

## Shearman & Sterling Implements Further Staff Reductions in Latest Cost-Cutting Move



Shearman & Sterling, a New York-based law firm, has announced that it will conduct another round of staff reductions, following in the footsteps of other US law firms that have let go of business professionals in recent months. The firm stated that the layoffs are part of a "global reduction of our Business Services workforce," which is part of an ongoing effort to "refine and right-size" the firm. In an internal memo, Robert Brown and Geline Midouin, co-executive directors of Shearman & Sterling, stated that the firm would inform affected individuals in the Americas this week and those in Europe, the Middle East, Africa, and the Asia-Pacific region in the coming weeks. However, the firm declined to specify the number of positions being cut.

Shearman & Sterling laid off 12 associates and 26 business services professionals in the United States in February, citing the need to "align our capacity levels with existing client demands." The firm's latest move comes amid a cooling demand from corporate clients as global M&A activity slows. The total value of globally announced M&A deals in the first quarter of 2023 dropped 44% compared to last year, shrinking to \$580 billion, according to data released last week by Refinitiv. The firm's decision to cut staff is consistent with that of other firms like Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, which recently laid off 10% of attorneys, paralegals, and staff in its US offices.

Several other law firms, including Cooley, Goodwin Procter, Stroock & Stroock & Lavan, Davis Wright Tremaine, Perkins Coie, and Lowenstein Sandler, have also let go of attorneys, staff, or both in recent months.

Last week, technology-focused law firm Gunderson Dettmer Stough Villeneuve Franklin & Hachigian laid off 10% of its US offices' attorneys, paralegals, and staff. Like several others that have let go of lawyers and staff, the firm attributed the move to macroeconomic and market conditions.

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The US legal services sector lost 600 jobs in March, marking the first monthly employment decline for the industry since September.

Meanwhile, Shearman & Sterling recently ended merger talks with larger rival Hogan Lovells. Furthermore, the firm has seen at least 20 partners exit since October, especially outside the United States.

Last week, the firm elected Adam Hakki as its new leader, effective April 6. The firm had previously said in March that it was accelerating Hakki's transition to replace outgoing senior partner David Beveridge.

Overall, the reduction at Shearman & Sterling reflects the broader market trends affecting the legal industry, as firms face headwinds amid cooling demand from corporate clients and macroeconomic and market conditions.