Partner pay, workforce shape, and what AI does to both

What I've built for firms deciding whether their rem model and their team shape still fit the firm they are now

General briefing · Alt-V Law

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In short. Three conversations are usually running in a firm at once, and the firm is treating them as separate. Partners want to be paid more. The next generation is slower to make equity. The firm has bought AI without a workforce plan. They are one conversation about shape, pay model and leverage. I've built a Talent Economics frame (five levels), a Partner Rem Health Check (about ten minutes, ten metrics across five dimensions), and a Decision Framework (eight weighted criteria × the eleven standard models) for the eight-to-twelve-week engagement that follows.

The frame

Partner pay is a strategic constraint. A firm cannot choose a strategy its rem model punishes. The field evidence is explicit: one top-tier Australian firm moved to modified lockstep in June 2024; a second followed in 2025; four more are at various stages of formal review. In each case the strategy moved first and the rem model followed.

The K-shape pay divergence in AU is now structural - top-tier partners pulling away (the Australian Financial Review reported in December 2023 that up to four partners at one leading firm were in line for more than A$7m each), mid-tier flat to down. The working rule: *a model appropriate for a top-tier firm will likely create instability at a mid-tier firm*.

Talent Economics

Five levels: 1 Inherited Pyramid → 2 Measured Seats → 3 Shaped → 4 Blended → 5 Portfolio. Directional rule: TEM level rarely exceeds LOMM level - a firm cannot shape its workforce better than its data lets it see. A separate four-lens frame carries boutiques.

The three tools

Health Check. Self-run diagnostic, about ten minutes. Ten metrics × five dimensions (Architecture · Progression · Retention · Engine · Confidence). Overall result is the weakest dimension, not the average. Cross-checks the rem model against the TEM level and flags any firm whose model asks the data a question the data cannot yet answer.

Decision Framework. Eight criteria × six candidate models. Cultural fit 20% · Performance 20% · Collaboration 15% · Size 10% · Admin 10% · Governance 10% · Strategy 10% · Transition 5%. Plus Decision Tree gates G1–G6 and partner-by-partner win/loss modelling. Hold-harmless capped two to three years, tapered.

The engagement. Eight to twelve weeks, six phases. Diagnosis · Model Design · Consultation · Approval · Implementation · Year-1 Review. Phases three and four deliberately overlap.

Pairings and sample

A K-shape downward-drift firm cannot fix pay alone - pair with **Pricing**. A firm whose data posture is Functional cannot operate a Shaped workforce - pair with **Operations**. A post-merger partnership that

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has deferred the two-rem-models question for a year is usually already failing Phase 1 integration - pair with **M&A**; the sample pack carries this scenario (Kellhorn Caldecott LLP: 110 EP, 20 months post-close, Health Check reads Amber gated by Architecture, Decision Framework worked example across three surviving candidate models).

What is the next partner-pay decision your partnership has quietly deferred - and if you had six honest weeks and the right diagnostic in front of you, what would change?

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