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Law Firm Crisis Management: Planning, Developing and Implementing a Public Relations and Communications Program for Law Firms

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We lawyers are trained to rapidly assemble an emergency team and deploy swiftly to address a sudden client crisis. In the world of cobbler's children, we do not adequately do the same for ourselves.

In analyzing the 41 major law firm failures since 1988, it appears that most were either caused by either to a failure to contain rapidly escalating adverse publicity

or the ultimate implosions were certainly materially exacerbated by such adverse publicity. Most often the source of the adverse publicity emanates from the law firm in decline itself. Like with so much in the world, planning is essential. Every law firm must have a public relations crisis management program in place to deal with PR crises. The time to develop this plan is when the seas are calm.

Let's first look at a few case studies of both success and failures.

A starting point might be the recent tragic failure of Howrey. In his [post-mortem study of Howrey's failure](#), Professor Steve Harper catalogued the numerous ambiguous and inconsistent public pronouncements of Howrey leadership. Moreover, the vacuum created by the void in open and directed media disclosure was filled by [an ad hoc blog penned by anonymous Howrey associates](#), largely based on rumor and innuendo, much in-fighting and demands for a virtual public lynching of Howrey leadership. At this writing, that blog has astonishingly attracted over 306,000 visitors.



Another example might be [Wolf Block](#), a venerable Philadelphia based national law firm. That firm went through various upheavals as the economy began to tank and fruitlessly sought to merge its way out of its problems, first negotiating with Akerman Senterfitt and then Cozen O'Connor. [The problem was that these merger discussions were made very public](#) and upon the failure of those discussions, the message seemed to have been posted on the front lawn: "Law Firm for Sale". Without

any takers, the firm dissolved. In short, had the message in the media been better handled, the firm just might have survived.

The natural consequence of adverse media attention to a law firm is too often significant discomfort and insecurity among the firm's own most valuable – indeed, it's only -- assets, its partners. The public attention paid to a law firm's failing fortunes [invites competitors to begin an often unstoppable onslaught to grab those assets](#). When approached by more stable competitors, many law firm partners are beyond eager to be courted.

The point here is that message must not only be carefully publicly communicated to the media, it also has to be constructively and candidly communicated to the firm's own partners. Their confidence in management must be earned through open dialogue and gaining the trust of the partnership.

A different result obtained for a group of lawyers which originally practiced at [Parker Chapin](#), which is now the core of the New York office of [Troutman Sanders](#). Founded in 1934, Parker Chapin was by the early 90's a well regarded 120 lawyer New York commercial law firm. In 2001, Parker Chapin elected to join a national law firm and after meeting with several law firms, it merged with 600 lawyer Dallas based [Jenkins & Gilchrist](#). In 2005, Jenkins began to unwind because of alleged serious and purportedly criminal improprieties in which some of its Chicago engaged involving [questioned tax shelters](#) run out of its Chicago office, which preceded the Jenkins & Gilchrist/Parker Chapin combination.

The New York office, comprised still primarily of the Parker Chapin group, stood together and [as a group joined Troutman](#)

[Sanders](#). Parker Chapin leadership did an outstanding job in keeping the group together; they largely accomplished this result by maintaining an open and completely dialogue with their partners, in which all views were openly considered and all partners were fully informed regarding the steps being taken by the group's leadership. Thus, despite the widespread media coverage of Jenkins & Gilchrist's imminent demise, Parker Chapin leadership successfully kept the circling sharks at bay (only three Parker Chapin partner jumped ship before the Troutman deal closed. [Disclosure: I was a partner at Parker Chapin from 1987 to 1993 and played a bit part as Parker Chapin was considering its alternatives in 2005.]

Accordingly we can see that not managing communications in times of crisis can be disastrous, while the opposite result can be obtained through better communications.

Let's now turn to the underlying issue of managing communication and public relations in times of law firm crisis.



The first step requires the assembly of a team dedicated to addressing a crisis.

The team should consist of the firm's senior management, the firm's general counsel, its chief risk management officer, its chief marketing officer, the head of HR, its director of media communications, the partners and staff in charge of the firm's disaster recovery team and its outside public relations counsel. The crisis communications team should also include an outside law firm consultant well versed in current trends in the legal industry.

This SWAT team should meet regularly; at least twice a year. The first order of business is establishing a consensus as to what metrics should be considered in determining what constitutes a crisis which should result in deployment of the team. During those meetings, the team should also consider various particular scenarios that would create a crisis of some form for the firm; for example, the defection of significant partners, the loss of a major client, a significant criminal or regulatory investigation implicating the firm, a major malpractice case, loss of an entire practice area because of market conditions (think dot.coms, banking crisis, sub-prime mortgage meltdown), defection of an entire office, a rumored merger, a natural disaster, a precipitous decline in revenues or profits per partner and so on. One member of the team should lay out a hypothetical and the SWAT team should then brainstorm how each such crisis will be dealt with from a PR point of view.

Following the initial meeting, a crisis communication plan should be drawn, with input from each participant. In drawing the plan, thought needs to be given to the fact that information needs to be delivered to various constituencies. These include the firm's partners, clients, staff and the professional and general media. ***Strict adherence to basic media relations***

principles are crucial: The message must be consistent and come through a designated team member responsible for media relations.

The consequences of failing to adhere to these very basic media relations maxims can best be illustrated in the instance of Finley, Kumble (of which I was a member) and was the first of the 41 firms to implode since 1988. Finley Kumble's crisis was in large measure precipitated by a [bristling critical series of articles in various media](#) as well as infighting among the firm's executive committee. As the firm's partners huddled attempting to address the issues, a small dissident group quietly proposed dissolving the firm and allowing each office to continue as stand-alone firms. While this concept had little appeal to the vast majority of partners, Hugh Carey, the former governor of New York and a Finley Kumble partner surreptitiously [leaked a front page story to *The New York Times* on November 11, 1987](#) asserting that such a plan was imminent. Within weeks, the firm voted to dissolve and the plan proposed by Governor Carey and a few others was never implemented.

The first focus must be on the partnership. In this era of [law firm partner free agency](#), it is imperative that every effort be made to instill confidence in the partnership that management is substantively and productively dealing with the crisis. This cannot be accomplished by an [Alexander Haig fiat that "I'm in charge here."](#) Those who are actually in charge are the firm's partners who will make their own determinations about the adequacy of management's handling of the crisis. The partners have a voice and their voices must be heard as many will doubtless have productive suggestions. The partners must also fully appreciate the [dire personal](#)

[consequences to each of them in the event of a complete law firm collapse.](#)

The next order of business is dealing with clients. Here, a consistent message must be communicated and each partner should be tasked with making telephone calls to each client.

Finally, we must deal with staff and they must be dealt with early on. Delays in informing the staff give birth to deadly rumors, almost always all or partially false, and are the progenitors of Howrey type blogs. In written communications to the staff, assume that these communications will appear in the blogosphere, even before many staffers have read the communiqué. Oral communications, whether in the form of discrete meetings, telephone or video conferences will similarly be matters of public record – as will the fact that a meeting or video or telephone conference is being scheduled. When you speak to your staff, you are speaking contemporaneously speaking to the entire world. And, should you fail to timely speak to the staff, a message will be parsed together, perhaps out of whole cloth, but certainly not under any control, and will instead be communicated to the world.



I don't plan on ever having a flat tire, an electrical failure or a fire. But I still carry a spare tire in my car, a flashlight and fire

extinguisher at the ready. I know you don't plan on having a crisis, but having a plan on dealing with the crisis is more essential than simply having chicken soup. You don't want to ever be in a situation in which you are rather desperate for the soup, you can't seem

to even find the recipe or an open deli.

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