

## IN FOCUS

### REGIONAL LAW FIRMS

# They're midsize, not middling

Regional firms are uniquely positioned to gain pre-eminence in their local legal marketplaces.

By John C. Sumberg  
SPECIAL TO THE NATIONAL LAW JOURNAL

**MIDSIZE REGIONAL FIRMS** are not, by definition, relegated to "middle-of-the-road" status. Neither is pre-eminence the sole purview of 1,000-attorney megafirms or high-profile boutiques. Firms constantly are categorized based on their size and specialty, but ultimately the hierarchy of law firms is defined by a simple criterion: excellence. With the proper strategies properly executed, midsize firms can achieve pre-eminence within the framework of their founding principles.

There are strategies that allow a midsize or regional firm to achieve the top tier of profitability, attract first-rate clients and execute sophisticated legal work that do not require a firm to grow to 2,000 lawyers or rigidly adhere to a niche practice area. One of these—perhaps the most important of these—is to establish the organization as the pre-eminent law firm within a particular geographic market.

Developing a clear vision and a well-articulated strategy is particularly important for midsize firms. Large national firms have the benefit of being household names in markets in which they have offices, and often are perceived by general counsel as the safe bet. Conversely, boutique firms are easy to brand because their practice niches define their identity, be it intellectual property, class action, employment discrimination or other such specialty. This puts the obligation on midsize firms to develop an identity and a brand both strong enough to compete with the large national firms and well-

defined enough to differentiate themselves from the throng of niche boutiques.

Of course, despite the challenges a regional firm may encounter in terms of branding, its position confers some distinct advantages. A midsize firm has the ability to be nimble, create dynamic strategic goals, secure agreement and consensus from all members of the firm and foster a unified culture. The size of a regional firm allows it to develop and implement its goals and strategies quickly and without bureaucratic hassle to persuade the partnership to reach a consensus, yet generally it still has a range of practice areas wide enough to attract clients with a variety of needs.

#### Specializing v. size

The question is not whether it is all right to be a midsize firm. Clearly it is, based on the sheer number of firms that fall into that category nationwide. Still, conventional wisdom asserts that to be of significance, a firm must have an expansive geographical footprint or a sterling reputation within a narrowly defined specialty. This thinking overlooks the concept of pre-eminence, which a handful of midsize firms have achieved or are poised to achieve within their own markets.

Fostering and maintaining pre-eminence as a firm is an effective way to boost profitability and increase market share because the components of a pre-eminent firm—serving the top-tier clients; handling the most sophisticated work; and recruiting, developing and retaining the best talent—mean that the firm can compete and have the financial success that comes with those components. By cultivating pre-eminence, a firm can be measured against its competitors using the only standards that matter: excellence in representation and service.

As opposed to aggressive expansion or aggressive narrowing of scope and focus, seeking and developing pre-eminence in a region allows a midsize firm to grow within its founding framework. Many midsize firms work well precisely because they are midsize: Their operating strategies do not necessarily translate to multistate

offices or many thousands of attorneys. Many managing partners would be disadvantaged to sacrifice the hands-on interaction and responsiveness afforded by their firm's size in favor of an unwieldy bureaucratic structure. Pre-eminence allows a firm to retain its original character, which otherwise might be lost through rapid expansion or narrowing of focus.

### A midsize regional firm has the ability to be nimble.

Pre-eminence also opens new vistas in hiring. Since law is a service-oriented profession, human capital is everything; being able to attract first-class talent is the critical component of success for any law firm. For the pre-eminent firm, recruitment and retention are self-fulfilling prophecies: The ability to attract and develop top talent helps define pre-eminence, and pre-eminence helps attract prime candidates and laterals.

With a committed goal of pre-eminence and sound strategies to reach that goal, a regional firm can position itself to develop a reputation for excellence that can trump size or specialty in the eyes of prospective clients.

#### Universal buy-in

Regional firms, as compared to their large national competitors, are better equipped to shape and mold the corporate culture around a singular vision and goal—and this is the key to the plan's success. There needs to be buy-in from all members of the firm; approval by the executive committee and across all practices is paramount. Concepts of pre-eminence must be clearly articulated, and the firm must continually communicate the strategy through all levels, from receptionists to practice group leaders.

Strategic planning and implementation is another integral aspect of success. The pre-

*John C. Sumberg is the managing partner of Miami-based Bilzin Sumberg Baena Price & Axelrod, a full-service commercial law firm with more than 100 attorneys. He can be reached at [jsumberg@bilzin.com](mailto:jsumberg@bilzin.com).*

eminence plan needs to be dynamic, continually updated according to client needs, economic conditions and industry evolutions. If changes in the operating climate occur that affect the clientele, such as an economic downturn, the firm must consider retooling its resources and human capital to address directly client needs and new opportunities.

A regional firm undertaking a strategic pre-eminence plan might identify a number of critical success factors to reinforce its goals of obtaining sophisticated work and wooing top talent. These critical success factors might include investing in human capital, branding, developing a strong corporate culture and investing resources to develop business.

Perhaps the most critical step is to invest in human resources, both the acquisition of new talent and the retention of existing top-tier talent. Top-tier talent attracts top-tier clients and leads to pre-eminence and profitability. A pre-eminent regional firm should not be concerned as much with hiring quotas and other rigid metrics designed to emulate a large national firm's mechanics; rather, the firm should identify opportunities for growth based on client needs and add talent when the fit is right.

The philosophy of investing in human capital not only helps attract upper-echelon law school graduates but also helps a firm identify laterals who will fit into the culture and share common vision. Candidates who are evaluated based on their reputation within the community as excellent lawyers, existing relationships with the firm's attorneys and technical expertise are most likely to contribute to the culture of pre-eminence.

Developing a recruiting structure to attract the right recent graduates to the firm is also important. Salaries and incentives need to be as attractive as those offered by the big national firms in the market. The use of behavioral interviewing and training the hiring committee in the art of the job interview are useful tools for increasing the quality of incoming attorneys.

Of equal importance is the firm's ability to retain lateral talent. For this goal, the focus should be on integration: The hiring process should be tailored to the candidate's needs and circumstances, and the acclimation process should include multiple platforms in which to connect with other attorneys, including attendance and introduction at practice group luncheons and firm-sponsored activities within the community. Providing accessible avenues of support and creating an attractive work environment contributes to attraction and retention of the level of talent necessary to develop a culture of pre-eminence.

### **Define, or refine, the brand**

As mentioned, regional firms must make considerable effort to compete with the household names and the boutiques that are defined by their specialty. A strong brand is the first step.

Marketing materials—logos, colors, graphics—must be consistent. Potential clients need to receive the same marketing messages and imagery whenever and wherever they encounter the brand. It is important to enhance the visibility of the firm's attorneys by being involved in the local bar association, publishing articles in appropriate publications, participating in seminars or roundtables, and making presentations to appropriate audiences. Attorneys should be encouraged to participate in pro bono work or other charitable activities and to serve on charitable boards. In addition to being tried-and-true networking techniques, these brand-enhancing activities help create individual as well as law firm name recognition among peers and develop referral sources and potential clients within the community.

## **A strong brand is the first step to taking on the household names.**

Finally, regional firms must dedicate resources to business development. There is no need to expand into new geographic markets or devolve into a niche firm when the best method of attracting new clients—leveraging the efforts and reputations of constituent attorneys—is already at the firm's fingertips. Identifying and soliciting new business from targeted companies should be the business of every attorney, not just the executive committee. To this end, firms should consider instituting business-development coaching and formal training programs. Internal mentoring programs are a powerful development tool, in many respects preferable to outside business-development consultation.

Regional firms should encourage individual and practice group business-development plans that are consistent with the firm's strategic goals and that utilize existing bonds between members of the firm and potential or current clients. Every firm employee—regardless of title—has associations or relationships that could foster new business. Alumni programs foster relationships with former partners and associates who have moved in-house or to another firm, becoming potential new clients or referral sources.

Regional firms should develop a corporate culture and invest internally in themselves and externally in the local community. Becoming a good corporate citizen and giving back to the community in which the firm lives and works enhances the firm's reputation and ultimately increases business generation. Ideally, a regional firm would establish a community relations initiative it could "brand" and "own," and publicize the good works of this initiative. Firms should consider a community service program that is designed and run by the firm's own em-

ployees and shareholders. In addition, a regional firm should support charities and civic groups, including fundraisers, and community-event sponsorships. Ties to the community are the regional firm's native strength; they should be leveraged to maximum utility.

### **Cultivating culture**

Likewise, the development of an internal corporate culture that genuinely incorporates the needs and desires of staff and attorneys not only helps a firm achieve the larger goal of pre-eminence in a market by enhancing the firm reputation, but also becomes a competitive advantage for attracting the most qualified candidates within the community. Forward-thinking policies of flex time and telecommuting, diversity initiatives, fitness programs and staff committees that identify needs that otherwise may be overlooked play a role in developing the corporate culture as one that enhances quality of life. Mentoring and coaching programs, mentioned above as integral to a successful hiring, integration and retention strategy, also contribute to the development of a strong internal culture by forging bonds across corporate strata.

Follow-through and implementation are the keys to success. For each strategy undertaken, the firm should assign staff at all levels to participate in committees to ensure a sense of "ownership" and corporate pride at all levels. If not the impetus, the strategy needs to be the foundation of every decision an attorney, practice group or committee makes. There needs to be buy-in across all departments and accountability throughout all levels of the firm. Implementation, and the subsequent monitoring of progress, is another key. It is all right for the plan to evolve: One of the advantages of being a midsize firm is the relative ease of changing and adapting to external forces. While today's troubled economy may affect short-term goals, regional firms should be mindful not to let it affect long-term investment, such as recruiting top talent.

Conventional wisdom suggests that a law firm needs to be either a national power or a niche practice to be successful. But a midsize firm that cultivates pre-eminence within its regional market can defy the conventional wisdom and attract top-tier clients and increase profitability without emulating its competitors or becoming complacent with the middle road. **NLJ**