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Dewey Shoot the Lifeboats as Our Partners Seek Safety From Our Law Firm in Stormy Seas?

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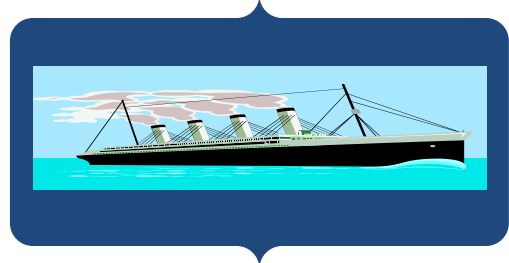
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I [recently](#) wrote about a major global law firm which now appears to be very publicly flaming out or perilously close to doing so.

The media trouncing this law firm is going through is, quite simply of its own making. But, we need to learn from all of our experiences and observations. Thus, some observations, as this high drama, cum tragedy, unfolds:

- Do not publicly grossly overstate your financial condition. You will get caught and it will be embarrassing, let alone impair your credibility. As previously reported, this law firm reported to *The American Lawyer* that its 2011 gross revenues were a robust \$935,000,000 and a nanosecond later advised its partners that gross revenues for 2011 were actually only \$780,000,000. Sure, [everybody puffs their AmLaw numbers](#), but \$155,000,000 is well beyond mere puffery.
- When you inevitably do get caught with your double entry bookkeeping system, don't imagine that you will get away with it by assuming the naiveté and gullibility of the media and the reading public. They will quickly figure out some of [the chicanery](#) you may have deployed to keep your two sets of books. Suggesting that *The American Lawyer* uses a [different metric to calculate cash collections](#) from the rest of the universe won't cut it. Ten dollars in the cash register is can't be massaged in any way in order to become \$12.50 in coin of the realm. When you attempt to engage in this amateurish prestidigitation, *The American Lawyer*, will take the unprecedented step of calling you on it and [in a completely unprecedented fashion restating the numbers you delivered to that magazine](#). You will look silly and *The American Lawyer* will emerge as a hero, after earlier being made to look foolish by [swallowing a rosy picture you painted for it](#), which was not factually supportable.
- When you [lose about 50 partners](#) in a matter of weeks, including practice leaders and office heads, don't heap excrement on your former partners or the law firms they are joining. Shooting at these partners as they board their life boats does nothing to enhance the firm or its financial vitality. To suggest that [losing these lawyers will have no economic impact on the firm and was all for the best of the law firm](#), sends pretty abysmal messages: The firm has no loyalty of any kind to its partners of many years; management of the firm fell short in discharging its management duties in not realizing that all of these practice leaders and other escapees contributed nothing to the firm's profitability; and the AmLaw 100 and magic circle law firms these folks are joining are pretty dumb in not conducting [adequate due diligence](#) on the lumpen masses leaving the Titanic seeking safety. This sniping at the lifeboats lacks credibility and shows your mean and vindictive side.



When Chico Marx was caught by his wife *en flagrante delicto* in *Duck Soup* he violently protested his innocence and fidelity even as his wife peered down upon him in bed with his paramour. He famously said “Who are you going to believe, me or your eyes?” Phineas T. Barnum said that nobody ever went broke underestimating the intelligence of the average American. But, nobody ever saved a floundering law firm by denying what is in

plain sight and underestimating the intelligence of a firm's partners, associates, clients, lenders and competitors.

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