrey Vinik, to provide one of the first private equity investments in National Hockey League history.

According to Zaldivar, the firm is also looking to grow its life sciences practice in Washington and its tech practice in California.

Hogan had \$2.43 billion in revenue last year, according to the firm, and Zaldivar stated that he would like to surpass \$3 billion. When the firm reaches this goal, Zaldivar said, it can choose the talent it wants to attract and the areas it wants to attract that align with clients' needs.

Zaldivar did not specify when the firm expects to reach its \$3 billion revenue goal. He stated that while the firm is not obsessed with reaching the target, it does not need to achieve it in one year.

Kent Zimmermann, a law firm consultant with the Zeughauser Group, said he understands Zaldivar's priority in surpassing the \$3 billion revenue threshold. He added that the more revenue the firm brings, the more money to spend on partner compensation and legal technology.

Hogan Lovells is ranked ninth among the top US law firms based on 2021 revenue collections. Only the top five law firms surpassed \$3 billion in revenue.

In conclusion, Hogan Lovells has clarified that they want to expand their operations in New York and increase their annual revenue to \$3 billion. Although their merger talks with Shearman & Sterling did not pan out, they remain determined to achieve their growth goals by poaching attorneys, focusing on finance work, and potentially considering new tie-ups. With a solid client base already in place, Hogan Lovells is well-positioned to expand its offerings and compete with larger rivals in the legal industry. It will be interesting to see how they navigate the ever-evolving legal landscape and continue to build upon their successes in the coming years.