

Teaching Case

Beyond the Part Time Partner: A Part Time Law Firm?

Brendan Miller, Thomas A. Kochan and Mona Harrington

**October 2003
#WPC100**

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A New Kind of Law Firm?

I applied here because I didn't want to practice in a large firm anymore; I wanted more flexibility to have time for other things like my family and possibly political work. And the pressures and dynamics at large firms weren't conducive to the way I wanted to practice law. The time required was a real source of stress. You are expected to bill about 2000 hours a year and that would get you midrange; if you wanted to make partner you need to be doing more than that.

There are levels of hierarchy and organizational assignments in a large firm (e.g. committees, departmental lunches, firm lunches, meetings, etc.) that you end up having to participate in that take away from the practice of law. And the limited number of partner positions creates competition among associates. As a result, there is a whole layer of politics that overlays everything and becomes a drag on your energy and your time.

Finally, at big firms, 7-10 years out you rarely get to see the inside of a court and you don't get to make key decisions on your case.

At Sullivan Weinstein and McQuay none of these negatives apply. I get the flexibility and responsibility I was looking for without the bureaucracy and politics.

Sullivan Weinstein and McQuay (SWM) is a firm of 17 lawyers founded in 1995 by Bob Sullivan. He was joined in 1996 by two old friends, Jerome Weinstein and Sue McQuay. The youngest of the three original partners was 58 and they all had long, successful careers as partners at prestigious large law firms before forming SWM. They are highly regarded by clients and other lawyers in their practice area.

They set out to create a new type of firm: one focused on providing better value to clients and more responsibility and flexibility for their attorneys. Eight years later, there is widespread belief at SWM that this is exactly what they have achieved.

A Culture of Trust, Responsibility and Flexibility

SWM has a workplace culture of trust and responsibility. As Bob Sullivan describes, "We don't have many rules here. I'd say our only rule is that you must be responsible in meeting your obligations to your clients and your coworkers." This culture is universally appreciated by the attorneys at SWM, especially in comparison with their prior experiences at large, big name firms. One lawyer with representative views describes some of the essential differences in the environments on the next page.

What I saw at SWM when I was applying played out better than I could have imagined. I saw a group of professionals all of whom were respected and treated like professionals by each other, with people responsible for their own work and their own time. It's a supportive group of people: we help each other out when someone's in a pinch and there's support for getting and handling cases on your own. [e.g. Lawyers at SWM get 10% of gross revenues received from clients they bring in.] No one has ever said anything about what hours I was in the office or not in the four years I have worked here. What I was told up front was , "you need to be responsive to your clients and as long as you are doing that, you know best what you need to do." And that's the way it's been.

The firm's formal policies and culture provide a great deal of flexibility for attorneys in managing their commitments in and out of work. Attorneys can control their work schedule, work from home, negotiate a part time position and take leaves of absence. SWM also provides a home for lawyers in a variety of places in their professional careers with a variety of goals. The short profiles in Exhibit 1 illustrate the striking range of personal and family situations the firm accommodates.

Exhibit 1: Lawyer Profiles

Pseudonym	Age	Marital status	Children	Home office?	Average work schedule	Comments
Rose Marie	45	Married; husband works at a private boarding school	10 and 15; one child is disabled & requires home nursing care	Yes	30 hours/week (6 hours/day)	Ran for state senate with full leave and pay from SWM; "It's not how much I work that is the issue, it's how much control over my time I have. That's what makes my life work."
Betsy	72	Divorced	34 and 36	No	3 days/week (was 4 days until recently)	Returned to law school at 51; Plans to write in her time off
Cynthia	42	Married; husband is software engineer	5 and 9	No	4 days/week + Friday as needed	Likes working for more non-profit clients; "I have never felt such a high level of trust in me before. I didn't know what I was missing at my old firm."
Brett	??	Married; wife cares for children full time	Two children	No	Full time; Home for dinner, rarely works on weekend	Equity partner at SWM
Michelle	40	Married; husband is physics professor	9 and 11	Yes; 30% of the time	25 hours/week	Teaches at a local university; works on Bar and with political campaigns
Elizabeth	42	Married; husband self-employed & works from home	5 and 9; left previous firm when child became ill	Yes	25 hours/week	
Nick	25	Committed relationship	None	No	Full time	Hired directly from law school; Plans to move to NJ to be closer to family, otherwise would certainly stay with SWM
Justine	45	Married; husband is MD/Ph.D. at local hospital	14 and 17	No	Full time	More appreciated for her research/writing at SWM than at previous firm; Able to branch out and diversify skill set
Judy	54	Divorced	24 and 26	No	Full time	Returned to law school at 45 and hired directly by SWM; Responsible for care of two ailing parents

Eleven of the firm's lawyers are women, and 6 of them are on part-time schedules. All but one of the lawyers interviewed anticipated staying at the firm into the foreseeable future; however, some were considering either increasing or decreasing their workload. All of the lawyers who have worked in other firms were making more money in the past than what they were offered at SWM and were happy to make that tradeoff.

Clients, Reputation and Lawyers

One of the founding partners described their business this way:

We specialize in lawsuits involving personal and organizational disputes. We have a range of individual, corporate, and non-profit clients, but more recently we have found non-profits are especially interested in the good value we provide. We do nothing but disputes, discrimination cases and sometimes labor negotiations, but all are usually cases with some kind of tension involved.

Our rates range from \$175 per hour to \$295 per hour, averaging about \$225 per hour, compared to the significantly higher rates you would find at a large firm for comparable work. However, with our low costs, we can still aim to take home at least 75% of our revenues and do that averaging under 1,500 billable hours per lawyer.

Every lawyer at SWM interviewed agreed that the firm had an excellent reputation in the area of employment and discrimination law, which was due to a combination of the individual reputations of the firm's founding partners, the professionalism of its lawyers, and the quality of the work the firm produced for clients.

A lawyer expressed her feelings about the reputation of the firm and the credibility of her colleagues below. Everyone at SWM interviewed expressed similar sentiments.

As much as I like the benefits of a small, friendly firm with a high level of trust, the fact that the lawyers here come from large firms is a big comfort to me. And I have noticed that when people from this firm talk to clients and prospective clients, that fact is often mentioned. And it's even there in our marketing materials. Personally, it was a reassurance that the quality of the work would be high, because most of the people at large firms know the difference between high and low quality work.

A second lawyer elaborated on this point:

I'm not aware of any instance where a client got lower service from SWM than what they would have gotten at my prior firm. And frankly the attitude of everyone I've been exposed to here is so good in terms of putting a client's interest first. I have never heard any comments about

milking a client. If anything, people talk about how to reduce costs for clients. I think clients get better service here because there is no motivation to run costs up, like billable hours provide in a large firm. Personally, I have no idea what my billable hours are and the partners have never spoken to me about them. [No one at SWM interviewed knew precisely what their billable hours were. Billable hours are tracked at the firm level, but they are known only to the equity partners.]

However, one of the equity partners pointed to the firm's limits in attracting some clients:

We sometimes have a challenge attracting very big companies because they seem to have an almost irrational affinity for large firms, even when those firms cannot provide them with the value that we can. Our quality is just as good and our costs are lower.

One of the other partners added,

We have a lot of blue chip clients, but some would not come to us for certain matters because of what we might call the "Cover Your [Butt] factor." When you have a very visible matter that has the attention of the CEO or of board members, it is always easier to go to a large firm that you know has huge resources, so that if you are the in-house counsel you can say, "I've done the very best I could." Whereas if anything goes wrong, you might have to explain why you were with a 17 person firm. There's a perception that one might need more resources, which is sometimes accurate.

Although one or two of the lawyers interviewed said they missed working on the highest profile cases for the biggest clients as they did at their previous firms, everyone expressed satisfaction with the work they were doing at SWM. In addition, several lawyers very much appreciated being able to work with more individuals and non-profit clients, which was less common at large firms because these clients could not afford their services.

Not all of SWM's lawyers have come from large firms: two lawyers were hired directly from law school; however, this seems to be the exception rather than the rule. A partner explained, "New lawyers fresh out of law school need significant training before they can add much value." Traditional firms recruit significant numbers of fresh graduates each year and put them through formal training programs, but many of these lawyers either choose to leave or are forced out through competitive "up or out" policies. This partner also noted, "There are many excellent lawyers who do not aspire to be equity partners at large firms." SWM hires these lawyers, essentially eliminating all training costs while preserving the quality and credibility associated with large firm legal work. Further, by hiring lawyers with whom the partners have previously worked, they can make selections to ensure a good fit with their organizational culture.

Productivity through Technology

SWM relies heavily on information technologies to increase productivity and keep costs low. The firm partners point out that law is essentially an information business. If they can reduce the costs of accessing, generating and processing legal information, they can pass the benefits on to their clients in the form of reduced rates. For example, the firm relies exclusively on the Westlaw online legal library, which can be accessed by its lawyers wherever they are. And through a secure virtual private network, they can work from the home offices that the firm provides free of charge to those who request them.

One attorney described how this can be helpful: “Now with high speed internet and recent software, working at home is just the same as in the office. For example, when the work gets intense, I can come home for dinner, then work from home at night.”

The use of cell phones and home offices improve productivity and responsiveness to clients.

I really appreciate that face time is not emphasized here. As one of our partners says, it's not what we see at the office that matters, it's what the client sees. All that matters is whether you are available to the client, whether you are sitting in your office at home or on your cell phone.

Another lawyer elaborated:

One of the excuses that large firms will give for why people can't work part time is that lawyers need to be available to their clients. Actually, I'm more available to clients because I'm part time. If I have a 50 hour week that I need to be available to clients, and I'm working 25 hours, then there are 25 other hours that I can be available to them, whether I'm at home, running errands, etc. I can take their call and make time to deal with their issue that day. If those 25 hours are filled with work for other clients, as they would be at a traditional firm, I wouldn't have the flexibility to be as responsive with them and they might have to wait. I am so much more responsive and timely with my clients at SWM.

Sullivan Weinstein and McQuay have also been able to reduce labor costs. Most law firms have very high overhead costs associated with non-legal support staff, most of whom play an information processing role (e.g. secretaries and typists). A traditional firm might have as many as 23 support staff for 17 attorneys. SWM has only 3.5 non-lawyers on their payroll, helping to reduce labor and associated space and management costs to approximately 50% of those found in a traditional firm. Lawyers at SWM do everything including typing letters, answering their calls, managing their calendars and occasionally making copies. These are tasks lawyers in traditional firms rarely do themselves, but SWM lawyers are willing, given the associated benefits. A few lawyers reported rare

instances in which they had difficulty getting the technical support they needed to produce a deliverable for a client (e.g. a PowerPoint presentation), but these do not seem to have caused any major problems.

Case Questions

1. Has SWM solved the puzzle of the dual agenda—how to be a profitable, sustainable firm providing high quality legal services to its clients and satisfying careers and supporting integrated work and family lives for its professional staff?

2. Debate: Defend either Position A or Position B:

Position A:

This is just a niche strategy that will remain an option for people not wanting to compete on the fastest of the fast track in the legal profession, but it will never spread to become either the norm or to be a serious competitor to the traditional large law firm.

Position B:

The SWM model providing for higher or lower hours of work at different stages of the life course [this is just one aspect of their model] will become an increasingly attractive alternative for a larger portion of the legal talent pool. It will force other firms to adapt in ways that provide some of the same benefits of flexibility, high quality and lower cost legal services, employee satisfaction and better integration of work and family responsibilities.

2. Consider the following vignette:

A partner at a large, elite law firm was fuming over just losing another promising associate who decided to leave and go to work at SWM. “This is the second woman we lost to them after investing in her training for three years! Can’t we do what they do to make the work here more attractive so we don’t lose people like this? What should we do?”

How would you answer his questions?