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Law forum roundtable



[Paul J. Gough](#)

Digital Producer- Pittsburgh Business Times

[Email](#) | [Twitter](#) | [LinkedIn](#) | [Google+](#)

In mid-April, the Pittsburgh Business Times invited five lawyers into its office to talk about topics ranging from hiring to hot practice areas to the changes their industry has experienced.

All five are Pittsburgh office managing partners of law firms that are headquartered elsewhere and who were appointed to their posts within the past 18 months.

They were:

- [Anthony Ditka](#), Dinsmore
- [Manoj Jegasothy](#), **Gordon & Rees LLP**
- **Ron Schuler**, Spilman Thomas & Battle PLLC
- [Douglas Smith](#), **Jackson Lewis LLP**
- **William Stang**, **Fox Rothschild LLP**.

The Business Times team included: Patty Tascarella, senior reporter covering law, and banking and finance; Howard Burns, editor; and Jennifer Curry, managing editor.

The edited transcript follows:

PATTY TASCARELLA: So each of you made the decision to take a leadership role in your firm while maintaining a practice. How do you balance it all? I'm going to give the question to Mr. Smith first.

DOUGLAS SMITH: One of the reasons I came here was to hear how they balance it all because I'm still trying to figure that out. I think the key is to have trust in the people you're working with to trust that the client relationships that you've worked hard to maintain are ones that they're going to be able to cover and to handle and matching up the right person with your clients. And it's a matter of knowing your clients well and who is going to work best with them. Our practice requirements are we are expected to bill about 20 percent less than we normally would, so it's not a huge difference, but it is a challenge and it's something that I'm still trying

to figure out on a day-to-day basis.

PT: Mr. Ditka.

ANTHONY DITKA: Sure. Solely, I will tell you it's a greater time commitment than I thought. I had spoken to several others who were managing partners of their respective offices or firms, and they told me it was a commitment. That was hard to process and really quantify until I was actually sitting in the chair. It does take more time than I thought, so what I've started doing is delegating more responsibilities for more client work. I still, certainly, am very hands-on and want to be involved in the client's day-to-day operations, but at the same time, we have younger partners and associates more engaged in the client relationships. Additionally, in the office, we have been delegating more and more work to our office administrator, who is an HR individual who is doing more and more and at the same time, I have temporarily halted my Little League baseball coaching career, which I have passed on to people who are more skilled and have more time.

PT: Mr. Schuler.

RONALD SCHULER: Well, we are a relatively small shop. We have a lot of autonomy, as I've mentioned before. We're not really organized along departmental lines, so the office role tends to be a little bit more of a time commitment, and it has been for me. But I think what I've done in our office is to delegate among the other members in the office certain roles. We have a skilled HR professional, who was an HR director for Weirton Steel for many years; why not let him take on the HR role within our office? It makes a lot of sense. And so on. So that's been the primary thing that I've done. I think – and I've only been at this now for a year and a few months – it really hit me like a tidal wave, how much work there is with this kind of job. But I'm enjoying it.

WILLIAM STANG: First of all, don't micromanage, because that's a mistake and you'll end up micromanaging your life away. Secondly, you've got to trust your partners to do the right thing. You have good partners and they'll use good judgment and let them run with projects.

MANOJ JEGASOTHY: I think I've learned a lot about time management and prioritizing. In a lot of ways, that might have made me a better lawyer, too, because you really learn what the issues are, because you don't have a lot of time to waste on frivolous things. You might not be chatting in your office as much as you used to or fraternizing with other attorneys and partners and so forth, but you really have to figure out what the issue is and get right to it.

PT: Manoj actually brought something up when we were talking on the phone about a week ago. Jones Day was the first out-of-town law firm to enter Pittsburgh back in 1989. We've had spurts since then and, in the past three years, an explosion. What do out-of-town firms bring to the local legal community?

MJ: As we discussed – I think maybe 20 years ago, you didn't have as many out-of-town law firms and similarly, you didn't have a lot of diversity, not only in the legal ranks, but also amongst the managing partners. A lot of that has changed recently. You mentioned it was changing in Pittsburgh with respect to the out-of-town firms that were coming in, but then you started seeing more large Pittsburgh offices have diverse managing partners who leave the Pittsburgh office itself. I think that that's only increasing with the new firms coming from out of

town. Obviously, being a California-based firm in Pittsburgh is something that adds a different kind of diversity itself. I think that you see that throughout – not only nationally now, but throughout Pittsburgh, as well, and I think that is a welcomed addition to legal practice.

PT: I wonder about age being a part of that, as well. You just turned 41 yourself. It also gives opportunities to younger lawyers in some ways.

MJ: I think that's right. I think a lot of the Pittsburgh firms – the traditional larger Pittsburgh firms are great firms who have great, established lawyers there already, which is obviously a very good thing. But by the same token, oftentimes there may not be room for younger attorneys to assume leadership roles and when new firms come in from out of town or start a smaller office, that allows for more leadership roles for people who might be "younger" who might be looking for that kind of thing but there just isn't room in other firms.

PT: Bill, your firm merged with Fox Rothschild to come into the marketplace, so you're a real veteran of the legal community. Are there different things that the out-of-town firm has been bringing to Pittsburgh?

WS: It's been a viable experience for us. We merged in 2002, and Fox Rothschild now has 17 offices, so a lot of the offices use the talents we have in Pittsburgh, for example, in areas like immigration law and ERISA. And of course we use a lot of our other offices' talents for concepts such as energy law, for example, which is a very hot topic in the Pittsburgh market now. The merger has been good for both sides and it's also been good for the Pittsburgh legal market. It brings more talent into the Pittsburgh legal market. It creates more opportunities.

PT: Ron, what does the talent firm bring to the table?

RS: Well, I think what you do natural is you bring your footprint to the city. A lot of what we do, particularly in energy or with entrepreneurial companies, (is) the connections with the offices that we have in other cities within the footprint. Ours is largely an Appalachian footprint. We're in North Carolina, Virginia, West Virginia. The business connections lead naturally to greater opportunities, and that's one of the things that I really appreciate about being with this firm at this time with this sort of mix of industry sets.

PT: Anthony?

AD: Well, Disnmore is a little different in that until recently, when we opened Philadelphia and D.C. offices, Pittsburgh was the largest metropolitan city in the footprint. It's Cincinnati-based, many offices throughout Ohio, West Virginia, and Kentucky, in cities much smaller than this one. So it brought a different perspective. It brought a different perspective on client relationships and collegiality amongst lawyers and those sorts of things that we really enjoy. It's a different experience, I think, than you might get working in a New York- or LA-based law firm.

DS: We (Jackson Lewis) opened in Pittsburgh in 1990. We were the second firm to come in. But because of the nature of our practice, they limit it exclusively to workplace law. It provided opportunities for Pittsburgh clients. We don't want to steal their clients' labor and employment work. So it gives clients an opportunity to have a specialized firm doing their work, and something we brought to the table very early was alternative fee arrangements. There wasn't a

lot of that going on in the Pittsburgh market. Jackson Lewis has been at the forefront of alternative fee arrangements. We have some clients that we just charge a flat fee all year, regardless of the amount of work that comes, and we sit down and talk to them and figure out what is fair to both sides. We have some clients that we do flat fee for project basis and that was pretty unheard of in the Pittsburgh market. And I think Jackson Lewis was the first or one of the first firms to bring that to the forefront.

PT: How many lawyers does your firm currently have in Pittsburgh and are you looking to hire? If so, in what areas?

RS: We're at 13 right now and of course, we're looking to hire. We're looking not for growth's sake, obviously, but we're looking to sort of add strategically to the areas that we're doing well in right now. And as I mentioned before, we provide this sort of business services kind of stuff to entrepreneurial companies and we're doing a lot of work in energy. This firm has a history of taking lateral groups from among people they know very well. And so we're not really out there campaigning looking for groups just to fill spots; we are really looking to add to a cohesive group, a practice that integrates well with ours, and that's how we feel we will achieve the best growth. We don't do a lot in terms of hiring fresh associates out of law school, not here; we do in West Virginia. But it sort of depends on what we may need in the future but we continue to look at that as a possibility.

WS: We are looking to hire. We're fairly selective and our preference – and I think everyone here would agree – our preference is for people who will bring long-term stability as (compared) to relatively short-term success. Certainly, we're interested in success, but long-term stability and the culture of the firm and maintaining the culture of the firm is a very important concept at Fox Rothschild.

PT: How many people do you have in Pittsburgh?

WS: Right now, we have 28 lawyers in Pittsburgh.

PT: And are there certain practice areas that you want to bring up?

WS: The practice areas that – well, that changes from time to time depending on who is in the office, but practice areas now that I think everybody's interested in are energy practice, and land use is a practice area that we're very interested in right now.

MJ: Well, we started last year with seven lawyers and we have 14 now. We have four lawyers that we're targeting to hire right now, and that is for existing work. So we are obviously looking to round out the office by hiring. We're really primarily litigation right now, and we were when we came over, but we have one lawyer who we hired who's an IP lawyer. We're obviously looking to hire a transactional-type of attorney and a labor and employment attorney to round out the office so it's not solely litigation-focused, although, we've been happy with our litigation base and we continue to grow that, as well. As Bill just said, the thing about growth you have to be careful about, especially when you're an office of our size, is that every lawyer you hire could change the culture. And that's something we don't want to do. We like our culture; we want to keep our culture so that's something we always have an eye on as we grow and expand as well.

AD: We have 20 lawyers currently in the office and similarly, we are looking for growth. I think Bill said long-term growth. We're looking for sustainable growth, the same sort of concept. We want someone who is going to augment our existing practice groups that are very successful. In the Pittsburgh office, we have a very successful corporate group. We'd certainly like to add more members to that. In the firm, we have a very successful IP group and most of those lawyers are currently practicing in Ohio, so we'd like to have an IP presence here in Pittsburgh. So those are the two areas that we're primarily focusing on. One of our partners is a candidate for the Court of Common Pleas of Allegheny County and he is a labor employment lawyer. So we may be looking to replace him if his campaign is successful.

PT: Can you identify him?

AD: Sure. DJ Murray. Get out and vote.

DS: I think the answer is fairly similar. We are growing organically right now. The Pittsburgh office in particular is running its best year that we've had in a couple of years – and we've grown every year in terms of revenues. So we're looking to pick up a midlevel associate to help support the growth that we have right now and I think that we're going to be extending an offer this week and that will be our 15th lawyer. And, like any firm, we're looking for good laterals. The cultural point that was made earlier is key. We have turned down some relationships because we didn't believe the cultural fit was exactly right. We're looking for people that are dedicated to staying and building a very unique practice with a very unique platform. So we've been choosy and we will continue to be choosy. But for the right person, we think it's a terrific opportunity.

WS: What metrics do you folks use to gauge sustainability for a candidate when you're looking to fill a position long term? What do you look for?

DS: Well, we look at first of all, what part of their business is transferable and how that's going to relate to billable hours for them and others in the firm. For equity partners, we like them to be able to keep themselves – and the phrase we use, "and others," meaning enough billable hours to generate work for themselves and one other associate – but we also look at the opportunity and what we find is when folks join us from a general practice firm, being that we're just a labor and employment firm, they're actually able to expand their practice even further. Now we don't have a number that we're able to attach to that, but if somebody comes to us and says, "We can bring X," we have a pretty good comfort level that it's going to be X plus something. We think our national platform, we think the specialty areas we have within that national platform, enable them to grow their practices. But in a very just practical sense for an equity partner, we're looking at somebody who can keep themselves and one other person busy.

RS: We look for that same type of arrangement – somebody who can keep themselves busy, preferably someone else, as well, and we also look for the dynamics of cross-marketing: If someone has good relationships, if they're involved in their community, they sit on boards, they're active, if they are in a practice group that might lend itself to other work that other existing lawyers can do – that's the kind of sustainability we're looking for. Someone who can bring in their practice and use our footprint and our depth to expand it so we're not looking that they just maintain their practice for a period of years. We're looking that they expand their practice and in doing so, the rising tide will lift all boats.

MJ: I would just add, it's not always about metrics for us, certainly not when we're looking for an associate or somebody who might be a merging partner but with respect to lateral partners, too, we want to look at somebody who might be able to grow our practice while we grow their practice, as well, so it's oftentimes prognosticating what somebody might be in two years as opposed to what they are right now. So, obviously, the metrics are important at the end of the day; they're what you're looking for but you might not always have the person who has the perfect metrics right now might be a good lateral fit.

AD: I think we tend to look at the same metrics. We're in the same business, so that's true. I think that in our case, also, we have a lot of regional clients where we look for role players that can service their work in our market, so that means that we're sort of looking at something a little bit different in that case. When we're trying to hire somebody on, really, to do the work of a client who really wants us to be here. It means that we can take a little bit of the focus off of how much work they're bringing with them because we sort of know that the work is going to be there.

WS: At Fox Rothschild, we're certainly interested in the book of business that a candidate brings. For an equity partner, I think you need to be able to take care of yourself. Benchmark would be around 1,600 hours, but that doesn't concern us if it's a little bit less, because our experience is that with the offices and the talents that we have, we find that people who come to our firm at the partner level typically grow their practice, sometimes dramatically within the first few years, just because they have so many more resources available and so many more offices and locations within which to find business.

PT: How competitive is the Pittsburgh marketplace? How tough is it to hire laterals here?

WS: Lawyers, in general, are hesitant to move around. It's part of the nature of being a lawyer. I think you develop relationships at the firm where you are and you're reluctant to leave those relationships. That being said, we have found in the last six months growth opportunities, small groups coming to us, individuals coming to us. So my sense is that the Pittsburgh market is loosening up a little bit and it probably has a lot to do with the local economy and maybe with the national economy. I do believe you're going to start seeing a lot more to write about within the next few years.

PT: Manoj, how about you? You've doubled the size of your office since you've opened.

MJ: Well, I think they're there. And having been a person who was at a large firm who obviously ended up being interested in lateral, I know that those types of attorneys and partners are out there. Again, it's a matter of I think, a fit for the person who is looking to leave. It is difficult after you've been at a firm for several years, and it's an established firm or it's just a place where you're happy to get up and change your life. But if you find the right opportunity or at the right fit for you is what probably is the most important thing. I think that the market allows you to go because there is this new influx of new opportunities, new firms, and established Pittsburgh offices are also looking to grow. It creates a nice atmosphere for movement at this time.

DS: We've found a lot of success with laterals (although) not yet with the Pittsburgh office. We are talking to a couple of folks right now. But as a firm as a whole, we've had dramatic growth with laterals. We've added probably 200 laterals in the past five years. What we've found is if

we can get those laterals to talk to potential laterals, they can say, "The grass really is greener. I was able to expand my practice based on the footprint that you had." So we find that our existing laterals are the best recruiters that we have.

AD: I agree. Disnmore has grown from 330 lawyers when I joined five years ago to 500. And it's been through lateral acquisition. There have been a couple firm mergers in Kentucky and Ohio, but I do think the Pittsburgh market is a good one and there are candidates out there. It is loosening up. In the last – I've only been on the job 90 days and I can tell you, maybe it's just the honeymoon period, but since the article appeared on my taking over the office, I get calls regularly from groups and individuals who are looking to make a move. So I do think that there's going to be some movement in the market over the next foreseeable period.

RS: It's a highly competitive market, I think. And we all sort of offer the same things in terms of basic compensation, and I think we're all pretty much competitive with each other in those ways. We tend to be a little bit more slow and more deliberate about bringing in groups. As I mentioned before, we like to get to know people. I think the biggest thing we have to sell – and I think everybody would say this from their own perspective - is we're trying to sell you our culture and the ways in which our culture will be a great fit for you and will be distinct from the cultures at other firms in town. And that's the only way we can do it, really, because I think we offer the same kinds of things in many respects.

JC: What areas within energy are you seeing growth in? Do you think there's a point where it's going to become oversaturated and where would that point be?

RS: With the revolution that occurred around 2007, there were a lot of people who jumped into the markets claiming that they were energy lawyers, and I think it's taken some time to sort that out. I think now you do have some very experienced groups of energy lawyers throughout the city. It's a very different situation than it was 10 years ago. And I was doing a little bit of energy back then, of course, but there weren't many people who were. I think that it is the kind of industry that's going to continue to be important for a long time. I think the disciplines that are going to be important may be different than the ones that we see today. For instance, when we started, we were all focused on exploration and production companies and the needs of those companies. I think a lot of us have turned our view toward the midstream as being where so much activity is occurring. Title will always be important. That's not something we're interested in. I think to a great degree, it's a commodity field that doesn't bring the returns that we would particularly like. And it's also really risky. We're much more content litigating a title than we are at doing title as a business matter. But I think it's going to be here for a long time.

WS: With respect to the kinds of work that energy generates, we are seeing two kind specifically: The first I would call regulatory or administrative law. That has to do with all the different regulations from townships to the state to the federal government; the different kinds of regulations that control the ability of producers to bring the minerals to the ground. That's a huge area. And the second kind of work that we are seeing in the energy field has to do with title; deeds, title, general real estate work. You would be surprised at how many deeds control mineral rights were written in the early 1900s, and the language that they used in the early 1900s and the customs that they had and the interpretations, are just bewildering and all of the sudden, these deeds that nobody was paying attention to are now becoming important and judges and lawyers are having to interpret them.

PT: Manoj, that was something that you guys had mentioned that you were interested in, although it wasn't the principal reason for Gordon & Rees coming in to Pittsburgh.

MJ: Right. You know, it's certainly not who we are right now but I have, as I'm sure everybody at the table has, a lot of close friends who have gotten into the energy field and have done very well at it. So it becomes a factor of getting the right person. We don't want to hire somebody and say we're doing energy now with somebody who doesn't have the right experience or isn't the right person. But if somebody came along, it's obviously a good area, it's a growing area in Pittsburgh, and if the right person came along, that's something we would accept with open arms. Now that said, the legal market always seems to come around in one way or the other. The energy boom that we've been talking about it's still out there; there's no question. I don't know that it is as predominant of a market now as it was a few years ago. I think the standard markets of litigation, transactional, labor and employment are really – I don't want to say rebounding, because it's not like it ever left - but you see that work becoming more significant, especially in litigation. You see litigation kind of coming around again. There was a time, I think, after the market had some trouble that that was an issue. It seemed like companies were a little hesitant to go after the bigger litigation and that certainly seems to have come back. Also, by the same token, general real estate, not just energy real estate, after 2008, there was a lot of hesitancy in that area and that seems to have come around also. And certainly, we're seeing that nationwide. We have 27 offices everywhere, so energy isn't the explosion in a lot of areas in the way that it was here in our region. In general, it seems that the legal profession, along with the rise in the economy, is coming back. I think everyone's interested in that area (energy) if you live in Western Pennsylvania. One of many reasons I think it was such a hot topic a few years ago is a lot of the other areas may not have been as hot. As that's coming back, maybe it's less of an emphasis on the market as it was in the past.

PT: IWhat do you see as the next hot area that are merging? I want to pick on Mr. Schuler because when I first met you, you were one of the early people to get on what was going on in life science and biotech. What are the areas that are merging in the region, or that you guys are looking to possibly add to your repertoire?

RS: I continue to be very bullish on energy. I think it's going to continue to grow, so we continue to look at opportunities to augment that. Some of what we're doing (is) because we can come into this market with a certain price point. We're very interested in working with the entrepreneurial community in Pittsburgh. So I continue to work with the life sciences companies, and with companies primarily in software or related sort of disciplines. And we're so lucky to be here, actually. I had an experience recently recruiting an attorney from out of town who said he was just absolutely fascinated at the growth he saw in Pittsburgh in that entrepreneurial community .and we sometimes forget how good we have it here with respect to that marketplace. To some extent, the things that I see growing in this town are the same things that I've been working with for about 10 or 15 years.

AD: I agree. Perhaps I have too narrow a focus, but I don't see the next big thing. I think the things that have been paying dividends over the last five years are going to continue to pay dividends: Energy, and healthcare.

DS: The one area that we are starting to expand our practice in, and it's fairly unique, is Title 9 and related litigation in educational institutions. Of course, part of it is spurred on by the events at Penn State, but the Department of Education has issued some very burdensome opinion

letters, for lack of a better term, in what they expect of educational institutions in terms of accommodating disabilities of students, of the types of investigations they're supposed to be doing.

MJ: In our region right now with all the start-ups and all the things at Carnegie Mellon and Google moving into town and the movie production companies, the things that you wouldn't necessarily expect 10 years ago coming out of Pittsburgh now are here. You even see these smaller groups – the Thrill Mill being one of them -- starting venture capital, or basically being venture capital funds that are starting in Pittsburgh. And out of that, you're going to see a lot of newer companies. I think that's a very exciting time for transactional lawyers and attorneys who are willing to maybe take a little chance on a start-up company and put some time into it and maybe reap some benefits further down the line. That sort of work I really see this area, anyway, being bigger than it was before.

DS: That's where we're seeing our midlevel associates, especially, being very excited about developing marketing plans. In the past – and I'll talk about when I was an associate – you kind of scratched your head. How do you enter into the Pittsburgh – how do you develop a practice in Pittsburgh when you're talking about sort of traditional industries that Pittsburgh – that people think about, or even large healthcare institutions. Associates get very excited about that type of marketing plan, and frankly, they have the context, they speak the language, they understand what sort of relationship is necessary to build that practice. And we've seen some of our midlevel associates be very, very successful in terms of attacking that market for building a practice and our goal is let them go; give them whatever they need to do it because they can do a lot better developing a practice than I certainly can.

PT: Are you being approached more – any of you – by people, lawyers from out of town, wanting to join your Pittsburgh office?

RS: It's happened to me recently, sure. I think it's good for us, too. Again, you bring your footprint with you and you bring your relationships with you, and when we do have that kind of an approach, it brings an entirely different network to the office. It brings different opportunities to the office as a result. So that's been very good.

WS: It's interesting you mentioned that because we're talking to a couple of out-of-town lawyers right now and I wasn't aware that this was happening to the extent that it is, but there are lawyers who practice in New York City and Washington, D.C., and New Jersey who actually commute. They live in Pittsburgh and their families are here in Pittsburgh, but Sunday night they go to D.C., or New Jersey, or New York, and then they work until maybe Thursday evening and they come back to Pittsburgh, and now they want to move to Pittsburgh. I attribute it to quality of life, cost of living issues. But we're actually talking to a few people right now about that exact topic.

RS: It may, in fact, show the strength of our economy as a regional economy. I think that's one of the things that's been interesting about it because that's the refrain we get when we get these out-of-town entries, when people come to us and they say, "Something's happening here."

MJ: Along those lines, I haven't seen a lot of lateral partners from out of town, but I get a ton of resumes of associates who are looking to move back to Pittsburgh, or law school graduates

who are looking to move back to Pittsburgh, and that is the trend, not just in the legal field, but generally speaking because our economy here in Pittsburgh has been good. It used to be that everybody was leaving town after they graduate or a couple years after they graduate. But maybe we're seeing a little bit of the reverse and that's translating to the legal field, as well.

DS: We actually have seen some in the firm and in Pittsburgh. In the firm, for example, we recently opened an office in Albany that is basically reporting through our White Plains office. We just opened an office in Grand Rapids (Mich.) that is reporting through our Detroit office. And in Pittsburgh, we've received two or three inquiries in the past year from folks in Charleston, W.Va., that you wouldn't necessarily think about planting a flag there. At least it wasn't on our radar. But to establish a presence there – and these folks have very good energy practices – to be able to have them report through the Pittsburgh office is something that's very enticing for us. They were saying they need a better platform. Their Charleston office isn't providing the platform they need, but they're not going to come to Pittsburgh. So it's sort of a unique arrangement that we've worked out in several geographic markets that, yeah, we'd be very interested in exploring.

WS: Patty, I think there's one other circumstance that encourages out-of-town lawyers to come to Pittsburgh. We have found people coming to us saying, "I also think I can increase my business because if I'm in Washington, D.C., or New York City, my firm is requiring me to bill \$650 an hour, \$700 an hour, but if they move to Pittsburgh, they can dramatically reduce their hourly billing rate and they feel as though they can increase the amount of work they bring to the table.

AD: I was actually going to say something very similar. We adjust our rates based on market. And so in Pittsburgh we have competitive rates compared to a number of firms that folks might be working for among the larger communities or larger cities. So we are seeing folks who want to come back to Pittsburgh who are from the area, who know folks in the area, who married folks from the area, whatever the case may be, and they want to come back. They realize they can service their clients via videoconference, via the Internet, via millions of other electronic means now that they don't have to be present in some of the larger metropolitan places.

PT: What do you see about rates? How much are you hearing from clients about keeping the rates down? What kind of pressure is on you to use alternative fee arrangements? This has come up a little bit in the conversation thus far.

DS: I guess I'll take it first. Anytime we meet with prospective clients or existing clients to talk about rates, we start out the conversation by saying, "We don't want our rates to stand in the way of providing quality representation to you." Now, of course, you've got to be reasonable and they have to be reasonable. But as long as both sides understand that the goal is to figure out a way to make it work, in the vast majority of cases, we figure out a way to make it work. Again, talking to some gentlemen offline, that's the type of independence that a regional office needs in order to build a practice. Our rates have gone up, I would say, slowly but consistently, but the vast majority – and I can't give you a percentage, but I'm sure it's over 60 percent - of our client relationships are inspired by some sort of alternative fee arrangement where the hourly rate is not the number they're looking at.

AD: I think clients are getting more and more astute when it comes to rates and fee arrangements. But again, our rates are pretty competitive. We have not seen a drastic shift or a

demand for the lowering of rates. What we have seen is a number of in-house counsels and firms that are trying to reduce their number of outside counsels. We've seen them having instead of a dozen firms work for them, lowering that number to seven, six, five, and we found we've been very competitive in that marketplace. So we don't see that we're losing marketure as a result of rates.

RS: Sometimes within a law firm, there's pressure to raise to the level of the headquarters office and we're headquartered in Charleston, W.Va. Actually, in general, Pittsburgh rates are higher than in West Virginia, so we haven't felt that pressure. We have been among the higher billing rate lawyers in our firm, yet that places us very mid- to mid-low average within the Pittsburgh legal market for what we do. Having said that, we also have been doing on an increasing basis flat fee arrangement, retainer arrangements – the type that you were mentioning earlier, Doug, and I think clients love it because they can budget for it and we're happy to accommodate.

PT: Bill and Manoj, both of your firms are based in very large cities and you're large firms in those cities. I'd love to hear your perspective.

WS: We are very sensitive to rates and we're not going to get the same average hourly rates in Pittsburgh as you're going to get in New York, Washington, D.C., Philadelphia, Los Angeles, San Francisco, but we do obtain peer group surveys annually. The peer group surveys show a lot of metrics, rates that other firms are charging, hours that partners are billing, things like that. And we try to stay competitive with the rates that other firms are charging and at the same time, we do what we can to attract business in the Pittsburgh market.

MJ: I think that clients appreciate high-quality legal work and I think clients appreciate creativity, so we are all about creativity and coming up with a rate structure or an arrangement of some kind that works for the client. But at the same time, we feel that the work that we're putting out is worthy of the rate that we're charging for it and I wouldn't say that even in the Pittsburgh market we have the highest rates, but I think we have competitive rates. As you said, it's a national platform, so there's got to be some degree of uniformity. But by the same token, we consider ourselves to be very entrepreneurial, we consider ourselves to be very client-oriented, and so I'm constantly talking with clients about ways to make it work, similar to what Doug said. We're going to do our best to work with the client and do what makes sense for the client in terms of making the rate work and with the same understanding that it's a partnership and everybody's got to work together so that it works for the client first, but for us, as well.

PT: I was curious about how much communication and what's your goal working within the larger firms? How much communication do you have with your corporate headquarters? Are they monthly meetings, or quarterly?

MJ: I was out in California a couple of times early on, but we do have a partnership retreat that's in Napa Valley. That was one difference that was nice but generally speaking, we're in constant contact. I'm in constant contact, certainly, with many of the people in San Francisco. However, they told me originally that they take the approach to managing by exception. If there's no issue, they're not going to be involved that much and that really has come to bear and it's been a great function of the office. As long as things have been working well, they generally kind of have given us the keys to the car and they let us drive it. By the same token,

it's nice to have the big support system that's out there, the various offices in cities across the country that everybody tries to collaborate. It's been talked about a bunch of times but cross marketing is key for that and so we're all in contact regularly about that. From a management perspective, I would say they're there when we need them and that's exactly what we're looking for.

WS: Our firm is managed by an executive committee. The executive committee meets twice a month in Philadelphia. The preference is for as many managing partners to be at the first executive committee meeting of the month in Philadelphia as possible. The second meeting of the month is generally done via video. And every once in a while, the executive committee will attend a special meeting for purposes that are known well in advance at a different location. For example, in February, we were in Los Angeles, and I know that in May we will be in Washington, D.C.

RS: We have a pretty tight footprint, which means that we keep in touch with each other pretty well and in fact, are often in each other's offices. In terms of meetings with management, we have a three-person management committee and I would say that our relationship with them is fairly casual. We're on the phone with them when we need to be. They call to check in. They come up to visit. We do the same. We go down to visit. We do a lot of visiting of the other offices of the footprint. And we do it primarily because we kind of like each other and we like to hear what everybody's up to and what's going on with the firm. It's a lot less formal and we do have regular meetings, of course, and we have the retreats and so forth. But I think we're in touch on a regular basis and that makes it very easy for us.

AD: We similarly have a type footprint, but communication is the norm and it's expected and it's constant. We have an executive committee of 15 members. They meet monthly, and on a management level, we're invited to participate in those monthly meetings. Each of the regions or offices is represented on the executive committee so that everyone has a say. Departmentally, corporate, IP, they meet once a month via videoconference. Practice groups meet once a month. Because it's not important just for management to speak, but we want all lawyers involved; we want the young ones involved, we want the experienced ones involved. Similarly by region, we also do activities. It's not just a firmwide retreat or a firmwide meeting, but again, for example, between Cincinnati and Dayton, because they are separated by 60 miles, they will meet on a regular basis. In this region, due to our proximity to our offices in Wheeling and Morgantown, we do at least biannual cross marketing meetings where we all get together out at Southpointe and exchange ideas and talk about how we can strengthen each other's practices. That's made us a lot more successful in the region and as a firm.

DS: We have a broad footprint, obviously, with 52 offices, but we are operating more and more on a regional structure. Pittsburgh is in a region with Detroit, Grand Rapids, Cleveland, Cincinnati, Memphis, and we have what we call a managing committee liaison. Our managing committee is made up of seven individuals plus the managing partner of the firm and once a month, the region managing partners have a conference call with the managing committee liaison. The purpose of that call is, as he likes to say, "How can I make you guys more successful?" And we talk about things like joint marketing efforts. We talk about workloads so if Cincinnati's being crushed in a particular month and we have an associate in Pittsburgh who has some capacity, we can figure out a way to send the work back and forth between the offices. So it's more, how can we make this system work better, this 52-office-system, work

better? But we have those calls monthly. I have one today at 10:30.

PT: What's the best lesson you've learned as managing partner or the best advice you would give a managing partner?

WS: Don't micromanage. You're going to make yourself crazy. You'll micromanage yourself into being at the office 24 hours a day. The second is trust your partners. Your partners, presumably, are not first and second your associates, and they have experience and they are partners because they have earned their way into that position and you've got to trust them to use good judgment.

MJ: I think the biggest thing I've learned, even in small offices, it's not I, it's we. It's very easy to say – when a decision comes up that you're going to really kind of make the strong call and do it right away but oftentimes it's good, although you want to make decisions, you don't want to linger over things. It's good to at least get an opinion or two before you act. Similarly, it's also very important – and I think this probably goes to Bill's point about micromanaging. You don't want to get involved in every decision, either. So my advice would be let the small stuff stay small and around the big stuff, make sure that you are if not getting a consensus, at least get some opinions before you make a decision.

RS: I think the biggest skill that you have to develop in this position is to be an active listener. And for me, that has meant spending a lot of time sitting in people's offices one on one and finding out what's been going on with them and their practice and how we can make it better.

DS: It sort of feeds off everything they've all said. I couldn't agree more with everyone in the concepts, but in hindsight, I didn't realize how much I didn't know. It took me a year – and I've been in it since January 2012 – to even start to get a comfort level as to how I want to manage, what my style is going to be, how it was going to work best for the Pittsburgh office, assessing everybody's skills. So I guess my piece of advice, along with everything that was said, would be give it some time, take some time to figure out what's the best approach for your particular office.

AD: I would accept that advice and not answer. Again, I started by saying is I have to delegate responsibilities. Again, Manoj made a point – let the small stuff stay small and Bill said don't micromanage. Those are all – in my mind, they're all the same thing. Delegate the responsibilities to others who can handle the small things and get involved when your time is required.

PT: Is there something that you wish you had known becoming managing partner that you didn't?

RS: I think that it's hard for you to imagine how much time – how much of your mental capacity this begins to take before you assume the position and there's no way of knowing that. But once you start to experience it, it really – it hits you like a tidal wave. It may be that when you go into this – and of course, you're always there working for your fellow partners and you're trying to make sure that the firm is a success, but it's a lot different when it's on your shoulders so it takes a lot more of your mental energy; it takes more of your time. And you can't know it until you start it.

JC: All of you mentioned that your biggest challenge this year is managing growth. How are you tackling that challenge?

MJ: Specifically with respect to growth, what we're trying to do is grow through our existing network in Pittsburgh. Not that we have anything against recruiters, but we're really trying to go out and look for people that we know that we know would be a fit and we think we know a lot of the attorneys, the good attorneys, at least by reputation, in Pittsburgh, so we're trying to talk to them and grow that way. Because as we said, almost everybody here has said the culture is such an important factor in trying to grow. It really helps if you have some inside baseball on somebody that you're trying to bring in. If you have a partner who says, "Oh yeah, I know that person and that's a really high-quality person." Well, that goes a long way as opposed to just a one-time interview. Or even if you have a friend at another law firm who says, "This person is really – for whatever reason – looking to leave and it's somebody that you should talk to," that is, for us, the number one way to get to somebody. By the same token, we really want to make sure that it's a fit on both sides because if this isn't something that we're sure at all and somebody comes in who looks attractive for six months and then they move on, that's not what we're about. The office is reaching its one-month anniversary. We think we've made a statement that we're here in the market and we plan on staying in the market and we want laterals who feel the same way. So those are things we're looking for and that's kind of the approach we're taking.

WS: In our firm, growth is a collaborative effort. All the lawyers in our firm are expected to keep their eyes open and just be aware of who does good work in the Pittsburgh market and who might be a good fit for the firm and when we have enough lawyers together saying, "Yes, this particular guy would be a great fit around here," then we're not shy about making an approach.

RS: As I've said before, I think we're pretty deliberate about it. Manoj made the point earlier – you introduce the wrong person and it can change the culture dramatically, so we obviously look at quality. We look at sustainability, but we also look to see whether the personality's a fit and whether that person is really committed to the kind of culture we're trying to grow.

AD: We're focusing on our successful practice groups – those that exist in Pittsburgh and those firmwide and seeking those types of lawyers. And again, through relationships that our existing lawyers have and that expanding network, we seek sustainable growth for the Pittsburgh market and the region generally.

DG: In addition to pursuing laterals, I think the one thing that has changed, at least in the 21 years I've been with Jackson Lewis, is growth used to be seen as the responsibility of the equity partners and we're trying to establish a culture where literally every person in the office has something to contribute to growth, whether it's the legal assistant having a quality relationship with the client or a first-year associate who has a classmate that 15 years down the road is going to give general counsel to company. We're trying to just instill a culture that every person has some responsibility for the growth of the office, not just the equity partners in the office.

PT: Are any of you open to in-market acquisitions?

AD: True. Yeah, we're certainly interested in in-market acquisitions. Again, that's how Dinsmore has sustained a great deal of growth over the last several years. It's happened in

Columbus and in Lexington and in Louisville, so we'd certainly be able to do it here in Pittsburgh.

MJ: For Gordon Rees, in general, I'm not sure that that's the idea, to merge with a similarly sized firm or anything. I leave that up to the folks in California. But here in Pittsburgh, certainly in talking to another firm that might have a complementary practice to ours or it might have a similar size is of great interest. In other words, we're not afraid – we're 14 lawyers; if there was another 14-lawyer firm that came along, that would be something that would be very attractive to us, I think, in a lot of ways. Again, if it was complementary in terms of practice and in terms of culture, I think that's something that if you're afraid of doing, then you're really afraid of expanding your own market in your own market and your firm in general.

RS: I think in theory, if there's a perfect fit out there, yes. But again, we look at this in a very deliberate way and I think in some respects, that kind of transaction can be the most expensive way of growing because of sort of the fallout. I've been in large firms where we've done major lateral acquisitions and the fallout, two or three years afterwards in terms of people moving on or having to find a way to sort of integrate things that didn't fit very well, that can be catastrophic, especially if you're smaller. So for us, we continue to look at those opportunities and have seriously entertained some. But you'd have to be very careful about that.

PT: What's the best thing about being managing partner of your firm's Pittsburgh office? What do you enjoy most about what you're doing here?

MJ: Actually, I have to say with all the stuff that we've talked about, I'm enjoying it even more than I thought I would. A lot of the reason for that is it's exciting to be – I hate to say it – the hound – but that's the terminology I'll use for the starting an office. You're doing everything – I never expected I'd be a general contractor while we did a build out. I never expected that I'd be dealing with the issues relating to cross marketing and just general larger-scale growth, where I was always very focused on developing my own practice and that was great, but this has been a change and a welcomed change. It's helped me to look at my own practice differently and I want to think more broadly on things and in that sense, it's been great. So I have to say the thing I've enjoyed the most is the fact that I didn't expect I would enjoy it this much.

WS: It's exciting being part of management and actually getting a close up look at the business end of the law firm. I've been with small firms and with large firms, and Fox Rothschild, for me, is a large firm with 500-plus lawyers. There's so much information that's out there that you need to pay attention to and be aware of. It's very stimulating.

RS: I was out of the practice for a while, managing an oil and gas company and that was something I really, really enjoyed. I think, unfortunately, there are not enough parallels to operating in that industry and in the legal industry, but it does give me an opportunity to get back in to some of the issues that I do enjoy. And just dealing with the financial side of the management of a law practice. It's fun for me.

AD: My practice area is a niche. So in my circles, I certainly knew all the lawyer and all the players. This has given me an opportunity to step out and meet a lot of new people, really get to know the Pittsburgh marketplace better. So I've been enjoying that a great deal. Additionally, it's a lot of fun to be on the front end of something that you think is going to be outstanding, that you can really build towards and look back on and be proud of. So I'm

looking forward to this but I'll give you a better answer in a year.

DS: On the micro level, it's seeing associates develop. We've added three associates in the past year that have just been tremendous acquisitions. And to see them be successful and to feel part of something is very exciting. And on the macro level, I never had an appreciation of how hard the managing committee and the folks who are making the major decisions worked to try to make sure they're doing the right thing. Whenever you're just practicing law, you tend to think these things somehow magically happen or they should happen and you'll deserve it. But it's good to be part of a firm where you see the folks really trying very, very hard to do the right thing – not necessarily the most profitable or make the most sense in a short run, but to build something. And it just gives me a whole new appreciation for the firm that I didn't have even after 20 years of being with the firm.

Paul J. Gough is digital producer at the Pittsburgh Business Times. Contact him at pgough@bizjournals.com or 412-208-3827. You can also follow him on [Twitter](#).