

At Porter Wright, Balancing Client Service With the Long Game

By Lizzy McLellan
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How big is your firm, where is it located and what are its primary areas of practice and focus?

Spanning more than 170 years, Porter Wright has grown to seven locations across Ohio, Florida, Pennsylvania and Washington, D.C. We are headquartered in Columbus, Ohio and are home to nearly 200 attorneys firmwide. We serve clients from small start-ups to large, publicly-traded corporations in over 30 service areas, concentrated in the areas of corporate, litigation, and labor and employment.

Please explain your firm's governance structure and compensation model.

The firm is governed by a managing partner who is elected to a three-year term. I am currently serving in my second term. The management structure includes a department chair for each department (corporate, litigation and labor), appointed by the managing partner, and each office has a partner-in-charge also appointed by the managing partner. The structure also consists of a directing partners committee, which consists of seven equity partners elected to staggered three-year terms. The directing partners committee provides strategic as well as long-range planning counsel to the managing partner.

Administrative aspects of the firm are overseen by the executive director, who reports to the managing partner. Direct reports to the executive director have daily oversight for human resources, information



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technology, marketing, business development, finance, operations and library services.

The firm's compensation model for the partnership is not based on a formulaic system, but rather one that takes a holistic view of each partner's individual contributions to the overall success of the firm. While statistical information regarding each partner's annual productivity is considered by the compensation committee, other qualitative and quantitative factors are

considered; these factors include client and new business development, as well as the delivery of high quality legal services, management of client relationships, participation in civic, charitable and professional activities, and contributions to firm management and administration.

What do you view as the two biggest opportunities for your firm, and what are the two biggest threats?

Our two biggest opportunities as a firm are (1) given our team of super high-quality lawyers, we have the ability to quickly adapt to changing business and market trends in our industry and our clients' industries, and (2) our financial resources to invest in our attorneys and new practice areas. Many firms seem to be too focused on their business in short (e.g. one year) increments. We consider our business as an ongoing enterprise which allows us to invest in long-term opportunities beyond what drives cash at the end of each year. Our size is an asset in that we can be nimble and flexible to allow us to focus on providing complex legal advice with client service at its highest level. This allows us to continue to focus on our clients and client service without being shortsighted. In the past year, we expanded into the Pittsburgh market. This allowed us to cultivate new attorney and client relationships and also to expand our services to existing clients with a physical presence in that geographic region.

The two biggest threats we see are (1) staying ahead of cybersecurity risks and maintaining the security of our information systems in a world full of mobile devices and cloud technology, and (2) the trending growth and staffing up of in-house legal departments and subsequent taking work in-house. Additionally, I would include the ability of law firms to hire, staff, and retain diverse lawyers as part of our diversity and inclusion initiatives. Those firms that can successfully address their diversity and inclusion issues will be more successful than those that do not. I would also add that the trend of the "Big Four" accounting firms entering into the business of providing legal services is an emerging issue for law firms to address.

After the recession hit, the prevailing theory was that midsize firms would start to see more work come their way from large clients who could no longer justify paying Big Law rates. What has been your experience?

Somewhat. The number of clients that the firm represents that most would consider to have national name recognition has increased during the last decade. While the firm's billing rate structure and alternative billing arrangement opportunities may factor into a client's decision to retain our firm for their legal service needs, undoubtedly the quality of the services provided, the positive results achieved on our client's behalf, and the responsiveness of our attorneys are all key contributing factors to the retention and expansion of our client relationships. Our experience shows that a more value-based rate structure alone will not sustain healthy client relationships. The old axiom "you get what you pay for" applies to purchasing legal services. In comparison to nationally published statistics, our firm's overall realization rate is materially higher than national averages. This supports our belief that clients are willing to pay competitive rates for superior service and results.

Are your clients pushing for more alternative fee arrangements, and if so what types? Is your firm amenable to those requests?

Yes and yes. We have found that our clients are increasingly interested in tailored fee arrangements suited to their specific goals—sometimes this involves a discussion around hourly rates, other times this involves finding a mutually agreeable, creative option. We are amenable to such discussions as part of our transparent communication approach and commitment to partnering with our clients. Further, we staff each project based on the client's objectives and budget preferences, which offers flexibility over the course of the matter, yet predictability in the budgetary process. Our attorneys' experience, capabilities, and fee ranges are always considered alongside other budgetary factors. Although the question asks if our

clients are pushing for alternative fee arrangements, we encourage our lawyers to proactively identify and offer creative alternative fee arrangements to further align our interests with our clients. For example, alternative fee arrangements tied to intensive capital projects provide clients with both budgetary certainty and reduced cycle times for work. We have found that in-house legal departments embrace these arrangements as our legal service invoices can be linked directly to the relevant capital budgets, which improves accountability.

There is much debate around how law firms can foster the next generation of legal talent. What advantages and disadvantages do midsize firms have in attracting and retaining young lawyers, particularly millennials?

We offer long-term career opportunities. We attract and retain associates who want to make partner, and that is no longer necessarily true in Big Law. Also, an advantage midsize firms have for attracting and retaining young legal talent is the breadth and depth of responsibilities that young attorneys are exposed to early in their legal careers. Midsize firms are able to offer young associates invaluable opportunities to take responsible roles in handling legal matters and to become involved in business development and participate on administrative committees within the firm much earlier in their careers.

We believe flexibility is another advantage. Midsize firms are able to adjust and move more fluidly with individual solutions to both legal and administrative issues.

The compensation system at midsize firms may be a perceived disadvantage by young lawyers. However, a thorough analysis of regional cost of living factors as well as an assessment of lifestyle quality issues should dissuade such concerns.

Does your firm employ any nonlawyer professionals in high-level positions (e.g. COO, business development officer, chief strategy officer, etc.)? If so, why

is it advantageous to have a nonlawyer in that role? If not, have you considered hiring any?

Currently most of our administrative professionals, chief executive officer, marketing director, business development manager, director of library services, information technology director, chief security officer, legal project and strategic operations manager, and facilities and services director are all non-lawyer professionals with extensive experience in their fields. We feel that the experience and diversity these individuals bring to their roles is invaluable. They are able to offer solutions to problems that encompass what we may presently be encountering in the legal field by bringing to bear their experiences from other business situations they have encountered in their careers.

What if any technology advancements have you made in your firm in recent years? What are the challenges in implementing tech changes?

The most significant investments in technology our firm has made are centered around information governance and risk management.

Information governance is critically important to safeguarding, and keeping confidential, our client's information. Our most significant information governance investment includes replacing both our aging document management system and our disparate and antiquated records management systems with a combined, matter-centric solution. Our attorneys now have the ability to work on client issues cohesively, collaboratively and securely, while easily understanding the full universe of documents (physical or electronic) related to the client or matter. The firm can now more easily respond to client requests surrounding their documents and information.

The firm's investment in risk management includes a new workflow and conflicts engine, that allowed us to reimagine our new business intake process. This process helps the firm evaluate new business and identify risks, including thorough conflicts evaluation, as well make sure the matter are staffed appropriately. Using this process, we also capture information about

our clients and the type of work we are performing which, subsequently builds our internal expertise database. This allows us to quickly identify our experts necessary to respond to our client's needs.

Our number one objective is helping our clients achieve their business goals. Often times our lawyers are so focused on client goals, that some of the firm initiatives are viewed by attorneys as secondary, instead of complimentary, to the client's needs. This is exemplified when rolling out new technology. It is sometimes difficult to get the focus of the lawyers when they are hyper-focused on the client's goals. When this happens, training for new technology takes a lower priority. This can make it difficult to deliver new technology initiatives as efficiently as we would hope to.

What would you say is the most innovative thing your firm has done recently, whether it be internal operations, how you work with clients, etc.?

Looking at how we grow and cultivate business, we have recently launched a unique practice focused on serving the needs of individual athletes. In this exciting new practice area, we leverage skills across the firm and apply key areas of focus to deliver tailored legal counsel to the athlete. Typically, corporate law firms with a sports law focus tend to serve larger entities such as a team, conference or industry regulatory body. Marketing to the individual athlete required us to be innovative in how we position our message, our approach, and materials.

This newer area of the practice is just one example of our innovation. Practice group leaders are asked to cultivate new approaches and explore emerging niche practice areas. The world is ever-changing. We expect our attorneys to stay aware of cultural changes that may impact our existing clients, as well as those changes that give us opportunities to expand the breadth and depth of our representations.

From a personnel perspective, the firm is continually

focused on initiatives directed toward expanding diversity and inclusion opportunities, seeking more project based feedback for the younger attorneys to learn and grow their personal skill sets, expansion of our parental leave policies to include ramping up and down periods when going into or out of the leave period, and more accommodations for those who desire the flexibility to work from home. We have also initiated a merit bonus program for all staff, as well as a referral bonus program for both staff and attorneys.

Does your firm have a succession plan in place? If so, what challenges do you face in trying to execute that plan? If you don't currently have a plan, is it an issue your firm is thinking about?

Succession planning has been, and will continue to be, an ongoing process throughout the firm. This topic is obviously a critical element to the healthy maintenance and growth of the firm's client relationships as well as providing the attorneys with the professional growth and development opportunities, which is a key element to retention of the best and brightest legal talent in the markets that we serve. In addition to a focus on maintaining succession plans for client relationships there is also internal focus on succession plans for key management and administrative positions.

The most significant challenge to maintaining successful succession plans is the need for flexibility to adapt to changing circumstances, whether that be from internal changes that clients are making that impact the attorney/client relationship, or from personnel changes within the firm that could result from retirements, departures, or the addition of new talent to the pool from which to select future leaders for the firm.

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