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FOCUS LAW FIRMS



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Elizabeth J. Stewart, managing partner, Murtha Cullina LLP

Technology, generational shifts are changing law firms

By Susan McDonald

Special to the Hartford Business Journal

Current trends, particularly technology, are having an impact on not only the practice of law but also the management of law firms.

“When I started practicing in 1986, it was a big deal if you got a fax or a FedEx, and you’d come back from court and there would be a pile of pink while-you-were-out slips,” said Elizabeth J. Stewart, managing partner at Murtha Cullina LLP. “E-mail rules the day now, although my younger lawyers would tell me that it’s positively ancient technology.”

Such changes can bring challenges for firms in which the staff is comprised of attorneys spanning several generations, or “dinosaurs and pups,” according to Stanley A.

Change is the new normal for area’s law firms

Search for efficiency, value tops the agenda, managing partners report

By Susan McDonald

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The 2008 economic crisis and ensuing Great Recession left many industries facing a new normal, and the legal profession is no exception. The need to become more efficient and provide clients with cost-effective services is one of several trends affecting some of Connecticut’s largest law firms.

“The business of law has changed dramatically

since 2008,” said Stanley A. Twardy, Jr., managing partner at Day Pitney LLC. “Fee pressures on us continue five years later and have caused firms of all sizes to look at the product they deliver to their clients and how they deliver it.”

Those pressures have prompted many firms to move away from the long-held practice of billing clients by the hour and toward alternative fee arrangements. These include contingent fees in

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Legal work growing in sectors

which the firm gets a percentage of the amount recovered in a lawsuit or settlement, other success-based fee arrangements, and even flat fees for some types of matters.

"We've become incredibly flexible in how we bill," said Michael A. Cantor, managing partner at Cantor Colburn LLP. "We're definitely

being asked to do more for less and value has become the great buzzword."

Cost-conscious clients are also being more selective about which firms they hire, according to Murtha Cullina LLP managing partner Elizabeth J. Stewart. Rather than using a single firm for all their needs, many corporate clients now spread their business among a number of law practices based on their individual strengths, she said. "Those changes are here to stay and they have forced all of us to manage our firms more efficiently and be more careful about how we staff things so we don't lose money."

The need to provide value-driven services is also prompting many firms to invest more in technology, not only to help their internal operations run more efficiently but also to meet the changing communication preferences of their clients. This is particularly important for organizations like Cantor Colburn, which handles exclusively intellectual property law, because so many of its clients are technology-oriented companies.

Even general law firms are seeing a surge in intellectual property work, said Robert B. Cox, a partner and member of the management team at Halloran & Sage LLP. "I think the protection of patents and any type of intellectual property will continue to increase," he said. "More incubator companies are coming out with different concepts and ideas. Technology is certainly paving the way for that, so it becomes much more important that anything new and innovative get the maximum amount of protection that can be obtained under the law. It's a growth area both in terms of protecting a new idea and also defending it if someone tries to encroach on it."

While business relating to construction and real estate development has waned in recent years, the health care segment is heating up thanks to confusion over the Affordable Care Act, consolidation within the industry and new regulations. "That's typically a pretty good recipe for the involvement of lawyers," Cox said.

Globalization is another trend cited by several sources, noting that large clients in Connecticut and elsewhere are conducting business and even opening offices outside the United States. International issues of another kind have caused headaches for Cantor Colburn as competitors have sprung up in India and China, where they can offer significantly reduced rates, although it quickly



Stanley A. Twardy, Jr., managing partner, Day Pitney LLC



Michael A. Cantor, managing partner, Cantor Colburn LLP



Robert B. Cox, partner and member of the management team, Halloran & Sage LLP

becomes clear to most clients that the quality of the service is also lower, Cantor said.

Cybersecurity has emerged as another growth area, said Stewart, prompting Murtha Cullina to develop a practice in that area. Day Pitney has also enhanced its services in that arena, helping clients deal with data privacy issues and ensure that their employees are not improperly disclosing information or exposing their employers to risk through their use of social media and the Internet.

Social media is also becoming a factor in ensuring that defendants receive their Sixth Amendment right to a fair trial. While jurors are free to talk about a trial after it has concluded and a verdict has been reached, some reveal that they or someone else engaged in improper activity during the proceedings. "For example, a juror might go on Twitter, Facebook or a blog and say, 'The government didn't tell us this, but I Googled and found this information,'" Twardy said. Because jurors must consider only information presented at trial and are not allowed to conduct independent research, such an admission could be cause for appeal. The increasing tendency of jurors to use social media to search for information and talk to friends and strangers about their trial experience now requires judges to expand their jury instructions to warn against this type of misconduct as well as using social media to communicate inappropriately with fellow jurors during the course of a trial.

While there appears to be a national trend toward self-empowerment as consumers turn to technology tools like Legalzoom and Cybersettle rather than hiring an attorney for some needs, large firms are not being affected, Stewart said. "Five or six years ago, we thought Legalzoom and some of the other do-it-yourself products might have an impact on a few of our practices that serve individuals like trusts and estates, but we haven't really seen that. Most of our clients are larger, more sophisticated companies who wouldn't use those resources, although I expect some solo practitioners may be affected by them."

A representative for Legalzoom declined to say whether the company's business is growing, but statistics from the Connecticut Judicial Branch reveal that pro se litigation — cases in which individuals represent themselves without the help of an attorney — have increased significantly. The number of self-represented parties in civil cases, for example, jumped from 12,388 in 2005 to a high of 27,271 in 2009. ■

Twardy, Jr., Day Pitney LLC's managing partner. At that firm, older lawyers who are less comfortable with technology typically are assigned to an administrative assistant who otherwise serves younger, more self-sufficient attorneys, ensuring that the administrative work load is spread evenly, and the ratio of attorneys to assistants has increased dramatically. "Things that were being done by legal administrators a decade ago are now being done by attorneys themselves," Twardy said, adding that technology has also decreased the need for extensive law libraries that were once a fixture in all large firms.

Stewart sees generational differences at her firm too. Older attorneys expect their colleagues to come to their offices for face-to-face conversations, but the younger associates prefer to communicate electronically. Younger attorneys often are uncomfortable using administrative help, and one recent college graduate who joined the firm was even uncomfortable having people call her on her office telephone. "She said she'd never picked up a telephone and placed a call," Stewart said. "They text."

The speed of technology also has increased expectations regarding response time, Stewart said. "Before, when we used mail, a few days could go by before you could get back to somebody, but now if you're not back to somebody in 15 minutes, they're moving on to another lawyer."

While technology has not yet helped speed the often-glacial pace of trials and other legal proceedings, it has increased the volume of documents attorneys file, Stewart said. "When you had to use a typewriter to compose everything, it kept you from creating lots of stuff, so I think people do file a lot more things now because it's easy."

Twardy also sees changes in hiring and promotion practices as a result of the financial pressures law firms now face. Gone is the traditional expectation that all young attorneys will be on the partnership track, or even that they will want to follow that route.

"Our growth will be more measured going forward," he said. "You're not seeing as many first-year associates and more new graduates are becoming contract lawyers, who are people we bring in to review documents and pay at a lower hourly rate, rather than people who will move up through the ranks of firms and become partners."

Robert B. Cox, a partner and member of the management team at Halloran & Sage LLP, thinks it will still be possible for qualified attorneys to earn partnerships, but he notes that many lawyers are taking advantage of more flexibility in the workplace.

"Part of being an equity partner is generating business, mentoring associates and being involved in administration, and some people don't want to wear all those hats," he said. "They just want to practice law, so if you don't want to have a balancing act and do all those things, there still may be a role for you here — something that's not as traditional as equity partners." ■