

# LAW WEEK COLORADO



## ON THE STRENGTH OF SMALL FIRMS

Area managing partners met in September to discuss how small firms may be particularly well positioned to handle the ups and downs of the economy and the changing face of the legal professional. From left, Jay Kamlet, Rich Harris, Allan Hale, Heidi Storz, Brad Levin | Photos by: Ali Bibbo

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# Are Law Firms Primed To Survive?

MANY LEGAL PUBLICATIONS, this one included, have painted a bleak picture of the future of small law firms. At a time when BigLaw dominates the headlines — for closing billion-dollar deals or the next mega-merger — small- and medium-sized law firms have been neglected. Outside the spotlight, a fair share of them have begun to flourish in what many describe as the new normal of the legal profession where the only thing to expect is the unexpected.

A group of local managing partners from small firms recently met to discuss how they were uniquely positioned to not only survive, but also thrive in this new paradigm.

This quarter's managing partners included Jay Kamlet of Kamlet Law and Law Bank; Heidi Storz of Benson Kerrane Storz & Nelson; Allan Hale of Hale Westfall; Brad Levin, of Roberts Levin Rosenberg; and Rich Harris of Harris Law Firm.

Yvonne Clark of Hunter + Geist reported it and Meg Satrom, editor of Law Week Colorado, moderated it.

**LAW WEEK:** All of your firms have interesting insights into the strengths and vulnerabilities of small firms — how they can survive things like the recent recession and how, in spite of that recession, they can thrive.

It seems that in some ways we're still somewhat dealing with the fallout of the recession, and so let's use that as a starting point. Jay, you might have some interesting insights about what you saw from the recession and whether that prompted — or not — the starting of Law Bank.

**KAMLET:** Well, definitely the recession was part of the impetus for Law Bank, because a lot of firms, medium and big firms, were looking only to get bigger and bigger. The smaller firms were looking to become the big firms, the big firms were looking to become the mega firms, and the mega firms wanted to become the national firms.

So it was that flight to safety that really left a lot of people out — people who were excellent practitioners and who had been told all their lives that if they did good work, they didn't have to worry about bringing in clients; just be the best lawyer you can be.

Then when people were saying goodbye to them as they were leaving to become equity partners at the Bryan & Caves or the Hogan Lovells, these great lawyers were hearing, "Well, sorry, you just didn't have the business, so good luck." So that was part of the impetus.

The other thing was the fact that these law students were coming out of law school with absolutely no hope of gainful employment. So what I did with my concept of Law Bank was try to reach out to the senior practitioners — I mean who had ten years or more experience — to come have their own practice, run their own practice in a solo environment, but be with other lawyers with different practice areas.

The idea is to bring in different practitioners — a real estate lawyer, an M&A lawyer, a worker's comp lawyer, an international lawyer, a family lawyer — all in the same environment to create the same synergy that is created with a law firm. You also bring in these younger graduates and younger practitioners, who are disenchanting as associates or unable to find employment as new graduates, and have them in



Attendees of the third quarter managing partner roundtable discuss the strengths and challenges of small firms. | PHOTO CREDIT ALI BIBBO

the environment with the senior lawyers so that they can start creating relationships.

So I'm building the same model as a law firm in a much different way and with a different approach that hopefully benefits everybody.

**LAW WEEK:** Brad and Allen, I would be interested to hear from both of your firms on this topic. I know you both hired during some of the down years. Did your firms see the effects of the recession?

**LEVIN:** Well, from our standpoint, I guess the quick answer to your question is no. When you have a firm that is specialized — in our case doing insurance work — you can be a bit insulated in some ways. In fact, I was talking to a couple of partners and we agreed about our position. I don't want to use the term "recession proof," but in some senses what we do is recession proof.

Insurance companies are necessary. They're an aspect of the day-to-day life. People make claims. The claims are going to be there regardless, whether good times or bad times. And so the upshot of that is the work has always been there.

The answer in terms of from a hiring standpoint is that we're basically going to be hiring based upon our needs depending upon the amount of the business that we have.

Obviously it's important to us to be able to service our clients. We do a mixed type of practice. We have both contingent fee as well as hourly work, and as a consequence from an economic model standpoint, you're not going to want to have a whole horde of lawyers working for you, because that just doesn't work.

On the other hand, we need to make sure we can service our clients. And part of what I see as our responsibility is to have younger lawyers who we are going to be able to train and to bring into the fold and are going to be able to assist us at that level. So you know, we didn't have any compunction about hiring younger lawyers. The

bottom line is that the recession didn't hurt us in terms of our level of business.

**LAW WEEK:** I'm going to come back to the idea of succession planning, because it's something that comes up frequently, and I don't know that all firms are preparing for it, but I'd also be interested to hear from you, Allan.

**HALE:** I have to start out by saying that when I got the invitation, one of the things I saw in your email was the use of the word "plight." And I almost said I wasn't interested, because plight, to me, means adverse circumstances or some sort of dire conditions. But when I saw who else was going to be here, I said, "All of those firms are doing great."

So I'm interested in this because I don't see a plight, but there's no doubt about it — the recession had an effect on everybody, but for what I would call small firms this was a great opportunity.

As Jay alluded to, you saw the vulnerability of big, big law and how they kind of prey on each other. Our experience was that all of sudden there were a lot of clients that we previously had been really trying to get in front of who were interested in us now, and who, once they saw our hourly rates, were really interested in us because they were used to paying \$800 or \$900 an hour for D.C., New York or West Coast work.

So all of that was good, but it didn't necessarily translate into hiring more people. I think that one of the lessons from the recession was there are some firms that do survive. And there are probably a variety of reasons for that — not the right mix of people, whatever. But there's no doubt about it that there are a lot fewer small firms, and it's made us more conservative.

And more, we're slower to hire. We take a larger interest in building those relationships with our current lawyers. And this touches on something Jay brought up that I'd like to hear more about. One of the

strengths, I think, in small firms is building not managing relationships but mentoring relationships.

You get to be a mentor. And I am really thankful that I got great mentoring when I was a young lawyer. I find that as a small firm you just can't do it with that many lawyers. You might be able to mentor one or maybe two, but you just can't get beyond that. So how does that work with Law Bank? Do you lose that? Does that turn into an opportunity?

**KAMLET:** It's absolutely an opportunity, because what I'm trying to instill in all the senior folks is to learn the art of leveraging, which is what law firms have been built on. You don't necessarily have to work with somebody, but the opportunity to work with somebody, pay them X dollars and bill them at a higher rate, not on an employment basis but on a contract attorney basis, can be really useful to both the clients and the lawyers.

The opportunity is actually more beneficial in the Law Bank environment, because the younger lawyers are not employees. If it doesn't work out, it doesn't work out. They're there on their own volition. There's no employer/employee relationship. If you want to learn from me and I want to teach you, it happens. There's an economic mentorship that's created.

It's not the "let's grab coffee once a quarter and do it," nor is there the obligation to mentor, because you're paying that person anyway. So because we're all in the same environment, it really lends itself to more opportunities for true mentorship, like the associate/partner relationship.

**LEVIN:** I have to jump in on this. Allan, my experience has been different. Because Meg was asking about it, we hired a couple of younger lawyers. And I have to tell you that we've been able to present real opportunities as far as mentoring, because in terms of the small firm environment there is the ability to give them more. It's very typical



BRAD LEVIN | LAW WEEK PHOTO ALI BIBBO

for us to have a number of the lawyers, whoever is around, come in and say, “Hey, what do you think about this issue?” Batting it around. “What do we do? What’s the next thing to do?” And so on.

The other advantage, which I think is huge for smaller firms like ours, is we gave them the opportunity not just to be able to provide that input and to help write the briefs but to really jump in and be able to do the depositions, be able to argue in court, and those kinds of things — the kinds of things that obviously in the real large firms you’re never able to do.

So in terms of our experience, the mentoring has been a huge benefit and opportunity.

LAW WEEK: Rich, let’s get back to the recession question for a minute, and then we can move on to mentorship and some other things.

HARRIS: Well, the recession, for us, has been one of slower growth for sure, but it also created some interesting opportunities for us. I’m going to tail off a couple of things that each of you said.

First, our firm has always hired young lawyers, fresh out of law school graduates. We like that. We like the mentoring. We like the training. We like to be able to mold lawyers from scratch and show them the way we think law should be practiced.

When the recession hit a few years ago, there were a lot more really high caliber candidates available, not just at our two local law schools but all around the country. And it was a really interesting and neat opportunity for us. I would like to think we’ve always been really selective in who we hire, but we started getting some really high caliber candidates during the recession.

From the other side of things, with the challenges that Jay alluded to with big law, we all of a sudden were in the space where some of the bigger law firm attorneys were looking at firms our size and looking at our practice area for the first time, perhaps, and we were now in a space that we had some of these more senior litigators looking at our firm and looking at our practice, and we hired a couple of them. And it’s been really a neat opportunity.

I’m not going to say the recession didn’t hurt. It certainly did. We certainly had a downturn, but we tried to look at it as an opportunity, and it has been a pretty good opportunity for the practice.

STORZ: I guess one thing, back to the mentoring, I do think that is incredibly important and probably the biggest benefit that one can provide attorneys in a smaller firm.

I don’t know, Brad, if this has been your experience, but because we do most of our work on a contingency fee basis, we’re not billing out people, so it’s not costing our client to have two of us at a hearing or have two of us work on a particular aspect or meet with a client. That allows us to have these younger lawyers who have less experience just shadow with the more senior attorneys, be part of developing that relationship with the client, building that relationship, and also just learning from that process. That’s a unique thing that we’re able to offer.

Going back to the recession piece, certainly our business is uniquely tied to the construction industry. So we were really concerned with the downturn in the economy, and the full stop of construction that went on for at least two years. We knew we wouldn’t feel the impact right away because our cases tend to lag behind new construction happening, so we were able to actually plan for that.

The approach we took was to actually expand during the recession in the sense that we diversified our practice slightly. We didn’t get too far afield from what we know, but we started to take on a few more single-family home cases, do some real estate disclosure issue cases, where people have purchased a home, and it turns out the home was defective and the sellers knew about the problem. That type of thing.

We also expanded geographically, and we were able to expand into the Minnesota market that has a longer session of repose than Colorado, as well as into Texas. And that let us get cases and be able to represent older communities that would be timed out already in Colorado in terms of their claims. We’ve actually grown through that process.

HALE: I think it’s important to recognize what’s going on, not just because of the recession, but to look back.

I got out of law school in ’85 and went to work at Davis Graham & Stubbs. Big firm. My experience at a big firm was terrific. I had great mentors — Greg Hobbs, Allen Lowe, people like that, who are now on the bench. Gail Miller.

I didn’t get shoved in the back like so much of what we hear goes on at big law; however, big law then at the time was different. It started to change, and that’s one of the reasons I left.

Actually, there’s an old American Law Journal article about it that talked about a struggling firm out of Phoenix, and the quote was, “What’s happening to big law is that it’s like a caribou herd; the older and the less agile firm partners are going to fall behind and the wolves are going to



HEIDI STORZ | LAW WEEK PHOTO ALI BIBBO

get them.” You saw big law start to change initially in that sort of 1989 to 1993 time frame.

What we saw recently is just another change. Jay, you had a ground view of it going from what you had put together with your own firm, and then for Lathrop & Gage, which is going back into the big firm environment with branch offices. Anyway, long story short, I think one of the things that’s happened to the business of law is that we have lost why we’re different.

It’s interesting to hear Heidi mention this, because we too have added and changed some practices around a little bit more so there is a little bit less of that pressure to bill, and you can staff some things and make some changes because you don’t know what’s next.

LEVIN: Absolutely.

LAW WEEK: You guys are all mentioning two things, and so this is going to be a two-part question, hopefully not too long-winded.

We talk about the demise of law firms probably more often than we talk about their successes. But I certainly agree you guys are the exception, all of your firms and different models are an exception to that rule. So when we talk about recession, two things come to mind. One is lessons learned. But I think the precursor to that is: Why were your firms so well-positioned to survive? And part of that is probably flexibility, but I would be interested in hearing you articulate why your firms made it through. You’ve mentioned expanding practice areas, geography, different billing methods, but why are small firms uniquely positioned to handle change?

LEVIN: Well, being able to be supple certainly helps. Heidi’s firm is a great example. Trying some new things, but at the same time they’re still sticking with their core area.

From our standpoint, being identified as an insurance firm, which we have really made a fundamental aspect of our practice, is essential.

But I got to tell you, I agree with Allan. I love what I do. I love being a lawyer. And I love the area of practice that we have. Would I like to be doing more expansive stuff? Maybe. But I’ve got to tell you, in terms of what I’m doing, it is so intriguing. The issues that I have every single day are different and so on. Call it whatever — niche practice, boutique, whatever term you want to call it — I think that is what has allowed us to be able to thrive in this environment no matter whatever else is going on around us — big firms, small firms

folding, merging, whatever it is, we’ve stuck true to what it is that we’re doing.

By the way, one other thing, if we have the opportunity to talk about it, because I think one of the things that is really pretty fundamental in terms of some of the questions you’re asking today has to do with marketing and has to do with the challenges that are presented today, because we talk about this all the time. We’ve got a firm that helps us with our marketing, and that is so important in terms of branding and those kinds of things so that folks know we are the go-to firm when it comes to insurance law.

In this market and in this day and age, the whole marketing thing is huge. You talk about the changes in the profession; I think that that is huge: the way the people access legal services, how they find out about lawyers, using the Internet and everything else.

With all the social media and all that other stuff and trying to respond to that is, frankly, the biggest challenge that we have in terms of sort of keeping ourselves out there. But the upshot in terms of what I’m saying is, I think the way we’ve been able to do it is simply by sticking true to what it is that we do and hopefully doing a good job at it.

LAW WEEK: You mentioned marketing, so I just want to jump into it. When did your firm have the epiphany that you needed to focus on marketing?

LEVIN: Well, Meg, I don’t know if it was an epiphany, per se, but I got to tell you it was probably seven or eight years ago that we hired marketing specialists. And they’ve been with us, like I say, for several years.

I will say that certainly, from my perspective, it’s been more and more of a realization, if not an awakening, of how important and how constant it has to be. It’s certainly been in the last couple — two, three years, and it’s always changing. I just find it remarkable. I mean, we have these marketing meetings or whatever, and I hear about this and what we need to be doing in order to keep up and keep on the front page of this, that, and the other thing. Whatever. And it’s an ongoing process of learning for me, I’ll tell you.

LAW WEEK: Rich has a full-time marketing person.

HARRIS: We do. And you’re speaking my language, Brad. I mean, the fact is, both from a specialization standpoint and from the branding and marketing standpoint, you have to have your name out there. We happen to be in the practice area of family law, which very much lends itself to the



ALLAN HALE | LAW WEEK PHOTO ALI BIBBO

idea that we're going to become known in the metro area.

It's a consumer-oriented practice in a lot of ways. And we've, for a long time, specialized in this and done only this and been known for this. And from very early on, we recognized the power of getting that message out, that we're lawyers practicing in this area. We're doing it by choice. It's a practice area where a lot of people are suffering. The lawyers that do this well are in a unique position to help people.

To your point, Allan, we're proud of what we do. We really believe in the profession. And doing this at an elevated level and getting that word out to the community that we practice in a certain area, we've always done it. It's all we do. And we're going to do it very, very well. And in this day and age, with all the mass information everywhere, with advertising, you have to be really savvy about how you do it. You have to be loud enough to be heard, but you also have to do it in a dignified, professional way in order to keep your reputation intact and attract the kind of talent that a small firm needs to survive.

HALE: There's no doubt about it, marketing is important. You know, 30 years ago when I started, we marketed in a different way, and 20 years from now we'll be marketing in a new way. But I think Brad touched on something that everybody at this table will tell you and can give you stories about. There is no substitute for doing excellent legal work for existing clients. You can market until the cows come home but if you do substandard work, it doesn't matter, and that was just one of the first lessons I learned.

I can still remember being a second-year associate and I brought in my first client, and the guy I was working for was David Ubell. And I was really happy about it. And David said, "Do excellent legal work for existing clients if you want to market."

I think you can go around the table and see that successful practices, individually or firm-wide, are based on excellent legal work for the client you currently have. And that allows you to get a referral, it allows you to go out in the marketplace and try to take a client away from somebody who is at another firm or somebody who is brand new and hasn't ever had the need for legal services. But it's going to be based on your ability to deliver a quality product. And a lot of that comes from specialization and having done this and done this and done this.

LAW WEEK: Absolutely. I'm not sure why, but that triggers a question related to something you said a while ago, about wanting

to hire more people, but at what cost to the existing culture and existing model? What would you sacrifice if you decided to hire ten people?

My question is: Do you think each of your firms are focused on the top product and don't care about making billions of dollars? Do smaller firms have a different mindset about client service and law firm culture than other firms?

STORZ: If I can, I would like to respond.

What that touches on to me is really what is the culture in the firm and what is important. One thing that we guard zealously is the firm culture and valuing the attorneys that we have and the work that they do and valuing that they care about our clients. To me that's really how that translates: by how you're training your people, your staff, and that you're allowing them to really fully engage with the clients and take this on and own it and be responsible for it and care about it. It's not just, I'm doing X number of billable hours and then I want to be done with this and do something completely different, but that they're passionate about what they're doing. That translates to the clients.

LEVIN: Meg, I have to tell you, I don't want to sit here and just sort of put ourselves on some pedestals, just being altruistic, but I have to tell you that one of the things that struck me is how much our attorneys care. One of our lawyers who works for us a large percentage of the time, also has her own separate entity called the Colorado Prison Law Project. It's basically a nonprofit that she is in charge of. She went and made a presentation at one of the large firms a few days ago and talked to the lawyers there about what it is she is doing, and it sort of struck me that you go to the large law firms and they have pro bono departments with requirements and everything else.

It just sort of struck me that from our perspective, goes without saying. We don't have pro bono requirements. It's just part of what our practice is. It's part of the culture and the nature of the work that we're doing. It's part and parcel of what you're going to be doing, that you're going to be contributing in some way, you're going to be a member.

We don't have to delegate and say, "Oh, all the lawyers have to dedicate themselves to X number of hours of doing pro bono work." It just comes with it.

HARRIS: It goes to professionalism and the quality of the practice and who we are as lawyers. One of the things that we can do in smaller organizations is come together as a group of people with common ideals,



RICH HARRIS | LAW WEEK PHOTO ALI BIBBO

practice law at a high level, do lots of work for the community and do it in a very collaborative way. I mean, let's face it, life is short. And hopefully we make a good living. That's important to all of us, but it's not the most important ideal. At the end of the day, we're all in a pretty stressful profession. And I'm in a really stressful practice area. The fact that our lawyers have common interests and desire to serve the public and desire to collaborate is so, so important to making sure the practice is good and making sure that we all don't drop dead of a heart attack.

HALE: That's right. You've got to keep your people happy. And you've got to stay happy yourself. One of the big differences — and we've sort of touched on it — between small firms and bigger firms is the way we're managed.

At some point, as you get bigger, you have to go to a way of being more managed — I don't want to say professionally managed, because we are professionally managed, but having somebody act like a CEO and having lawyers not spend as much time managing.

Frankly, it's one of the reasons that we decided to stay small is because we didn't want to go with a professional manager. We like those "old school" partnership meetings where if you want to do something, you've got to come in and make a good case for it. But the people who are listening to it have known you over a career, over an extended period of time, and so they want to support you. But they're also going to challenge you. They're going to say, "Hey, you remember that you wanted to ... It didn't work out so well, you know."

I think if you get too far into big professional management, you lose that. You lose that understanding about where somebody is in his or her practice. I've had some really, really good years, and I've had a couple of terrible years. If you're practicing with people who know you, I think you survive that. And if you don't, I think it's harder.

And particularly if you've got debt. You asked how do firms survive? We had no debt. And because we had no debt, we were able to carry everybody. We didn't lay off anybody. And you know, I'm not sure you get that in a bigger firm.

LAW WEEK: I think we're all touching on something, and I'm interested in your perspective, Jay, about the type of people that might be drawn to the different types of practices. There are people who want to close so many billion-dollar deals in a year, and I applaud those people. There are also people who, I think, seek the practice as being able to help individual clients. Are you

seeing a pattern of the type of people drawn to small law?

KAMLET: I'm going to throw Frank Schuchat under the bus here. Frank Schuchat is one of the most phenomenal lawyers, human beings that I've had the pleasure of running across. He's an international lawyer in Denver, Colorado. He's the honorary consul general to Belgium.

He was with a firm that was going towards the newer model of, "Hey, we're going to be the Big Law Firm. We're going to be this image of power and solid image." And he went to them and said, "Frankly, I like having my name on the door. And I think people trust, when they see my name on the door, that they're going to get the service they expect." And when they don't see my name, it projects something less personal.

What I'm seeing is that people who still really enjoy the practice, who want to collaborate, who want community, who want to mentor, those are the people coming to Law Bank. Karen Steinhauser. Frank Schuchat. Tony King, who was with Miner & Brown for 30 years. I mean, great, great lawyers, really phenomenal lawyers. For myself, I was tired of Big Law. I was tired of politics. But I was so deathly afraid of being alone, so I built Law Bank as my escape pod from Big Law, because I didn't want to be alone in my house.

While each of us, I think, has touched on the value proposition being offered by specialization in the smaller firm, the phenomenal marketing that Rich does to market has been untapped. I mean, if you think about it, 80 percent of the population has never touched a lawyer except in cases of criminal, divorce or bankruptcy. You know, you're tapping a whole new market every day.

Your proposition, Allan, was do great work for the clients that you're already working for, and that will lead to more clients who are used to litigation as part of their business model or part of their personal model, whatever. So one of the things everybody here that I've heard say is you're attached to a market that you know very well and you know that practice of law. You know the people in it. So you can surround yourself with those excellent practitioners.

Having my fear of loneliness, I have attached myself with really great lawyers in different practice areas. So for me, while I'm specializing in real estate, I can still go out and go to a client and say, I have got Laura Hazen and Susan Klopman, two of the best employment lawyers in town, at the ready. So I can go to the biggest companies in town and say, "We can handle each one of your specializations. You're going

to need the big firm to have the firm name on the paper that they're sending to Wall Street for your IPOs and your mega loans, but for every little thing come to us." And this is where the recession helped smaller firms; all of a sudden the general counsel started looking out to specialized areas and said, "I can make a case to my board of why we can get a specialized, great lawyer, much lower priced than if we just kept everything within the big name law firm."

So the opportunities for the smaller firms was really to fill those little holes to help the general counsels complete their budgets so they looked good. It wasn't just that I hired the Big Law firm because that's who you would expect me to hire as a general counsel.

I'm very grateful to those big companies that have still stayed with me on my real estate practice and some of the best growing companies in town that I am honored to represent in their real estate practice, but then also have the opportunity to say I've got this great international lawyer, this great employment lawyer, this great family lawyer, criminal defense lawyer. So that was, for me, my opportunity not to give up, not to deconstruct.

And that's why I wanted to say something about the recession. For the people who were really attuned to what was going on, they should have deconstructed or did deconstruct their practices. They created these little practice areas, niches, and they then became the experts in that particular field even though they were within that firm. And then to reconstruct by creating these relationships either in their own firm or outside their firm.

If they decided municipal finance law wasn't profitable anymore, they jettisoned the municipal finance departments, so the municipal finance lawyers became specialized, but they still were able to work with other law firms that were adjunct areas. Like real estate is a great adjunct to municipal finance. So what I think is the people, like the folks here, who saw the value add proposition for their clients, who understand the value of mentorship, understand the value of bringing up younger lawyers in their image and to help create that transition and this will be a nice segue for your succession plan. You know, it's that vision of value creation and the legitimacy of the profession that we still are trying to all foster here. That's why people are successful here.

**LAW WEEK:** Absolutely. And that does dovetail perfectly with the idea of succession planning, but also the idea of intentional hiring. We've all mentioned the importance of the culture of the firm. You can't just hire any graduate. You need to make sure that that person properly fits into the model and the value system and all those things. So I'm interested in anyone articulating about how you are thinking about the future. How you have made hiring decisions. And how are you incorporating succession planning into your current discussions?

**LEVIN:** I think it is fundamental. It's obviously very important. When Allan was talking about his experiences as a young lawyer, it resonated that you really need to bring folks along. And it's something that we very much recognize on a number of different levels. Number one is the whole level, saying, "Listen, it's not as though we have some expectation if you come and you start practicing that you're going to need to bring in clients or anything like that, but at the same time we're constantly encouraging folks to be out there, to be a part of the

community, because we all know that being part of this community — whether it's a legal community, non-legal community — that's the way you make contacts and eventually you're going to get the phone call and everything else.

But it also gets to what Allan and some of the other folks have said. It's going to the meeting and some other things so that the clients have confidence in the young lawyer to be able to handle their matter. So when the referral is made or when the next case comes along, they're not calling me, they're calling them. And I love it. I just encourage it constantly; that I really want them to be out there in front because I want the phone calls to come to them, and I want them to build up their own practice. No pressure, necessarily, to do it. It's not part and parcel of what we do. And that sort of gets to the next thing.

Again, we can be so much more supple than the large firms. The large law firms have the manual and it has to say you go to the interview with the associate. You say, "Oh, you get considered for partnership after five years, we start to do this, that, and the other." But they have the different levels. They've got the nonequity partner and equity partner in this day and age and all this stuff. And they have to do that because they can't make exceptions to a rule, they don't have that ability. We have that ability.

That's another advantage that we have because of the size of our firms, to be able to evaluate individuals based upon what their background is, their experience. What it is that they've been doing. And when it's time to basically say, "Listen, you've done great work and so on and so forth, and we think that you should become a shareholder and so on," we have the ability to be able to do that.

At the end of the day, in terms of, as you say, the succession plan, it's just recognizing the forever. You want to be in a position so that other folks are going to be able to have that ownership interest. And when I say that, I'm talking about in the generic sense. You know, to own this place, to embrace it, it becomes part of — it's their business as well as ours. These clients are theirs as well as ours. And to build that into them. It's not handing it off to them, but to make it just a general transition so that there are folks who are going to get those phone calls and be the leaders of the firm going forward. It becomes that much more of a natural transition.

**HALE:** That sounds great. If only it were that easy.

**LAW WEEK:** Each of you has a name on the door, so the idea of succession planning is also a little about legacy.

You want to see something that you all have built continue to succeed. So Heidi, do you want to weigh in a little on succession planning?

**STORZ:** I want to make it easier for someone else to come behind us. We have a platform, a model, that works for our firm and unless people coming up have a sense of ownership in the firm, they're not going to give you their best work. They're not going to be dedicated or these types of things. So if that's what you want, they have to know that they're on the road to that and this is available to them and an option to them and this is how it's going to work. And so that's something that we're trying to be more straightforward and direct about it for people coming along behind.

Back to just touch on one point, though about hiring good people and that kind of thing. One model that has worked very



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well for us is that we have brought in a lot of law clerks to the firm. And we enjoy the energy of it. You know, fresh faces, new people. You can bring law clerks in without making a lifetime commitment to them, so you kind of get to try them on for size and they get to try you on for size, too.

And we've found that, while we've had law clerks come through, there are ones that are really passionate about what we do, and those are the people that we have hired on as attorneys and that are coming up and will be succeeding us. So that's been fun and for us, that's been a good way to give people a chance, but also to find those people that are really passionate about the work.

**KAMLET:** Just quickly, one of my big sales points to the solo practitioners, those 55 and above — is to say, "Come in here. Find one of the younger lawyers who are here who seems related to or passionate about your practice area, train them to be your successor and maybe they'll buy your firm in a couple of years." At least you know that all those years of paper that you've stored away and all that knowledge is going to be transferred to somebody who you feel comfortable transferring it to. So that is actually one of my big sales points, is find somebody to be your successor. Don't die at your desk and leave clients that have trusted you for 40-plus years hanging.

**HALE:** That's actually an excellent point, and it's well articulated, but what happens on the ground is, to me — thanks, by the way, for referring to everybody over 55 as a senior partner — that's a great place to start.

**LEVIN:** Exactly. I'm there, too, Jay.

**KAMLET:** I'm aware of that.

**HALE:** You know, I've raised three daughters and they're all young adults now. And I've been doing this long enough, practicing 30 years, that I just see a lot more nuances, I would say, of the human condition.

I have a brilliant associate who has no interest in developing his own practice, of getting clients. And if I made him do that, if I expected him to do that, it would make him uncomfortable and he would leave. And I've learned instead to use his gifts. And he's a wonderful, analytical lawyer and a wonderful writer. And so he's got those gifts. And then other people have other gifts.

And frankly, I've kind of come to the point that I'm not sure I want to practice with people like me. I want to practice with people who are different. And it's one of the

reasons I get along so well with my partners is because we're so different. So I don't sort of look for people who are like me. What I look for is, you know, this passion Heidi mentioned. The passion has got to be there. And then I also have to have somebody who wants to learn the craft.

I don't care how well you did in law school or how many judicial clerkships you've had. You got to go out and learn your craft. And you find out who those people are pretty quickly. And those are the people that are great. I don't think there's an easy way to find them. I like the law clerk model. That's great. If you can do that and if you have a good law clerk program, that's a wonderful way to do that, because it works both ways.

**LAW WEEK:** It's certainly a way to find the just-out-of-undergrad straight-into-law-school, never-had-a-real-job crowd.

**HALE:** I think that's more of what Phil Weiser is doing at CU and Marty Katz is doing at DU, is recognizing that. Of course, you mentioned Karen Steinhauer. Karen was there 20 years ago saying that's what you got to be doing.

**HARRIS:** This whole notion of hiring people that are different from myself that you mentioned, Allan, is really intriguing to me. This whole notion of diversity is really fundamental to what we're trying to accomplish, which is practice law at a very high level and create a brand, do good work, but get people from different viewpoints and different backgrounds and different life experiences.

I've always said that, to the extent we've had any success, it's because I've been lucky enough or maybe smart enough to surround myself with people that are really smart and that can, frankly, make the whole firm better, make me look better. And I would echo what you're saying in terms of finding people with a passion and finding people with leadership ability and an interest, as well, in carrying forward what I hope is a legacy; that, hopefully, we're not going to drop dead on a box of files without creating something that is of value moving forward. And I think you get there, hopefully, by bringing diverse people together and sharing a common goal.

**LAW WEEK:** Absolutely. Well, we are going to run out of time, so one last question. We've kind of been talking about succession planning, but let's build on how you guys are thinking about the future. Marketing, obviously, is on the brain, but how do you think small firms will continue to succeed?

HALE: It is so fun to be in a small firm right now, and it's just going to get better because of technology. When I first started in 1985, which doesn't seem like that long ago, the only person at a big law firm who had a computer was a word processor. And if she wanted coffee, you brought her coffee.

Now everybody has got not just a computer, but three computers. I've got a little one and I've got my phone and I've got this, and I'm constantly learning new things that make information more accessible. We're going to be able to find people who need our services more quickly and to make these connections.

HARRIS: It all comes back to what you said earlier and what a few of you have mentioned. It's a service that we're providing. And at the end of the day, no matter how loudly we trumpet what we're doing, if we can't serve our clients and do it well, we're dead. I am in a practice area which, frankly, is increasingly commoditized. There are lots of online ways you can handle a

divorce. There are lots of forms you can buy. What I can provide — and I think our hedge against the future — is making sure we provide this really top-notch, one-on-one service to our clients and take care of people.

LEVIN: I want to echo that, because I agree with Allan. I think that the future of a firm of our size is a bright one. And it really goes back to one of the things that Jay said. I'm the same way as you are, Jay. I am someone who is deathly afraid of going home and just sitting at some desk in my home and doing work, because I think that the quality of the work that we do gets back to what I was talking about for the young lawyers and all. It's because of the synergy. It has to do with I don't have all the good ideas.

I mean, I've just been thinking, last night, 5:30 in the evening, there were four lawyers in my office who were talking, bouncing things back and forth because we had just got an order from the court on something we were trying to figure out,

looking for rules and so on, and saying, "What's the next step? What's the best move?" And everybody had different ideas in terms of what we should do next.

That's what I love about the practice of law and that's the best way we can do our job of servicing our clients is to have that kind of process and work. You know, two heads are better than one and three heads are better than two and so on, if you surround yourself with very good and passionate lawyers.

So that's something which I hope and I really believe is not going to go away. And even when I go off into the sunset or whatever it is, I hope I've instilled that and the other lawyers have the same feeling. This is something that is important for us to continue, as opposed to, again, just going off on our own separate ways.

I just hope that that continues. And I think it will. I think that's what the impetus of having a firm our size is about.

LAW WEEK: Absolutely.

STORZ: I always think of the larger firms as kind of big box stores. There's lots of stuff that you can go buy there, but to actually get to someone and have a conversation with them to really understand, "Well, what is the best way I'm going to fix this, whatever problem it is that I have." I would rather go to a smaller store where I can actually afford to have the conversation with somebody and have a little bit more of that creative process and that involvement that I don't perceive that people necessarily get at a larger firm.

KAMLET: Well, I just want to keep growing this concept of a legal ecosystem that I think Law Bank boils down to, which is great practitioners from different areas not joining to create a law firm but to create a community. And that's where I hope to take our next step, is open more of these offices and then see how that takes us into the rest of the country.