

## LAW FIRMS

# Small firms think big when it comes to clients

GC discontent with large firms is shifting the marketplace.

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STAFF REPORTER

FOR ATTORNEY LARRY ROSEN, one pleasant conversation led to years' worth of legal work—from Donald Trump.

In 1994, Rosen was just starting out as the only tenant in one of New York City's tallest buildings, 40 Wall Street, renting a 4,000-square-foot office for less than he paid for his one-bedroom apartment.

"Trump saw the building as an interesting investment," Rosen said. "He showed up one day and said, 'What can you tell me about it?' I don't even think he knew I was a lawyer."

Three months later, Rosen received a call from the current general counsel for The Trump Organization.

"He said I left a favorable impression and Mr. Trump would like to give me some business," Rosen said.

Rosen, now a partner at

the seven-attorney firm Rosen Weinhaus, still located in the same building, has been using the same game plan ever since. He has obtained business from other large companies over the years, including Equinox Fitness Clubs, M&J Trimming, the American Society for the Prevention of Cruelty to Animals (ASPCA) and Mad River Post Inc.

## Signs of discontent

Like Rosen, many solos and small-firm practitioners are proving that they can compete with the big law firms when it comes to representing large companies.

Sixty-eight percent of general counsel at *Fortune* 1,000 companies reported they were unhappy with their outside counsel, according to a 2007 survey conducted by BTI Consulting Group, which conducted phone interviews with 250 companies. The law firms critiqued by the companies varied in size, with 51% of the firms among the largest 200 and 49% smaller than that group.

Major gripes of general counsel include outside lawyers who do not keep pace

with changing needs, do not understand their clients' business, do not provide a timely response and charge fees that are too high, said Michael Rynowecer, president of BTI Consulting Group.

"Eighty percent are questioning the value they receive, especially when they see associate salaries going up," Rynowecer said.

Small firms outperformed large firms when it came to performing in those complained-about categories, according to the study. When it came to "providing value for the dollar," smaller law firms (those other than the largest 200 firms in the country), were reported to perform nearly twice as well as large firms, the study showed.

And small firms also took the lead in providing the best client service and being client-focused, also according to the study.

Because of those concerns, corporations are open to hiring small firms for outside counsel work, but only if the firm has proven talent, said Bernard Diamond, executive vice president and general

counsel for The Trump Organization.

"We find small firms more economic, more expedient and better appreciate our business," said Diamond. "Their rates are usually cheaper and they have a better control of their time."

Larry Segall, chief financial officer and executive vice president for Equinox, hired Arnie Herz, a solo practitioner in Port Washington, N.Y., to handle all of the company's trademark work because of the attention he can give.

"With larger firms, we get lost in the shuffle," said

Segall. "Sometimes our work gets sent to an associate, but with Arnie, we know we are getting partner-level, high-quality work."

## Looking for friends

Talking to people, not as a lawyer looking for business, but as a friend, is a good way to gain trust—and future business.

That's how Walter James, an environmental litigation solo attorney in Grapevine, Texas, received legal work from oil giant BP PLC. James befriended a lawyer who served as opposing counsel in one of his cases. The opposing counsel later went in-house for BP.

"When she moved down to Houston from Chicago, I went out to meet her and told her to contact me if she ever needed any help," he said. She did.

Getting in on the ground floor before the business takes off is another way to succeed at attracting outside work from future large corporations.

The 17-attorney Tennessee firm London & Amburn in Knoxville represents a large health care company in the state. The firm began representing the doctors who formed the company more than 20 years ago.

"We have a personal relationship with them, so they are comfortable with our judgments and trust us," said Dale Amburn, a partner at the firm. "We are an asset for them in running their business just as much as we are for handling their legal work."

Having the time to be able to truly understand the company's business is what makes a solo practitioner or small law firm stand out, said James Pruden, a solo focusing on corporate transactions and litigation in Boca Raton, Fla. Pruden's clients include companies with more than \$10 million in yearly sales, including telemarketing, merchant processing, construction and manufacturing companies.

Pruden's first job after graduating from law school was to perform business consulting, not legal work, for a large telemarketing company. So when he began doing their legal work, he already had a grasp on all the services and products of the company.

"When you have an infinite portfolio of clients, you can't understand the business and products of all of your clients," Pruden said. ■

## SMALL FIRM Spotlight



LARRY ROSEN: One day Donald Trump came into his office; it resulted in legal work.



WALTER JAMES: A good contact helped the Texas solo land work from oil giant BP.