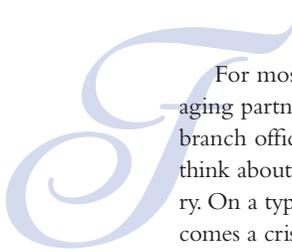


Building a Better Law Firm

Managing Partners Shape the Business Model

By Stephanie B. Goldberg



For most women who are managing partners of their law firm or branch office, having the time to think about the future is a great luxury. On a typical day, with every hour comes a crisis, whether it's caused by a temperamental IT system or a client who's grumbling about his bill or a lawyer who needs to have his feelings soothed.

"I wish I had more time for strategic planning," admits Karen Hagberg, who supervises 150 lawyers as managing partner of Morrison & Foerster LLP's New York office. Like many in her position, she balances an active practice with her management responsibilities, family obligations, civic involvement, and other demands on her time. So she and other managing partners were taken aback when *Perspectives* asked them a provocative question: If you could alter the business model of law firms, what changes would you make? The first step was to identify the current model's critical weaknesses.

Longing for Loyalty

The consensus is that law firms are in a state of flux, struggling to retain partners with a large book of business and to keep associates from using the firm as a training ground before moving to greener pastures.

Firms are under pressure to show increased profits each year yet create a workplace that is collegial enough to inspire loyalty and flexible enough to permit women to comfortably combine family and career. And profitability becomes even more challenging as local and regional firms are forced to play on a national and international stage to remain competitive.

It's not surprising that many of these women are nostalgic for a time when loyalty to the law firm could be taken for granted.

"I'm disappointed in the lack of stability these days," Hagberg says. "I interview lateral candidates who say, 'Let's keep in touch,' even though they've accepted positions at other firms. They haven't even settled into their new job and yet they're scouting out their next position. I know it's like asking for a return to the good old days, but I'd like them to feel a connection to the firm's culture."

Law firms need "something that keeps people connected to the firm and practice, a social network that's more aggressive than what law firms currently provide," says Barbara Brown, managing partner of the Washington, D.C., office of Paul, Hastings, Janofsky & Walker LLP. Ideally, she adds, the organization would keep "lawyers up to date and

mentally engaged in the workings of the firm so they don't feel intimidated and left behind."

When lawyers are "always in play" and looking for their next job, law firms are destabilized, says Joanne Caruso, managing partner of Howrey LLP's Southern California offices. "When I graduated law school, the expectation was that you'd be at one firm for your entire career. Now if lawyers stay at a firm for an extended period, people wonder what's wrong with them."

Atlanta lawyer Linda Klein, who has been managing partner of Gambrell & Stolz LLP, a 35-lawyer firm, for six years, says she, too, wishes for greater loyalty but sees it as being inextricably linked to compensation. "In the ideal business model, all partners would share equally, and in that utopian world, we would all believe that we are contributing equally."

Too often, compensation is based on who brought the work in, according to Marianne Short, a former appellate judge and managing partner of the Minneapolis office of Dorsey & Whitney LLP, which has 640 lawyers. "Our clients could care less about who brought them to the firm. They're focused on strategy and results. We need a system that recognizes the importance of team building and that also rewards individual creativity as well as hours billed."

Always on Call

According to Julia Blackwell Gelinis, former managing partner of Locke Reynolds LLP of Indianapolis, the ideal business model would create "an enjoyable place to work" while still yielding profitability and top-drawer service. "Culture is a big issue for us. We want to be a successful business, but we want happy people, too."

At first blush, these comments strike law practice consultant Ida Abbott as "feminine responses"

because they're so people-oriented. In actuality, they reflect the sort of concerns that many firm managers are experiencing as they enter a period that Abbott terms "revolutionary"—when the tyranny of the billable hour has been eclipsed by the tyranny of the BlackBerry. Practice is no longer local but global, and technology allows people to take the office home with them. Unfortunately, that means there's no real end to the workday. E-mail must be checked on the hour; calls must be returned ASAP. The pressures to be profitable are increasing, Abbott says, while "the institutional glue that holds firms together is no longer there."

Having the flexibility to work at home or from remote locations has been both a boon and a burden. But it's no longer a novelty or the exclusive province of women. "We have a lot of lawyers who work from home on an ad hoc basis," notes Judith Lockhart, managing partner of Carter Ledyard & Milburn LLP, a 150-year-old Wall Street law firm with 100+ lawyers. "If someone needs to stay at home to wait for the plumber, it's silly to make him take a vacation day."

Klein says her firm is not so much a "lifestyle firm" as a caring one. "We really care when people have problems in their family," she points out. "We go well beyond what's required if someone has an ill spouse or contracts a serious illness. People know they are not going to be pushed aside."

Ideally, large firms would be able to display the same sensitivity as small ones. But doing so requires thinking outside the box, says Paul Hastings' Brown. She and others were aware that associates might be reticent about voicing their concerns for fear of being branded complainers. Their solution was to create a professional concerns committee. "Three empathetic people will listen to problems and work through them, negotiating on

the lawyer's behalf, if necessary," Brown explains. "The process is more or less confidential. It's solved a lot of problems."

Revolution on the Horizon

Many of these partners contend that a new business model for law firms should attach greater weight to the contributions of women lawyers. According to Morrison & Foerster's Hagberg, "women don't expect to play major roles in law firm management, and that turns into a self-fulfilling prophecy." Adds Jody Newman, newly made managing partner of Dwyer & Collora, LLP, a 25-lawyer firm in Boston: "The challenge isn't doing the job. It's getting the job."

Lynne Fischman Uniman, managing partner of the New York office of Andrews Kurth LLP for the past seven years, was delighted when women in the firm banded together two years ago to create a women's initiative committee. "The committee has taken a very strong role in the firm and has input into policy," she notes. It's made up of women partners, but associates play an active role. The group has held quarterly luncheons, organized client/lawyer retreats and activities ranging from community food drives to a frankly frivolous manicure session. A central question, Fischman Uniman says, "is how do we support each other? We realize that one of the ways to do that is to get to know one another and not just as people who sit behind desks."

The best law firm model is one that is capable of course correction, says Carol Glendenning, partner of Strasburger & Price, LLP, a Dallas-based firm that is repositioning itself from a regional litigation firm into one with a national corporate and transactional practice. "The challenge is to remain competitive while enduring growing pains," Glendenning says. "You can't lose track of where you need to go."

But doesn't every business face

the pressures of an increasingly fickle workforce and global competition? Why should they require a revolution in the legal field? Perhaps because law is mired in tradition, from the venerable case study method to the importance accorded to stare decisis. Or maybe it's that lawyers have many roles to play—in the community and with their families, as well as in the courtroom.

"This is not an easy life," Hagberg notes. "At some point the rising expectations of billable hours and compensation will make us ask how much work is too much. At a certain point, money is no longer the primary incentive." 

Stephanie B. Goldberg is a legal affairs journalist based in Chicago and is a former member of the Perspectives editorial board. Her work has appeared in the New York Times, BusinessWeek, the Chicago Tribune, and many legal publications.

Advice from Managing Partners

- Never turn down a committee assignment. "One of my first jobs as a young partner was to be in charge of the parking committee. If you do a good job with a boring assignment, you'll be tapped for something more interesting," says Linda Klein of Gambrell & Stolz.
- Be decisive. "Don't let obstacles or short-term phases interfere with achieving a strategic goal," counsels Barbara Brown of Paul Hastings. Adds Carol Glendenning of Strasburger & Price: "I'm not the stereotypical woman managing partner who's the consensus builder. Changing a firm's course can require tough decisions."
- Educate your firm. "My firm is aware that women lawyers have many jobs to do and that practicing law is just one of them," says Lynne Fischman Uniman of Andrews & Kurth.
- Be prepared for long hours. While some lawyers interviewed for this article have young children, most do not. "I think you have to be prepared to put in face time for this kind of job," Klein reports.
- Little things count. "When firm employees or their spouses have a baby, I send a handwritten note," says Marianne Short of Dorsey & Whitney. "It's a small gesture, but it tells people how important their families are to the firm."