

The Dead Lawyers' Society

The Tale of How An Enterprising Associate Attorney Who Got “It” Failed At A Law Firm That Didn’t.

By Ary Rosenbaum, Esq.

From the time I was in law school, I knew I was going to be one of “them.” Them being those who took the practice of law so seriously that they acted what they were doing was the lord’s work. I always saw law as an occupation and a service, just like my father the electrician. The only difference was my education and my lack of understanding how to wire an outlet. Law is like any professional service, it must be rendered competently and meet the needs of the customer who seeks it, no more and no less.

I have always been a huge fan of business history and a student of business efficiency. I believe that a law firm is like any other business and should be run like any other business. It should be in the business in creating revenue and opportunity, not accolades or eulogies. It should be in the business of pursuing profit, instead of praise. In order to sustain its future, it must raise leaders and not followers. It must create a system where associates have the incentive to rein in new business and for partners the incentive to expand on the leads provided by the associates. In order to survive in the future, the law firm must adapt to the changing times or slowly die. I speak from experience, having started my own law firm after a rather unsettling two year reign as an associate at a mid-sized Long Island law firm that instilled the belief in me that I can garner new business, but yet had no use for it. This is that story.

Having worked as an attorney for third party administration (TPA) firms, I had the experience to rapport with clients and thanks to the influence of a salesman by the name of Richard Laurita, of blessed memory, I felt I had the ability to develop relationships to garner new business as an

ERISA attorney for retirement plan sponsors. After joining this law firm which I believed was one of the top two law firms on Long Island, I thought I had the ability to generate new business through developing my current relationships with some of the contacts and clients from my old life as a TPA attorney. As Robert Burns would say, it was the best laid plans of mice and men.

The O/A Fee and The Death of Capitalism

For every other law firm I interviewed with, there was an offer that I would

get some more clients and network, I was a dead man walking because there was no way I was going to meet the 1,500 billable hour work requirement. Here was the kicker, not only was I not entitled to a portion of the O/A fee, I was also not receiving credit for all the networking and business meetings I was attending to generate business. They treated this type of client recruitment the same as if I sat around my office doing nothing.

The most interesting element is how the partners at the firm treated O/A credit from other attorneys. I had introduced

some top notch financial advisors to meet our corporate and estate planning attorneys to see if there was some opportunities for cross referrals. Nothing came from these countless meetings and I felt embarrassed because the partners had shown absolutely no interest in working in any fashion with these advisors. There was a simple reason why.

Months before I left, I became friendly with the top earning partner in the Firm. He invited me to one of his networking

events and I met some interesting professionals to network with. One of the partners was there and he pulled me aside and told me that he had absolutely no interest in networking with these professionals because if any new business was generated from these contacts, the top earning partner would get the O/A credit. This partner admitted to me he had no interest in new business if someone else would get the O/A credit because he had three kids in college and needed all the pay he can make so he needed his own O/A credit. I was astounded by that and it explained everything to me about this Firm. This Firm was not interested in growing revenue as a Firm, it was a firm divided by small fief-

receive a portion of any new business I originated in. When I joined this firm, I was led to believe from the partner that got me hired was that I would received up to 50% of any new business brought in, where I was the originating attorney (O/A, as they called it). Turned out that only partners would receive O/A fees, associate attorneys and of counsel get nothing. The O/A fee was one of the major ways in how a partner was compensated. So whatever O/A credit I received was actually worth nothing to me.

Having received very little work to do and absolutely no referral work from partners at the firms for ERISA work, I realized that after a year that if I didn’t



doms that was interested in growing revenue in each of their fiefdoms. Despite my big mouth, I am a team player and I could never believe that any law firm would turn down new business only because a specific partner would generate more revenue by being the originating attorney.

The Marketing Of A Self Important Man

If I say one thing about the Firm, we had a marketing department that would put most legal marketing departments to shame. The problem is that I had to share them with 60+ other attorneys, plus it would get six months before the levels of law firm bureaucracy would get the article approved with a final blessing by an advertising committee staffed by one partner who knew nothing about marketing or the advertising rules for New York attorneys. It also didn't help that he rarely brought in any business himself.

The marketing department taught me many lessons which I continue today with my own firm to greater success and without their support in my writing for the Firm, there would be no way I would have had the confidence to go out on my own last April.

While the marketing department of two people was spread thin by 60+ attorneys, the one person who dominated an inordinate amount of time wasn't an attorney or someone who drew a dime for the Firm. The one person who took a good chunk of the time churning out articles was the law firm's administrator who seemed to do less administrating and more tooting his horn as the leader of the regional organizations for law firm administrators. He never made you forget that he had a certificate as a law firm administrator (writing an article about it), but he also forgot that they give out certificates for gun repair too. Seriously, the law administrators I knew before were too busy to toot their own horn because they were busy helping run a law firm. To top it off, he also penned an article on how he brought his Blackberry to Chile after debating about it and how there was an earthquake there and what this has to do with marketing the Firm beats me. Having this law firm administrator use Firm resources to tout his own group of law administrators is the same as a partner using the marketing department for his son's soccer league, they bring no money to the Firm and are both inappropriate. I do recall that this law firm administrator stated two years ago

that the Firm was going to seriously target my practice for growth. I'm still waiting for his help; guess he must have left those plans in Chile. When you're working at a law firm and the administrator is inappropriately using Firm's resources, there is not much to say when the administrator is a stooge for the Managing Partner.

Holding Me Back, Letting Me Go

The Firm had so many layers of bureaucracy; it would make Capitol Hill blush. There were so many committees and more layers of partners than layers in an onion. If you were lucky to make partner, you could be anywhere from an A-C partner with a letter corresponding to your power. So it was possible to be a partner of the



Firm without actually having a vote or any say in the management of the Firm, sort of like some crazy law firm/ Animal Farm apartheid where some partners were more equal than others.

With no work from the partners and the way they were limiting the advertising of my practice, the writing was pretty much on the wall. To tell you how zany they were in marketing and advertising, I wanted to send out a letter to my old TPA clients on offering to do an amendment that was required to comply with new department of labor regulations. My old TPA was charging \$600 for a boilerplate amendment and I wanted to charge \$300. The advertising committee and the Managing Partner (who managed our firm to be the 9th largest law firm on Long Island, not #2 as I assumed) wouldn't allow me to use the \$300 figure, I had to say I would do the amendment in a cost effective manner. If you get a letter from a TPA who says they will do the amendment for \$600 and a letter from a law firm will do it in a cost effective manner, who do you think is cheaper. After sending out a few hundred letters, I didn't get one client.

It got so insane, that I was not allowed to use Facebook, Twitter, and LinkedIn as part of social media because the crack advertising committee stated that it was advertising even though anyone with common sense knows that social media is not advertising, as long as it's done correctly. Of course, the Managing Partner set up a social media committee and I'm sure they have accomplished nothing yet.

People will say that this article is nothing short of sour grapes. Hardly. Overall, my time there was positive as it allowed me the opportunity to grow a practice and I did meet some staff that I am still friends to this day. No matter what I could have done, it just never would have worked out for me there. There are some firms that appreciate enterprising associate attorneys and that there are some that treat them with disdain, I was an associate at the latter. I am in the business of making business and I'm not interested in an ideal vision of what an attorney is. A law firm should be a thriving hotbed of business development, not a museum of old school attorneys. Placing a high priority on business development and associate development will only ensure that a law firm will continue into the future as the associates start replacing the partners who retire. Otherwise, the law firm will die or be forced to merge with a larger firm.

The legal practice is changing and adapting to new technologies and new platforms to develop business. I am a part of the future and glad to no longer be tied to a law firm living in the past.

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