

By Marcia Watson Wasserman

FIRM CULTURE:  
OBSTACLE  
*OR*



CATALYST  
FOR STRATEGIC CHANGE?

Sharing the insights of seven law firm leaders.

**Firm culture is made up of shared behaviors,** values and beliefs that, in turn, form a foundation for how things are accomplished in an organization. Depending on how strongly it permeates the organization, and whether it encourages positive or negative behaviors, firm culture can serve either as a catalyst or an obstacle for strategic change. To find out how culture affects firm strategies and goals, the editorial board of *Law Practice* asked me to reach out to firm leaders of seven law firms, ranging from a four-year-old firm of 11 attorneys to a megafirm with a 130-year history and over 1,000 attorneys. Each has a unique and special culture. The following people were willing to share their firms' stories with me: Robert Newmark, managing partner of the St. Louis office of Bryan Cave LLP; Jon Bass, name partner of Coblenz Patch Duffy & Bass LLP in San Francisco; Michael Velthoen, managing partner of Ferguson Case Orr Paterson LLP in Ventura, Calif.; Karen Gabler, managing partner of Light Gabler LLP in Camarillo, Calif.; Keith Zimmet, managing shareholder of Lewitt, Hackman, Shapiro, Marshall & Harlan, LC in Encino, Calif.; Steven Mindel, managing partner of Feinberg, Mindel, Brandt & Klein LLP in Los Angeles; and Sussan Shore, managing director of Weinstock Manion, LC in Century City, Calif.

**Law Practice (LP): How would you describe or define your firm's culture? What values does it reflect or incorporate? Is your view of the firm's culture widely shared by the attorneys and staff of your firm?**

**NEWMARK:** Bryan Cave has a culture comprised of three basic concepts: (1) we outwork our competition to enhance our clients' businesses, (2) we support one another and embrace getting to know and working with each other in a way that adds value to our clients and communities, and (3) we enjoy having some modicum of fun in our daily work. We think we go beyond the "collegial" or "collaborative" approach that others claim to have and, as a result, set the standard for the industry in terms of connectedness and working together. Perhaps best said, we are a true partnership.

Our core values are: We are one firm; we have a passionate, long-term commitment to our clients; we treat our colleagues as we do our best clients; we demand and offer professional excellence; we promote and embrace diversity; and we make a difference in our communities and society. Our value that we treat our colleagues as we do our best clients is perhaps the first among equals of our values—it is distinctive and captures the best of our values and culture.

This enhances the outcomes we achieve for our clients by removing barriers that other firms experience in getting the best person engaged in each matter and in sharing knowledge and experience across our firm.

**SHORE:** Our culture is centered on the belief that we want to be a lifestyle firm. We all love to practice law, but we are keenly aware that we work to live and do not live to work. We want to be in control of our future as well as the day-to-day aspects of running a firm. We value excellence in performance and strive to be the best in our field. For these reasons we consciously prefer to be a small, specialized firm and have refused all offers to merge with larger firms. It's important that our attorneys have meaningful family and work lives; therefore we maintain lower than average billable hour requirements for attorneys. We value work effort above all, and all attorneys must contribute in their work effort. No one shareholder is allowed to be solely a rainmaker. We spend a great deal of time reinforcing these values to everyone in the firm and evaluate our success during our annual shareholder retreats.

**BASS:** We certainly see ourselves as having a firm culture. We don't regard that culture as a fixed or static phenomenon. Each person contributes unique

talents and traits to it, and the culture therefore changes over time. Lawyers who come to our firm have almost always started out at a large firm, and many of them have been partners. They come here for a variety of reasons, but one of those reasons is that they see us as a place where they can have a greater control over their practice and be less encumbered by the restrictions, limitations and institutional demands that larger firms can sometimes impose. Some of them may also come here because they want to have more of an impact on their firm, and we want them to have that kind of influence. We think it energizes the firm and improves its DNA. We expect and encourage our attorneys to devote themselves to our clients, to their own professional development and to our collective success. And we expect everyone to do all of those things while maintaining and exhibiting the utmost integrity and professionalism. I'd say that most of the attorneys and staff do share those values—and are proud to say they work here.

**ZIMMET:** For the past 45 years our firm's culture has been based on the principle that all clients are clients of the firm, not individual attorneys. Our attorneys do not "covet" the clients. Rather, we encourage our attorneys to guide our clients to the various practice groups where their needs can best be served. It reflects the

value that we are looking out for our clients' immediate and long-term interests. This reduces competition between the attorneys and instead focuses on the clients' goals and desires. The result is that the entire firm performs better, both professionally and financially.

**GABLER:** The driving values of Light Gabler are (1) commitment to providing exceptional quality work to clients and (2) mutual respect and teamwork between firm members at all levels. As attorneys, we are regularly called upon to fight for our clients and to fight our opposition. My partner and I have both worked at "traditional" law firms where a tendency to put the success of the individual before the good of the overall firm has caused dissension and disintegration. When we started our own firm, it was extremely important to us to make sure we developed a firm environment where the inherently adversarial nature of litigation practice does not bleed into our interactions with each other in the firm. We maintain our firm's culture and value system as a place where everyone is safe and everyone has each other's backs, so to speak. With the exception of thoughtful delegation for the proper billing of tasks to clients, there is no hierarchy of what any one person is willing to do in our firm. When things are busy, it's all hands on deck. No one is more important than anyone else, and the entire team realizes that not one of us could do what we do without the participation of everyone else on the team.

**MINDEL:** Our culture is casual but very professional. Our firm values high-quality work product by highly trained professionals who prepare the work in a comfortable environment. We have weekly meetings with the attorneys and staff, followed by twice monthly attorney roundtable meetings and an annual retreat where firm culture is openly discussed.

**VELTHOEN:** Our firm relies heavily on consensus and collegiality. We are not hierarchical. By the time we make a decision, most everybody is on board with it. We do not experience much turnover, either in staff or attorneys. Conflict—either between attorneys or among staff—is not accepted. Staff is also a very important part of our culture. The staff is very loyal and the firm is loyal to the staff. The average tenure of a staff member is roughly 15 years. Because of this longevity, the staff really sets the tone. There's a lot of humor. I would not call us tight-knit, but it's a very cooperative environment. I do not see a lot of competition among staff or attorneys. We mostly work on making the firm a good place to be every day. We are a business. But we are, more importantly, a place of work. And we try to make work an enjoyable experience for attorneys and staff.

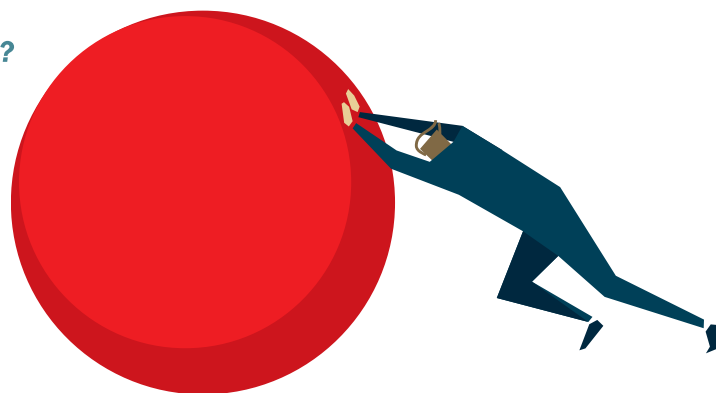
**LP: What contributes to the making of your firm's culture? What are its most important elements or features?**

**GABLER:** The senior leadership must develop the firm culture and commit to fostering and enhancing that culture on an ongoing basis, even in times of stress. I'm fortunate to be partnered with someone who believes in the importance of mutual respect and collegiality. We have been clear with every member of our team that we expect high-quality work and professionalism but we also demand that people work well with

others, share burdens equally, leave ego and politics at the door, back each other up, give each other credit where credit is due and treat each other with kindness and courtesy. The physical characteristics of the environment are relevant as well. We put glass inside windows in each office so that natural light filters through the workplace and everyone can see each other at all times. We put up artwork that celebrates a sense of humor. We encourage people to dress casually if they do not have business meetings scheduled, as well as to wear slippers if they are comfortable doing so while in the office. We gave the team novelty slippers at our firm's first holiday party, and a photo of our slipper-footed team is proudly displayed in our firm.

**VELTHOEN:** Our staff contributes to the culture. I also think our founders set the tone for the partnership. They made a decision to create an organization that would survive them. They were very conscientious about not dominating the firm, both in management and compensation. They encouraged younger attorneys to step up to leadership positions. I have seen many firms fail because the initial group hung on to both power and money too long. That has not happened here.

Our compensation system also plays a big part in our culture. It's an objective system. This minimizes the amount of conflict over money. We also emphasize the importance of attorneys participating



in all facets of the practice of law. All of our attorneys—even associates—are responsible for bringing in business. As a result, our business generation has been fairly evenly distributed. And we have developed younger attorneys who are coming into their own.

**ZIMMET:** We do not use formulas to compensate our attorneys. The compensation committee sets compensation based on numerous tangible and intangible factors. It's more art than science. It's extremely rare for one of our shareholders to leave our firm and practice elsewhere—in fact, it has been more than 15 years since that occurred. As a result, we don't see compensation as a year-to-year issue, but rather we are compensating each attorney fairly over the long term.

**NEWMARK:** We've been around for a long time—142 years—and the core concepts that define our culture have been part of the firm going back for much of that time. To be sure, our culture has evolved over time, but the approach people take to their work and to their interactions is palpable in the halls and evident on the phone. In many ways it's infectious. And because it contributes to great success for our clients and enjoyable careers for our people, the culture is self-sustaining. The important features are working hard, working together and finding enjoyment in what we do every day.

***LP: To what extent and in what ways do your firm's management and attorney development systems express your firm's culture and values? Where don't they express your firm's culture and values?***

**MINDEL:** Our transparent financial plan is one of the key elements. Each year at the annual firm retreat we spend a morning evaluating the firm's performance over the past year in relation to the prior year's performance. The firm's objective production model, based on hours worked and billed to clients, is perceived by the group as fair. Every attorney has a compensation rate for their billable hours as well as origination points for work they bring into the firm. Both production hours and origination earnings are paid monthly. The firm is willing to support attorneys in their personal growth by paying for their continuing education and professional development. Lawyers are highly encouraged to become certified family law specialists. Not all team members perform at the consensus level. We are challenged with developing an appropriate method of motivating below-expectation team members. There are no penalties for underperforming team members because we are a production firm. Clearly, as the firm continues to grow, the underperforming team members will have to face consequences for failing to meet firm minimums.

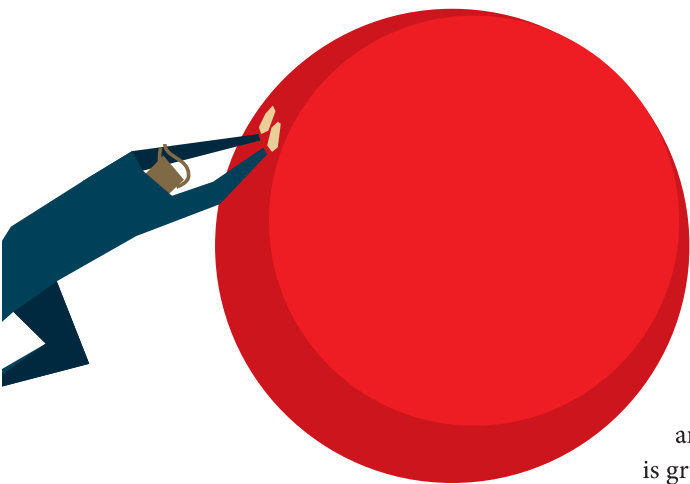
**SHORE:** We have a formal mentoring system to help our associates succeed at the firm. Each associate sets individual goals and is assigned to a shareholder who meets with the associate and monitors the goals. In addition, our policies and requirements for future partners have become more transparent over the years. For instance, we have written policies that detail our nonequity and equity shareholder tracks, bonuses for both origination and for additional billable hours, and the formal review

process. We provide our associates with a lot of feedback and also give them opportunities to teach, lecture or write articles. There has definitely been an increase in the attention given to billable hours and fees collected. Years ago, we did not even track our billable hours; the shareholders just "knew" whether the associates or fellow shareholders were putting in the requisite efforts. Holding all attorneys accountable for their work has helped develop our firm work ethic and encourages everyone, not just the attorneys, to perform at a high level.

**ZIMMET:** Almost all major decisions are made after obtaining a consensus within the firm. Notwithstanding that culture, as we increased in size, it became clear that someone needed to be in charge of the day-to-day decisions of the firm, without having to get all of the shareholders in a room. About 17 years ago, we switched from all decisions made by all shareholders collectively to the "managing shareholder" concept. While placing decision-making power in the hands of one individual may seem contrary to the general culture of the firm, the purpose of the managing shareholder is to make decisions in keeping with the consensus culture of the firm.

***LP: Have there been times when your firm's culture has been either an obstacle or a catalyst for strategic change (i.e., growth)?***

**VELTHOEN:** Our firm's culture was born when the firm included only 10 or 15 attorneys. We now have over 30. We have also opened up a second office. It's easier to keep track of what everybody is doing when you have 15 attorneys. You can rely on informal systems—lunches, office talk and the like—to make sure everybody is



decision makers, change can seem risky or threatening, when in fact it's the opposite; avoiding change can be the greater risk. So it has sometimes fallen to the management of the firm, and the other opinion leaders, to drive change by persuading people that it's good for the firm and good for them. It may seem as though it would be more efficient to just announce and impose decisions. But the reality is that we depend on the commitment and the buy-in of our partners, not just their grudging consent. If all you have is grudging consent, then you're eventually going to fail. So I'd say that the firm's culture has been both an obstacle and a catalyst for change, and contemporaneously.

doing good work. As we have grown, we realized that we needed to formalize that process. So we have scheduled meetings to discuss our cases. We have developed a case intake process, created standards and templates, and introduced peer review systems. This means more meetings, but I think our attorneys have really benefited from them. We have a better idea of what each of us is doing and what we are doing well.

**SHORE:** The relatively small size of our firm and the value we place on work/life balance drives the work ethic. There have been times when this has been a point of contention because certain shareholders who are outstanding networkers and rainmakers would have preferred to bring in more associates to do the work rather than do it themselves. Because we have culturally preferred to be a smaller firm, everyone has to do his or her part, and we strive to maintain work equality amongst all of the attorneys. This balance is at the heart of our firm culture and, although we sometimes struggle to maintain it, it sets us apart from larger firms and provides the most fulfillment to our team.

**BASS:** Our culture is relatively driven by consensus. We don't have a top-down governance mechanism. And when you have a consensus-driven system, the status quo is a strong influence. In other words, when you have a large group of

**GABLER:** Our desire to maintain a strong, "family-oriented" culture compels us to grow slowly and to stop growing before the size of our firm hampers our desired culture. Our client base and workload has grown to the extent that we could easily hire additional attorneys and staff. At 17 members, we feel that we are on the edge of a manageable size for our interpersonal and business goals. We have made a conscious decision that financial growth will take a backseat to personal fulfillment, and that approach has significantly increased our own satisfaction as well as that of our team.

**LP: Have you seen your firm's culture change or evolve over time? If so, how?**

**NEWMARK:** I've been at the firm 16 years. The core principles we've been talking about have been with the firm for that entire time. The firm has relaxed a bit during that time period, taking better measure of the need to interject a bit of levity into our daily lives, perhaps influenced by emerging companies that embrace a strong esprit de corps and support environment. Fundamentally, we remain a law firm, passionate about furthering our clients' ambitions, about building fulfilling careers for ourselves and about making our communities better along the way.

**BASS:** We're a very different firm than we were 35 years ago, and we're different than we were even 10 years ago. Culture is both an intangible abstraction and the strongest glue that keeps a firm together. So we care about our culture, for reasons both sentimental and practical. It changes over time, and we want it to change, even while striving to maintain a strong sense of continuity and identity. It's not easy, but we've managed so far.

**LP: Thanks, everyone, for contributing. LP**



**Marcia Watson Wasserman** is a law practice management consultant and president of Comprehensive Management Solutions Inc. She often speaks and writes about practice management issues and is a member of the editorial board of *Law Practice*. [mwasserman@comprehensivemgmt.com](mailto:mwasserman@comprehensivemgmt.com)