



# Disruptive Innovation

New Models of Legal Practice

# WORKLIFE LAW

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## Executive Summary

FOR DECADES, LAWYERS HAVE BEEN complaining that they hate working at law firms, and clients have expressed increasing frustration with high legal fees. But complaining is as far as either group went, until recently.

This is an attempt at a comprehensive review of a wide variety of new business organizations that have arisen in recent years to remedy the market's failure to deliver business organizations responsive to the complaints of either lawyers or of clients. We identified and interviewed over fifty of these new model organizations.

The “New Models of Legal Practice” described here typically offer a new value proposition for lawyers and clients. For lawyers, New Models offer better work-life balance and more control over other aspects of their work lives—and in exchange lawyers typically (though not invariably) shoulder more risk, giving up a guaranteed salary, to be paid instead only for the hours they work. For clients, New Models typically drive down legal fees by sharply diminishing overhead through elimination of expensive real estate and the high cost of training new lawyers, and (again) dispensing with guaranteed salaries.

The organizations we reviewed are a mix of law firms and companies. Most are relatively small, although some have attorneys numbering in the thousands.

We found five distinct kinds of New Models:

1. **SECONDMENT FIRMS** place lawyers in house, typically to work at a client site either on a temporary basis or part-time (usually a few days a week). Some consist exclusively of senior lawyers who can function either as general counsel or as regional heads of legal departments in very large companies, while others place more junior lawyers to help with overflow work from in-house departments. We report on eight Secondment Firms. In some, male lawyers predominate and everyone works “full-time flex”—a 40 hour week structured around family responsibilities or other interests. In others, female lawyers predominate, and many lawyers work part-time. In full-time flex firms, lawyers are independent contractors; in companies with more part-time, lawyers are employees of the company. In both cases, lawyers are paid only for the hours they work.
2. **LAW & BUSINESS ADVICE COMPANIES** combine legal advice with general business advice of the type traditionally provided by management consulting firms, and/or help clients with investment banking as well as legal needs. We report on two law & business advice companies.
3. **LAW FIRM ACCORDION COMPANIES** assemble networks of curated lawyers available to enable law firms to accordion up to meet short-term staffing needs. Typically these networks are women lawyers who work short part-time hours (10–20 hours a week.) Attorneys are paid only for the hours they work. We report on five of these companies.
4. **VIRTUAL LAW FIRMS AND COMPANIES** typically drive down overhead by having attorneys work from their own homes—and again dispense with a guaranteed salary, allowing attorneys to work as little or as much as they wish. These organizations vary a lot: some are very similar to traditional law firms, while others are companies in which many of the functions traditionally performed by lawyers, notably rainmaking, are the province of the company owners. We report on eleven virtual law firms or virtual law companies.
5. **INNOVATIVE LAW FIRMS AND COMPANIES** include the widest variety of different business models. The single most innovative is a company with a new monetization model—providing legal services in return for a monthly subscription fee—which allows attorneys to work in a sophisticated legal practice on an 8:30 a.m.–5:30 p.m. schedule, little or no weekend work, and three weeks’ unplugged vacation per year. Other innovative law firms change key elements of the traditional law firm model in ways that allow for better work-life balance and also have one or more of the following elements: alternative fee arrangements, team scheduling, elimination of the partner/associate distinction and “rainmaking” requirements. We report on seventeen innovative law firms and companies.

This report contains important messages for four groups:

1. **For clients**, this report will help in-house counsel find alternatives to traditional law firms. New Models often will help in-house counsel obtain legal services

more economically, either by obtaining the services of Big Law refugees at a fraction of the cost, or by segmenting their spend to obtain more routine transactions or lower-paid specialties at lower rates than they have paid in the past. Companies with goals to increase diversity in their legal spend also can do so by hiring women-owned firms or firms that hire chiefly women lawyers.

2. **For lawyers dissatisfied with law firms**, the important message is that, if you are dissatisfied with law firm life, there are alternatives. This is particularly true if the dissatisfaction stems from pressures to work very long hours with little workplace flexibility. New Models offer two quite different kinds of workplace flexibility: full-time flex (typically a 40-hour week that can be worked anytime, anywhere) and part-time (typically 10–20 hours a week of work that lawyers can turn down for any reason when they choose not to work). New

Models also respond to the major reasons for lawyers' dissatisfaction, including pressures for every lawyer to be a "rainmaker" who brings in new clients and the inability to control one's billing rate. Lawyers who have been laid off, or who wish to transition from law firms to in-house practice also can turn to New Models to help them get the jobs they want and need.

3. **For lawyers who want to become entrepreneurs**, this report is invaluable. It describes a wide variety of new business models that can be replicated, with enough information about each type of New Model, and each individual firm, to serve as a beginning "how-to" guide to following in the footsteps of other legal entrepreneurs.
4. **For large law firms**, this report will provide ideas about how to compete with New Models of Legal Practice. One law firm profiled herein has already done so by founding a New Models company affiliated with the firm.



“The clients were unhappy, and the lawyers weren’t happy. It just felt like there must be a better way.”

## Introduction

SOMETHING REMARKABLE IS HAPPENING in the legal profession. Many lawyers have begun to found—and to join—businesses that organize legal practice in novel ways. The variety is dazzling. As the center of gravity in American business has shifted from stodgy finance to move-fast-and-break-things tech, “law...has become a great place for entrepreneurs.”<sup>1</sup> The new ventures in legal entrepreneurship have been referred to as “New Law,”<sup>2</sup> a challenge to the behemoth Big Law firms which monopolized much of the legal industry for so long. We refer to the innovations as New Models of Legal Practice (“New Models” elsewhere in this report),<sup>3</sup> reflecting the novel business models they introduce, which hold the potential to disrupt established pathways in the practice of law.

Big Law tends to write off these New Models as small potatoes. But Axiom, one new models organization, is now one of the largest providers of legal services in the country, and boasts that over half the Fortune 100 are clients. Axiom is an order of magnitude larger than most new models, but it is not the only one nipping at Big Law’s heels. Trademarkia, a website providing free web content and connecting users to paid legal services, enabled its partner firm, Raj Abhyanker PC (now LegalForce RAPC), to dethrone Greenberg Traurig’s six year stretch as the largest filer of trademarks in 2010.<sup>4</sup> And in yet another sign of the trend, a year-end 2014 story in *The Recorder*, a Bay Area legal paper, included Michael Moradzadeh, the founder of a New Models firm called Rimon, alongside Big Law leaders at Big Law firms such as Weil, Gotshal & Manges, Morgan, Lewis & Bockius, and Morrison & Foerster.<sup>5</sup>

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Big Law feels the pressure from New Models, and is responding in several ways. Some Big Law firms are

eliminating offices for younger lawyers, perhaps to help compete with the many New Models that have dispensed with office space altogether. More dramatically, Big Law firms interviewed for the report have jumped on the bandwagon, founding New Models to enhance their offerings to clients. Given the frequency with which New Models steal trained lawyers from Big Law—some with large books of business—it seems only just that Big Law has started stealing back.

What we’re seeing in the legal profession is “disruptive innovation,” a term coined by Harvard Business School Professor Clayton Christensen,<sup>6</sup> often heard in business circles but now making waves in relation to legal practice. Disruptive innovation occurs when a competitor enters a marketplace with a product or service most initially see as inferior—until successive improvements displace established products or even industries.<sup>7</sup> A classic example is digital photography, which ultimately dethroned the venerable Kodak.<sup>8</sup>

Christensen’s emphasis on inferior products seems less apt than his insight that “suppliers often ‘overshoot’ their market: They give customers more than they need or are ultimately willing to pay for.”<sup>9</sup> The traditional Big Law model (now being modified even in Big Law) is to sell the client a Cadillac, even when he only needs or wants a Ford. Many New Models promise the Ford, with prices to match.<sup>10</sup>

Disruptive innovation has hit the law.<sup>11</sup> This report describes five basic types of New Models of Legal Practice. Law & Business Companies marry legal with business advice and services. Secondment Firms place in-house counsel in corporations on a part-time or temporary basis. Law Firm Accordion Companies provide law firms with lawyers to work as overload capacity or to provide specialized skills. In Virtual Firms, everyone works from home. Finally, a large and variegated group of Innovative Law Firms offer some or all of the following: innovations in billing and personnel policies, better work-life balance, and women-friendly practice.

Even the conversation about the new legal market is innovative. Although academic and legal circles have been long been fascinated by the stagnation and decline of American Big Law firms, and traditional media has

reported on the creation of individual firms, online sources provide much of the reporting on the trend of disruptive innovations. As example, a book claiming to be the first published typology of these disruptive innovations celebrates several “Hallmarks of NewLaw,” such as the use of disruptive technologies, more efficient use of human capital and fixed fee arrangements.<sup>12</sup> The book is in itself an innovation on the seemingly traditional medium—it is available only on e-readers, and its content is an aggregation of tweets and online postings by commenters on this topic, interspersed with analysis. But whether one is a businessperson, blogger or academic, the potential for these trends to change the profession is apparent. As noted by John S. Dzienkowski, one of the few who has sought to establish a typology, New Models are reducing costs, breaking away from old patterns of fee arrangements, and increasing efficiency through unique structuring and use of technology.<sup>13</sup> In the process, these firms are creating a host of satisfied attorneys and clients. The founders of one such success story, a company aptly named “Bliss Lawyers,” have authored a book that provides a typology of New Models and a well studied analysis of key themes highlighting

opportunities to drive change in the profession.<sup>14</sup> These themes, which New Models all capitalize on in various ways, include: innovation; value; predictability and trust; flexibility; talent development; diversity and inclusion; and, relationship building.<sup>15</sup> Firms that are able to adapt and meet the challenges across these themes have, as the authors describe, “Happy Clients and Happy Lawyers”—and wary competitors.

Is this the much-publicized Death of Big Law?<sup>16</sup> Hardly. When it comes to high-stakes, bet-the-company deals and litigation, major companies still typically seek out the most prestigious and powerful representation they can afford. Noted one informant, “Anything where your company is on the line, you need the imprimatur of a law firm. I mean, there’s no cost sensitivity there, right? You’re throwing all the money in the world at it, because it’s way more risky not to.” Most, though not all, New Models concede that bet-the-company litigation will remain with Big Law for the near future. So will huge deals that require the skills of lots of different attorneys. New Models herald increased market segmentation: after all, huge deals and bet-the-company litigation represent only a tiny fraction of the legal marketplace. As





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noted by Richard Susskind in an influential 2010 book,<sup>17</sup> the legal profession has long insisted that bespoke legal services are the only path to quality. Today fewer clients, and lawyers, remain convinced.

Susskind's typology of "the evolution of legal service" provides a useful theoretical framework. He proposes a typology with traditional bespoke legal services at one end, full commoditization (legal services delivered like "barrels of oil or sacks of sugar")<sup>18</sup> on the opposite end, with standardized, systematized, and packaged legal services in the middle. Most New Models specialize in traditional bespoke work; they just organize the lawyers who deliver it in a different way. Some New Models, however, go much further. Axiom Smithline PC, and Burton Law LLC all proceed apace in the direction of standardization (e.g. form documents), systemization (e.g. internal systems that allow attorneys to handle repetitive tasks more efficiently), and commoditization (e.g. electronic or on-line packages of legal services). Axiom very self-consciously seeks to replace the bespoke model (in which commercial contracts are drafted one by one by individual lawyers) with a new model that standardizes all the commercial contracts of a company or a business unit, and develops a detailed system for using them. The only way clients can continue to access these standardized and systematized legal services is through Axiom staff—a brilliant, and potentially very lucrative, melding of the old and the new. In a very different way, Smithline PC's "practice machine" ensures that all lawyers at the firm do things in the same way, down to using the same format for client emails and for creating documents and marking them up. Burton Law LLC, while offering the bespoke services of a traditional law firm, also offers on-line packaged legal services for various commonplace business issues ("The 3 documents your start-ups can't live without," "Does your start-up need a prenup?").

Some Virtual Firms and Secondment Companies, often founded by Big Law refugees, are seizing the opportunity to move into the kinds of legal services formerly the exclusive province of Big Law. Others are on Susskind's continuum between bespoke services and full commoditization.<sup>19</sup> Some Innovative Law Firms handle all of a company's litigation on a specific issue nationwide, allowing economies of scale. Others offer flat-fee packages for specific kinds of routine work. One Law & Business Company makes a business of analyzing how law departments can segment work to maximize cost-effectiveness, including establishing centers staffed by the company's lawyers to handle more routine client legal matters.

Other New Models are in segments of the legal marketplace never occupied by Big Law. Law & Business Companies meld legal advice with management consulting. Many New Models focus on mid-market companies while others serve small companies and entrepreneurs or operate in areas of legal practice not typically served by large law firms (e.g. family law). Some other firms' business models reshape their lawyers' relationships to their clients, notably an Innovative Law Firm that provides for a flat monthly subscription fee to cover whatever legal advice and help its client companies need.

Between 2012 and April 2015, Aaron Platt and Joan C. Williams interviewed more than fifty firms that differed in many ways.<sup>20</sup> Some are traditional law firm partnerships, some are businesses solely owned by an individual, and some are companies with novel business plans. New Models outside of the U.S. and Canada, including the many companies changing the legal industry in the U.K., were excluded.<sup>21</sup> We searched on the internet, and used a "snowball sample," asking people we interviewed if they knew of any other New Models firms. Typically (although not invariably) we spoke with founders, so what they told us naturally puts the best face possible on their organizations. We found a wide variety of business organizations focused on a sweet spot that reflects a new value proposition for clients that is matched with a new value proposition for lawyers. New Model businesses are born all the time, and the firms represented herein are not the only ones pioneering this field, however, this work represents the most comprehensive academic review of its kind.

This report holds important messages for three groups: clients, lawyers dissatisfied with existing models of legal practice, and Big Law itself. For clients, our goal is to aid

in-house counsel to find the New Models firms that can help them segment their spend more efficiently—and meet some of their diversity goals. For lawyers dissatisfied with Big Law, our message is that there are now many alternative ways to practice law. To Big Law, too, this report can be a resource. New Models siphon off ideas, business, and personnel from Big Law. This report provides Big Law the resources to return the favor.

## A. The new value proposition for clients

For clients, the appeal is simple. When clients turn to Big Law, they pay a premium for lawyers who graduated as top students, typically from prestigious law schools, housed in luxurious offices that signal membership in the global business elite through expensive office space, lavishly furnished.<sup>22</sup> Clients expect—and get—a class act.<sup>23</sup>

However, corporate clients have become ever more cost-conscious and unwilling to foot the bill for work that can be done more cheaply elsewhere.<sup>24</sup> That's where many New Models come in. Many Secondment Firms, Virtual

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New Models founders' "emphasis...is on making law more like other businesses, where you try to control your cost of production, and you change the way you make the widgets," as one founder expressed it.

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Firms, and Innovative Law Firms offer legal fees half to one-third of Big Law's, often to work with attorneys who trained at Big Law or who recently left it. In response to this newfound cost sensitivity among clients, New Models founders' emphasis "is on making law more like other businesses, where you try to control your cost of production, and you change the way you make the widgets," as one founder expressed it. Said another founder, sharing the sentiments of many others, "We felt that the prices being charged to our clients on an hourly basis were too high." Her New Model firm, in a small



Northern city, represents more Fortune 500 companies than any of the traditional law firms located there. As she put it, “You’ll find that more and more of the Fortune 500 companies are seeking out firms like ours [that have] people who have the background and experience of practicing very, very high quality law, but who are not charging the exorbitant rates....”

Many Secondment Firms, Law Firm Accordion Companies, Virtual Firms and some Innovative Law Firms are completely virtual, with lawyers working from their homes or other locations. “I’m going to take care of my clients when they need me to take care of them,” said one Accordion Company founder. “And I can do that from the moon.” Those that do have office space often have fewer offices and/or offices in less prestigious buildings. The founder of an Innovative Law Firm told us that he spends money on personnel and technology and “little to nothing on marble, mahogany and spending \$35.00 a square foot to store files....” One founder of an Innovative Law Firm recalled looking at a Big Law office and asking herself, “How much of their fee is going to be for their Monet?”

Going virtual is just one way technology makes New Models possible. “We don’t need a big legal library....We don’t need the IT infrastructure that a typical firm has. We don’t need to be located downtown, because we can access all of our client’s files, we can access calendars and email via technology....Technology has really helped us to operate and to put a dent in the traditional law firm model,” said the founder of a Secondment Firm. Most New Models use cloud-based technology tools, allowing them to create seamless communication networks among widely dispersed attorneys and to outsource everything from administrative work to office management. “It’s the technology [that] leveled the playing field,” said the founder of an Innovative Law Firm. “Basically, the overhead has gone down for everyone but in a way that now enables smaller firms to compete.”

Some New Models also shed another key cost center: lawyers just out of law school. As the founder of an Innovative Law Firm described it, in the 1980s the “law firms needed to compete with Wall Street, or at least they perceived they needed to compete with Wall Street, so they raised first-year salaries again and again and again. Economically, you can’t offer the first-year salaries they were offering without significantly jacking up the

hours requirements.” Typical salaries for newly-minted lawyers ultimately spiraled up as high as \$160,000 a year—a losing proposition for the firms that hired them. Starting salaries have fallen at many firms, but corporate clients today often refuse to use first-year associates or sharply limit their use.<sup>25</sup> Thus, a portion of the cost savings some New Models pass onto clients represents their success poaching lawyers after Big Law has paid the steep costs of training an associate—costs which can range between \$200,000 and \$500,000.<sup>26</sup>

It is easy to romanticize New Models—there’s a lot that’s exciting about them. But the raw fact is that many freeload off Big Law’s steep investment in training young lawyers. “We don’t hire baby lawyers,” said the founder of a Secondment Firm, echoing many others. “We think big firms are great at training associates,” said a Virtual Law Firm founder, “and we’d like to get them once they’re already trained.” This practice results in a lower bottom line as well as increased security; because so many of these firms are just starting up, they rely on the reputations associated with their lawyers’ Big Law pedigrees. That said, several Secondment Firms mentioned that their clients were beginning to ask for more junior attorneys, and that they were hiring lawyers earlier in their careers in response. Secondment Firms also are finding that clients use them as a way to try out more junior attorneys before offering them a full-time job. So New Models are evolving in ways that promise more opportunities for junior attorneys, and should result in more independence for New Models firms which have been reliant on Big Law to provide their staffs’ training and reputation.

## B. The new value proposition for lawyers

If New Models’ value proposition for clients centers on lower costs, the value proposition to lawyers is equally clear-cut. Many founders were motivated by a deep dislike of key elements of Big Law. “One of the worst things about the traditional big firm model is that it’s a funnel, and the people on top are expecting to make a million or two million a year, and the only way they can do that is if they’re got the galley slaves below. That’s why these firms are such miserable places to work,” opined one male founder. Another said he wanted to found his own company because “all of my friends that

are miserable at large firms” convinced him “that should not be my destiny.” The critique of Big Law we heard articulated contains five basic elements:

1. lack of work-life balance;
2. pressure for every lawyer to be a rainmaker;
3. inability to control one’s billing rate;
4. increasing economic uncertainties both in law firms and in-house;
5. the inability of Big Law to satisfy lawyers “bit by the bug” of entrepreneurship.

New Models have stepped in to fill the needs of lawyers who “love the work but hate the job.” Founders reported over and over again being inundated with lawyers who wanted to join their firms or companies, and flooded them with resumes. “I get tons and tons of people reaching out to me about jobs all the time” is a near universally common refrain.

### **1. New Models address work-life balance and eliminate the flexibility stigma**

By far the most consistent critique is that Big Law fails to offer attorneys their desired trade-off between time and money. In the 1960s, a full-time attorney typically billed 1300 hours per year.<sup>27</sup> When salaries spiraled up in recent decades, hours spiraled up, too. Now commonplace are billable hours requirements in the range of 2000–2300 hours per year—and billing 2000 hours translates to working roughly 60 hours a week.<sup>28</sup>

Yet this explosion in both hours and salaries runs contrary to the fact that money is consistently, and increasingly, rated as less important to today’s young workers than job flexibility.<sup>29</sup> Big Law attempted to address this demand by offering part-time schedules, which today are near-universally available across the profession.<sup>30</sup> Yet despite the availability of part-time scheduling, only 6.1% of lawyers were working part-time in 2013, and the vast majority were women (90.6% of associates and 63.1% of partners working part time).<sup>31</sup> Most are plagued by the “flexibility stigma”: part-time lawyers are often seen as less committed than other lawyers, and find the quality of their work assignments plummet from plum to strictly routine.<sup>32</sup> Part-time programs also commonly suffer from “schedule creep,” when a part-time lawyer’s schedule creeps back towards

full-time (often while being paid at a part-time rate).<sup>33</sup> This magic combination—a part-time schedule that gradually shifts back to full-time while simultaneously depriving the lawyer of fair pay and career-enhancing work means that many young lawyers prefer to leave their firms rather than request an alternative schedule.

Recent scholarship concludes that the only way to eliminate the flexibility stigma is to change time norms—expectations surrounding face time and schedule—for everyone.<sup>34</sup> Because law firms have not done this, New Models have: working part-time is the norm in some, while in many others full-time is defined as sharply fewer than the 2000-plus hours expectations common in Big Law. By hard-baking into their business models flexibility or shorter hours for everyone, New Model firms have largely or completely eliminated the flexibility stigma. Some New Models founders are also very explicit about their desire to eliminate the stigma for lawyers that don’t fit the traditional mold. Said one, “I think they need to be assured that they’re not going to be second-class citizens....[T]hey’re highly trained, talented lawyers, so they don’t want to be in a situation where they feel second string.”

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Another important factor in New Models’ ability to provide better working conditions, particularly in Law Firm Accordion Companies and Secondment Firms, is that founders may run interference when an attorney feels that work-life balance has gotten out of whack. “We have very driven lawyers who will not let a client down,” noted one, but after a series of deadlines that interfered with an attorney’s work-life balance, “I gave my word I would try to figure out a way so we didn’t have that happen again.” Having the company owner intervene on one’s behalf precludes the workplace tension that could arise from having to put one’s foot down over the objections of a partner eager to please a demanding client. Said one founder, sometimes a lawyer has to work more due

to a judicial deadline, it's unavoidable "and that's called litigation." But if a crisis were to result from a client's failure to plan, the founder said, she would work with the client to make sure it would not happen again. New Models firms also work hard to set client expectations, for example, by telling clients that lawyers work weekdays from 8:30 a.m. to 5:30 p.m. and do not check emails after-hours or on weekends. Secondment Firms' billing models may be expressly designed to offer a specific number of hours per month or quarter, and company owners typically intervene if a client demands hours beyond the agreed upon number. These kinds of boundaries are unheard of in Big Law firms but some founders felt that work-life balance was "a fundamental value of the firm."

There's a mismatch between what Big Law offers and what many female attorneys want that results in massive defections from Big Law by women after they have children. Different groups of women lawyers mean very different things when they speak of work-life balance—but few mean working the sixty plus hour weeks required to bill 2100 hours per year, regardless of whether they can choose their hours and location. New Models provide a welcome alternative to this "all or nothing" paradigm.<sup>35</sup> The founder of a Law Firm Secondment Company (a Secondment Company staffing a law firm rather than in-house counsel) told us that she started her company "because there were so many lawyers who were leaving the profession because they didn't want the traditional partnership track....I honestly felt...there's got to be a way to provide access for these lawyers who still are very driven, very smart...to stay in practice."

When it comes to work-life balance, the most useful approach is to think of different tranches of women. One tranche sees themselves chiefly as stay-at-home moms and seek to work only 10 or 20 hours a week to "keep a hand in [practicing law]" so they can return to their careers after their children are grown. This is precisely what some Law Firm Accordion Companies often offer (although they also appeal to lawyers who want quite different things, as will be discussed later). Lawyers who want this type of schedule, typically women, represent a shift from the first generation of women lawyers, who often took for granted that they had to do "everything the men did, backwards and in heels." While the older generation's approach was to "pay heavy dues first, and [those dues] buy you the leverage to do other things, to have a life," the younger generation of female lawyers



says, "I'm awed and inspired by [the older generation]—but they...work too hard."<sup>36</sup> One founder told us that a lawyer turned down a law firm partnership to join her Law Firm Accordion Company instead.

Although these women don't want the life lived by older generations of professional women, most probably never intended to stay home full-time. Pamela Stone's 2007 study found that only 16% of stay-at-home mothers had always intended to leave the workplace after they have children.<sup>37</sup> Instead, "opt-out moms" typically wanted to maintain some professional involvement—but one that fits with their vision of motherhood. Said the founder of one Law Firm Accordion Company, "I had one lawyer who joined us last year who said that she had been looking for something like this for several years. Just every once in a while, she'd sit down at her computer and Google 'attorney mother work-life balance.' And one day, our website popped up. She clicked it and did like a little happy dance in her living room...and she called us that minute." This woman asked the founder, "Why is no one else doing this? Why has it taken so long for someone to do this?"



Many New Models also provide mothers who have left the labor force to raise children a path back in. Said one founder, “they quit. They became full-time moms. And then now that their children are older, they want to get back into the practice again...and were really disappointed and unable to find work that is acceptable to them after being out for so long.” She concluded, “law firms are not particularly receptive....to people who have a large gap in their resume.” The founder recalled an attorney with three degrees from Stanford who for many years had a niche environmental practice at a well-known Big Law firm. When she looked for work after staying home full-time, firms offered to give her a job—as a third-year associate.

Note the assumption that her skills were degraded dramatically by motherhood, an example of the strongest form of gender bias: the negative competence assumptions triggered by motherhood.<sup>38</sup> Law Firm Accordion Companies provide, to quote one founder, “an off-ramp [from full-time work] and an on-ramp [back into one’s career].” She recalled a woman who wanted to return to private practice after her son left for college: “She said it was amazing how easy it was to go back in because they knew [she’d] been working with”

the founder’s company. “They knew she’d had quality work...” By enabling her “to stay connected” during her years as a stay-at-home mother, the Accordion Company preserved this lawyer’s career.

At the same time, this founder noted, working for an Accordion Company is “not for everyone. Somebody who loves to see their name in the Wall Street Journal” would not be happy because “we’re not leading the deal or the lawyers behind the deal.” Accordion Companies’ key audience are women for whom remaining on the fast track is not an option: “the choice is that they would be basically home full-time, or they would be doing this,” said one founder. These mothers fully accept that they will be taking a large financial hit: “I gave up \$300,000 a year to do this,” noted one mother. Many founders, in describing their attorneys’ compensation, echoed the phrase that their attorneys were “nicely compensated.”

Other New Models—Secondment Firms, Virtual Firms, and Innovative Firms—appeal to a very different tranche of women: those who want “full-time flex”: working 40–50 hours a week, with the ability to control when and where those hours are worked to accommodate family obligations. This tranche of women is joined by

many men:<sup>39</sup> most men who seek work-life balance are talking about full-time flex. One founder of a Virtual Firm where attorneys work full-time flex bemoaned his difficulty in recruiting women, and mused “men seem to be more attracted to this model.”

Though men tend to want a different kind of flexibility than many women do, the important message is that work-life balance is not just a woman’s issue.<sup>40</sup> Millennials universally tend to care less than older generations about advancement than about work-life balance; to them, “time is often more important than money.”<sup>41</sup> A majority of college-educated millennial men put family above career on their personal priority lists, and have begun to take on greater family care responsibilities to go along with their generation’s more egalitarian views regarding the role of women.<sup>42</sup> That explains why millennial men (and women) “seek a supportive work culture that allows fathers as well as mothers to thrive in both their parenting and their careers.”<sup>43</sup> Yet our research shows the inaccuracy of the conventional wisdom that it’s only millennials who insist on work-life balance. In fact, virtually all New Models firms were founded by older attorneys. Many are Baby Boomers and Gen-Y men who did what many mothers have long done: told employers who insist on the all-or-nothing workplace<sup>44</sup> to “take this job and shove it.” This is a message rarely heard in the popular press.

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“[W]e obviously have people with children that want to coach their little league or their soccer or their dance...[but also] we have musicians....We have people who are writers.... We have an Iron Man.”

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New Models reflect the growing consensus among work-life scholars such as Erin Kelly and Phyllis Moen,<sup>45</sup> Katherine C. Kellogg,<sup>46</sup> and Leslie Perlow<sup>47</sup> that non-stigmatized flexible schedules require changing time norms,<sup>48</sup> rather than slapping an alternative-schedule option on top of a full-time face time culture. And even when New Models founders have preserved the law firm model, they have taken it to new places. For example, the founder of an Innovative Firm litigation boutique

described team scheduling: “[W]hen we put together a team to work on a major case, we have to account for these different availabilities and commitments. For example, a lot of our work requires travel. We just don’t assign a team member to travel if they don’t have the capacity to travel because of their children.” Others can’t work long days, so they don’t participate in trials. Other people have physical limitations. “We construct the teams in order to accommodate the needs of everybody within the team.” Not surprisingly, the firm reported zero turnover.

Family responsibilities are not the only reason people want part-time hours or to work only part of the year. Said one founder, “we obviously have people with children that want to coach their little league or their soccer or their dance... [but also] we have musicians. We have people who actually sing back-up. We have people who have bands. We have people who are writers.... We have an Iron Man who [enters international competitions].” Another founder mentioned a man who wanted to make time for “pheasant hunting in Montana” and “foraging for mushrooms” and also to start a new business. The first attorney brought on by yet a third founder was a man who wanted to spend his summer scuba diving in Southeast Asia.

The time-versus-money trade-off offered by New Models firms varies widely. The most common statement regarding compensation was well-summarized by one founder: “they’re not making money hand over fist, but for the number of hours they put in, they’re well compensated.” Some attorneys, particularly in Virtual Firms, reported that they actually ended up earning more than in their traditional law firms. This was possible because going virtual meant a lower percentage of their billing went to overhead. Most others probably earned less-but they also worked less. Founders of Secondment Firms typically compared their salaries to salaries in-house, stating that their attorneys earned about the same *per hour* as in their prior environments—but many work fewer hours. A range often mentioned is that senior attorneys working full-time at Secondment Firms or Virtual Firms make in the range of \$300,000 to \$500,000 a year, nowhere near the income of a highly paid Big Law partner, but certainly a comfortable standard of living. (There is, of course, a lot of variation in the pay of New Models lawyers, even among those who work full-time.)

In return for shorter and/or more flexible schedules, New Models extract a price: lawyers typically get paid only to the extent that they work, with no guaranteed salary at most Secondment Firms, Law Firms, Accordion Firms, and Virtual Firms. This eliminates a lot of the pressure for extreme hours and leaves lawyers willing to shoulder this risk, free to work as much or as little as they wish.

## 2. Some new models eliminate the requirement that all lawyers be rainmakers

While work-life balance is the most prevalent motivation for joining New Models firms, it's not the only one. Also prevalent is dissatisfaction with the well-nigh universal pressure on law firm partners to become “rainmakers”—those who bring new clients into the firm. Traditionally, Big Law had grinders, minders, and finders. The grinders contributed to the firm by working long hours doing the less glorious, but very time-consuming aspects of legal work. The minders were the relationship partners, keeping existing clients happy. The finders were the rainmakers. This system worked because strong norms of firm loyalty made it difficult for the finders to join another firm and take their clients with them. Doing so was considered disloyal and bad form. In recent decades, this norm eroded, enabling rainmakers to insist on a larger slice of the pie, on pain of jumping ship. These pressures were institutionalized when the *American Lawyer* began printing profits per partner,<sup>49</sup> putting firms under pressure to post high profits per partner in order to attract new rainmakers and keep those they have. Gradually, rainmakers' status and salaries soared, and those of both minders and grinders fell, leading to two-tier partnerships in which most partners were glorified employees (“income partners”).

Despite the increased status and money associated with rainmaking, there is a serious problem: many lawyers hate rainmaking and aren't good at it. A powerful force behind many New Models firms is that the founders do the rainmaking and leave the lawyers free to do what they like and do best: lawyering. Said one New Models founder, describing lawyers attracted to his firm, “They loved the research, they loved the writing, but in the traditional law firm model they got to the point where they didn't have a lot of value unless they could do a lot of other things [like rainmaking].” Many founders in firms that do not require rainmaking mentioned that many of their lawyers were attracted by the freedom

from pressure to bring in clients. “There's two groups of people,” said one founder. “People like me who actually generate work. I've tried hiring people in that category and then I basically gave up, because most...lawyers are not good at generating work, and most lawyers don't like it.” Many Secondment Firms don't require rainmaking, no Law Firm Accordion Companies do, and Virtual Firms vary.

## 3. Many new models allow attorneys to set their own billing rates

The third theme, though less prevalent, was also clear: New Models lawyers like the ability to set their own billing rate. Many lawyers feel that Big Law rates need to be set so high that they have to turn away work they want to do—and would if rates were lower. This is a powerful motivator for some lawyers to join New Models firms where they can set their own rates. One founder stressed that attorneys often are keen to do so: “[There are] other firms where they're forcing partners to bill out at \$800/hour, which has priced them out of a lot of great opportunities.” Another agreed, saying that one need “that is very big that most firms don't realize is that [lawyers] want the ability to set their own rates.”

## 4. New models provide lawyers a safety net in a climate of economic uncertainty

Much less talked about is the fourth theme: some New Models respond to lawyers' needs in a climate of economic uncertainty. This includes associates' sharply diminished chances of making partner as compared with prior decades. “I think a lot of the younger lawyers...know that nobody's ever going to make equity partner in the large, traditional law firms unless you're an equivalent of a Michael Jordan in basketball,” said one New Models founder.

New Models also can provide a path towards a permanent job in a legal market where jobs are harder to come by. Founders told us that some lawyers attracted to their companies had lost their jobs during the Great Recession of 2008, which hit the law very hard. Said the founder of a Secondment Firm, “I feel like we just did a huge thing...helping attorneys who had kind of been big victims of the economy to find amazing, amazing jobs.” This is a topic founders typically downplay, but founders of both Secondment Firms and Virtual Firms mentioned that lawyers (men in particular) joined their firms when



they lost jobs, either with the intention to stay, or with the intention of using New Models as a way to get back into more traditional organizations.

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“I think a lot of the younger lawyers...know that nobody’s ever going to make equity partner in the large, traditional law firms unless you’re an equivalent of a Michael Jordan in basketball.”

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Founders of Secondment Firms report that their clients use them as a “try-before-you-buy” way to hire attorneys. Secondment Firms also address a common Catch-22: to get an in-house job, companies sometimes require lawyers to have in-house experience—but of course you can’t get in-house experience if you can’t get that initial job. Secondment Firms allow lawyers to gain enough in-house experience that it can pave the way to a full-time job in-house.

A final way New Models help lawyers respond to the woes of the legal labor market again emerged in Secondment Firms. One founder reported that some lawyers, after one or more corporate layoffs, decided to join his firm to avoid “putting all their eggs in one basket” again: “they like the idea of having multiple clients so that no one client can...put them in that position where they don’t have work,” said one.

### **5. New models allow entrepreneurs to follow their dreams**

The final persistent theme among founders is something not often associated with lawyers: joy. New Models provide an outlet for lawyers bit by the bug of entrepreneurship, the desire to innovate and create something new. Said the founder of a Secondment Firm, “I had always had an entrepreneurial interest or bent... [W]hen I look back, some of my happiest days, professionally, was when I was in high school and college and I had a lawn mowing business in the summers in D.C.” He mused, “A friend of mine and I together, we had 130 lawns we mowed on a regular basis, and it was fabulous.

We’d wake up. It felt like the world was our oyster.....” When this founder worked at a law firm, “I always felt that I was a couple of steps removed from the really interesting decisions, which were all business decisions.” Founding a New Models company responded to his interests. One founder, Garry Berger, has founded both a Virtual Law Company and a Secondment Firm. Said the founder of a Law & Business Company who got his law degree and master’s degree in finance at the same time and was the chief financial officer for a high tech company, when asked why he ultimately went into law, “Well, I don’t know. Am I in law or am I an entrepreneur?” He continued, “People are happy when they come to work and they don’t feel like a cog in a wheel or a fungible billing unit. We’ve given meaning to their lives and our clients love it.” The romance of the new attracts not only founders, but also New Models attorneys. One founder noted that attorneys in his organization “really love that they’re a part of something...we feel is the path of the future, something new, something innovative.”

## **C. Conclusion and roadmap**

In sum, New Models represent capitalism’s response to a twofold market failure. First, Big Law failed to offer clients their desired trade-off between quality and affordability. Second, Big Law failed to offer attorneys their desired trade-off between time and money—and satisfaction. The entry into the market of the New Models firms represents the market segmentation that has arisen to address these persistent market failures.

This report begins in Section 2 by describing the philosophy behind New Models, whose founders often articulate a harsh critique of Big Law. Section 3 discusses the most established type of New Model: Secondment Firms. Section 4 discusses Law & Business Companies. Section 5 discusses Law Firm Accordion Companies. Section 6 describes Virtual Firms, which incorporate virtual work and other novel uses of technology, often coupled with alternative fee structures. Section 7 discusses Innovative Law firms, which typically hard-bake work-life balance into their business model, and often include other innovative features. Section 8 discusses Big Law’s Revenge: a large law firm that has founded a New Models company to complements their traditional practice.

“It’s like you get Lasik [and say]...‘Wow,  
why was I ever dealing with glasses?’”

# The Philosophy Behind New Models of Legal Practice

## MANY NEW MODELS FOUNDERS

articulate a harsh critique of Big Law. Said a founder, law firms have “a slew of...problems: work-life balance, attrition rates, being very high leverage ratios, complaints about divorce rates being high, and satisfaction, and law firms over-led and under-managed, and leadership sucks anyways.” “[P]artnerships are a super bad way to run a business,” said the founder of a Virtual Firm, because they produce “inertia—and the reason that very few or none of them have done anything progressive is because of the partnership structure.”

“What I realized was that I was really miserable at the typical law firm...but I didn’t dislike being a lawyer at all. In fact, I loved being a lawyer. I just hated law firms,” said the founder of an Innovative Law Firm. Another agreed: “It’s a miserable thing to sell hours. If you sell hours, you have to count hours and you have to spend your day marking down these little bits of time. That’s not what you want to be doing. You want to be reading and helping and negotiating and being a lawyer.” Mused the founder of a Virtual Firm, “I think it’s a horrible lifestyle for the lawyers to constantly have to track their time. The perspective of the clients [is that] it rewards inefficiency. It’s unpredictable, so a client doesn’t know necessarily what their bills are going to be.” Performance evaluations of in-house lawyers typically include metrics on how well they stay within budget—yet law firms’ billable hours model ensures costs can be highly variable.

“We’re one of the few industries in knowledge work where you have businesses run by people who don’t have any business sense or skill,” mused another founder. “Business skill is different from legal skill,” agreed yet another. He cited compensation systems as an example. “What you measure is what you get for behavior, so when it comes to work-life balance issues and values, core values, if there are not metrics in place to measure it” the behavior won’t happen: “you’re going to get the behavior you motivate with your comp.” Another Innovative Law Firm founder reflected, “in a nutshell, the practice of law itself is and should be a fun and interesting job. You get to do different things all the time. You work with smart people....[B]ut so much of law firm life had turned into simply a race to see who could bill the most hours and who could get the most origination credit.

[That] really became the only way to make money in a law firm—didn’t matter how good you were or how efficient you were or what your results were.” At the same time, New Models founders were acutely aware that the lavish “class acts” displayed by law firms translated into longer hours for attorneys who had to fund that overhead. “Much of the capital is in the office space and the furnishing and mahogany and blinds and Oriental rugs,” said one.

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“What I realized was that I was really miserable at the typical law firm...but I didn’t dislike being a lawyer at all. In fact, I loved being a lawyer. I just hated law firms.”

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“I bought into the big firm mentality and billed over 2,000 hours, generated my own clients, and was on the...hamster wheel,” observed another founder who had made partner at a traditional firm. He found the Big Law model off-putting for several reasons: “my worst enemies were my business competitors and a business model where there are 40 co-owners who are all trial lawyers and you re-divide the pie every year. Your incentive is to devalue what everyone else does and to pump up the value of what you do. I found all this very destructive to the process of delivering legal services.” He left the firm he “saw as a dinosaur—fat, dumb, happy, expensive commercial space and all that.” He now owns “a new breed of law firm” where the “emphasis is on making law more like other businesses, where you try to control your cost of production, and you change the way we make the widgets.” He frequently speaks publicly on alternative fee arrangements.

Another founder critiqued Big Law’s reliance on many layers of review, saying that associates “are often thought of as being great ways to reduce cost. But I think they ultimately actually significantly increase costs because a junior associate needs to be reviewed by a mid-level associate, who’s reviewed by a senior associate. And then...information is completely filtered out by the time

it get to the partner. So a lot of valuable data is lost, and then they're billing for it." His Virtual Firm eliminated much of that hierarchy and in return "we don't have the incentive to keep the associates busy." Early stage associates, he noted, have been replaced by form documents and document generators.

Many founders were motivated by the bleed of women out of the law. Said the founder of an Accordion Firm, "The sole motivation was I wanted to practice law in a way that made sense for my life after I had children." She was pregnant with her second child when she decided to leave her firm. "I really enjoy practicing law. I like being a lawyer. I feel strongly about being able to continue to practice law because I had all this education and training." The founder tried part-time but discovered that it was even more stressful than when she and her husband both worked full-time. She found a friend who

wanted to "do high-level essentially temporary lawyer work just to supplement our family income." So they began to work together, and then after about a year, "we started having friends ask us if they could come and [work] with us." So they started a company, and "were completely flooded" with applicants.

The founder of an Innovative Law Firm recalled, "I had two young children...and I wanted more flexibility. Also, at the same time, I thought that I would set up a firm that did the same quality of work, the same types of clients, and provide it at a much more reasonable rate.... Basically, the overhead for everyone has gone down but in a way that now enables smaller firms to compete." The founder of a Secondment Firm recalled that when she began her career in Big Law, "I knew, before I even started, that I just would not fit within that model for very long." It didn't fit with her ideals for family life. "I knew before I even got married or really even was in a serious relationship that I wanted to be a mom.... I also felt really strongly that if I did that, that I should be very present in their lives. A lot of that comes from having been raised in a household where I had two very career-focused parents who certainly made me who I am, in terms of being very motivated and entrepreneurial." But she knew "I just didn't want to do it that way." She assumed that she'd have to stop working and just raise kids—but events took her in a different direction. She went in-house and then did contract work, ultimately hiring another attorney to take the work from a large company she could not do. Then that company asked if she could supply them with attorneys for various projects, and her New Models firm was born—one that very consciously tries to eliminate the flexibility stigma.

Others were driven not so much by a mission to keep women from leaving the profession as from the practical insight that mothers were a largely untapped and talented labor pool. Said one male founder of a Secondment Firm, "I learned very quickly...there are a lot of really fantastic women lawyers especially who don't have a good way of staying at the big firms." He realized that "if I'm looking for really top talent" here was "a terrific pool of talent to select from."

Still other founders knew they weren't cut out for law firm life in the long term—so they invented an alternative. Said one, "What seemed so great at the beginning, which was these partners, the senior



associates were working just as hard and working just as late, the light bulb went on. It was like, wait. That's 20 years from now. You're still working this hard?...I loved the work...but I didn't feel...it was sustainable in a long-term way." She founded a Law Firm Accordion Company. The power of her business model, she stressed, was this: "...it was really important to me from the beginning that this be viewed as a really universal thing, not a female thing. Our applicant pool is 50/50. It really validates this idea...people across the board want to have a fulfilled life...."

One thing that's striking is the number of New Models firms founded by men seeking work-life balance. One male founder of a Secondment Firm was an attorney at Weil, Gotshall & Manges when he decided he wanted to spend more time with his two young children. "So I thought I'll do this at home and didn't have all the overhead etc. that it would be a good deal for clients and also a good deal for me and enabled me to have my own schedule and spend time with my family, watching my kids grow up." Another male founder of an Innovative Law Firm made explicit his goal of attaining a different trade-off between time and money: "You know what, if you were totally focused on profit...I wouldn't be sending everybody home at 5:00 and I wouldn't be giving them three unplugged weeks of vacation a year....[I]t's very important to me as a fundamental value that I go home every day at 5:00 and so I can't be leaving if they're still here....I've worked one and a half, probably two—to be totally honest with you, two weekend days since I started the firm. That was...really kicking and screaming." The male founder of a Secondment Firm spoke for many others when he said that although mostly-male lawyers at his company typically bill 40–45 hours a week, "they might work at 8:00 at night or 9:00 at night. But they might take three or four hours in the middle of the day to spend with their family." The founder of a boutique firm that does government-funded housing and community development work, mused "we have a group of lawyers all of who seek that work-life balance....It's really, I think, a culture and vision thing": their hours are less, and their profits are "probably a little lower," too.

The most telling story was from a Virtual Law Firm, where our informant recalled that one attorney left because "he just wanted to grind it, and that's not who we are. He wanted to make a lot of money. At the firm, if you want to go make a million dollars, we need to go to a firm

where they have that type of infrastructure. That's not us. You can make a great living, feed your family, send your kids to college and just live a nice life at our firm."

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"[I]t was really important to me from the beginning that this be viewed as a really universal thing, not a female thing. Our applicant pool is 50/50....people across the board want to have a fulfilled life...."

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Other motivations also played a role. Shedding firm responsibilities such as "the bureaucracy or the politics of having to be in the office at a certain time or to be on certain committees" also allows attorneys to earn the same amount while working fewer hours, noted the founder of a Secondment Firm. An informant at a Virtual Firm had a longer list: "I get to choose which clients I want to take and I don't want to take. I don't have somebody overlooking those decisions, [saying] 'Well, why did you turn away \$50,000 worth of business from such and such a client?'" She continued, "I get to choose when and where I work. I get to choose what rates I have.... I don't have to run around and try to develop this gigantic leveraged practice." She concluded, "You run your practice to please yourself." Another informant described the range of motivations: "They really appreciate the flexibility, the range in client work, the control, the hands on with clients at client sites."

A final attraction of New Models is that they give people a sense of being part of something new and different. Said the founder of a Secondment Firm, "people really love that they're part of something that we feel is the path of the future, something new, something, innovative." Said another founder, "The legal industry has not innovated ever, such to the extent that if you can do something slightly different, you've got a good chance of what they call blue oceans." "Blue oceans" refers to businesses creating "uncontested market space" where the absence of competition helps these innovators achieve rapid, often highly profitable success.<sup>50</sup>

“It’s like asking the Dollar Store why  
they don’t turn into Bloomingdale’s.”

## Secondment Firms

THE MOST ESTABLISHED NEW MODEL consists of companies that place lawyers to work as in-house counsel either on temporary assignment (the original meaning of “secondment”) or on a more permanent but part-time basis. Generally, lawyers at these companies have elite law school and Big Law credentials, followed by experience working in-house. Lawyers work virtually from their own homes and/or on-site at companies they serve, at salaries consonant with those of lawyers in-house—which makes for fees a fraction of those at Big Law. Secondment firms take pains to differentiate themselves from temp agencies such as Robert Half Legal. Temp agencies typically do entry-level or routine legal work; Secondment firms are careful to insist that they do high-level legal work. When asked to differentiate, one informant analogized the comparison to that of the Dollar Store and Bloomingdale’s.

What Secondment Firms seek to offer is high-level work at bargain basement prices. Several firms mentioned that their fees averaged a third to a half those of Big Law. One way Secondment Firms deliver this lower rate is that their lawyers do not get a guaranteed annual salary. They only get paid for the work they do. So lawyers take a risk: they work without the guarantee of a steady income in exchange for a release from many of the pressures of law firm life, most notably the pressures to bill long hours and to bring in clients. Most Secondments split fees between the lawyer who does the work and the firm. The percentages vary widely, even within a firm. One founder noted that the attorney who does the work gets between one-third and two-thirds of what’s billed depending on the type of work “and the relationship I have with that attorney.”

Some organizations are organized as law firms, while others are organized as companies. Two quite different Secondment models have emerged. The Independent Contractor Secondment Model (Avökka, The General Counsel, Limited, Outside GC, Phillips & Reiter, InnovaCounsel, Conduit Law) stems from the desire of senior lawyers (typically men) to work more flexibly and escape the billable hours “rat race” or less frequently, to avoid “putting all their eggs in one basket” after having been displaced by corporate takeovers. These lawyers usually have prior experience as general counsel or other

senior positions in-house. Typically, they work full-time “flex,” with time off as needed to attend to family matters or other interests. These firms reflect the fact that many men—even those who work very long hours—typically say they want to work 40 hours a week.<sup>51</sup> Attorneys typically are characterized as partners, even in organizations that are companies, not law firms. Lawyers are independent contractors on an “eat what you kill” arrangement—they have no guaranteed salary but keep what they earn (or collect), with the Secondment Firm taking a percentage of their fees. Some firms require attorneys to have their own book of business, while others do not. Many are members of the General Counsel Services Alliance.

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Lawyers work virtually from their own homes and/or on-site at companies they serve, at salaries consonant with those of lawyers in-house—which makes for fees a fraction of those at Big Law.

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At the second type of Secondment Firm (Paragon Legal, Bliss Lawyers), the Employee Secondment Model, firms’ core motivation is to offer women a non-stigmatized way to continue to practice at a high level after they have children or re-enter the law after a career break. One (Paragon) was founded by a woman, while women are the major shareholders in the other (Bliss Lawyers). These firms have lawyers with a wider range of experience, including junior lawyers with only a few years’ experience. Their lawyers also work a wider range of hours, including many who work part-time.

Another major difference is that, in keeping with the founders’ motivation to offer *high quality* work to mothers, lawyers in this second type of Secondment Firm are employees of the firm, with full benefits packages. While most of these Bliss and Paragon’s lawyers are mothers, some are men who want flexibility to pursue

other interests, while others join them to get in-house experience so they can get a permanent job in-house. These firms also appeal to a different tranche of women: those who want to work the average number of hours American mothers work—roughly 32 hours per week.

## A. Independent Contractor Secondment Model

### *Avökka*

Type of Organization	Law firm.
Size	6 attorneys.
Geographic Location	Offices in Toronto, Ottawa, and Montreal.
Practice Areas	Litigation; IP strategy; corporate governance, compliance, and regulatory matters.
Flex	N/A

Andrew Foti is the founder of Avökka, a company that provides part-time general counsel services to mid-market firms, servicing clients both virtually and on-site. The firm has been in business for approximately a year. They have six attorneys with an average of 20 years' experience. They operate on a fixed-price basis, on a retainer. Attorneys typically work 1–2 days per week for a 3–4 different clients each.

What distinguishes Avökka is the degree to which their attorneys are integrated into the clients' businesses and serve as proactive strategists. As Foti described the work of this highly experienced team, "we're judgement, as a service." Their attorneys act as legal executives giving proactive legal advice with a view of the entire business in mind. Because they are targeting mid-market clients, many of which are startups in fast-growth mode, there can be some evangelism required to get clients to fully appreciate what Avökka has to offer:

"A big challenge is to change client behavior from reactive, episodic interaction with lawyers. Avökka's approach is like an insurance product. You have this lens, this person on staff, as opposed to just calling when you think you need them at the last minute. That's a different way of looking at legal that is quite unusual. Anyone that's done any sophisticated legal

would understand that that lens has real value. In the mid-market, for people to necessarily see that value, it's a bit of an advocacy exercise. We're pitching to change consumer behavior, in a sense, to see the value. Those who are using it generally see it. If they're large enough, they get it."

Typically Avökka's services are split between virtual and on-site, with attorneys at the client offices weekly. Ideally, attorneys are with about three clients for one to two to three days a week per client. One challenge they currently face is building their HR model, both in terms of how to identify the right kind of attorneys for their business, especially those who have an entrepreneurial spirit and are interested in practicing in this new way and growing the business:

The idea is to create a collective, as opposed to having a bunch of sole practitioners, with have a common culture and approach practicing this way under an identifiable brand. I think that not every attorney that has the kind of and combined BigLaw and executive experience I've described is a fit for this model. Apart from that background, the additional elements required are clarity of communication, a willingness to participate in and pragmatism in making decisions about risk, and a proactive approach that anticipates legal issues and finds ways to systematize processes in the business to get lawyers out of the way.

### *The General Counsel, Limited*

Type of Organization	Law firm.
Size	9 attorneys.
Geographic Location	Twin Cities, Minnesota metropolitan area.
Practice Areas	Corporate legal services.
Flex	Attorneys may work as little as half-time.

The General Counsel, Ltd., founded in 1985, is unusual in that it is organized as a law firm; a majority of the others are organized as companies. It has consciously remained smaller to maintain collegiality and manageability. At the time of writing, its website lists five "principal attorneys," (two of which are women) with three "of counsel attorneys" (two of them women). The firm is in the Twin



Cities area (Minneapolis/St. Paul), although the founder, Kent Larson, expressed interest in expanding. The lawyers average more than 25 years of in-house experience, and the firm's website stresses that its lawyers are "key business advisors, not legal technicians."

Larson says the firm's fees are significantly lower than those at Big Law, and they may be structured in various ways. "We typically have engagements that are long-term, on-going, and involve either some level of effort," such as quarter or half time, or, "handling a certain type of activity," such as all employment matters. The firm's website stresses its low overhead, passing cost savings along to clients, stating "most services are delivered on a monthly, fixed retainer basis" with "substantial discounts available for retainer-based engagements, with the amount of the discount increasing with the level of hours required." For small projects, or one-off projects, General Counsel, Ltd. works either on an hourly basis, or according to Larson, "we may have some kind of a structured fee that's tied to certain milestones or certain kinds of projects." In other cases, clients pay a flat fee for "a percentage of the attorney's time," often 30% to 50%. In still other cases, the firm "will simply say... I will handle our employment matters for a fixed monthly fee, and as long as it falls within reasonable boundaries, you're covered with that." If, in a flat fee context, there's a "huge surge of work or special work that needs to be done, then we have to talk about that." The flat fee structure "gives the client the ability to budget and it makes [costs] very predictable...."

The firm has no offices: as with most other Secondment Firms, attorneys work from home or at client sites. Larson estimated that the overhead at traditional law firms was in the range of 50% and said "our overhead is significantly lower than that." Lawyers typically use support staff from clients, or hire assistance only as needed.

Said Larson, the firm likes its lawyers to be working for General Counsel, Ltd. "at least half time or more," but "the idea is that our attorneys work more or less "full time".... A number of them have other pursuits, so typically they're engaged full time in various pursuits." One is an artist. Another has been a stand-up comedian. Another has a family business. Yet another was a state legislator. Several women joined as a way of balancing work and family. "In each case, we provided an opportunity for these lawyers to have really good meaningful engagements with clients and maintain their professional credentials and

be satisfied professionally, and at the same time, have the flexibility in their lives that they needed and wanted to have," said Larson. Attorneys were attracted by the ability to escape the billable hours "rat race" and yet continue to do high-level work, which "they have a tough time finding other places." Another advantage from the attorneys' viewpoint is the ability to have a "diversified clientele," which both gives a wider variety of work and avoids putting "all your eggs in one basket." Attorneys also get a "window into multiple corporate cultures," which "allows them to spread best practices from one client to another."

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"[L]awyers [can] have really good meaningful engagements with clients and maintain their professional credentials and be satisfied professionally, and at the same time, have flexibility in their lives..."

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Lawyers do not need to bring in business, although at the time of the interview some did, the firm is "always looking for lawyers who can help bring in business," and the firm was "working towards giving people an equity stake in the firm." Lawyers are paid based on how much they work, offering workplace flexibility. However, it also means that attorneys need to feel comfortable with not getting a guaranteed salary and be able to "take the risk that goes along with building a practice.... Not everybody either has kind of an entrepreneurial bent or has the ability to be an entrepreneur in the sense that they need a salary and they need predictable income right away."

Larson did not disclose how compensation is structured, other than to say, "if somebody is a good originator, they get rewarded for that by the other people who are getting the work. For people who are good at doing the work, they end up being rewarded for that. We have to come up with a kind of a balance point that makes it reasonably equitable for everybody." Origination credit sunsets, that is, it decreases over time. "Once the client is engaged with a lawyer, that lawyer's the one who builds the relationship."

Larson placed the firm's clients into four buckets. First were "Fortune 100, 500, 1000 companies" with an

existing legal department but who need someone to serve as regional counsel or division counsel, or need help with employment law or some other specific function. The next have small legal departments, often one or two lawyers, who need a bit more—“another quarter or half lawyer.” The third are small to medium sized companies not big enough to justify full time in house counsel. For them, the firm can supply a part-time general counsel for 80–90% of their legal needs, and finds and supervises other attorneys to supply the remainder. The fourth are companies too small to have in house lawyers, for which the firm works on a project basis.

### **Outside GC**

Type of Organization	Law firm.
Size	41 attorneys plus management team.
Geographic Location	Headquarters in downtown Boston.
Practice Areas	Corporate generalists mostly serving tech companies.
Flex	Many attorneys work part-time.

Founded in 2002, Outside GC does mostly transactional work. At the time of writing, the website of Outside GC listed forty one attorneys (over half of them women), all of them non-equity partners. The firm has no junior lawyers; it has a “very specific set of requirements...that all the lawyers on our team have worked at a prestigious law firm, and have had significant time as in-house lawyers for more than ten years. That’s a pretty high bar.” Their attorneys have worked at “well-known companies” and graduated from “prestigious law schools.”

Outside GC “really want[s] lawyers who are going to come and stay...we’ve only had something like five lawyers ever leave in eleven years. We’re really proud of that, and that’s really a big part of our value proposition to our clients....that continuity of our team members.” Their goal is to “give the lawyers ownership of the relationship. You know, that’s part of what makes them feel excited, it makes them entrepreneurial.” As a result, the firm typically gets “an incredible number of inquiries from fabulously talented lawyers” who would like to work there.

Most of Outside GC’s attorneys come from corporate generalist backgrounds, although they do have some lawyers “who are more specialists in a particular area; so

for example we have an immigration lawyer, and we have our patent and trademark lawyers.” The workflow operates by assigning a primary lawyer for a given matter, who then “seek assistance from other members of the team who have a particular expertise when matters come up for that client, where someone else on the team has a better background than they do for that particular project.”

Outside GC’s fees, typically \$175 per hour for on-demand legal services and \$150 per hour for a retainer agreement,<sup>52</sup> are “about a third of what the lawyers in the firms we’re coming from are billing out at for people with the same number of years of experience.” They typically hire lawyers who have been in-house, and pay roughly what in-house lawyers earn. “Now we’re not paying our lawyers as much as the general counsel of Google makes, I’m sure. But someone who is general counsel for a small or mid-sized company or senior counsel at a larger company, we’re paying very competitively to them compared to those kinds of jobs.” Outside GC lawyers are paid essentially a percentage of the gross fee, in the range of 65% to 68%.

They have three common arrangements. One is to provide general counsel services on demand, “at a rate substantially less than that charged even by smaller law firms,” according to their website. Another is to provide senior lawyers to handle a temporary overload in a legal department. The third common arrangement is to place an attorney work on-site as a part-time legal counsel or to handle a work overload.

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“[Outside GC has] only had something like five lawyers ever leave....We’re really proud of that, and that’s really a big part of our value proposition to our clients....”

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Outside GC keeps costs low in two ways. First, they only hire senior people who are “really efficient” because they are “not learning on the client’s dime.” Second, they’ve kept infrastructure costs very low, so they “really don’t have any passed-through expenses” other than the lawyer’s time. They do have five non-lawyer professionals

who provide administrative support for the team, “including accounting, billing, collections, ordering business cards and getting people’s emails and systems set up.” All five work from home and are working parents.

Attorneys are not expected to do business development, but are “lawyers who are really just good lawyers and that’s all they want to do. We don’t make them worry about being good at being lawyers and also being good at being business developers.” Very few bring in their own clients. When lawyers do so, they are rewarded financially, but the ability to do so is not considered in the hiring process.

The firm sees itself as “family friendly, woman friendly, alternative friendly. We really will allow people to define their own experience.” They have many people who work less than full time. One of the things that is “unique about Outside GC is that we have come up with a way to let people have a really professional experience as a lawyer, while not having to compromise their ability to have a holistic whole person experience with their families, their community, their personal life, whatever it is.”

Unlike the other Secondment Firms, Outside GC has “an office in the financial district of downtown Boston. It’s lovely,” said our informant, “but [we] really don’t go in there very much.” He goes about twice a month and “I’m probably there the most.”

***Phillips & Reiter, PLLC***

Type of Organization	Law firm.
Size	20 attorneys.
Geographic Location	Offices in Houston, Austin, Dallas, and Fort Worth.
Practice Areas	Attorneys are corporate generalists with various specialties.
Flex	Attorneys manage own schedules and are paid for hours worked. There is a minimum hour expectation.

At the time of writing, the website of Phillips & Reiter, with headquarters in Houston and offices in Dallas,



“We actually sell the fact that we’re just like you guys, clients. You’re a mid-market company. You’re not downtown in the Penzoil Building or the Exxon Building. You’re saving dollars as well.”

Austin, and Fort Worth lists twenty lawyers (five of them women), all of whom are equity partners of the firm. The firm was created in 2003 as a “third alternative for senior lawyers” in addition to law firms and in-house. Our informant, Gregory Phillips, one of the co-founders, said that the key in founding the firm was “Flexibility. I didn’t like the idea of having to sit in an office if I didn’t really have the work to do, or if I had completed my assignment. If I wanted to go out and coach my son’s baseball team, I didn’t like the idea of having to just show up on the weekends just because somebody needed to see me there. That just burned me up....I can manage myself. I know what I need to do. I don’t need to play those games.” He also asked, pointing to Enron, “Are you doing to put your fate in someone else’s hands and you you’re looking at all the different corporate changes over the years, or do you say...I’d rather put my fate in my own hand?...I’d rather be in charge of my own destiny.”

The founders realized that technology meant they did not need a law library or an elaborate IT system, which enabled them to “put a dent in the law firm model” and provide legal services to clients at 30–40 percent less than the cost of employing full time general counsel.<sup>53</sup> However, “I’m just telling you from starting a firm that it’s not easy.” You have to be good at business and “lawyers aren’t traditionally good business folks. They don’t have a stomach for risk.”

Phillips stressed that “all of our attorneys are corporate generalists” doing “transactional corporate practice.” The website lists corporate law and finance, intellectual property, energy and international law as areas of practice. Most lawyers at the firm come from in-house (although many started out at law firms). Typically they have been senior lawyers at a large legal department, or general counsel of a mid-sized company, and the pay is similar to someone working in those environments.

Their office space is “A-, B+ space. We’re not downtown. We don’t have marble floors, mahogany wood furniture. All of our furniture, by design, is going to be similar to the furniture of an in-house lawyer, and it’s all uniform. We buy it from the same place in every city.” As is common in-house, they have a higher ratio of lawyers to admins; at the time of the interview, they had three admins for the twenty-eight lawyers in the firm. “We actually sell the fact that we’re just like you guys, clients. You’re a mid-market company. You’re not downtown in the Penzoil Building or the Exxon Building. You’re saving dollars as well.”

Fees work in two ways: by the hour, and on retainers. Hourly are about “probably about 40 percent less than the fees of our peers...in larger full-service firms,” around \$300 to \$350/hour. For that, “you get a very good lawyer, with a very good pedigree, top law school, top law firm.” Phillips & Reiter also has a retainer model for clients who say, “look we want to use your lawyers for 20 hours a week.” Typically on-site Secondments deliver a discounted rate. Our informant stressed, however, that “We don’t really sell on price. We sell on the value and that’s worked well for us.” “You’ve got to be able to do the day-to-day stuff,” stressed our informant, “You can’t go work on an M & A deal every day.” Most of Phillips & Reiter’s lawyers have 15 or more years of experience, with at least 12 years “at the bottom end.” “All of our lawyers are similarly situated, at a similar point in their careers. Our lawyers pretty much manage themselves because they’re incentivized...based on how much they want to make...because no one’s beating on them.” They “have a good work ethic, and they come to us for various reasons, most of it work-life balance and flexibility.” Despite this flexibility, lawyers at Phillips & Reiter do have “kind of a minimum billing number of hours we’d like for [lawyers] to meet because that makes our economics work....” Phillips did not specify a number but indicated that “full time” is less than what is commonly expected in Big Law, stressing that “we don’t say bill 2,000, 2,500 hours because we want to just build, build, build and make a lot of money.” Like other similar firms, attorneys at Phillips & Reiter are paid on a collections basis: “They get paid when the clients pay.” Typically the lawyers keep “anywhere from 45 percent to 50 percent of the billable hour. The rest goes to infrastructure and the rest goes to the firm” (presumably, to the five firm founders).

Phillips & Reiter retains more of the structure of a traditional law firm than some other Secondment firms. As noted, all lawyers are equity partners, although there are “different classes of equity.” The two name partners, Greg Phillips and David Reiter, are at the top. A managing partner runs the office in each city. In addition, committees provide advice and input from committees on risk management, technology, benefits, and employee matters. Lawyers move up the equity ranks into profit sharing “if they prove they can build up a practice over a 12-month period,” just as occurs in a traditional law firm. However, “because we give so much away on the front end, it’s not like there’s a big pot of gold.”

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“We thought you could train lawyers on how to go do business development. Over time we found that [many] lawyers aren’t that great at business development....”

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Until recently, lawyers were expected to bring in one-third of their work, with the firm providing the second third, while the final third was “co-developed.” Shortly before our interview, the firm had shifted for new lawyers to a system where rainmaking is the province of the firm, not the attorneys. “We’ll bring on lawyers without a book, but we’re very selective on who we bring on board. We only bring lawyers on board when we have the work there and when we see a clear path to getting them ramped up.” The firm shifted to the new system when it realized that not every great lawyer is a great rainmaker: “We thought you could train lawyers on how to go do business development. Over time we found that [many] lawyers aren’t that great at business development....” But they also realized that many great lawyers were happy to settle for lower pay than they initially realized. So they hired a consultant to help them identify target clients and figure out the best way to approach them.

Another way the business model has evolved is that the firm has gotten more selective. “At first, they were not as “selective up front, and we hit some foul balls.” But, Phillips noted, “There are great lawyers out there who are kind of tired of the rat race.” The firm also changed in another way:

for the first five years, about 50% of their lawyers worked at the client site, while the other half worked from home. As of the time of the interview, only about 30% work at the client site, while roughly 70% worked from home. The firm holds two firm retreats a year, one focused on business, while the other is purely social.

Clients are chiefly of two types. One is a mid-market company (\$5 to \$200 million in revenue) which needed substantial services but suffers from Big Law sticker shock. “We step into that gap... They jump for joy when they find our firm because they get a lawyer who’s very experienced and can handle sophisticated matters, and know about business....” The second type of client are big legal departments with a hiring freeze which have lost a key lawyer. The firm also does “their smaller deals that are less strategic where it doesn’t make sense to go pay a lawyer \$800 an hour to do a \$20 million asset divestiture.”

Despite its similarity in some ways to a traditional law firm, the central dynamics of Phillips & Reiter are different. “If you’re a partner in one of those firms you have an allocation that’s pretty high, where you’re probably required to hire so many associates, so many paralegals, so many admins, so you’re going to get tagged with this bill at the end of every quarter that you’ve got to pay back to the firm...and if you don’t do it then you’re probably going to get asked to leave or you’re going to get dinged by your profit distributions.”

### ***InnovaCounsel, LLP***

Type of Organization	Law firm and business services LLC.
Size	8 attorneys.
Geographic Location	Headquartered in Newport Beach, CA.
Practice Areas	General corporate, finance, litigation, employment, intellectual property and licensing, real estate, commercial agreements, and more.
Flex	Low hour expectations and part-time schedules available; requests to work from home handled on a case-by-case basis.

InnovaCounsel was co-founded in 2005 (originally called The General Counsel) by Stuart Blake, who had recently left a general counsel position. His co-founder was Michael Oswald. The company is actually

comprised of two entities—one is a law firm and the other is an LLC that provides business support (e.g. bookkeeping and other administrative functions) to the firm. Blake started the company because during his time as general counsel, he worked with a number of small to mid-size companies who said they couldn't afford to pay outside firms for doing day-to-day legal work, nor full-time in-house counsel. Most of the clients they serve generate \$20 million to \$200 million in annual revenue.

InnovaCounsel works with clients on a negotiated flat monthly rate, based on the number of days attorneys will be on-site, with engagements typically being one or two days per week. The engagements are open-ended, with some clients having turned to InnovaCounsel for nearly ten years. The more days per week the attorneys work, the more the per diem rate is discounted, following the same principle as buying in bulk—and offering savings over the daily rate for hiring traditional outside counsel. In fact, Blake estimated their rates as being equivalent to hiring a paralegal at a large law firm. Yet, compensation actually received by the attorneys is commensurate with that of attorneys at a large firm, assuming InnovaCounsel lawyers were working 5 days a week. The company pays for malpractice but does not provide other benefits.

Attorneys work on-site and are as integrated as possible with the client's business, with company email addresses, phone extensions, and their own offices. Because their attorneys are all senior level with many years of experience, they are able to quickly understand a client's business operations and work with management and staff to get things done. According to Blake, "One of the great benefits of working for InnovaCounsel is that, in a world where there is a finite number of general counsel positions and a fair amount of age discrimination, those who want to do senior-level in-house work have greater opportunity to do so."

Blake said that InnovaCounsel has encountered "some difficulty seconding its lawyers to fast growth companies, who often desire the imprimatur of a big name firm." There is also the issue that there are some firms specializing in providing counsel to startups and do so for "free," only taking equity in the company as payment. Also, because these investments are potentially very lucrative for law firms, they often compete for recommendations from startup venture capitalists, and "the startups are loathe to displease their funders."

### Conduit Law

Type of Organization	Professional corporation.
Size	16 attorneys.
Geographic Location	Ontario.
Practice Areas	Middle-tier work such as business contracts and commercial transactions, employment, and intellectual property law.
Flex	Yes.

Peter Carayiannis is the founder of Conduit Law, a corporation in Ontario. Prior to founding Conduit Law, Carayiannis practiced for seven years at one of the largest law firms in Canada, leaving in 2004. Carayiannis explained his motivations for leaving,

It wasn't really all the fault of the billable hour, but most certainly that was a part of it. Working in a big law firm, I was challenged with conflicts of interest. I was challenged with developing new clients. I was challenged with getting the resources from the firm to actually develop a business. Ultimately, the partnership's interest in me was simply to bill more hours. I wanted to create a career; I didn't want to create a life where I was a docket monkey in some big machine. All of that together created friction.

Carayiannis' decision to start Conduit Law came about in a serendipitous manner. He had read about natural resources mining startups trying to find capital for their businesses, and as part of this process, needing someone to function in a CFO role but not at a traditional full-time level. Seeing a market opportunity, chartered accountants in Toronto came together as a group to serve as part-time CFOs for junior mining companies on the Toronto Stock Exchange. Carayiannis recalled thinking at the time, "If a CA (chartered accountant) can be a part-time CFO, what's to stop a lawyer from being a part-time GC?" Carayiannis now prefers the terms on-demand or on-site GC, rather than part-time.

When Carayiannis left his firm, he had one client, "who was interested in having me work from their office for two days a week. I hoped that within a year I'd have three clients. I was frankly very unambitious. Within a few months, I had half a dozen clients. It was entirely word of mouth. I

was working exclusively on a fixed-fee basis as the general counsel of all these different companies,” he told us.

Conduit Law’s delivery model is to place lawyers as in-house counsel available on demand for clients. Some of those counsel are placed physically, where they are co-located with clients. They sit at a desk at a client’s office one or two days a week, maybe longer. Sometimes it might be five days a week for a particular project, but typically, if an attorney is working 4 or 5 days a week, it’s for a few different clients. The company also offers virtual in-house counsel, where the lawyer does not work at the client’s premises on a regular basis but is available on a direct approach from the client for long term periods. Conduit does not bill by the hour, except in unusual circumstances when it is required by their client. In 2014, 90% of their revenue was generated under alternative fee arrangements.

One of Conduit Law’s distinguishing features is that they are business-to-business rather than business-to-consumer. As Carayiannis explained, “That helps to give people a significant amount of discipline around the types of clients we can take on and the types of clients we can’t. Residential real estate, wills, estates, trusts, family law, criminal law, those types of matters really that are more traditionally placed in a high street

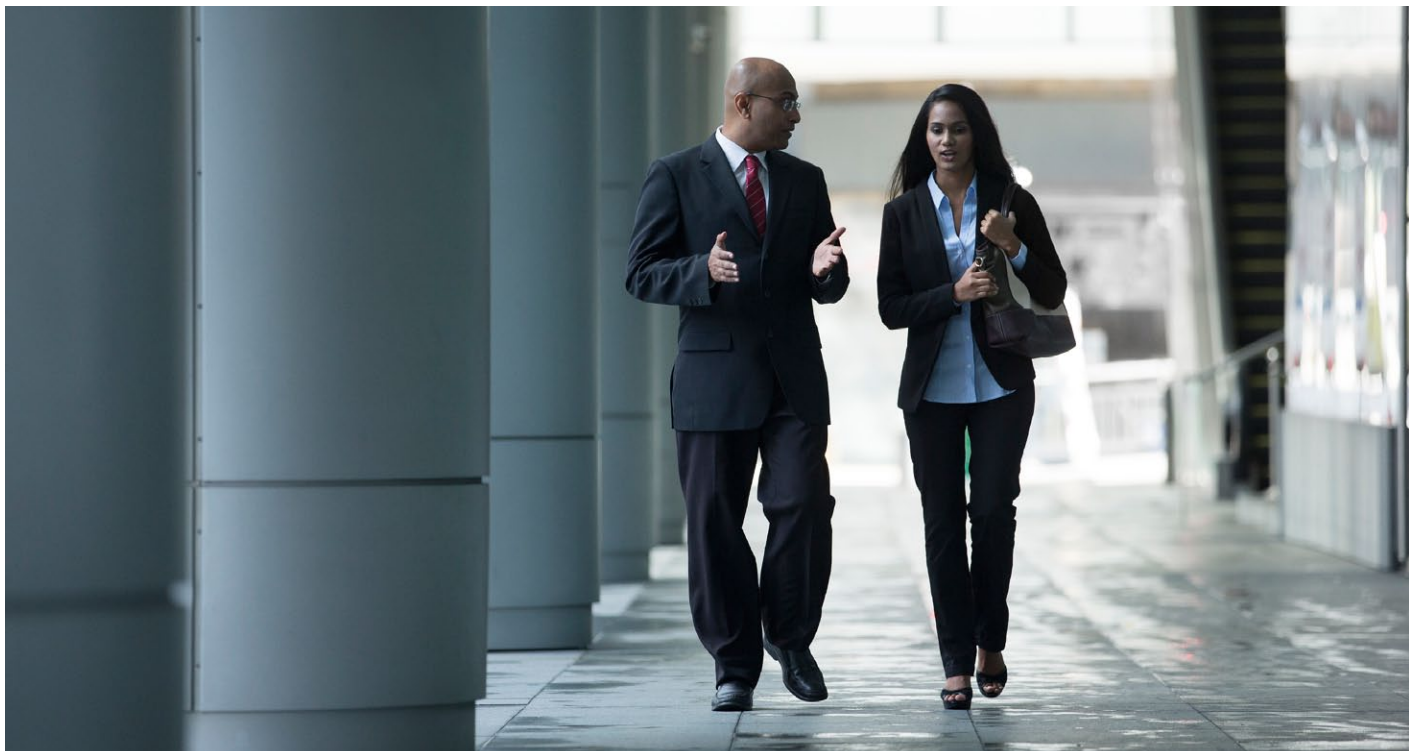
practice are not part of Conduit Law. We don’t do it. If anything comes to us that looks like a consumer-facing piece of work, we immediately put the brakes to it and get that out of Conduit Law into somewhere else, usually a referral to a trusted third party.”

## B. Employee Secondment Model

### *Paragon Legal*

Type of Organization	Law firm.
Size	60+ attorneys.
Geographic Location	San Francisco Bay Area.
Practice Areas	Technology and commercial transactions, intellectual property, corporate/securities, marketing, employment, and real estate.
Flex	Attorneys must work at least 10 hours a week.

Mae O’Malley founded Paragon Legal in 2006. She began her career in Big Law, then went in-house, moving to contract work after her children were born. Pretty



soon she had so much contract work she brought on another attorney to help; then Google asked O'Malley if she could supply them with attorneys for various projects, and Paragon Legal was born.

At the time of writing, Paragon had more than 60 attorneys deployed on projects, with most of the company's clients based in the San Francisco Bay Area. Paragon's website lists as areas of practice tech and commercial transactions, intellectual property, corporate and securities, marketing, employment and real estate. Paragon is available to do various types of work including filling in for senior attorneys on leave, handling overflow work, support during peak periods, outsourced general counsel for emerging growth clients, and projects requiring specialized skills such as M&A work.

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*“We figure as long as we keep our attorneys super happy, they'll keep our clients really happy, and that's the best business development we can do.”*

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Paragon Legal's original focus was start-ups, but O'Malley moved to public company work to find clients who could guarantee at least ten hours of work a week. Clients select a level between ten and forty hours per week, as well as how many days they want the Paragon attorney on-site. Switching to steadier public company work solved the problem of attorneys not being guaranteed enough income to justify child care. Today, Paragon's clients include many tech companies (Netflix, Autodesk, Salesforce.com, and LinkedIn, to name a few).

The Paragon website promises “Paragon selects only the very best, accepting fewer than 10% of applicants—but we skip the attitude that often accompanies ‘high-end’ attorneys.” At the time of writing, over 65% of attorneys on the team were women. O'Malley told us that it took a while to develop “marquee” level work; once that happened, “the rate at which we could bring in attorneys of the appropriate level of experience has never kept up with the rate at which the work comes in.”

Today, Paragon guarantees attorneys an agreed-upon number of hours (typically between ten and forty per

week) but does not guarantee that its attorneys will be working year-round, although “the vast majority” of attorneys do. Paragon attorneys typically make “equal, if not better pay, than where they were coming from on an hour-for-hour basis.” All attorneys at the same level of seniority are “effectively paid the same and billed out at the same rate.” Paragon attorneys typically work at the client site rather than from their homes, although telecommuting is an option.

This model works for the client by offering a predictable spend, and lower rates: O'Malley estimates that “we're charging not even a third” of Big Law rates and the firm has little overhead. In addition to O'Malley, the firm's lean management team includes a Director of Recruiting, HR Manager, and Operations Manager. Paragon is organized as a law firm, and since 2011 has offered healthcare and a 401(k). O'Malley considers Paragon Legal as “very market competitive with our benefits package.” Paragon expects attorneys to come in “trained at a large firm for several years, and then [have] gone in-house and have at least eight years of experience, with the average being closer to 12 to 15 years.” What Paragon offers is “really, really complex work at a low rate.” The majority of female attorneys at Paragon are “mothers raising school-aged children,” said O'Malley, although many don't have young children. “We have a lot of [Baby] Boomers on our team,” she said. Attorneys are not expected to do business development.

Paragon hires the attorneys, and then matches them to projects, “in a very collaborative process with the clients.” The firm is “very attorney focused”: asking the attorneys what they're looking for, so then, “matching them accordingly with a project makes it such that the attorneys are going to have a high likelihood of being happy...” In the rare case when an attorney no longer wants to work on a project, Paragon will take them off it. “I'm nothing if I don't have attorneys, right?” said O'Malley. “That's my product,” O'Malley told us, “We figure as long as we keep our attorneys super happy, they'll keep our clients really happy, and that's the best business development we can do.” Paragon's model has worked so well “we don't do any business development anymore.” In the rare situation where a client is not happy with an attorney, Paragon will re-staff with a different attorney.

At the time of our interview, O'Malley noted that Paragon's business model was changing due to “client



demand for junior, more entry-level attorneys who are really, really pedigreed [with] nice, strong academic credentials and one to two years of very top firm experience.” As a result, “we’ve gone beyond moms looking for jobs to much more junior attorneys who have figured out pretty early in the game that their longevity at a traditional firm [is limited].” Junior lawyers, typically with one to three years’ experience, are called “Counsel” and are paid commensurately less than Senior Counsel, those with over eight years of practice.

“We are looking for attorneys who have decided to make a long-term career change and who want to work within our model for many years, as opposed to looking at us as a temporary end-term solution.” According to O’Malley, attorneys who leave Paragon do so typically not because they are unhappy, but because they decide to “step back into the permanent job market” for a variety of reasons.

Paragon, which doubled in size each year for many of its early years, expects slower growth in the future. O’Malley notes that her initial motivation—her own work-life balance—necessitates limits for the time being.

**Bliss Lawyers**

Type of Organization	Law firm.
Size	10,000 network attorneys.
Geographic Location	Based in Boston with national network.
Practice Areas	Practice areas include corporate, litigation, intellectual property, real estate, and more.
Flex	Full- and part-time schedules available; attorneys choose their clients.

Deborah Epstein Henry is a co-founder and managing director of Bliss Lawyers, a Secondment Firm that shares some characteristics with Virtual Firms. Epstein Henry is also an expert in the development of new legal models, having written two books on the issue: *Law & Reorder: Legal Industry Solutions for Restructure, Retention, Promotion & Work/life Balance* and *Finding Bliss: Innovative Legal Models for Happy Clients & Happy Lawyers*, the latter of which was co-authored with Suzie Scanlon Rabinowitz and Garry Berger, Bliss’ other co-founders. Their client base includes law firms as well as in-house legal departments across industries including financial services, technology, media, research

and development, healthcare, energy, real estate and consumer products. Attorney specialties are diverse, including corporate, litigation, intellectual property, compliance, licensing, M&A, trusts and estates, employment, and real estate, among others.

Prior to co-founding Bliss in 2011, Epstein Henry ran (and now leads) Flex-Time Lawyers, an international consulting firm she started in the 1990s. Flex-Time started as a support group of 150 lawyers focused on work/life issues. The group has now expanded to an immense network of attorneys focused on work/life balance, women’s issues more generally as well as issues impacting the future of the legal profession. Bliss began partly as an outgrowth of Epstein Henry’s work seconding lawyers from her Flex-Time network to Berger and Scanlon Rabinowitz at Berger’s virtual firm, Berger Legal. They then began to engage lawyers to work through Epstein Henry and Scanlon Rabinowitz’s Fortune 500 and law firm client relationships as well. After working together for three years through Berger Legal, in 2011, the demand became so great that the three started what became known as Bliss Lawyers as a separate entity. As of 2015, Bliss’ network of lawyers is over 10,000.

There were two primary motivations for starting Bliss, apart from filling the market niche. The first was the development of a new model of legal practice in a field where the traditional model was becoming increasingly unresponsive to client needs and dysfunctional for attorneys. The second motivation was providing lawyers an alternative career path. One of the Catch-22’s of recruitment for in-house counsel is that most companies will only hire those with previous in-house experience. Because it begins as a temporary arrangement, secondment alleviates some of the risk for clients that comes with hiring permanent in-house staff. For this reason it opens a path for attorneys who want to transition to in-house.

The secondments on average last a year, and attorneys most often work on-site with the client, but may also work at home, or a mixture of the two. One concern with secondments is that because attorneys are working on-site at a company where they are not an employee, they will be treated like second-class workers, a status that is at odds with their high level of skill and average of fifteen years of experience. To prevent this from happening, Epstein Henry and her co-founders work



with clients to make sure their secondees can participate in team meetings, have office space comparable with other permanent in-house staff, and have an email address with the client's domain name.

Clients are attracted to the model for a number of reasons. First, because Bliss' back-office operations are virtual, the dramatically lower overhead means they can charge substantially lower rates—one third to half of traditional firm rates, by Epstein Henry's estimate. They typically charge flat fees rather than bill by the hour because that's what clients have told them they want. Importantly, Bliss is a certified women-owned business and over 65% of their engagements are women. Bliss' status as a women-owned business helps clients meet their goal of using diverse suppliers, and the fact that a majority of Bliss' secondments are women also gives clients who want to increase their management level representation of women a chance to try out female attorneys.

Epstein Henry says that their lawyers join the network for numerous reasons, including: parents or other lawyers in transition looking for a way back into their careers; lawyers looking for more flexible work due to their entrepreneurial spirit or as an opportunity to reinvent; lawyers with varied in-house experience interested in expanding the industries in which they work; lawyers at the senior arc of their career who are not ready to retire but who want more choice and flexibility in their practice; law firm lawyers who have been trying to transition to in-house practice and cannot do so without in-house experience; and those looking for more predictability in their work life (they choose whether they accept work offered by Bliss). Compensation is generous and is on the higher end among secondment companies. Bliss provides its employees with healthcare, insurance, a 401K, a 529 plan and CLE. As part of their commitment to making sure their secondees don't feel like second-class citizens, they also offer year-end bonuses, which are common among permanent employees at their financial services clients and elsewhere.

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“Importantly, Bliss is a certified women-owned business and over 65% of their engagements are women.”

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When it comes to running the firm, in addition to the three co-founders, they have a Chief Financial Officer, Director of Talent, Talent Relationship Officer, two Talent Officers, a Data Base Manager and an assistant. Co-founders generate clients and help with recruitment of talent. Additionally, Epstein Henry focuses on building the company brand and increasing its visibility through her public speaking and writing, Berger serves as the company's General Counsel, overseeing contractual negotiations and the legal aspects of the business, and Scanlon Rabinowitz concentrates on the company's operations and marketing initiatives. The Director of Talent and her team vet talent and work with the client originator to identify candidates and liaise between the client and secondees before they have been engaged.

## Law & Business Companies

TRADITIONAL RULES THAT PROHIBIT non-lawyers from partnerships with lawyers have meant that few lawyers work in companies that combine many different skill sets, after the manner of management consulting firms like McKinsey. We've profiled two New Models firms breaking free of that tradition by merging law and business in this new way.<sup>54</sup> The key similarity between the companies profiled for this report should not veil the huge differences between them. One, Axiom, is the one of the few New Models companies that has grown as large as Big Law, with over 1,200 professionals; the other, Exemplar Companies, Inc., has fewer than 25 people. Axiom is unique in others ways as well. It combines two quite different new models: part of its business ("Insourcing") is a secondment model, while another ("Managed Service") is a Law and Business Company that has carried the trend of least-cost segmentation towards its logical conclusion. Despite these success stories, this movement has just begun and has met with bumps in the road: one of the firms originally interviewed for this report (Clearspire) went out of business between the time we interviewed it and the publication of this report.

One thing stopping more New Models from operating in this field is the litany of ethical regulations precluding lawyers from sharing fees with non-lawyers. But these rules are coming under attack; if the challenges are successful, the market may witness an increase in organizations that combine legal with business advice and/or financial services.

### ***Axiom Law***

Type of Organization	Corporation.
Size	Over 1,200 employees.
Geographic Location	Based in New York with 14 offices worldwide.
Practice Areas	Technology and commercial transactions, M&A, life sciences, financial services, regulatory and compliance, intellectual property, and employment.
Flex	Yes; attorneys work as much or as little as they want.

An order of magnitude larger than any other new model firm, Axiom has over 1,200 people in 17 offices and "Centers of Excellence" in the U.S., Ireland, Poland and India. Its clients include "over half the Fortune 100 companies," said Abbey Yvon, Marketing Director at Axiom. The website lists technology and commercial transactions, M & A, life sciences, financial services, regulatory and compliance, intellectual property and employment as areas of practice across all three divisions.

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One thing stopping more New Models from operating in this manner is the litany of ethical regulations precluding lawyers from sharing fees with non-lawyers.

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Initially, the firm focused on "Insourcing," their take on a secondment model. Axiom "stripped 70% of the cost-structure from the delivery of sophisticated legal services," said Yvon. Axiom separates rainmaking from lawyering—an attractive proposition for many lawyers. Attorneys are hired at a specific annual salary but only get paid for the time they actually work. Some appreciate the flexibility to take six months off to travel the world or to work only two or three days a week," Yvon told us. "If they choose the former, they're not guaranteed an engagement when they wish to return, but an attorney in good standing would typically take priority over an attorney who had never worked with Axiom," she noted. "Most of our attorneys, however, want to work full time and, for them, the key draw is Axiom's client base of Fortune 500 clients and sophisticated work," she said.

"Axiom attorneys are eligible for annual raises, receive full benefits, and are given extensive professional development opportunities including mentorship, memberships to PLI and other professional organizations, and an integrated network of peers just as they would at any traditional firm," said Yvon. Once a part of the Axiom team, Axiom attorneys are assigned a "professional development manager tasked with making sure

attorneys are happy on their engagements, that they're enjoying their Axiom experience and that everything's running smoothly," she continued.

In 2010, the firm branched out into its fastest growing "product line"—what it calls its "Managed Service" business. The idea is to combine law and business advice, marrying legal skills with the process and project management orientation of management consulting—with an important difference. Whereas management consultants typically delineate strategic vision and then end the engagement, Axiom is designed to execute—to carry out the strategic plan, with the goal of having long-term relationships providing services to its clients.

Axiom's Managed Services take segmentation of the market for legal services towards its logical conclusion, replacing the "old artisanal model" with a new model that combines project management, process innovation and technology to the delivery of legal work to "drive simultaneous improvement in risk-mitigation and cost-mitigation," said Axiom's Liana Douillet Guzmán. For example, instead of having commercial contracts drafted one by one by individual lawyers, Axiom might propose first to leverage technology to standardize a company's commercial contracts, and then to segment different roles to people with specialized skill sets. Unlike Axiom's Insourcing division, legal professionals who work in this arena are hired full time at a guaranteed annual salary.

Axiom has proprietary software that provides contact management and data analytics, and it develops "playbooks" to standardize responses to various business scenarios. The combination of standardization and playbooks allows companies, said Douillet Guzmán, to respond quickly to world events or market changes, improving a company's ability to manage business risks.

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"Super-siloization of the work force" means that "you've got the very narrow, non-transferrable skillsets....People don't see the forest through the trees. They aren't able to give advice on the big picture level...."

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### ***Exemplar Companies, Inc.***

Type of Organization	Law firm company with business, tax and accounting, and investment banking services.
Size	25 professionals.
Geographic Location	Headquartered in Boston, MA, with offices in New York, D.C., Los Angeles and New Orleans.
Practice Areas	Employment, public companies, restructuring, securities, intellectual property, life sciences, cyberlaw, M&A, and private equity are areas of expertise.
Flex	Attorneys work when they choose.

Exemplar companies is credited with being "the first law firm in the nation to abandon hourly billing in favor of exclusively fixed pricing," and "the first registered Investment Bank to combine with Law and Consulting under an integrated brand."<sup>55</sup> As noted by its website, "Exemplar is a closely integrated family of companies," which includes Exemplar Law LLC, Exemplar Tax and Accounting, LP, Exemplar Consulting LLC, and Exemplar Capital, LCC, a FINRA-Member Broker-Dealer. Exemplar's website lists 25 professionals. Five are women, including three at the law firm and two at the consulting firm. Christopher Marston founded Exemplar Companies in 2005.

"Exemplar is really a product of looking at the woes of the professional...the complaints of clients, and creating what we see as the knowledge 'Firm of the Future,'" said Marston, whom we interviewed. "Super-siloization of the work force" means that "you've got the very narrow, non-transferrable skillsets....People don't see the forest through the trees. They aren't able to give advice on the big picture level, 10,000 foot level, and businesses want holistic advice." Marston has both undergraduate and graduate business degrees in finance and was the chief financial officer of a high tech company before founding his business. "So my knowledge of both the pricing, finance, economics, and economic theories that underlie pricing strategy was greater than most people who come out into practice."

The additional focus on finance led Marston to conclude that "lawyers couldn't solve a lot of problems" because



businesses “needed business advice and capital help.” Exemplar is the convergence of four business units: a law firm, a tax and accounting firm, business advisory firm, and a federally registered broker-dealer investment bank. Marston drew an analogy to primary care in medicine: “You don’t take a drug that helps your kidney without thinking about what the drug does to the liver. Everything, all systems are interconnected.” In keeping with the analogy, Exemplar’s business model is to deliver “holistic care” to “high-growth mid-market companies.”

Exemplar employs “a lot of cross-disciplined, multi-educated professionals” with multiple degrees. It took a while for Marston to find the right people, he said because “a lot of people said yes, I want to be on the bus, and a lot of them couldn’t drive the bus.” While a traditional law firm hires people who have skills and competence, “we need skills, competence, leadership, business savvy, social savvy, and conscious/worldly people.” The firm uses innovative hiring methods to find attorneys who fit in with the culture. A candidate must first make it through four to six interviews with partners.<sup>56</sup> Often, Marston will then gather a group of attorneys together with the candidate to play a board game called “Apples to Apples”

which requires players to match nouns to adjectives.<sup>57</sup> In accordance with the firm’s “no-jerks” policy, Marston likes to see how potential candidates compete.<sup>58</sup> The firm does not have partners or associates, but instead operates on a corporate structure: “We have team members and of course we have leaders at all levels of the organization.... people who lead initiatives, people who lead industry initiatives, geographies.”

Integral to Marston’s vision of offering integrated legal and business advice is a shift away from hourly billing. To Marston, the labor theory model of pricing is “the worst business model you could possibly execute on. You are selling increments of time—something that your customers simply do not want to buy,” he said. Marston shifted to “fixed and value-based pricing”: “we establish the value of the thing and both parties nod their head and say this looks good to us, let’s do it, and everybody’s happy.” If Exemplar’s clients believe that the value of a service is less than they were charged for it, Exemplar is willing to renegotiate the price, though this has rarely happened since Exemplar’s founding.<sup>59</sup> Marston developed the Exemplar Value Index, which estimates the value of the engagement, and of each individual’s

contribution: “we have six major factors and dozens of smaller...that factor into the compensation index,” in contrast to traditional law firm models, which focus on origination and production. Marston’s index adds others, including project manager, strategic account manager (managing the relationship across Exemplar’s business units), openers (who bring new relationships into the firm) and closers (who scope pricing and close the deal). Separating the various roles is important, Marston noted: for example, in a law firm, the relationship partner typically is the same person in charge of doing the work: “So nobody is going to go to the relationship partner and tell them that the service from that partner is terrible.” Valuing all of these functions separately creates an “ecosystem” and eliminates client hoarding, incenting cooperation.

Value pricing eliminates a common problem, said Marston: “winner’s curse.” That’s where Big Law bids up salaries so high that to recoup the value, the firm must work lawyers so hard attrition rates grow. This hurts the firm as new lawyers are paid so much the firm loses money for the first two years, and “ends up with burnt-out professionals living a miserable existence, some even getting divorced or becoming depressed” and some even




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Often what clients want is not a resource draining memo, but for their lawyer “to pick up the phone and give you the bottom line and let you ask as many questions as you want.”

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leaving the firm—causing a wasted investment. Instead, value pricing “makes everyone a stakeholder in firm outcomes,” he noted. It also makes people more focused and productive because “In our model, you make more money by being efficient,” he concluded.

While stressing that “it’s possible to make pizza so cheap no one wants to eat it,” Marston estimated that Exemplar saves clients 20–30% as compared to the fees for an AmLaw 100 firm. “It’s not because we have low overhead or work from home....That’s baloney.” It’s because “you’re charging for value and...motivating your team members to be efficient. If your team members don’t have to write ridiculous 20-page memos that nobody wants to read, what you’ll find is the they can achieve outcomes for clients a lot more effectively and efficiently.” Often what clients want is not a resource draining memo, but for their lawyer “to pick up the phone and give you the bottom line and let you ask as many questions as you want.”

The firm does control overhead costs with modern open-format office space, but they also have offices in downtown areas. He used Boston as an example: they have office space in Faneuil Hall at half the price per square foot of a typical Big Law office—but the space also communicates “our brand is an innovative firm... brick and beam, very cool, approachable. It makes people feel comfortable and helps them realize that they really are with the thought leaders and the market leaders....” Exemplar’s office space has a gong that attorneys bang when they close a big deal or win a case.<sup>60</sup> Marston concluded “I don’t believe the long term answer to the profession’s problems is just to send everyone home and have them work from home. I don’t want Gillette to send all of its people home so I can buy razors at 50% off. Our profession needs community, teamwork, and leadership to solve sophisticated problems for customers.”

“A lot of people I talk to are just basically beside themselves with joy to discover that something like this exists. [They ask]...‘Why has it taken so long for someone to do this?’”

## Law Firm Accordion Companies

ACCORDION COMPANIES PROVIDE LAW firms with the ability to “accordion up” when there’s a surge of work, and fold back down when that work is completed. These five Law Firm Accordion Companies provide law firms with a network of carefully curated lawyers to tap in those situations. Sometimes the Companies offer a firm access to specialists it might not have, but more often the Companies provide firms access to outside help that otherwise might overtax the attorneys employed by the firm.

Law Firm Accordion Companies provide employment for the tranche of women who often identify as stay-at-home mothers but want to keep their skills sharp and avoid a gap in their resumes by working ten to twenty hours a week. The Accordion Companies also include many lawyers who have their own solo practices, but also sign up to get additional work from the Accordion Companies. Accordion Companies are not law firms: typically, they are solely owned companies. Like Secondment Firms, they are matchmakers, but typically they connect lawyers with law firms rather than directly with clients—although some work both with law firms and in-house lawyers. Conflicts of interest are avoided because the attorney-client relationship is with the individual lawyer—not the Accordion firm. Rainmaking is generally the province of the founder/head of the company. Some Accordion Company networks were founded, very self-consciously, by former Big Law attorneys and aimed at former Big Law attorneys. Others throw a wider net.

These networks not only help the attorneys who work with them achieve work-life balance; they also allow better work-life balance for the law firms that hire them, by allowing law firms to outsource peaks of work. “We also see it as a retention tool for the firms themselves and a way to promote more work-life balance for their attorneys because they know that when things get busy, they can call in some help,” said one founder.

Law Firm Accordion Companies help solve two problems commonly faced by lawyers working part-time that most law firms have never managed to solve. One is stigma: Jane Allen of Counsel on Call discussed how she helps workers to overcome resistance with clients who have difficulty understanding how a lawyer can work

effectively on a part-time basis. Erin Giglia of Montage Legal Group discussed how she helps control schedule creep. Montage becomes the go-between, working with the law firm to find solutions, “...that lawyer will call me and say, ‘Hey, Erin, I’m supposed to be working 20 hours a week. I’m working 30. I’d love to keep this up, but I can’t. So can you bring someone else in to help, and I carve out discrete projects to reduce my time?’” Having the business owner negotiating for her part-time lawyers proves far more effective than requiring a fourth-year associate to negotiate with a supervisor who is not respecting her schedule. In effect, Law Firm Accordion Companies can accomplish what law firm part-time policies rarely have: to shift time norms away from full-time face time.

### Montage Legal Group

Type of Organization	Corporate network of freelance attorneys.
Size	100+ network attorneys.
Geographic Location	Nationwide presence with concentrations in California, New York, and Washington, D.C.
Practice Areas	The website lists 28 specialties including criminal law, employment, immigration, tax, appellate, bankruptcy, juvenile law, health law and entertainment law.
Flex	Attorneys are free to accept or reject work as they wish.

“Former prestigious firm attorneys providing freelance/contract legal services for law firms nationwide,” states the webpage of Montage Legal Group. This captures the thrust of the Law Firm Accordion Companies, and how they distinguish themselves from traditional legal staffing companies. Montage lists high-prestige names, noting that their attorneys have degrees from Harvard, Georgetown, and Columbia and cataloging the “prestigious law firms” that trained them. The other chief message of the website is communicated visually: there’s a photo of the founders with their small children.

Montage was co-founded by Laurie Gormican Rowen and Erin Clary Giglia in 2009 “because the traditional law firm didn’t work for what we needed to achieve in



our own lives,” says Giglia. Each invested just \$2,000 in the company.<sup>61</sup> Montage has over 100 attorneys, and according to Giglia, its attorneys have at least five years of Big Law experience, clerking, or “something similar, a DA’s office or something like that.” According to Giglia, most Montage lawyers left Big Law after having children.

The company began in California, but has grown to a nationwide presence, with concentrations in California, New York, and Washington, D.C. The website lists twenty eight specialties, including criminal law, employment, immigration, tax, appellate, bankruptcy, juvenile law, health law and entertainment law. Montage’s ideal clients are attorneys who left Big Law to found their own firms.<sup>62</sup> They typically call Montage for help, Giglia noted, when they “... get busy for a period of time due to just trial schedules or a big deal is going to closing...or for whatever reason, they get really busy...” They also work a lot with smaller law firms “if they’re

looking to get a client that has quite a large matter, they will often use Montage Legal as part of their pitch.”

Attorneys are free to accept or reject work as they wish. At the time of the interview, Montage attorneys typically worked from five to forty hours a week, although some worked up to sixty. When asked what a typical engagement looked like, Giglia said “usually, it’s more like five to twenty hours a week for the next three weeks.” Or it might be one attorney for, “twenty hours a week of litigation work for a period of time.” Montage attorneys do anything from drafting pleadings to second-chairing a trial. “Sometimes, we’ll be asked to come in and train associates who may need a little bit of additional help to try to build up a practice area within a small firm.” A third scenario is to help on discrete projects, typically with a short turnaround time. Firm attorneys might need to focus on depositions and trial preparation, and “they don’t have the people to sit down



and spend the seventy hours that it might take to oppose an extremely complicated and very important motion for summary judgment, for example,” noted Giglia. Although many engagements are short term, at the time of the interview Montage had worked continuously with some clients since 2010.

Everyone knows someone...who found “this isn’t worth it. I don’t want to be working 60, 80 hours a week.”

Montage made over \$1 million in revenue in 2013.<sup>63</sup> Rates vary according to the type of work, ranging from \$75/hour for document review to the range of \$200–225/hour. The company typically retains 20% of the rate, “but we’ve taken much lower than that,” depending on the situation. If a Montage attorney generates the business, the company takes a lower percentage. Attorneys are independent contractors who are paid only when they work. Many take on other work in addition to their role at Montage, including serving as adjunct law professors, maintaining solo practices, and working with employment agencies. Montage has no offices, and no technology. Instead, Montage attorneys work directly with law firms, not sharing their materials with anyone else at Montage. Thus there is no attorney-client relationship with Montage, and no conflicts problems.

At the time of the interview, Giglia estimated that about 95% of Montage lawyers quit their law firms after having babies. Some start work with Montage right away, while others are on-ramping after a substantial career break. Military spouses are another demographic attracted to their model. When one woman’s husband was deployed to Afghanistan she moved to LA for eight months. Since it wasn’t practical to find a full-term job for just eight months, she worked instead with Montage. The one man with Montage at the time of our interview was starting his own solo practice; since then, approximately a dozen men have joined the network.

Said Giglia, “I really enjoy practicing law.....I feel strongly about being able to continue practicing law because I had all this education and training.” She did not want to

become a stay-at-home mom, and thought “I think that I’d like a little bit of extra work...high-level essentially temporary lawyer work just to supplement our family income.” Like many others, she tried part time at her law firm and found it didn’t work for her. “It was actually far more stressful to be part time....” Having the “two very, very hectic schedules” of her and her husband did not work. “Mainly, sleep was the problem.”

Everyone knows someone, said Giglia, who found “This isn’t worth it. I don’t want to be working 60, 80 hours a week... At the same time, they’re programmed. Their personality traits don’t necessarily lend themselves to being home full time. They feel like they want to use all this training and motivation...to continue practicing but just in a different way.” As Stone points out in her book, most stay-at-home professional mothers don’t actually *want* to stay at home.<sup>64</sup> They just want high-quality, non-stigmatized flexible work. Montage provides that. Because Montage was meeting a need unmet by the market, Montage was “completely flooded with people who wanted to come and do this with me.” As of the time of our interview, Giglia noted, “I get...between 10 and 20 calls a day from attorneys all over the country dealing with this issue”—calls and resumes.

### Counsel on Call

Type of Organization	Legal services company.
Size	Over 900 attorneys.
Geographic Location	Based in Nashville, TN with offices in Memphis, Atlanta, Chicago, and Boston and a reach of 48 states and Europe.
Practice Areas	Commonly requested services include document review and coding, eDiscovery, litigation, corporate transactions, contract review and abstraction, and managed services.
Flex	Attorneys can work as much or as little as they wish.

Counsel on Call was founded by Jane Allen as a way of keeping talented lawyers in the profession. Some 15 years ago, she was looking for law clerks and ended up speaking with former judicial clerks who “didn’t want to bring in business in the traditional sense but they were really good and they loved” the law. “I thought,”

said Allen, “What if we had those lawyers and we could provide them to the attorneys that needed [help]?”

Counsel on Call’s clients “first and foremost... care about quality.” If they care more about price, they go elsewhere. “I don’t care if it’s a box of documents, if I’m paying a lawyer to go through it, the lawyer better find the document that I would find,” according to Allen. But the firm does far more than the routine “going through boxes” work. Their website touts “expertise in virtually every practice area” and ability “to meet almost any client request, however specialized or complex.” Commonly requested areas of work include document review and coding, eDiscovery, litigation, corporate transactions, contract review and abstraction, and managed services. The company, worth nearly \$50 million as of 2013,<sup>65</sup> has over 900 lawyers practicing in the U.S. and Europe and serves one third of the Fortune 100 according to its website.

Counsel on Call attorneys generally graduated in the top third of their class from top tier law schools and have at least three years’ experience working at large firms or in-house.<sup>66</sup> According to Allen, most of her attorneys make about the same per hour as they did in their prior positions. Attorneys only get paid for the engagements they work on, which is what the flexibility of the model is based on—from both the client and provider standpoint. “There’s always a concern with ‘can I be guaranteed a certain amount of money,’ but we don’t operate that way. There aren’t any guarantees under this model, but generally lawyers work as much, or as little, as they want.” As of 2008, Counsel on Call was billing clients between \$50 and \$125 per hour, and paying its attorneys between \$35 and \$85 per hour.<sup>67</sup>

There is no expectation that attorneys have a book of business. “We bring the work,” said Allen. That said, some lawyers have brought clients for whom they work a day or two a week. This overcame a key hurdle for attorneys working flexibly; attorneys on more traditional schedules literally cannot bend their minds around how to manage part-timers. “We had some clients who really wanted to work with our lawyers, but the whole idea of somebody only working 20 hours a week—they really had a hard time being able to manage that.” So Counsel on Call manages for them. Counsel on Call takes care of paying lawyers’ salaries, covering them for purposes of workers’ compensation, unemployment insurance, and disability

insurance. It also offers continuing legal education, and enables them to meet other lawyers on the Counsel on Call network to counter the isolation of working from home. Allen said that they do not offer health insurance because insurance companies typically require someone to be working full-time. Cost containment is taken seriously, but it is balanced with “treating people the way we would want to be treated. I would never ask any of my lawyers to work in an environment that I’m not willing to work in myself,” said Allen.

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“There’s always a concern with ‘can I be guaranteed a certain amount of money,’ but we don’t operate that way. There aren’t any guarantees under this model...”

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Their part-time model helps Counsel on Call to offer career progression. In some practice groups, “we’ve had people who have worked with us for so long” they have progressed into team management roles. For example, there is now a lawyer who is “in charge of all four labor and employment lawyers across the country.” Counsel on Call provides lawyers who “[f]or whatever reason at that point in their life decided, ‘I just need to take a step off the fast track but I don’t want to be off completely’” with an off-ramp and an on-ramp. Allen told us about “a brilliant lawyer and an amazing researcher and writer” who worked with them until her son went to college, after which she went back to a full-time law practice. The lawyer “said it was amazing how easy it was to go back in because” of her work with Counsel on Call. She now runs her practice group. Although many are mothers, others are attracted to this model for varying reasons. One is a breast cancer survivor who “figured out a long time ago that life’s way too short.” She has been with Counsel on Call for over a decade and is “one of our superstar lawyers.” Other lawyers “want to coach their little league or their soccer or their dance classes.” In Nashville, they have a lot of songwriters and musicians, including some who go on tour. “We have people who are writers. We have people who love to travel. We have people who love to garden. You name it.” One lawyer



competes internationally in Iron Man meets. Another is a former managing partner of a large law firm; still another has spent his entire career serving in a series of general counsel positions for corporate clients and is the firm's "general counsel on call."

Counsel on Call very consciously takes on the flexibility mantra. "In our mind we're helping change the profession for the better and our lawyers are treated as the professionals they are." Said Allen, "[J]ust because somebody's choosing not to be on the partnership track doesn't mean they're not a really good lawyer." She recalls potential clients going through CVs and "the eyes would just get wider and wider because, it's 'Man, these people may be better lawyers than me.'"

Counsel on Call actively manages workflow so as to preserve attorneys' work-life balance. Allen noted that sometimes a deadline means that work on an atypical schedule is unavoidable: "Is it a deadline that all of a

sudden a judge just popped on you on a Wednesday that you have to produce by Tuesday? If that's the case, it's called litigation." But if the last-minute crisis was due to a client's failure to plan, Allen said, typically she will try to make sure it does not happen again. Their attrition rate is less than 3%, which according to Allen means that lawyers can be "assigned to the same client for years." Typically, people leave because of life changes, such as when their youngest child begins school and they want to return to a full-time position.

Over the past five years, their model has evolved because "we understood pretty quickly that whenever you had two or more lawyers working you needed to have a process, you need to keep track and you need to provide metrics." So they set up Managed Service Centers where lawyers came to work instead of working from home. Attorney managers attend the company's training program, which teaches effective team management

and communication. Counsel on Call currently has offices wherever they have a critical mass of lawyers—ten was the number mentioned. This organizational infrastructure is developing gradually. Counsel on Call has lawyers who no longer practice, but perform business functions. Some work with clients, while others work with candidates. “If someone has a meeting [with a client] and then they’ll let this lawyer know and she’ll work to identify who is the right lawyer or lawyers for that client” said Allen. Then they consult with the lawyer and then the client to “make sure it’s a good fit.” They also have teams that demonstrate and assess new technology. Another push is to develop internationally. Counsel on Call has a “vast number” of foreign language speakers whom they market to clients who need legal expertise abroad. The question, said Allen, is “do you need people sitting in the UK or can you have lawyers who worked in the UK who are residing in the US now?” As of the time of writing, Counsel on Call is considering opening up offices abroad.

**Custom Counsel**

Type of Organization	Corporate network of freelance attorneys.
Size	Over 100 attorneys.
Geographic Location	Launched in Maine, now includes attorneys nationwide.
Practice Areas	Include commercial litigation, family law, criminal law, appellate, workers’ comp, education, securities, and elder law.
Flex	Attorneys work as much or as little as they wish, and most work remotely.

“Serving Overworked Lawyers Everywhere,” says the website of Custom Counsel. Custom Counsel had launched just six months before our interview, with “about a dozen” lawyers in Maine. Founder Nicole Bradick was just launching in the District of Columbia. As of the time of writing, Custom Counsel listed over 100 attorneys in nearly every jurisdiction and was acquired by CuroLegal, an Ohio company specializing in outsourced operations for law firms, in January 2015. Custom Counsel will stay intact, adding its network of attorneys and expertise in flexible law firm staffing to Curo’s suite of law firm operations and consulting services. Bradick has joined CuroLegal as its Chief

Strategy Officer. Custom Counsel also has an extended network of about 1,000 additional attorneys who are available to work as needed.<sup>68</sup>

“Many of my lawyers are moms, so they are with their kids all day. And then, the kids go to bed and they can write a motion at night when the kids go to sleep.”

Bradick’s motivations in originally launching Custom Counsel, the first network of its kind in Maine, were similar to those of the firms already discussed. “Many of my lawyers are moms, so they are with their kids all day. And then, the kids go to bed and they can write a motion at night when the kids go to sleep.” They don’t have to accept any projects, “so it’s really sort of ultimate control.” Again, the key demographic is women who see this as a way “keep a hand” in law rather than leaving their careers altogether.

Custom Counsel emerged organically. Bradick negotiated a part time schedule with her law firm, and since “Maine has a pretty tight-knit bar” people reached out to her. “I started talking to a lot of young mom lawyers who were trying to figure out how to make things work. And I started to notice a troubling trend of lawyers just simply leaving the practice. We’re talking Ivy League lawyers who had federal clerkships or worked at top law firms.... And it just seemed that there had to be a different model.”

Custom Counsel attorneys have an average of between five and ten years of experience and work as independent contractors.<sup>69</sup> Bradick saw “a significant untapped labor pool...of ex-Big Law lawyers who have turned stay-at-home moms. But they want to keep working and they want to keep practicing law until their kids are older.” Her goal, she said, was to create “a very curated group....It has been amazing to me the quality and level of expertise.....” As in other similar firms, Bradick cannot guarantee a specific quantity of work so the model is “more tricky for moms who are primary breadwinners....But we hope to get there someday.” At the time of the interview, most lawyers were content working ten to fifteen hours weekly.

In addition to these mothers, her network included a wide range of other attorneys looking to practice in a different way, including “one father who had to leave his firm because they had face time requirements that he couldn’t accommodate with wanting to be at his children’s soccer games.” But many of the lawyers are not working with Custom Counsel for family reasons alone—Custom Counsel’s lawyers choose to freelance for a broad range of reasons, such as supplementing their income while running other businesses or “starting fledgling solo practices....”

Bradick’s goal was to have “coverage for nearly every practice area,” and was turning away applicants if a practice area was already sufficiently covered. Practice areas included were commercial litigation, family law, criminal law, appellate, workers’ comp, education, securities, and elder law. At the time of the interview, Custom Counsel did not do document review; “it’s more higher-end legal work,” Bradick noted, which was roughly 90% litigation and she had a “backlog of very qualified people to call upon...if the need arises.”

Custom Counsel’s clients generally were small to mid-sized firms of twenty to twenty-five lawyers all throughout the country. “A lot of these firms have over the years have [raised] people through the ranks to partnership, but haven’t replenished their associate pools.” Lawyers are not expected to bring in clients, though they do get a percentage of the fee if they hand off work to Custom Counsel.<sup>70</sup> Said Bradick, “Custom Counsel does the marketing for the group....we do the matchmaking and connect the working lawyer with the client.” At the time of the interview, Custom Counsel had no physical offices, although CuroLegal does have one.

As in other similar companies, Custom Counsel attorneys work directly with law firms, thereby avoiding conflicts. Custom Counsel also handles the back-end invoicing, billing, etc. According to Bradick, lawyers set their own fees, with the average falling between \$100 and \$150 an hour, although some experienced lawyers charged more, up to \$150 or \$200/hour, and high volume work can drop below the \$100 per hour level. Public sources from 2012 indicate the firm takes 20% of these fees.<sup>71</sup>

Like the founders of Montage Legal and Counsel on Call, Bradick said, “We’re frankly flooded with resumes”—these firms are meeting an avalanche of pent-up demand. Custom Counsel regularly receives emails from attorneys

stating that Custom Counsel is the alternative they had been looking for. Bradick ended the interview by saying, “this has absolutely become my passion.”

### *Cadence Counsel*

Type of Organization	Corporate network of freelance attorneys.
Size	Not available.
Geographic Location	California and Ohio.
Practice Areas	Antitrust, appeals, class actions, complex civil litigation, employment/labor, energy, entertainment & media, ERISA, FCPA, fund formation & financings, health care, homeland security privacy compliance, immigration, international arbitration, IP, maritime, outsourcing, M & A, patent prosecution, real estate, securities, tax, water law, and white collar & government investigations.
Flex	Attorneys may turn down work at any time, and many work from home.

“FLEXIBILITY: Law firms need it. Lawyers want it. We provide it,” begins the website of Cadence Counsel. It’s a California company, with lawyers chiefly in the Bay Area, Los Angeles, and San Diego, yet serving over a dozen jurisdictions. Their website currently lists offices in San Francisco, Los Angeles, and Cleveland. At the time of the interview, the company was a year and a half old.

We spoke with Danielle Lackey, now listed as President and CEO, and with Marc Morgenstern, Chairman. “Our attorneys are people who have left traditional practice. They want to continue to do sophisticated, high-end legal work. They don’t want to do doc review....We also see it as a retention tool for the [client] firms themselves—it promotes more work-life balance for their attorneys because they know that when things get busy, they can call in some help. They have a safety valve.”

Cadence Counsel requires a minimum of four years of experience, and finds the most demand for attorneys at the fifth to twelfth-year level senior associates or junior partners. “That’s when we’re talking about adding capacity—I need extra hands on deck.” If firms are seeking to augment a specific expertise that they don’t have, then they often want to tap into more

senior attorneys—Lackey mentioned one Cadence attorney who had retired from a law firm after over thirty years of practice. Cadence Counsel advertises the elite credentials of its attorneys online, and Lackey stressed that the lawyers come from “top firms” or “top government jobs” and “good law schools.”

Cadence Counsel lawyers are independent contractors, as at other similar companies. Law firms pay the company, which contracts with the attorneys and takes a percentage. Most engagements are hourly, although some (like patent prosecution) are flat rate. Some Cadence lawyers also run solo law practices. “We don’t ask them to make an exclusive commitment to us, and we can’t promise them a specific workload, either.” Sometimes, Lackey noted, “we might have seven months’ worth of work for someone in a row,” while at other times, “it might be a few months between projects.” Attorneys can turn down assignments if they wish. “They don’t make a commitment in terms of time until they sign onto a project, and then of course they have made a commitment of time and A+ work.”

As for rates, “we believe we’re providing access as opposed to low cost” although Lackey acknowledged that sometimes law firms charge clients more than their attorneys are being paid because “law firms are used to leveraging their people.” Thus law firms can use Cadence Counsel as a way to bring down cost. Rates depend on the lawyer and the client firm involved, as well as the type of work. Cadence has a baseline rate they do not go below, but attorneys are free to also set their own baseline.

Cadence keeps track of hours, which helps the client as well as the lawyer involved. “We send progress billing, so they’ll get the hours throughout the month so they are able to say, ‘Oh, wait a second. This is supposed to be a five-hour project and she’s already spent 12 hours. Let’s rein this in.’” Cadence works with its clients to delineate the scope of a project up front to minimize surprises. In addition, they ask clients to spend time, “even if it’s only 10 minutes,” providing regular feedback to the Cadence lawyer. Hourly rates for Cadence lawyers are structured so that, “if you turn it into a 40-hour week—and I’m saying 40, not 80, as you would have at a firm—it comes out to a couple hundred thousand a year.” Although, Lackey said, they are not guaranteeing full-time employment. “You have the opportunity to make what you could make at a firm, but there has to be some risk tolerance.”

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“We’re there to...advocate in both directions, to advocate on behalf of our client [and] our attorneys if somehow the parameters aren’t what they want.”

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Again, Lackey highlighted her role in helping ensure against schedule creep. “Because we’re the interface [between client and attorney] it’s a lot easier to say, ‘Hey, this project was supposed to be three weeks during which I’m giving all my time and all the time they need. But it’s...starting to morph into something...way beyond what I want to give.’ We’re there to...advocate in



both directions, to advocate on behalf of our client [and] our attorneys if somehow the parameters aren't what they want." Lackey also stressed "It was really important to me from the beginning that this be viewed as really a universal thing, not just a female thing. Our applicant pool has been consistently 50/50. It really validates this idea: that people across the board want to have a fulfilled life as opposed to women who are leaving the workforce...." Mothers are in their network, but that's not their chief focus.

Cadence Counsel has office space for its central staff, but about 80% or more of the work for attorneys was remote, typically from home, with the remainder being in clients' offices. Their sweet spot is with mid-sized firms of between 50 and 300 lawyers. Clients can range "from a solo attorney to a more mid-sized regional or national firm." As of the time of the interview, "there has been more litigation than transactional, but not by that much."

### ***Intermix Legal Group***

Type of Organization	Corporate network of freelance attorneys.
Size	102 attorneys.
Geographic Location	Nationwide.
Practice Areas	Over 30 practice areas including litigation, family law, real estate, IP, employment, corporate, and immigration.
Flex	Many attorneys work remotely and/or less than full-time.

Leila Kanani is the founder of Intermix Legal Group, a company that provides experienced attorneys on a temporary basis to solo practitioners and small firms that are experiencing overflow work and other resourcing challenges. Kanani still practices as a patent attorney and has been doing so for almost 13 years. Prior to founding Intermix, she worked at a large D.C. IP law firm, which she left because of its lack of flexibility and excessive hours that she believed would prevent her from spending the time she desired with her family. After leaving the D.C. firm, Kanani began a solo practice, and found that she had too much work to do on her own but not enough work to hire a full-time associate, nor the time to train one. Upon contacting numerous staffing agencies, she realized they could not provide the caliber

of attorney she was seeking. Kanani's solution was to hire some of her attorney friends part-time, many of whom were women who left their large firms to have children after many years in practice. These attorneys were exactly the kind of attorneys Kanani needed—very experienced with years spent at large law firms who did not need any hand-holding and were able to provide excellent work efficiently. The arrangement worked well, as her attorney friends enjoyed doing the contract work, it helped fill a gap on their resumes with high-end work, and clients were happy because they were being serviced by very experienced attorneys for attractive rates.

Kanani realized that she had a potential business opportunity on her hands when she started to get solicited by both her attorney friends who were looking for part-time opportunities, and others who had their own firms that were looking for experienced attorneys to help them with overflow work. Starting Intermix was made easier in part by the experience Kanani had launching her solo practice; Kanani was familiar with tax structures, ethics rules, social media and IT systems, and because she had a degree in computer science, Kanani was able to build her own website and maintain the backend as well. When she saw the market opportunity, how the business would come together seemed straightforward: "All I needed to do was register my company, and set up a website. I also got insurance. I had a marketing person do the logo and business cards based on designs I gave them. I designed it all ... I have the same bookkeeper that was doing my law firm books. I asked her to do the bookkeeping for this company...." While building Intermix, Kanani contacted various bar associations around the US, and their practice management groups had mentioned what types of work law firms were looking for and what kind of help they needed. They also mentioned that they saw many women leaving law firms, which paralleled what Kanani saw happening among her friends.

As of this writing, Intermix has 102 attorneys nationwide, with roughly 70% of them being mothers, all doing project-based work for firms around the nation on an as-needed basis. A few of them are military spouses, as well, for whom moving around the country makes permanent work at a large firm difficult. Intermix allows attorneys that want flexibility but don't want to stop practicing law or have a resume gap an opportunity to work remotely on a project basis, and to spend time with their children, as well. At the same time, Intermix allows



law firms access to a group of experienced attorneys to help them as-needed without the costs and challenges of hiring a full time associate.

Intermix's attorneys are well-pedigreed, with attorneys who previously worked for big law firms and in-house legal departments, and went to law schools such as Stanford, Harvard, University of Chicago, and NYU. Intermix gets numerous requests from attorneys to join daily, however, only about four percent of the attorneys that want to work with Intermix are invited to do so. Their attorneys cover a wide range of industries and are members of the bar in nearly half of U.S. jurisdictions. Kanani recently added two new regional directors.

Intermix operates by receiving requests from clients, and then emailing the client with the profiles of the attorneys available, which the client then reviews and creates an interview list from. Most of Intermix's clients are solo practitioners or small firms. Because many of Intermix's attorneys are parents, one of their highest priorities is

ensuring the ability to work remotely—for this reason, Intermix does not usually provide attorneys to work with in-house legal departments, that typically require an on-site presence, even for temporary work.

As of this writing, Intermix's 102 attorneys have an average of seven years of experience, including some with solo practices. All bill between \$100.00 and \$175.00 an hour. It is up to attorneys to choose the rate, though Intermix advises them on what rate to choose based on their level of experience and practice area. In return for completing the administrative work and the marketing for the attorneys, Intermix takes 20 percent of every hour billed: "From the attorney's perspective, they love it, because they don't have to worry about marketing, billing, collection, anything like that," Kanani noted. Most of their attorneys hear about Intermix via word of mouth, primarily through referrals from satisfied clients. Intermix frequently makes presentations and runs CLEs and webinars.





# Virtual Law Firms and Companies

“WE’RE SEASONED, SENIOR-LEVEL lawyers, and we’ve embraced a different model. We provide sophisticated legal advice in a wide range of practice areas, but our overhead is low, our staffing lean, our fees flexible and value-driven. We’ve invested in top-tier technology, not in expensive offices. It’s a new model, but only up to a point. The most important part—solid, savvy lawyering—is strictly traditional....” The website of VLP Partners LLP aptly summarizes the philosophy of Virtual Firms. In all of these organizations, most lawyers work “virtually”—from home—although some of the firms have a few offices, typically for management.

Virtual law firms preserve a lot more of the traditional law firm structure than do the organizations discussed thus far, not the least of which is that most are law firms. Some Virtual Firms are really law companies, typically businesses solely owned by one or two lawyers. Yet even those organized as companies tend to present themselves as law firms. They typically include only, or predominantly, senior level partners. Those that include non-partners typically eschew the term “associate” and instead call non-partners “of counsel.”

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“It’s a new model, but only up to a point. The most important part—solid, savvy lawyering—is strictly traditional....”

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The other main difference between Virtual Firms and traditional law firms—other than that they are virtual—is that attorneys only get paid when they work (or, often, when they collect). Said one founder, “We stopped paying salaries. We just shifted entirely to a basically results-oriented system.” This eliminates many of the pressures visited on law firm lawyers, but it also introduces an element of risk: if you don’t work (or collect), you don’t get paid. “We’re really focused more on senior lawyers who are a little bit more financially secure and confident in their abilities and can ride the ups and downs of the workflow,” one founder explained.

Summarized one founder, “We run our business like a business....The bottom line is the bottom line.” He commented, “It sounds terribly radical because we happen to live in this weird world of lawyers.” Some firms use traditional billable hour arrangements while others offer flat fees. Much more so than other New Models, the message these firms seek to send is that they offer legal services similar to Big Law.

## A. Virtual Law Firms

### *VLP Partners LLP*

Type of Organization	Law firm.
Size	47 attorneys and 4 legal specialists.
Geographic Location	Attorneys are widely distributed.
Practice Areas	Practice focused on corporate law and finance, technology transfer/intellectual property, tax, real estate, energy and environmental law, affordable housing, and advertising law.
Flex	Attorneys may turn down business or clients as they wish.

VLP Partners LLP was founded (as Virtual Law Partners) in 2008 by Craig Johnson, a former partner at Winson Sonsini. VLP is a virtual firm on an “eat what you kill” model. Many lawyers work from their own homes; some obtain office space on their own. The firm’s relative lack of overhead offers lower fees for clients and high salaries with less effort for lawyers. We spoke with Charulata Pagar, partner and member of the firm’s Executive Committee, who stressed that her views are her own and do not necessarily represent the views of the firm. Pagar mentioned that when she joined the firm, “I dropped my rate...close to 30%....[and] my compensation’s gone up.” She continued, “My rates are down, my hours are down, my money’s up. So, yes, for me it’s been a great move.” What’s valued in Big Law, she said, is “the big leveraged practice” whereas her practice consists chiefly of clients who want her to work on an agreement or consult with her. She also stressed the benefits of being able to turn down business without having to worry that “I have

to have a collections level of X or Y or Z or my group or my firm's going to be unhappy with me....And if I don't want to work with a difficult client, I don't." She concluded, "You run your practice to please yourself."

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*"My rates are down, my hours are down, my money's up. So, yes, for me it's been a great move."*

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Pagar, who at the time of interview was "at home with my seven year old who didn't get into camp [that] week," said that most (but not all) of her partners were working less than they had in Big Law with many below 2,100 hours. When asked about how many billable hours VLP lawyers work, Pagar did not know but said, "I think it varies quite a lot from attorney to attorney, because you can have somebody who's semi-retired who doesn't really want to work that much, or somebody who's a mom at home with a couple of kids who doesn't want to work that much versus somebody who wants to support their family at a fairly high level." VLP Partners has been recognized by the Healthy Mothers Workplace Coalition for promoting a mother-friendly workplace.

Former Big Law partners with substantial practices can "do well for yourself at a firm like mine," said Pagar. "You don't have to have a book of business that's as big as what you have to have at a big firm to generate relatively the same amount of income. So that's one plus." This helps with work-life balance—which is important to Pagar's attorneys. Some are senior attorneys who have retired from Big Law but still want to work. Others are "quite a few partners who have younger kids....They want to work at a very high level, but they don't want to deal with all of the grief that comes from being at a big law firm." She said that the firm probably "skews fairly strong" towards lawyers with children.

At the time of the interview, VLP had between 30 and 35 lawyers, yet by the time of writing, their website listed 47 lawyers, including nine women. The firm began with only partners. VLP requires a minimum of five years of experience but, said Pagar, "our actual average is probably more like 15 or 20" years' experience. At

the time of the interview, as "a relatively new program," two more junior lawyers had joined with the title of "counsel." It responded to a need: some of the attorneys who had a lot more work than they could do themselves were "clamoring for help," said Pagar. Counsel need to have five years of experience.

VLP Partners takes care to send the message that the lawyers could be at Big Law if they chose. "We are extremely picky about who we allow into our firm," said Pagar. Elite credentials are "incredibly important to us. That's because we're kind of a new model" so "We look for people who've gone to the right schools, worked at the right law firms, worked at the right companies." Aside from attorneys serving as "Counsel," attorneys need to have a book of business as well. Pagar stressed that the firm wants to grow with "people with the right sort of credentials" and "sophisticated practices" and "personalities that fit with the rest of us." It also "takes a certain kind of person to fit well in our firm." Partners have to be entrepreneurial and either have their own book of business or be ready, willing, and able to develop one fairly quickly—without clients they won't have income. Compensation is structured in much the same way it is at a traditional law firm: an attorney's collections are important, but so is origination credit. As at a traditional firm, origination credit is sometimes split.

Lawyers bill work to their clients and "pay a percentage to the firm to run the firm, but the rest of the money comes to the attorney who brought in the work." If the rainmaker brings in other people to work on a matter, attorneys "work out arrangements amongst ourselves to share fees amongst the attorneys." That happens frequently, said Pagar. The firm has internal guidelines, but those guidelines can be modified "so we have all kind of different arrangements." Partners typically make \$300 to \$500 an hour. One attorney, who previously billed out at \$950 hourly working in Morrison & Foerster's tax practice, now bills at a rate of \$385 per hour.<sup>72</sup> Yet Pagar estimated that lawyers take home roughly twice of percentage of their billings as at a law firm, at least 60%. According to another source, attorneys keep up to 85% of collections and the firm uses the rest to pay for operating costs.<sup>73</sup> As at a traditional law firm, partners buy their own benefits.

"Outsourced expertise with in house knowledge," says the VLP Partners' website, which lists 15 different practice areas, focused on corporate law and finance,

technology transfer/intellectual property, tax, real estate, energy and environmental law, affordable housing, and advertising law. A lot of their work is with tech companies. VLP Partners does not do litigation.

The firm is run by a five-member executive committee, of which Pagar was a former member. They also have a CEO of the firm, who is “a partner, but she is also CEO and her job is to run the firm.” This, of course, is not typical at Big Law. But the firm has committees much like a traditional law firm; Pagar mentioned the Hiring Committee. Another difference is that, Pagar said, “We may have some colleagues...who are independent contractors” rather than true partners. The firm does not provide secretaries, but provides accounting and technical support. Their Vice President for Technology works from home. The firm has four in-person meetings a year.

**Rimon PC**

Type of Organization	Law firm.
Size	39 attorneys, plus 11 network attorneys.
Geographic Location	Based in San Francisco with offices in 14 cities in the U.S. and Israel.
Practice Areas	Business law, finance, intellectual property, and general corporate litigation.
Flex	No billable hours requirements, but lawyers typically work between 40 and 45 hours per week.

Rimon is another Virtual Law Firm founded by Big Law refugees for Big Law refugees. The word *rimon* means “pomegranate” in Hebrew, Arabic, and Aramaic, and in some cultures it is a symbol for law and equality.<sup>74</sup> Its website prominently displays the alma maters, Big Law firms, and major companies at which Rimon attorneys previously worked. Launched in 2008, Rimon combines lower overhead, yielding lower fees for clients, with a compensation model that pays attorneys only for the work they do, which leaves them free to work less than is typical in Big Law.

Rimon is “very top-heavy. We do very high-end legal work.” Many partners have over twenty years of experience; all have more than ten. Rimon has only three associates. They also have contract lawyers, the

“Rimon Network,” whom they can bring in to do more routine work like due diligence. At the time of writing, Rimon’s website lists thirty nine attorneys, four of whom are women. The Rimon Network has 11 attorneys, including two women. Rimon expressed interest at the time of the interview in recruiting more women.

Rimon has no billable hours requirements and attorneys can set their own hourly rates. Moradzadeh said they conducted a survey of 3,000 lawyers at Big Law and found that the number one concern of the lawyers surveyed is that they wanted to set their own rates. Number two was work-life balance. At Rimon, this does not mean part-time; Moradzadeh estimated that Rimon lawyers typically work 40 to 45 hours a week—a lot less than the 80 hours a week he estimated it takes to make partner in Big Law (using an estimate we also heard at other New Models firms). But lawyers can work “anytime anywhere,” he said, “without having the bureaucracy or the politics of having to be in the office at a certain time or to be on certain committees.” This “allows them to work from home and be with their families. They might work at 8:00 at night or 11:00 at night. But...they might take three or four hours in the middle of the day to spend with their family.”

Rimon’s recruiting stresses rainmaking and collaboration, and its business model gives attorneys an incentive to bring in clients. Despite having flexible schedules, “To develop business, you really need to be out there at night, and you might have to travel. So even if you’re working fewer hours it’s not necessarily family friendly. And there’s no way to avoid that in a sophisticated practice,” Moradzadeh mused. Attorneys are expected to come in with a book of business, and the firm’s compensation system gives attorneys “a very high incentive to collaborate.” Attorneys receive origination credit that does not sunset: in other words, the attorney who brings a client into the firm gets 20–25% of the firm’s collections from that client’s billings for as long as a client remains with the firm. “If an attorney wants to focus entirely on business development...that’s fine,” said Moradzadeh. How are the rest of the fees divided? Approximately 70% goes to the attorney who did the actual legal work, while the remaining 30% goes to the firm.<sup>75</sup> Rimon’s pricing is structured with an internal market (what attorneys charge the firm) and an external market (what the firm charges the client). “What the attorneys charge the firm is about half of what the clients are charged.”



“[B]ecause we have lower overhead costs and we have a flat management structure and we don’t guarantee any kind of salaries, our costs and risk profile are significantly lower,” he said. Moradzadeh estimated that, “our bill for the same project in the end of the day, compared to Big Law, would be about 60%.” Attorneys can choose how they bill their clients, but a lot use alternative flat-fee arrangements. Moradzadeh estimated that about 30% was flat fee, with the remainder under the traditional billable hours arrangement. As is true of other firms that do work in Silicon Valley, the firm also sometimes will take equity or contingency instead of a fee. He estimates that about 40% of Rimon’s work is business law, mostly technology-company related, while 20% is finance, mostly for hedge funds and private equity. Another 20% is intellectual property, and 20% is general business corporate litigation. Clients include Fortune 100 companies and hedge funds, several midcap companies, as well as very early stage startups. Rimon practices chiefly in business law, with a focus on finance, technology transactions, intellectual property and litigation.

When asked what motivates partners from BigLaw to join Rimon, Moradzadeh said “they want more freedom and higher profitability while maintaining their high-end practice.” Some solo practitioners “want firm infrastructure. They want the support, the branding. They want the other attorneys to bounce ideas off of, to give work to and get work from, and all the benefits of a law firm, but they don’t want the hierarchy or bureaucracy that comes with a law firm.” One of the challenges, in a virtual firm, is creating a sense of community. Rimon has partners meetings twice a month to address this, several practice group meetings per month, three yearly retreats, and an internal social network to share experiences, both professional and personal. Yet Rimon has offices or “collaboration space” in fourteen cities in the U.S. and Israel. Many are at prestigious addresses, but they are not offices in the traditional sense. There are six traditional offices, but “most of the rest uses hoteling,” where attorneys use office space that can be reserved in advance but that’s also used by others. “It basically Class A office space that you pay for by use,” noted Moradzadeh.

Rimon is proud of its “spherical structure,” which it contrasts with the pyramid structure typical of law firms. There is no hierarchy among the partners, its website explains, so lawyers’ relationships with clients are not affected by internal political dynamics, including client hoarding, which sometimes occurs at Big Law when lawyers avoid bringing in their partners to work on a matter in order to avoid splitting origination fees and/or hourly billing. If a Rimon lawyer needs help on a matter, other lawyers “pitch in at agreed-upon rates paid out of the business originator’s percentage.”<sup>76</sup> Rimon is organized as a California Benefit Corporation. The “B corporation” allows organizations to pursue the “triple bottom line” or “people, profits, and planet.” The founders, Moradzadeh and Yaacov Silberman, remain the only shareholders. The other partners are, in effect, income partners. The two founders are “90% businessmen, 10% still practicing lawyers.” They are trying to focus on the business side, and only serve existing clients that contact them, typically referring work to their partners.

### Potomac Law Group

Type of Organization	Law firm.
Size	48 attorneys.
Geographic Location	Washington, D.C. and Connecticut.
Practice Areas	26 practice areas including administrative law and regulatory practice, arbitration, corporate, energy and natural resources, food and drug, health care, IP, international trade and customs, and life sciences.
Flex	No billable hours requirements; attorneys are free to work remotely.

Benjamin Lieber founded the Potomac Law Group in 2011, which he described as a “traditional firm—but with a modern twist.” At the time of interview, the firm had twelve partners, six of them women, and thirty three counsel, twenty of them women. Today the firm has about fifty attorneys, comprised of 61 percent female attorneys and 55 percent female partners.<sup>77</sup> Its website notes that, “We are proud of our diverse group of attorneys of various ethnicities and religious beliefs. Half of our attorneys, partners, and management are women.” Lieber and his co-founder are the only equity

“We have lots of people who are like eight-year associates who may be parents, often they’re women, but they’re men, too. Either they don’t want to be partner, or they don’t make partner, or...they’re just burned out....”

partners. The remaining partners are akin to income partners, while counsel are independent contractors. Attorneys can set their own rates.

About 80% of Potomac’s lawyers are in the D.C. area and although they typically work from home, “we still get together a lot. We have lunches and lunch-and-learns and... happy hours,” Lieber told us. It’s easier to build community when most people are in one place, he said. The firm is “thinly staffed,” with a “handful of paralegals, primarily for litigation,” two support staff, a Chief Operations Officer, and a Director of Operations. The firm does have “nice office space downtown [in DC],” and some in Connecticut, but “it’s flex space, so we don’t have very much of it.” When Lieber was a tax lawyer at a Big Law firm, “I always felt I was a couple of steps removed from the really interesting decisions, which were all the business decisions.” So he left the law for five years to work at McKinsey & Company. When he decided to do “something at the intersection of business and law...Any commentator in the industry could see that...it was broken in many ways, the big firm model,” said Lieber. In the decade after 1997, he said, inflation rose 20%—but Big Law fees rose 80%.

When it comes to his firm’s model, “The difference is not so much from the client’s standpoint,” said Lieber—except that fees are lower. The difference is from the lawyer’s standpoint, in that lawyers are paid only for the time they work, so “we’re indifferent, in a sense, financially” to how much they work. This model makes for better work-life balance but it also means “we’re not bringing lawyers who are fourth-year associates with mortgages and young families. At the time of the interview, no lawyer at the firm has fewer than eight years’ experience, “so they all know what they’re doing.” Additionally, “there’s not a lot of pressure to develop

business,” which diminishes work demands substantially. The firm has almost no attrition.<sup>78</sup>

Of the attorneys who join the group, “We have lots of people who are like eight-year associates who may be parents, often they’re women, but they’re men, too. Either they don’t want to be partner, or they don’t make partner, or...they’re just burned out after eight years.” The first ten lawyers at Potomac Law Group were all women. “We evolved from that, but that was certainly true at the beginning.”

Potomac Law Group’s website lists 26 different areas of legal practice. Lieber said, “I think the highest paid lawyer was [at] about \$350,000, which is more than they would make as a senior associate at a big firm, but less than they would make as a partner at a big firm.” In addition, counsel are not getting benefits, which they would at a law firm. “I think it’s probably fair to say that the lawyers, on average, are taking a slight haircut to come here, in return for all the benefits of flexibility and no pressure to bill and so forth, but not that much of a haircut.” Lawyers are paid “\$125 to \$150 an hour, depending on the seniority of the lawyer and the practice area.” At 2,000 hours a year, Lieber pointed out, this adds up to \$250,000–\$300,000 a year. The firm also has origination credit: an attorney who both originates the work and does the work gets 75% of “what they bill and collect.” In addition, said Lieber, you get “recognized for being a good ambassador for the firm, that kind of thing. That determines your compensation at the end of the year, but it’s all very clear to the lawyers as they are doing the work what they are going to get paid.”

Founding the Law Group was “nerve-wracking” because he took out a line of credit on his house. But, he said, because “the nice thing about law is it’s not a capital-intensive business.” It’s about “human capital, so it was

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a lot more of finding the right people and then getting in front of clients and prospects. The actual physical cost to start it might have been \$75,000....” It took six months or a year to build up the relationships that lead to clients: “You don’t just Rambo into a general counsel’s office and walk out of there with an engagement letter.” “It’s a relationship-based industry,” he mused. You have to be patient, and take the five or six meetings it takes to build a relationship because “law is one of those industries where if you push too hard...you’re an ambulance chaser.”

Lieber noted that founding a firm was not for the faint of heart. “It’s hard work....There’s no longer a division between work and personal life,” he said. “All I’m ever doing is working. My laptop comes with me everywhere, even to kids’ soccer games. I play poker once a while. I handle invoices between hands.... You have to feel passionately about it if you’re willing to throw everything into it and have a chance of success.”

### ***Rosen Law Firm***

Type of Organization	Law firm.
Size	15 professionals.
Geographic Location	Offices in Raleigh, Durham, Chapel Hill, and Charlotte, North Carolina.
Practice Areas	Family law.
Flex	Flextime, attorneys paid by the work they produce/business generated.

The Rosen Law Firm is a North Carolina family law firm with offices in Raleigh, Durham, Chapel Hill, and Charlotte. It was founded by Lee Rosen over two decades ago, although they had eliminated attorney offices only recently. “More than anything,” said Rosen, “it seemed to me that the really profitable businesses were moving toward a work-from-home model....” They try to “keep our firm as lean and flexible as possible by outsourcing everything we can possibly outsource,” including financial functions, IT, the phone system, as well as practice and document management systems. They also outsource some legal work, including ERISA and some legal assistant work. “We try to stick to our core competencies,” said Rosen. They are entirely paperless. “We’re literally conference rooms and laptops. That’s about all the firm owns.” They also have very few



administrative personnel. At some offices, even the reception desk function is outsourced. Yet, they have an attorney whose time is totally dedicated to managing and training attorneys. “That’s all she does. She will accompany them to events. She is there for them all the time on the telephone. She does meetings with them a couple of times a day.” Rosen noted that she had “been a huge help in terms of retaining attorneys.”

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“We sort of gamified the compensation system. Attorneys love a good game. They like to win. Every single one of them is earning more than they did before.”

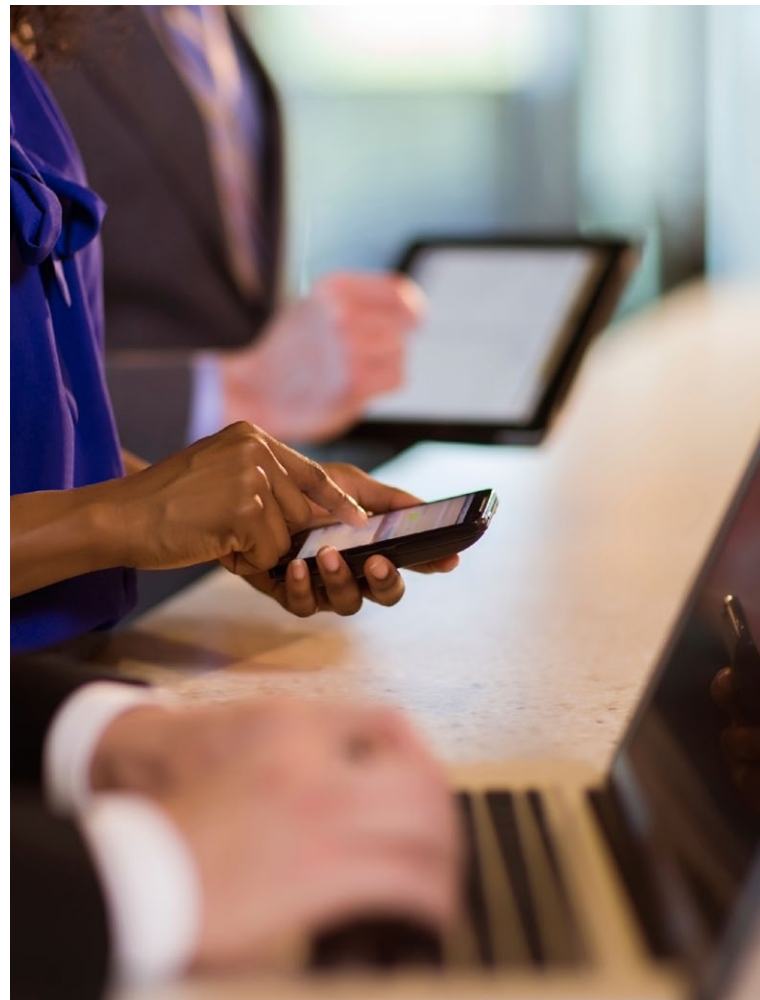
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The Rosen Law Firm also shifted their compensation system and gave attorneys the choice between remaining salaried or shifting to a model where lawyers get paid based on the amount they work. “Within a year, they had all made the shift because they realized they would make more money, and the fear they had about the plan wasn’t being realized by anyone.” “We just shifted entirely to a results-oriented system,” said Rosen. The firm’s attorneys are “all incredibly competitive and incredibly aware of what one another are earning. They talk about it. They all knew what was going on. They wanted to keep up.” Mused Rosen, “We sort of gamified the compensation system. Attorneys love a good game. They like to win. Every single one of them is earning more than they did before.”

“It’s all based on revenues,” said Rosen. “The bottom line is the bottom line....We compensate people by paying them a percentage of the business they generate, the origination business. Then we pay them a different percentage of the work they produce, the actual revenues they generate from billable hours or fixed fees.” The “tricky piece” is to identify which attorney originated a given client. “We’ve come up with a system for doing it that’s probably not perfect, but it works reasonably well.” Attorneys who generate a lot of revenues “get a higher percentage of every dollar they bring in than the ones who generate fewer revenues.”

The Rosen firm also does “a lot of client surveying. If our client satisfaction numbers go down that’s usually a kind of heads-up that they’re taking on more work than they can reasonably handle....That will often be a sign to us that we need to go ahead and start looking for somebody.”

Rosen tends to hire younger lawyers with a couple of years of experience, although they also hire experienced lawyers who have relocated to the area. “We’d rather hire somebody who is on their second job,” typically from a small firm. Those who start out at big firms don’t tend to work out, he said, because they “romanticize the idea of family law.” Rosen noted that attorneys from top-tier schools tend not to go into family law. “[P]art of the reason we did it is we really did believe that it would give people more control over their lives in terms of working out work-life issues, dealing with their kids, deciding when they needed to set their meetings, and when they needed to come into the office....”



**Natoli-Lapin LLC**

Type of Organization	Law firm.
Size	3 attorneys.
Geographic Location	Headquartered in New York; serving clients in 41 countries.
Practice Areas	Business law, trademark, and intellectual property.
Flex	No information available.

Natoli-Lapin LLC is a Business and IP law firm founded in 2008 by Frank Natoli and later joined by Moshe Lapin, one of Natoli's law school colleagues. They bill themselves as an entrepreneurial boutique in that they do both business law and intellectual property—a “one-stop shop” for entrepreneurs, independent inventors, small businesses, and artists. They have close to 800 clients across the United States and in around 40 other countries. At the time of our interview with Frank Natoli, they had recently been recognized by the American Bar Association with the Louis Brown Award for delivery of legal services. Currently, the firm is staffed by the co-owners and an of counsel colleague to whom they refer their patent matters. They have off-site administrative staff and occasionally hire additional contractors to meet workload demands.

Although Natoli started the firm straight out of law school, he has always had an entrepreneurial bent. Prior to law school, he had been involved in several entrepreneurial ventures and worked at *The Economist* for two years. According to Natoli, what distinguishes their firm is that, unlike some other virtual firms, they market themselves to small and midmarket businesses as a mid-market firm themselves—rather than being small and trying to look big. As Natoli put it,

Even though they really are small business lawyers, they kind of want to present themselves as big corporate guys.... This can be slightly intimidating. My angle was user-friendly.... You know in an instant when you go to my homepage what we do, and who we are and who we're serving. If you're a small business, that's really refreshing because you want to feel like you're bringing your business to somebody who's there for you, that they're not there for IBM, and you just happen to be one of many others that showed up.

They use a flat fee model, and like other firms, making it work took a lot of tweaking. When they first implemented the model, they would occasionally encounter project creep, where a client that is paying for transactional work may try to sneak in tax advisory or litigation work. These days, a typical service agreement would include a flat fee for particular services and a cap on hours worked to deliver these services. Any work beyond the time required is negotiated. Additionally, Natoli-Lapin has some threshold items like entity formation and trademark clearance filing that have a set price tag.

Although the business has grown every year they've been in business, Natoli does not want to grow too much more. For the future, Natoli anticipates that Lapin will begin to step more into his shoes working on business development, and then they can hire somebody to deal more with the substantive legal work. The way it works now is that Natoli is the “front of the house and my partner is the back of the house.”

**Landmark Law Group**

Type of Organization	Corporation.
Size	2 attorneys.
Geographic Location	Headquarters in Santa Monica, CA.
Practice Areas	Transactional services for real estate firms, bridge loans, and negotiating leases.
Flex	Work/life balance results from the firm partnering with clients who respect the attorneys' desire not to work late into the evening or on weekends. No billable hours requirements.

Gullu Singh is the owner of Landmark Law Group, open since 1998. Landmark has one attorney working for him, Nazanin Nassir, a woman Raymond has mentored since she graduated college and who was recently recognized by *Super Lawyers* as a “rising star.” The firm used to have a few more lawyers, but contracted in the economic downturn. Their biggest clients are real estate investment firms who go to Landmark for their transactional work. They also helps clients with bridge loans and also assist real estate entrepreneurs who need help negotiating leases.

The firm is entirely virtual. His practice area lends itself to a non-brick-and-mortar environment, as it requires few



in-person meetings, as “almost all the negotiations for real estate transactions are done by teleconference—different people in different places.” The decision to start a virtual firm was primarily economic and happened around 2010. Singh said that he is lucky to have gone virtual in 2010, as cloud computing had just begun. While trying to cut overhead costs by looking for a new space, Singh realized that the space occupied by filing cabinets was full of mostly archives, and they weren’t generating much new paper. They purchased a “polished...automated attendant [that said] ‘You’ve reached Landmark Law Group. If you know the extension . . .’ Voicemails come as emails and so for someone calling, they don’t have the sense that you don’t have a physical [space].” Although Singh said, “We actually didn’t even really tell our clients for about a year because we didn’t want it to be perceived as some diminution in our enthusiasm to practice law or some surrender,” but once he told clients, they didn’t seem to mind at all. Perhaps part of the reason for this was because the low overhead enables him to charge rates that are significantly lower than his competitors.

When asked about whether he had any difficulty with clients in switching to a virtual firm, Singh explained,

People were seeing that there were other career paths [such as tech] that could be satisfying and lucrative, rather than working at a big firm...What was also happening—salaries were going up, so rates were going up....I think there was just the change in the culture of the way things are done...[which] made it easier for people to see that maybe there’s not as much value in paying extra for this guy that we like, who does good work for us, because he works in a fancy law firm with a 100-year-old name on the building.

Singh is able to provide good work/life balance for both himself and Nassir by partnering with clients who respect their desire not to work late into the evening or on weekends: “I think I’ve trained our clients to know that if they send an email after hours, they’ll get responded to in the morning or on the weekend.” Nassir does not have a billable hour requirement, in spite of being salaried. This is common among Singh’s hires, as

“I think I’ve trained our clients to know that if they send an email after hours, they’ll get responded to in the morning or on the weekend.”

he tends to find people who are self-motivated and don’t need a billable hour minimum to pay for their overhead. And of course, the overhead is very low to begin with. Landmark is considering expansion but faces the classic “chicken and egg” conundrum—Singh feels he could generate more business to justify expansion, but this would mean he is so busy that he might not have the time to do an effective job with recruiting. When Singh is evaluating potential attorneys for hire, while academic credentials matter, he believes that in the long run “it correlates very poorly with how good a lawyer you are.”

## B. Virtual Law Companies

### *Berger Legal LLC*

Type of Organization	Law company.
Size	13 attorneys.
Geographic Location	Based in New York, New Jersey, and Connecticut with attorneys nationwide.
Practice Areas	Transactional work, M&A, finance, intellectual property, real estate, HR/employment, marketing compliance, and litigation.
Flex	Attorneys are free to choose work they are interested in and they can decline work for any reason. Some work “very part-time.”

Berger Legal LLC is a Virtual Law Company, founded in 2002 and solely owned by Garry Berger that operates mostly in New York, New Jersey, and Connecticut but also has attorneys scattered around the country, servicing clients around world. At the time of interview, Berger had thirteen attorneys (ten women). Most had been practicing between ten and twenty years, with a

“couple” having been in practice seven or eight years, and some who had spent time at home full-time. The website lists “representative clients” that range from smaller companies to very large ones like Credit Suisse, Morgan Stanley and Expedia.

“Virtually all of my attorneys currently and through the years are parents, mostly stay-at-home moms...” said Berger in our interview, “I’ve had a couple of stay-at-home dads, including myself.” He started out in Big Law, and then went in-house. Attorneys at Berger can take whatever work they are interested in, and can decline work for any reason. “I’m the kind of person who doesn’t really need to be in an office,” said founder Garry Berger. “I know I could work from home very efficiently.”

Originally he was the only attorney, but “I was very good at bringing in clients” so he decided to find other lawyers who wanted to work from home. He estimated that about half the attorneys at Berger Legal “bring in at least some business...obviously, some bring in more than others.” Berger does not look only for candidates with the most elite credentials: “I know as well as anyone that some of the best lawyers went to schools outside the ones ranked in the top 10...the name of the school doesn’t make the lawyer.” He does seek “top lawyers” from “good schools,” trained at top firms or working in-house with “brand-name” clients.

As in other Virtual Firms and Companies, Berger Legal does not guarantee anyone forty hours a week with salary. He found the best matches were “these stay-at-home moms who worked at the big firms, had great experience and were looking for five or ten hours a week and it was okay if it was fifteen one week and five the next or zero the next.” Eventually, he also found men who were interested, either because they were semi-retired, or had partners with demanding careers. Of course, “once someone takes on the work, they’re doing the work. These are responsible attorneys, and the clients are important clients, and the work gets done.” He estimated that about half of his lawyers “take on substantial work during portions of the year” a couple of lawyers work “very part-time,” with the remainder somewhere in between. Many had schedules that vary throughout the year.

Berger is the sole proprietor of the business, and estimated he spent about 30% of his time practicing law and 70% in management. His attorneys are all

independent contractors; Berger said many of his attorneys get benefits through their spouses. He estimated that 80% had Big Law experience; about 20–25% came directly from Big Law while others had also practiced in-house; some had taken time off to raise families. Said Berger, “I work full-time.” He also co-founded Bliss Lawyers, so “between the two, I’m certainly full-time.” He has a full-time bookkeeper/office manager, and a paralegal who is “very part-time.”

When asked how much his attorneys work, he responded, “the answer is a wide variety of schedules....I don’t keep track....I have no interest in keeping track....I don’t care. I want them to be happy and enjoy their lives and if someone taking the day off and going to the beach that’s great. The deadline’s two days off and they get done, then that’s wonderful for them.” He mentioned one lawyer who was starting a gym/personal training business and also worked with Berger Legal.

The firm does “corporate work of various types” including transactional work, M&A, finance, intellectual property, real estate, HR/employment, marketing compliance, and litigation. Their hourly rates are generally between \$300 and the low \$400’s—about half of what clients would be paying for equivalent work from Big Law, he estimated. Berger estimated that his attorneys take home about what they would take home at Big Law on an hourly basis. About half the attorneys brought in at least some business with them, and they get rewarded for origination (but Berger did not say how much).

### **Burton Law LLC**

Type of Organization	Law company.
Size	7 attorneys.
Geographic Location	Founded in Ohio; attorneys in Washington, D.C. and Lexington, KY.
Practice Areas	Business law, alternative dispute resolution, and estate planning.
Flex	“The entire concept [of the firm] promotes it.” Attorneys work remotely.

Chad E. Burton founded Burton Law LLC in Ohio about two years before our interview. As of the time of writing, the firm has seven attorneys: five in Ohio, one in the Washington, DC area, and one in Lexington, Kentucky. They have centralized office space for

meetings, but everyone “generally works from their own environment, whether it’s home or otherwise”: “If you take your traditional brick-and-mortar firm, blow the walls off it, get rid of the onsite staff, that’s how we operate.” A virtual assistant company provides admin support, and the firm has cloud-based systems.

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“I don’t keep track [of attorney schedules]....I have no interest in keeping track....I don’t care. I want [the attorneys] to be happy and enjoy their lives and if someone taking the day off and going to the beach that’s great.”

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“Entrepreneurial drive is a necessary part of what we do, the ability to already understand the technology or being able to learn it and adapt,” said Burton. When asked about work-life balance, Burton said that “the entire concept [of the firm] promotes it.” The primary focus is results, so people can work when they are most efficient; Burton is typically at work by 4 or 5 a.m. At the time of our interview, all but one attorney had children, although some were grown.

Said Burton, “I really wanted to have a culture where people were collaborating on client work all the time.” The firm uses social networking tool Yammer to keep attorneys connected both for “water cooler” talk and legal issues.<sup>79</sup>

The firm does hourly billing and lawyers can set their own fees, but they are pushing away from hourly billing because “clients don’t like it as much.” They have flat rates for a wide variety of routine business activities. In addition, the firm has made novel fee arrangements; for litigation with prospects for settlement immediately or in the near future, as example, they might do hourly billing capped at \$20,000, then shift over to a contingency fee arrangement. “It provides a nice balance between assessing risks for both sides.” If a case starts out hourly and goes on for much longer than expected, the firm might adjust to a contingent fee. Burton estimated that the firm’s hourly rates are about \$100/hour cheaper than in Big Law. The firm uses the Dayton

Bar Association to recruit new lawyers and advertises open positions through online job sites and networking.

### ***Cognition LLP***

Type of Organization	Law company.
Size	47 attorneys.
Geographic Location	Primarily Toronto, with attorneys throughout Canada.
Practice Areas	Commercial leasing and litigation; corporate governance, secretarial, structuring, transactions, and financing; employment; franchising; information technology; IP; marketing and advertising; media and entertainment; not-for-profit; privacy and data security; regulatory; and securities.
Flex	No billable hours requirement, but attorneys generally work full time.

Cognition LLP is a company owned by its co-founders, Joe Milstone and Rubsun Ho, who started it in Toronto in 2005, pioneering embedded lawyers. We spoke with Lesley Henry, who was then Director of Lawyer and Client Happiness. The company's website aptly summarizes its founder's goals, "Two over-achieving, over-worked, over-wrought lawyers talking about grueling 100-hour+ work weeks. How they wanted to continue doing what they were passionate about..." Cognition was the answer. It provides a cost effective alternative to in-house, with critical savings for smaller companies and startups. As stated on their website, "The bottom line? Working with Cognition saves the average business tens of thousands of dollars each year and virtually none of the money you spend goes towards keeping our lights on. Or pinstripe suits, imported stogies, or corporate jets."

Overall, these savings mean Cognition is sixty to seventy percent cheaper than a large firm.<sup>80</sup> Generally, Cognition attorneys charge by the hour, but "will do the firm offers and encourages flat rates and alternative arrangements." Hourly rates range from \$225 to \$275, depending on the nature of the task.<sup>81</sup> Their firm's practice areas are wide, including commercial leasing and litigation; corporate governance, secretarial, structuring, transactions, and financing; employment

and labor; franchising law; information technology law; intellectual property law; marketing and advertising; media and entertainment law; not-for-profit; privacy law and data security; regulatory law; and securities law. Cognition does a combination of law firm work and in-house Secondment work, according to Henry, and its lawyers are "generalists and focus primarily on in-house type work," bringing in "outside counsel with more expertise where any specialized knowledge is required, or where a team of people and administrative infrastructure is needed for complex or document intensive issues."<sup>82</sup> Cognition typically won't represent a client on a matter that proceeds to litigation.<sup>83</sup>

As of the time of writing, Cognition's website lists forty seven lawyers practicing in association with the firm (thirteen of them women). They offer "seasoned and experienced legal counsel at a lower rate," Henry told us. Typically the lawyers come from Big Law or in house to ensure that they hire "the best of the best" who are able to then "run their own practice" and manage files on their own, she said. Cognition also has a small team of associates who are able to assist the senior lawyers on larger files and transactions, and have sufficient experience to handle more routine client matters on their own. No billable hours targets exist but lawyers generally work full time, Henry said—but not Big Law full time, "2,100 [billable hours]—our firm doesn't run like that." The firm is experimenting with "gamification" incentives wherein lawyers are rewarded for providing extra value to the firm or clients.<sup>84</sup>

The company has very low turnover, Henry said, largely because "there's so much flexibility. If they need to reduce the amount of hours they work at a given time, they have that flexibility." Cognition finds that "it's always easy to hire," said Henry. Cognition's team of attorneys "really appreciate the flexibility, the range in client work, the control, the hands-on interactions with their clients at client sites. There's no need for face time, right? They can do the work from home."

Lawyers work either from home, at client sites, or a mixture of the two. The firm does have "no frills office space" but that is chiefly for company employees who form the infrastructure of the company firm, serving such functions as office support, human resources, marketing, operations, and various personnel dedicated to client service. The space was formerly a studio for

pole dancing classes, and mirrors still run the length of one of the walls.<sup>85</sup> The only art in the office is a Van Gogh print which hangs next to the firm's air-hockey table.<sup>86</sup> The firm has a small satellite intake center in Toronto's MaRS Centre, which has become an incubator for innovative science and technology companies. Once a week, Cognition lawyers offer informal counsel and free donuts, hoping to catch an early in with the nearby startup companies.

Cognition is organized as a company rather than as a law firm, with Milstone and Ho as the sole owners who dedicate themselves largely to management rather than legal practice. Though our interviewee described the company operation as a "virtual law firm," the attorneys are independent contractors to whom the firm does not provide health benefits, malpractice insurance or retirement, although the firm provides continuing legal

education for the lawyers. Cognition in essence operates as a broker. "When an opportunity comes in and we think it's a good fit for a lawyer, we contact the lawyer, we tell them about the opportunity, and if that lawyer has the capacity and the interest and the skill set to take that engagement in, we'll make the pairing up," said our informant. "Our lawyers are free to say no...they run their own practice under our umbrella." If lawyers want to bring in clients, "we encourage that. But there's no pressure to do that." The firm chose not to answer questions about how the firm's revenues are distributed between the firm and its lawyers.

Milstone and Ho also created CounselQuest, a company that provides due diligence and other contract lawyer work previously outsourced to low-cost countries such as India and the Philippines.<sup>87</sup>



### Raymond Law Group

Type of Organization	Law firm.
Size	4 attorneys.
Geographic Location	Serving Connecticut, Massachusetts, New York, and Colorado.
Practice Areas	Litigation and trial firm focusing on business law, employment law, personal injury, and technology.
Flex	Flexible with part-time and work from home options available.

The Raymond Law Group was founded in 2007 by Bruce Raymond, who was formerly an equity partner at a large Connecticut firm. Raymond founded the firm after reading David Maister's "Managing the Professional Service Firm," and calls his it "The Lean Law Firm Alternative." The Raymond Law Group is a litigation and trial firm which focuses on business law with employment law, personal injury, and technology as other areas of specialty. It practices in Connecticut, Massachusetts, New York and Colorado and currently has four attorneys (including one woman), all with over ten years' experience. Raymond, at the time we interviewed him, was the sole owner of the firm; another senior lawyer was of counsel. The attorneys are employees, however their part timer only receives some benefits.

Raymond has a small suburban office in Connecticut, an executive suite in Boston and executive offices in Denver and New York City; the firm also has conference room space on a pay-as-you-go basis. Some attorneys work on-site, while others work from their own homes. Raymond sensed that a more virtual firm would appeal to clients. "I was seeing clients like insurance companies that were moving away from brick-and-mortar and allowing senior people even to work from home," he said.

When Raymond finds an attorney whose qualifications appeal—all his attorneys have practiced at top law firms—he then asks "How many hours would you ideally want to work? Would you ideally want to appear in court, or would you want to work principally as a brief writer from home?" At the time of our interview, one associate was targeting twenty hours a week, while another's was only a day and a half a week. Another worked full time, but typically from home.

Raymond's goal is "just-in-time resources" that are available as needed when a trial ramps up. His ideal is a firm of fifteen lawyers, and for his current lawyers to scale up as the firm grows. With the virtual model this expansion is easier to accomplish. One benefit of the virtual model, Raymond said, is that he can hire a new attorney for just \$3,000 additional cost in software and equipment; he estimated that the cost at a traditional law firm would be \$15,000.

Although a majority of the firm's work is still hourly as a result of client demand, alternative fee arrangements are central to the firm's concept; its website lists "alternative fees, fixed fees, guaranteed phase budgets, contingency fees, retainers, and success fees." Some fee arrangements stake a lot on the result. Yet, "because I'm more of an entrepreneur," said Raymond, "I'm willing to take more risk." "I've had a very successful track record in making the right calls in what's going to happen with litigation," said Raymond. Some large companies work with the firm "because they value my advice on how to make value decisions." According to Raymond, assistant general counsel are getting rewarded for finding creative ways to control legal costs, which is cutting into Big Law's share of the market. Some insurance companies, he noted, are now only working with outside counsel on an alternative fee basis. Raymond said that his business model is to have "price-sensitive commodity work" that produces volumes of litigation, along with "more lucrative one-off cases."

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One benefit of the virtual model, Raymond said, is that he can hire a new attorney for just \$3,000 additional cost in software and equipment; he estimated at the cost at a traditional law firm would be \$15,000.

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"Right out of the gate, I know I can save them 20% and have the same margin," Raymond told us. He may tell a client "...we'll guarantee you a \$200,000 savings out of the gate. Then let's set up some metrics that are performance-based." Raymond estimates that his hourly rate would be \$700 in Boston and in the \$500s in Hartford; he charges



out at \$365/hour. The kind of companies who will seek him out, he says, are “looking for people who ‘get it’ business-wise. These guys aren’t trying to impress people with their marble pillars, the foyers, and their caviar lunches.”

### ***The California Appellate Law Group***

Type of Organization	Professional corporation.
Size	6 attorneys.
Geographic Location	California, with an office in San Francisco.
Practice Areas	Appellate litigation before the Ninth Circuit Court of Appeals and California State Appellate Courts.
Flex	No pressure on lawyers to work a set number of hours. Attorneys work when and where they choose.

Bill Hancock founded the California Appellate Law Group in 2012. All attorneys are experienced appellate litigators and specialize in appellate litigation before the Ninth Circuit Court of Appeals and California State Appellate Courts. In early 2015, Hancock sold control of the firm to Ben Feuer, but continues to practice with the firm. The firm is premised on a wheel-and-spoke model, with some attorneys owning the firm and other attorneys serving as independent “of counsel” to the firm.

The structure was initially designed to address a reality of appellate litigation, which can be “very up and down,” according to Hancock. Hancock founded the firm during a period when “I had more work than I could handle on my own, and I wanted people to help me with it, but on the other hand I also know that if I hired somebody that I might have to fire them in six months....” This way, “I can martial four lawyers to work on a big case if I need to.”

Appellate law is, “accurately” said Hancock, perceived to be “one of the more lifestyle friendly areas of law.” The firm seeks out talented individuals with successful solo appellate practices, law professors who practice part time, experienced appellate attorneys who have left large firms to raise a family, and others who value flexibility and are willing to take a little risk for a lot of potential reward. In particular, the ability to work from home is unusual, and highly valued by some.

Depending on how a case is staffed, most of the firm’s attorneys earn a percentage of the income collected (not billed) based on the number of hours they work. “For the number of hours they put in, [the firm’s attorneys are] well compensated,” Hancock concluded. Attorneys are not on salary, and have no guarantees, but when they’re working on cases they are compensated at a significantly higher per-hour-worked rate than at almost any other law firm, including large law firms. The firm puts no pressure on its lawyers to work a set number of hours or bring clients into the firm. This structure allows its attorneys access to support and enhance one another’s practices, but without the overhead of salaries or significant office space.

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**To set fees...”I try to figure out what people are billing in the big firms, and discount that.”**

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To set fees, Hancock says, “I try to figure out what people are billing in the big firms, and discount that.” He estimated that, if his attorneys were at conventional law firms, they would be charging significantly more. “This allows us to charge higher than probably the lower rates, but lower than the higher rates,” Hancock noted. Clients include large and small businesses, national corporations, and individuals with significant judgments on appeal.

The firm has offices in downtown San Francisco for some of its lawyers, with access to a conference room and a full-time paralegal. But in general the attorneys work from home, or rent offices near where they live. The firm does all the billing and administration and provides the paralegal and malpractice insurance. “I think [in] this day and age, the idea that we all have to rent all this office space and all be together, maybe that makes sense for some practices, but it really doesn’t for a lot of other practices,” said Hancock. This model allows the firm to pass on substantial cost savings to its clients, and substantial earnings to its attorneys.

## Innovative Law Firms and Companies

MANY OF THE FOURTH GROUP OF organizations retain much of the traditional law firm model: most are organized as law firms and have physical offices. Yet these firms pride themselves on doing things differently than traditional law firms. There's more variation in this group. Some are well-established firms that have been around for decades; others are only a few years old. Some have over a hundred attorneys, while others only two; most have between fifteen and fifty lawyers. Many, but not all, of the firms have specialized practices.

As one example, Smithline PC, the firm that has gone the furthest in this area, has reinvented legal practice

along lines that are remarkably resonant of the lines articulated by Zeynep Ton of the MIT Sloan School of Management.<sup>88</sup> Smithline's new monetization model—a subscription service—allows the firm to offer high-quality jobs with 8:30–5:30 work hours, little or no weekend work, and three weeks' vacation completely unplugged from client demands. Most of the other firms self-consciously value work-life balance, and many also have other novel elements as well, including one or more of the following: alternative fee arrangements, team scheduling, and elimination of the partner/associate distinction or rainmaking requirements.



***Applegate & Thorne-Thomsen, P.C.***

Type of Organization	Law firm.
Size	27 attorneys.
Geographic Location	Chicago, IL.
Practice Areas	Affordable housing and community development, real estate, zoning, and government approvals.
Flex	Low hour expectations, and part-time schedules are available. Attorneys work remotely on a case-by-case basis.

The “cornerstone” of Applegate & Thorne-Thomsen’s practice is affordable housing and community development practice, but it also has lawyers whose specialty is commercial real estate, as well as a zoning and government approvals. It was founded in 1998 in Chicago by Big Law refugees and at the time of writing had 27 lawyers (10 of them women). At the time of the interview, it had 15 partners. We interviewed Ben Applegate, father of five, who said the firm’s rates were much lower than in Big Law. Applegate noted, “I’d probably be billing at \$700 or \$800 dollars per hour at my old firm, and I’m billing at \$400 per hour instead.” Yet Applegate lawyers place in the top quartile in compensation when compared with firms of similar size.<sup>89</sup>

When starting salaries and billable hours spiraled up in the 1990s, three partners, an associate and a paralegal in the real estate group of a large firm left to found Applegate & Thorne-Thomsen. Applegate described their motivations, “I think none of us were particularly driven by a profit motivation....We have a group of lawyers who all seek work-life balance. It’s ingrained in the culture. Our hours expectations are lower than most large firms would expect. Our profit margin is probably a little lower than those firms. Our overhead is lower.” They moved into a loft building west of the Chicago Loop, and created a “100% casual...nonhierarchical type of environment,” said Applegate. Attorneys can make partner without a book of business.

“It’s very hard to achieve work-life balance,” Applegate opined, “in a setting where the only shared vision is profit.” When interviewing attorneys, he said, “if we get a sense that the comp level is the driver, then we know we don’t have a good fit.” Only three people had ever left the

firm in its 15-year history, at the time of the interview. “I think you get a much greater sense of dedication when you try to protect [attorneys] and provide them with what they need...there’s no one here who feel like anybody’s going to be watching if they have to scoot out quickly for a child’s sporting event or sick kid....” And if you’re not regularly expecting billing 2000 hours a year, he noted, “you just get a person who’s a lot more fresh.” If a professional is working part-time, said Applegate, “I make sure that the clients know at the outset that they can’t schedule a...regular, repeat weekly conference calls on the day he or she is off. If the person works a flex schedule and leaves at 1:30, 2:00, 3:00, we don’t schedule conference calls in the late afternoon. I think most clients are pretty understanding.”

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“This past year [Applegate & Thorne-Thomsen] had two people who billed over 2,000 hours,” so the firm counseled them “to see what we could do to help them get their lives more in balance.”

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While there are sometimes periods of “episodic overwork,” when this becomes “chronic overwork,” the firm knows it is time to hire more attorneys.<sup>90</sup> “This past year we had two people who billed over 2,000 hours,” so the firm counseled them “to see what we could do to help them get their lives more in balance. Obviously, this is the opposite kind of conversation that might have happened at the large firms they came from,” said Applegate.<sup>91</sup> The firm expects its associates to bill around 1700 hours a year, and “has a lot of flex arrangements” including attorneys and paralegals who work part time or from home. Applegate estimates that their salaries were “maybe 15–20%” off market—but “people see the value proposition for working 300 hours less for a little bit less money.” Applegate says that many recent hires are from elite law schools, often Big Law refugees who left for two reasons: “One is to enjoy a life outside of work, and secondly is the lack of security that large law firms offer today,” he noted.

***Bartlit Beck Herman Palenchar & Scott LLP***

Type of Organization	Law firm.
Size	75 attorneys.
Geographic Location	Offices in Chicago and Denver.
Practice Areas	Complex litigation and corporate practice including M&A, securities, and compliance issues.
Flex	No hourly billing. Emphasis on attorney well-being.

Bartlit Beck Herman Palenchar & Scott LLP (henceforth “Bartlit Beck”) was founded 21 years ago by Fred Bartlit when he and a small group of lawyers left another prestigious Chicago firm because they thought there was a better way to practice law. Today, the firm is a trial firm with 75 attorneys. We spoke with Chief Operating Officer Alexandra Buck, who estimates that they go to trial more often than most other firms in the country for their size. Rather than having practice groups, their attorneys have specialties that develop over the course of their careers.

What distinguishes Bartlit Beck as a New Model firm is its commitment both to alternative fee structures, which they have been using since their founding, and its focus on the well-being of both attorneys and support staff. The firm does not charge any clients based on hourly billing, rather, their fees are usually structured as a flat monthly fee with a “holdback amount,” a portion of the fee for which payment is deferred pending some defined outcome. Clients are amenable to this structure because it makes things predictable and ensures Bartlit Beck’s interests are aligned with those of the client. The law firm has an interest in working efficiently (since there is no incentive to bill more hours) and to get the right outcome for the client (because of the holdback amount). Bartlit teams focus on strategizing with their clients and often partner with other law firms or companies to conduct discovery and document review. The firm does not track extensive metrics with respect to business generation like many large firms.

Bartlit Beck’s attorney compensation structure is entirely closed, and thus Buck preferred not to discuss their procedures, saying only that compensation is

based on merit rather than hours, and noting that they offer the benefit of 4 months maternity leave. Regarding employee health and well-being, Buck pointed out that the firm offers a climbing wall at the Denver location and an onsite gym and masseuse in its Chicago office. The firm has strong recruitment relationships with judges, their clerks, and the law schools at University of Chicago and Northwestern where some of their attorneys teach. Associates can make partner in 5–6 years and gain extensive trial exposure soon after joining their firm. As Buck put it, “It is not unusual for an associate to be here for two weeks and to be sent on trial.” There are no minimum requirements for attorneys to develop business either en route to becoming partner or once they’ve achieved that status.

***Charna E. Sherman Law Offices Co. LPA***

Type of Organization	Law firm.
Size	2 attorneys.
Geographic Location	Cleveland, OH.
Practice Areas	Commercial litigation, white collar defense, toxic torts, products liability, environmental, health and safety, and intellectual property.

Charna Sherman had a complex commercial litigation practice as an equity partner at Big Law for many years, but left in 2011 to found what her website calls “a spirited, female-owned, boutique” firm in Cleveland, Ohio. Past representation in addition to commercial litigation includes white collar defense, toxic torts, products liability, environmental, health and safety, and intellectual property.

Charna Sherman Law Offices has one attorney who both practices and functions as a manager; it also partners with attorneys at Montage Legal who are listed as “virtual partners.” The lawyers have experience in large law firms, and often partner with attorneys at Big Law firms. Sherman launched the Ruby Shoes Fund, which “supports new initiatives to empower women on the ladder of success in the legal profession” concurrently with her practice. According to the firm website, up to 10 percent of Charna Sherman Law Offices’ profits are dedicated to the Fund, which Sherman considers her “profit partner.”

***d’Arcambal Ousley & Cuyler Burk***

Type of Organization	Law firm.
Size	18 attorneys.
Geographic Location	Offices in New York, New Jersey, and Philadelphia.
Practice Areas	Commercial litigation, with a focus on the insurance and finance industries.
Flex	Flexible scheduling and pay based on billing; some work part-time.

D’Arcambal Ousley & Cuyler Burk was founded in 2006 and practices in commercial litigation of all types, with a focus on the insurance and finance industries in New York, New Jersey, and Pennsylvania; and including employment law and products liability. The firm’s biggest clients are insurance companies.

As of the time of writing, the firm had eighteen attorneys, fourteen of them women. Most work a thirty to forty hour per week flexible schedule. None of the men are working part-time. As of the time of our interview, the firm had just opened up its New Jersey office, and had just hired its first attorney straight out of law school. Most attorneys are experienced, with a very broad range of experience. The firm is listed with the National Association of Minority and Women-Owned Law Firms (NAMWOLF). Jodie Ousley founded the firm with Michelle d’Arcambal who were still the sole owners of firm, yet were open to other partners at the time we spoke with Ousley.

Ousley founded the firm after she “kept trying different firms, and I was miserable at all of them.” Contrary to typical practice, she noted, “litigation lends itself” to workplace flexibility. “It works great...There’s a lot of writing, and there’s pleadings, and there’s motions..., lots of that kind of work, which can be done anywhere.” In addition, “you can schedule with your adversary and with the court—dates that are convenient for you. If something happens, then it’s a regular practice, with professional courtesy, to extend dates or change dates.”

The firm has expanded much more rapidly than the owners anticipated. “Said Ousley, “Because we have this more unique thing to offer in the flexibility, what we have found is that we are very attractive to superstar female attorneys who worked in really fabulous, well-known big law firms with great reputations and

who have beautiful resumes from fabulous schools and fantastic credentials and experience and expertise” who don’t want the rigidity of a Big Law firm. Because the firm’s overhead is low, it is able to offer various kinds of profit-sharing so that lawyers make “something similar and completely respectable” although not what they did in Big Law. They attract such attorneys even though “the pay structure is much less, we bill much lower, they’re paid much lower” because “ultimately it works out that they’re much happier,” said Ousley. While some attorneys come from elite schools, others don’t. The firm considers attorneys without experience in its field: “We’re perfectly willing to train anyone who’s smart....”

The firm has offices, but nothing “big, fancy,” said Ousley. Some people work from home, but the firm has found that “Most people find that it’s a lot easier to get their work done and to be more productive when they’re in the office, and we have found that we actually prefer that. As the partners or managers, when people are in front of your face, it’s a lot easier to fold them into the inner workings of the firm or your thoughts about a particular case, or to pick their brain...” That said, people often work very flexibly, said Ousley, using herself as an example: “I find lots of people, including me, will do some amount of work, go to dinner, go to the grocery stores—whatever—and then get back online at 10:00 at night. Then you can start writing motions. It’s all nice and quiet from home.” The firm has formal flexibility policies that apply both to lawyers and staff, although according to Ousley, “it’s a lot easier for lawyers to have flexibility ... than it is for administrative staff....Some of them could come in earlier. Some of them can stay later. They can switch and swap their schedules as they see fit....”

A hallmark of the firm, said Ousley, is that lawyers are “very collaborative. Just about everybody at the firm knows everybody else’s cases and can step in and help. It’s putting everybody’s heads together and coming up with great ideas.” Ousley did not see that kind of collaboration at the traditional law firms she worked in. At the time a case is assigned, the assigning attorney asks “Do you have the time to commit to being an attorney on this case?” noted Ousley. Once you’ve committed, “that case is yours.”

The most difficult thing, said Ousley, was figuring out the pay structure. Having so many different scenarios “put an additional burden on the administrative level.” Most employees are full-time employees of the firm,

but are “paid hourly according to what they bill. They are paid a percentage of their billing. Then it’s really up to them. If you want to make more money, then you bill more hours.” If you want more flexibility, you work less, and take home less. Some attorneys (and some admins) are independent contractors who are paid on an hourly basis. Attorneys usually start out part-time, as independent contractors, then work up to part-time employee, then full-time. Full time employees get health care and paid vacations. For paid vacation, attorneys keep track and invoice the firm when they have taken their allotted vacation days. The firm also pays the full cost of professional conferences and bar organizations.

### ***Delegatus Legal Services Inc.***

Type of Organization	Law firm.
Size	25 attorneys.
Geographic Location	Montreal.
Practice Areas	Specializations in corporate, real estate, commercial litigation, and mergers and acquisitions
Flex	Flex is part of firm’s core principles.

Delegatus is a Canadian firm founded, according to their website, to provide a unique business model while providing lawyers with “a more stimulating and flexible practice” and a “workload that is suited to their personal objectives.” We spoke with Pascale Pageau, founder and president of Delegatus. Delegatus has no partners or associates, other than the two “shareholders” who own the company. Work comes into the company and is delegated internally to the team or to attorneys who work as independent contractors with various specializations, including corporate, real estate, commercial litigations, and mergers and acquisitions. There are 25 attorneys working for the firm, with between 5 and 35 years of experience. The firm does not hire junior attorneys, instead preferring attorneys with significant experience in big law firms or companies.

Delegatus attorneys work on teams. Attorneys can get files either through the team, from generating new work from existing clients and passing that to other attorneys, or from going out and finding new clients themselves. Compensation is done on a percentage basis—the more hours an attorney works within a year and the more

business this attorney brings on the table, the higher a percentage of the overall billing they receive. Typically, attorneys are paid fifty five to eighty percent of the billing price. Attorneys can be promoted to leading teams.

The company is unusual in that about half their work comes in from clients seeking outside counsel and the other half is for “in-house counsel on demand,” similar to the other general counsel secondment firms mentioned in this report. The market for these “on-demand GC” positions is different than in the United States, in part because of Canada’s generous family leave policy, which can mean that a general counsel position is for up to a year. The Delegatus model is attractive to those seeking work-life balance, with Pageau noting that several of her attorneys are mothers with young children. She describes it as a win-win; “they do in-house counsel on demand going to a client two or three days a week. For them it’s perfect, and my clients just love it.”

Pageau estimated the firm’s fees are forty to fifty percent lower than that of large traditional firms. She attributed this to operating cost savings including their open space floorplan which increases collaboration while avoiding the expense of traditional office space, large boardrooms and video equipment. Other costs are reduced through utilizing less support staff. Some fees remain on billable hour at the client’s request, however the firm is flexible. Pageau described the various and highly adaptable options this way:

Clients essentially want to have a clear understanding of what the rates are and what the overall costs and fees will be so we work in collaboration with them to establish a fix-fee package or any other form of package that is deemed appropriate for a given matter, case or transaction. For instance, when we have a guaranteed volume over a given period of time, per example in the case of commercial litigation or M&As, we provide a fix-fee package based on creative parameters. We also have clients who ask for daily fee, that is a given fee for each day of work (or weekly or monthly fee, as applicable). Finally, we can execute certain mandates on a retainer basis and in such a case Delegatus will be providing all the legal services to a client for an agreed period of time.

Pageau hopes to see extensive growth for the company in the coming years, envisioning offices in Toronto and Calgary in the future.

**Galldin Robertson**

Type of Organization	Law association.
Size	2 attorneys.
Geographic Location	Ottawa, Ontario.
Practice Areas	Human rights, civil litigation, family law, and employment and labor law.
Flex	Attorneys keep regular 9 to 5 hours.

Karin Galldin and Leslie Robertson operate in association in Ottawa as Galldin Robertson. They are first and foremost a feminist and anti-oppression law practice. Galldin runs a human rights and civil litigation practice largely representing trauma survivors and women who experience sexual violence. Galldin also serves as a mentor to Robertson, who has the only family law practice in Ottawa focusing on queer families and individuals. Galldin began the firm in 2007, originally in partnership with another attorney. Now she has transitioned to an association model. Expenses are split evenly but because revenues are independent, there is no pressure for the colleagues to police one another's work. Sharing a workspace also provides collegiality and the ability to bounce ideas off one another. Additionally, Galldin has incorporated her own practice to pay taxes on a regular basis instead of a large annual payment from partnership income counting as personal income.

Mentorship is a strong value in the firm, and Galldin Robertson regularly brings students into the office. Because of the challenges faced by communities that typically seek legal assistance for sexual violence, it has been difficult for Galldin to find appropriate mentorship, as these communities are not widely served by mainstream personal injury or civil litigation practices. Galldin sees her practice not just as a meaningful way to generate a living but as enhancing awareness around women's legal issues: "Over the years, I have found an increased sensitivity within my peers in the Ottawa legal community to identify and refer files to me for assistance....lawyers will hear stories that they'll sort of say, 'Hmm, I think there's a women's issue in here somewhere,' or ..., 'I think there's a physical integrity issue,' and they'll send them my or Leslie's way."

Galldin receives enough inquiries from potential clients to hire additional attorneys but at the time of the

interview, does not generate enough revenue through working on a billable hour model with low-income and middle-income clients. On a good day, Galldin bills about 5 hours of work, with her rate at the time of the interview being \$200 per hour, which she thinks is average for comparable attorneys. She pays herself \$45,000 per year. To increase revenue, Galldin has started taking on contingency files, most of which involve institutional liability for sexual violence. To assist her with these new kinds of files, Galldin is being "very generously mentored by a woman practitioner, Simona Jellinek, in Toronto who has about 15 years of experience and great expertise in this work, as well as considerable compassion for her clients." Galldin Robertson has part-time support staff to maintain the



## Your clients need you strong and healthy because the battles you take on for them are hard.

office and do bookkeeping. Because civil litigation practices are paper and timeline intensive, growing the firm would probably also require hiring regular support staff with experience in managing litigation work.

For Galldin, client development involves taking phone calls directly and listening to clients describe their issues, as well as working strategically with community groups to identify systemic and emerging issues for women and queer people in the Ottawa area. In addition to dealing personally with cold calls and referrals, Galldin does client development via relationships with service providers and community groups.

Despite the potentially limitless amount of work, Galldin keeps a regular 9–5 workday, both because she values a work/life balance, and because of how emotionally taxing the work can be. As she put it,

I joke that.... I've become a humorless feminist because I'm the only person that has answered my phone over the past five years and spoken directly with community members about their legal needs. I don't have an assistant answering my phone, and so I hear firsthand, from potential new clients, about the types of experiences that they've had....really awful systemic stuff around violence against women. So, in order to stay healthy doing this work, I've had to make some choices about how I want to value my self-care outside of my work hours. You have to be able to create a life for yourself that is separate from the legal system. Especially when you work with vulnerable communities on contentious legal issues, you cannot look to the legal system to validate your work all the time. Your clients need you strong and healthy because the battles you take on for them are hard.

Galldin is currently on sabbatical from her practice as she would like to reflect on the model that she's created, and develop more financially sustainable ways of providing direct legal services to individuals, as well

as doing more public interest work with community groups. Her colleague Robertson is also currently on sabbatical from her practice to focus on co-parenting twins. A number of women over the years have spoken to Galldin about working with her or opening their own practice, but she has found that few people are willing to take the risk of running their own business.

### **GCA Law Partners**

Type of Organization	Law firm.
Size	27 attorneys.
Geographic Location	California.
Practice Areas	Corporate, employment, general business litigation, IP litigation, technology transactions, real estate leasing and litigation, ERISA and benefits, and trusts and estates.
Flex	Attorneys have the flexibility to practice as much or as little as they want.

John Hollingsworth is one of two managing partners at GCA Law Partners LLP, located in Mountain View, CA. The firm was founded in 1988 (at the time called General Counsel Associates) by Fred Schwarzer, who had been a partner at a major law firm. According to Hollingsworth, Schwarzer wanted a model that was much more client-centric, one that provided the easy access to experienced lawyers for a reasonable price.

The firm does not have any associates, only partners compensated under an “eat-what-you-kill” model. Because of extensive cost-saving measures and the efficiency of their lawyers, attorneys keep about 70–80% of what they bill and collect. These measures include going lean on administrative personnel (they have no secretaries) and leveraging technology to improve efficiency. As Hollingsworth put it, “We’re not bleeding edge in terms of trying the latest and newest thing, but we use what we do have quite extensively.”

The firm’s approach results in it charging substantially less than what comparable firms charge for the same services. Strategies to reduce costs include jettisoning what Hollingsworth calls “the bait-and-switch approach” one often finds with Big Law, where a rainmaker meets with and brings in the client, but the work is then foisted upon armies of associates. At GCA,



there are no associates; all work is done by experienced attorneys, many of whom have practiced for over twenty years. This results in less expense both because there are fewer people working on a single case/matter, and the people working on it are more productive because of their level of experience.

Hollingsworth’s comments on the benefits and drawbacks of their model for the attorneys were notable:

Because you don’t have a leveraged model with associates, you don’t have the ability to create an empire in the firm and the politics which that brings. The economic model encourages collaboration and cross-referrals because the attorneys are not vying with each other for credit. Each attorney controls their own money. That means your partners cannot tell you what to do. You control your own destiny. You work as much or as little as you want. The negative of the system is that it is difficult to get people to take coordinated action. Most decisions require consensus building. Although that is true of most law firms, at GCA it is more extreme because of management’s lack of any economic levers. However, on balance, I much prefer the freedom the model allows compared to the alternatives.

GCA has 27 attorneys, whose practice areas include corporate, employment, general business litigation, IP litigation, technology transactions, real estate leasing and real estate litigation, ERISA and benefits, and trusts and estates. Their employee benefit packages include: a 401(k) plan and a profit-sharing plan, health plans, an investment partnership, disability leave (in which parental leave policies are included), and life and disability insurance.

In terms of firm management, there is a management committee of two members (Hollingsworth is one of them) along with a number of other committees such as financial, HR, and facilities. Those who participate on committees are given additional compensation, and while nominal, Hollingsworth reports that attorneys appreciate the acknowledgement.

Lastly, Hollingsworth described to us their “Of Counsel” program. GCA uses attorneys in an Of Counsel capacity for various reasons, including to allow the firm to evaluate whether an attorney could be successful at generating their own work and able to

produce high quality legal work. In addition, candidates may select the Of Counsel model while they build their practice, since it allows them to just pay a percentage of their collections to the firm, without any minimum monthly payment (as is required of partners).

**LawDingo**

Type of Organization	Company.
Size	Founder, non-legal support staff, and 2,000 network attorneys.
Geographic Location	Distributed, with concentrations of network attorneys in CA and NY.
Practice Areas	Broad, with concentrations in criminal, immigration, family, real estate and tenant law, startups, patents, and trademarks.
Flex	Attorneys have complete flexibility in schedule and number of hours.

Nikhil Nirmel is the founder and CEO of Lawdingo, an online service that connects people to an appropriate lawyer “instantly.” The Lawdingo service works by receiving a legal request or problem from a prospective legal client via phone call or live chat on their webpage. The chat or phone representatives, all of whom have law degrees, determine whether the legal need is limited to just advice, or if the client is seeking to pay for legal services. If it’s strictly legal advice they need, Lawdingo charges a flat \$30 fee up front, which is paid in full to the lawyer who accepts the advice call. Those who need more substantive help and seek to hire a lawyer are connected at no initial charge. In either case, the company’s proprietary automated matching and dialing software identifies the relevant set of lawyers in the appropriate jurisdiction, the dialing program uses text-to-speech software to read the summary of the client’s case, and the attorney can determine whether he or she would like accept the call. Generally, it takes just 5–10 minutes to get a client connected to a lawyer. Although other matching companies exist, most notably Avvo Advisor, Lawdingo’s lawyer administered screening and immediate advice function appears to be unique.

Nirmel described the legal issues Lawdingo fields as ranging “...from criminal charges to family cases, including evictions, real estate, startups, patents, trademarks, and more. It’s a pretty wide range.

Immigration is pretty big too.” The key advantage of Lawdingo over other services is, as Nirmel notes, “[it] works especially well for people who have an urgent legal need and don’t have the luxury of time. Maybe they’ve got a court date tomorrow, or they just got served with papers, or they’ve got something imminent and they don’t really know where to begin in the process.”

On the lawyer side, Nirmel said that the service works particularly well for attorneys who have licenses in multiple jurisdictions or who have a single state license but are currently residing outside that state, since the network allows them to work with clients entirely virtually.

“Over half of the clients we get intend to work with the lawyer remotely without a face to face interaction” said Nirmel. The company’s website celebrates Lawdingo’s

role in the proliferation of the virtual client-attorney relationship, which it sees as a positive force making legal assistance more widely accessible to the masses. Lawdingo notes the impact of this shift on the lawyer’s side, explaining that in this future, “Solo and small practice lawyers will have a distinct advantage over their larger firm counterparts.”

Nearly all of the attorneys signed up in Lawdingo’s network are indeed solo or small practitioners, in part, Nirmel notes, because most large firms do not permit their attorneys to take cases outside the bounds of the firm. Other attorneys that join the network include those with federal or wide expertise, such as immigration or IP attorneys, for whom widespread marketing would otherwise be cost prohibitive. Still others are



"[I]nstead of [leaving the profession]...maybe I wouldn't have to actually stop being a lawyer just because I couldn't seem to get the right balance."

semi-retired or not interested in working full time, but Lawdingo referrals give them a way to keep a hand in the profession. With Lawdingo, attorneys pay a subscription fee of \$297/month for priority access to clients and the company does not take any other fees. In 2012, when the company was starting, it allowed lawyers to join for free to help build the network. To minimize the financial risk to lawyers, Lawdingo does not impose multi-month commitments and they offer refunds in cases of poor initial results. The Lawdingo model, by its very nature, allows attorneys flexibility, albeit with the inherent risks of a non-salaried position.

Aside from Nirmel, and the attorney network, the rest of Lawdingo's staff are located overseas, mostly in the Philippines, which he notes has worked well as a source for screeners since their legal system is modeled after that of the U.S. Lawdingo was initially seed funded by Y Combinator, it has raised \$875,000 in total seed capital, and its founder, Nirmel, was named to Forbes' "30 under 30" for Law & Policy for his work on Lawdingo.

**Law Offices of Kirsten Scheurer Branigan PC**

Type of Organization	Law firm.
Size	3 attorneys.
Geographic Location	New Jersey.
Practice Areas	Employment law and alternative dispute resolution.
Flex	Work-life balance is key to the firm, and remote work is an option.

Kirsten Branigan opened her New Jersey firm in 2006. Currently she practices, as sole owner, with two attorneys who are of counsel. Two specialize in employment law, with one litigator handling a wide

variety of commercial disputes. At the time of our interview, Branigan described the firm's work as "about 90% employment law/alternative dispute resolution." The firm has also represented both plaintiffs and defendants in employment matters.

After having her second child and while working at a large firm, Branigan thought of leaving the profession but "decided, instead of doing that...maybe I wouldn't have to actually stop being a lawyer just because I couldn't seem to get the right balance." Work-life balance is key to the firm, said Branigan. Remote work is an option; she pointed to a paralegal who was moving to Florida but would continue her part time schedule, working remotely. At the time we spoke, the office manager was working from Atlanta. She described her own schedule as "full time the majority of the time, although probably not full time in the sense of what full time at a big firm would be." In addition, "we have a conference room in the back that has housed many, many children" either watching TV, or because they are ill, lying on a sofa.

The firm uses hourly billing, flat fees, contingency fees, and hybrid arrangements. Flat fees tend to be for human resource manuals or training sessions. The firm's website markets it as a woman-owned firm "dedicated to the retention and advancement of women in the profession."

**Miller Law Group**

Type of Organization	Law firm.
Size	19 attorneys.
Geographic Location	California, with offices in San Francisco and Los Angeles, CA.
Practice Areas	Defense-side employment law and related litigation.
Flex	Flexibility and work/life balance are core values. Full time is calibrated to 1800 hours per year.

Michele Ballard Miller founded the Miller Law Group in 1998 after a career at Big Law. Today, Miller Law Group has 19 attorneys (16 of them women) in San Francisco and Los Angeles. The firm represents California businesses in employment law and related litigation. Miller founded the firm because she wanted greater flexibility in her personal life—as she had two young children—as well as in her professional life. Miller believed she could have

a workplace that allowed for flexibility yet could still provide excellent service at reasonable rates.

In the beginning, said Miller, she found “our sweet spot... tended to be women with children who were entering their fifth or sixth year of practice and did not want to work 2000 or more hours.” This led to Miller Law Group being dubbed the “mommy firm.” Time changed, however, and Miller notes that label dropped away years ago as the firm grew and attracted both men and women looking for a change. Two years ago it added its first male shareholder, who left Big Law to join Miller Law Group. “We have terrific clients, and top-notch attorneys who join us from very prestigious, big law firms,” said Miller. “We’re happy.” Even with growth, the Firm has stayed true to its core value of flexibility and work/life balance.

Miller Law Group is a member of National Association of Minority and Women Owned Law Firms, the California Minority Counsel Program and a variety of other diverse organizations. Miller notes, “Diversity is critical to our firm and the legal profession.” Clients listed on its website include Fortune 500 companies representing a variety of industries.

### **The Mitzel Group LLP**

Type of Organization	Law firm.
Size	10 attorneys.
Geographic Location	Headquartered in San Francisco, with New York and Napa, CA offices.
Practice Areas	Employment, litigation, business and corporate law, business immigration, and new media and privacy.
Flex	Alternative and part time schedules and remote work available. Associates expected to bill 1,600 hours per year.

The Mitzel Group, LLP, founded in the Bay Area in 2009, is a ten-lawyer law firm specializing in employment, litigation, business and corporate law, real estate, business immigration, and new media and privacy. Its headquarters is in the financial district of San Francisco, with offices in nearby Napa as well as New York. Currently all the lawyers but one are women, but “We’ve had men work with us in the past, and we currently have one male attorney on staff. We will probably have more in the future,” noted founder Krista Mitzel in our interview.

Typical clients have between fifty and 300 employees, in a wide variety of industries: hospitality, tech, manufacturing, pharmaceutical, health care facilities, and various professional service firms. Many are Bay Area based, but others are nationwide. All partners at The Mitzel group are former Big Law partners except for one who was a banker at Goldman Sachs before she went to law school: “We all have that big firm experience,” said Mitzel.

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“We made it so there was no guilt associated with wanting to work a 30-hour-a-week schedule versus a 60-hour-a-week schedule....”

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The firm offers alternative schedules. Some work from home, while others come in to the office, and still others work at client sites. They also have “a slew of very senior attorneys who are” of counsel; they are independent contractors who often come on board for specific projects.

While noting “You have to be entrepreneurial in a partnership,” Mitzel noted “We made it so there was no guilt associated with wanting to work a 30-hour-a-week schedule versus a 60-hour-a-week schedule... We tried to do that because several of us do have children. We wanted to have a balanced life, but we still want to run a professional firm where our clients are getting the same level of service that they received at the big firms, but just in a different way.”

Partners are expected to have a book of business—but the firm trains them to do so. At the time of our interview, Mitzel was serving as the Director of Business Development, with the goal of training both associates and partners. “We extended this training to associates as well because all of us felt that when we were at the firm, you’re working, working, working. Then all of a sudden, ‘Oh well. To make partner, you have to have a book of business.’ They never taught you how to do that....” The firm’s goal is to begin to work with associates interested in making partner once they hit their fourth or fifth year, to help them develop their book. Typically, partner candidates begin to work with the firm on a contractor basis for three to six months, said Mitzel, to see if there’s a good match. But, partners not only need

to bring a book of business; they also need to “have the risk tolerance that if they don’t bring in a new client for a few weeks, that they’re going to be able to sustain that uncertainty and not have a melt-down and want to go get another job. It is a very entrepreneurial environment.”

At the time of our interview, the firm had three full time associates, who were expected to bill 1,600 a year. The firm has hired both experienced attorneys and those right out of law school. “It’s really more about the fit personality-wise and culture-wise than it is about a certain level of experience,” she said. Nor are they focused on elite credentials; again, the key is the right fit.

The firm’s goal is to focus “more on the preventative strategies” than is typically at Big Law, said Mitzel. “I was finding that a lot of the clients” at her Big Law firm “were stuck in the middle of these big litigation cases, and no one was guiding them on how to fix the problems and how to really change what they were doing to avoid these situations in the future....I decided I wanted to focus my practice more on the preventative side of things. The advice and counseling. The proactive efforts to avoid lawsuits.” She does litigate for clients when necessary. Another goal of the firm is to “create a holistic approach” that is “a little more collaborative and crosses practice areas.” Mitzel noted that, at a traditional firm, there’s little incentive “to bring in your real estate partner or your corporate transactional partner unless the client has a major need for it. We from the get-go try to be a lot more holistic in how we give our legal advice.”

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“Just because I leave at 4:00 pm to take my son to swim class on a Wednesday doesn’t make me a less dedicated lawyer than someone else. It might mean I pick up the phone later in the night or earlier in the morning to service my clients....”

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Mitzel estimated that she spent more than half of her time “on networking and business relationship creation” for the first two years. She also needed to learn billing and invoicing, which Mitzel found “very tricky...

up front.” Five clients followed her when she left Big Law, but it took two or three years to “build up a fairly substantial book of business.” Once she met her initial business partner, both their practices “began growing at an exponential rate.”

“Our fees are very competitive,” said Mitzel. Mitzel estimated that she would probably be billing at \$550–600/hour if she had remained at Big Law; she now charges \$300–400/hour. She estimated that “the partners are making comparable money,” with “everyone in the low- to mid-six figures,” although their take depends on their book of business. The associates make less than at Big Law—but they also work a lot less. The firm tends to do hourly billing, although flat rates are available for some projects such as employee handbooks and “certain corporate projects.”

The firm’s method of allocating work reflects it values and commitments. “We’re very democratic....” The Mitzel Group has weekly associate meetings where they talk about “everyone’s level of saturation. And how much do they have on their plate and how busy they are. It’s really based on people’s availability, as opposed to who’s your favorite attorney who you like to work with. We really try to spread it around, and we like all of our attorneys equally,” she said. Mitzel stressed the firm’s focus on “advancing women in the workforce and being part of those dialogues about creating alternatives and creating norms about alternative work environments and changing some of the expectations...put on women.” “Just because I leave at 4:00 pm to take my son to swim class on a Wednesday doesn’t make me a less dedicated lawyer than someone else. It might mean I pick up the phone later in the night or earlier in the morning to service my clients...I think that once clients understand that...they appreciate it because a lot of them have families....they just want to know that their issues are being attended to and taken care of, and responsiveness is huge,” Mitzel concluded. Often it’s as simple as asking a client how time-sensitive a project is, she noted. “Whereas in the old days in the firm, you get an email at 5:00 pm on a Friday, you’re cancelling your plans and working all weekend, even if it wasn’t an essential time-sensitive project. Just trying to be a little more open and communicative with clients and also setting expectations” is important, she noted, instead of getting hung up on “phantom deadlines.”

**Reno & Cavanaugh PLLC**

Type of Organization	Law firm.
Size	29 attorneys.
Geographic Location	Offices in Washington, D.C., Columbia, Maryland, and Nashville.
Practice Areas	Real estate, finance, economic development, and affordable housing.
Flex	Associates are expected to bill 1700 hours annually, but may do so from home on their on schedules.

Reno & Cavanaugh was founded in 1977 by attorneys with a background in low-income housing finance and landlord tenant relations. Today it has twenty nine attorneys (nineteen of them women), who have represented clients in forty five states and practice in the areas of real estate, finance, economic development and affordable housing. The firm has offices in Washington, D.C., Columbia, Maryland, and Nashville, and a one-person office in Sisters, OR. “If the people we wanted to work with wanted to work in [a given] city, we said ‘Fine, we’ll set up an office there,’” said Lee Reno, one of the firm founders, whom we interviewed.

The firm’s “mission isn’t necessarily to make money,” said Reno, “we want to make a comfortable living while focusing on producing and preserving low-income housing in the United States.” He estimated the profits per partner at between \$300,000 and \$400,000 a year; non-equity partners make \$180,000 guaranteed, with more based on productivity. Associates are expected to bill 1700 hours a year. Many work from home some of the time, and one does so full time. They have a full time business manager and “three or four support people in addition to legal assistants and paralegals.”

The firm is a two-tiered partnership, with associates on partnership track at three years, and then up for partner at five. To become an equity partner, a lawyer needs to be generating clients. Lawyers come from a range of law schools, some Ivy League ones and some not. Much of the firm’s work comes from Requests for Proposals; a full-time support person writes those. Business groups analyze what’s needed to bring in work in a specific area.

The firm uses a changing roster of operational decision-making committees which are staffed with employees of

all levels ranging from support staff to senior partners.<sup>92</sup> The firm is also unique in its use of upward feedback surveys which require partners to accept feedback from associates and administrative support staff.<sup>93</sup>

**Smithline PC**

Type of Organization	Law firm.
Size	6 attorneys.
Geographic Location	San Francisco.
Practice Areas	Technology transactions, product legal review, open source advertising, and IP licensing.
Flex	Attorneys have 3 weeks of annual paid vacation “unplugged”, and typically do not respond to emails after business hours, nor do they work on weekends. Business hours end by 6 p.m.

Smithline PC consists of six “internet and software lawyers,” to quote its website, based in San Francisco, who cover all the legal needs of clients in return for a monthly subscription fee. Smithline is the principal, with two lawyers as “managing counsel” and three “associates.” The firm rethinks the law-firm business model along lines that reflects “the good jobs strategy” articulated by Professor Ton.<sup>94</sup> Her model is of organizations who provide “good” jobs through basic moves: 1) identify a laser-focus mission instead of trying to do everything; 2) standardize jobs and procedures, and empower employees to drive improvements; 3) cross-train employees so they can easily step in to cover for each other; 4) make creation of good jobs central to an organization’s business goals.

The classic example of an employer who has adopted the good jobs strategy is Costco. It sells only a limited number of products. All procedures are standardized, from restocking to safety measures—including procedures encouraging employees to continuously improve procedures. Employees are cross-trained, so that they can do each other’s jobs, which allows for greater schedule stability amid absences. And providing good jobs is articulated as central to Costco’s corporate mission.

Although in a different industry, Smithline has been able to implement this model by changing how the firm charges for its services: by a subscription fee. For a monthly

fee, Smithline takes care of all of the relevant matters for the client. The subscription fee model begins with an exploratory period, for which clients pay \$7,000 (\$1,000 lower than the lowest monthly subscription rate). At the start of that month, Smithline attorneys “go onsite for an initial kick-off and meet with the execs we’re going to be working with and get a product demo and learn about their business and learn about their needs,” Smithline told us. The exploratory month that follows gives a chance for the client to learn “who [we are]... what is our level of expertise, what are our response times, how efficient are we, did they like working with us, did we solve the problem they needed solved?” Meanwhile, Smithline learns “how many points of contact, how many different deals, how complicated are they, what’s the deal flow look like, what sort of resources is it going to take for us to support them.” At the end of the month, there’s a conversation about the subscription fee. Any later changes to the fee are prospective.

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“I’ve come to realize when you send a monthly invoice you’re sort of jabbing your client every month.”

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The subscription model eliminates a lot of friction between lawyers and clients: “in retrospect,” said Smithline, “I’ve come to realize when you send a monthly invoice you’re sort of jabbing your client every month.” Variable bills invite scrutiny, whereas “subscriptions, once you enter them, tend to continue.” And “you’ve relieved your client’s anxiety because ultimately the client, they’re more about predictability than price,” Smithline noted.

The subscription model also allows the firm to deepen relationships with clients and set some unusual limits: Smithline estimates that his attorneys leave between 5:00 and 6:00, and rarely work weekends. “We all go home and that’s an expectation that I have to set with the client, which is...we’ll start early. That’s basically our deal. If a client wants us to do an 8:00 call or a 7:00 a.m. call, we’ll do it” although the typical daily start time is 8:30 a.m. Attorneys also have three week’s annual vacation “unplugged”—and typically do not respond to emails after business hours.

Said Smithline, “I think you become more profitable because you are able to focus on taking care of fewer clients more deeply and become very focused on keeping them happy and so you have hopefully, and we’ve experienced, longer relationships with them and deeper relationships. You sort of self-select down to the clients, as I said, who appreciate the value of what you’re doing.”

The firm meets the “Laser Focus” goal by practicing “exclusively on technology transactions, product legal review and open source advising,” according to its website. Smithline PC does only intellectual property licensing and technology transactions for internet, software, and technology companies.

Smithline PC “standardizes practices and procedures” in a way unusual in the law—but similar to other employers who adopt the good jobs strategy. Said Smithline, “we call it the practice machine, we have a checklist and a template and a custom-made internal knowledge base, which drives how we practice.” Smithline attorneys “communicate constantly, all day long, and we all do things the same way. We have a method for everything we touch,” said Smithline. This includes the way they name documents “to how we mark them up to how we describe things to clients to how we write emails.” “We have figured out a way to do excellent work really fast A, because I hire unbelievably smart people, and B, because...every best piece of knowledge any of our lawyers have is captured and we all share it.” To ensure this sharing, the firm meets once weekly for training. For each engagement, one managing counsel leads the account, with a second (and sometimes third) associate backing them up. As principal, Smithline supervises all of the work of the firm.

The “practice machine” makes cross-training possible, because it makes it easy to “move work around and all associates can kick work around themselves.” Cross-training is vital because, under a subscription fee model, responsiveness is vital. Even if clients don’t send work in a particular month, “they will pay you to have you available when they need you, but you better be able to deliver when they do,” said Smithline. He stressed, “You have to be performing at the speed they want to move at. It’s called the speed of the deal.” In a typical firm, this is a recipe for requiring 24/7 availability, but Smithline has found a way to combine responsiveness with work-life balance.

The creation of good jobs is central to Smithline’s business strategy. Said Smithline, “it’s very important

to me as a fundamental value that I go home every day by 6:00 and I can't be leaving if they're all still here.” He noted that he could probably make more money by having fewer attorneys, “but I wouldn't be sending everybody home at 6:00 and I wouldn't be giving them three unplugged weeks' vacation a year and I wouldn't be giving them their weekends totally free of work and all the other things that we do. I keep that staffing” in order to ensure work-life balance for everyone.

Smithline talks widely about his subscription fee model, and gets a lot of resistance. People often ask what happens if a client sends too much work. “I tell them, you

don't spend any time worrying about the client sending you too much work. If the client's sending you 'too much work,' it's a client who's happy...who likes what you're doing and who's using you.” Smithline continued, “The ones you worry about are the quiet ones.” If they are paying for a service they don't use, that's a problem. “I lose no sleep over our clients who call us every day and they're sending us tons of work, because I know after an appropriate period of time, which may be three or six months, I'll get around to asking them to pay us a little more” said Smithline.

Smithline said pay has increased to be “close” to pay at Big Law. Attorneys also are attracted by the work-life balance and the access to “great work and great clients.” Smithline attorneys do not do the kinds of work many attorneys dislike, notably due diligence. When attorneys leave, it is typically for in-house positions: “every one... has a standing offer, essentially, from every one of our clients. If they don't, they can get one in about four seconds.” As such, Smithline mused “my number one worry is keeping associates....” Attorneys are not expected to do business development. “My philosophy on business development is very simple, which is, do excellent work and be reasonably visible, and that will lead to clients,” said Smithline.

### **Summit Law Group**

Type of Organization	Law firm.
Size	36 attorneys.
Geographic Location	Headquartered in Seattle with satellite offices in Spokane and Kennewick, Washington.
Practice Areas	Specialties include environmental law, employment law, business law, and litigation.
Flex	Telecommuting, flex-time, remote offices, reduced hours, and extended leave available.

Summit Law Group was founded in Seattle in 1997. Its website lists thirty six attorneys (sixteen of the attorneys and half of equity partners are female), specializing in environmental law, employment law, business law, and litigation. We spoke with Polly McNeill, founding member and former managing partner. It has many





classic New Models elements: as its website mentions, it has “only seasoned professionals” and that the firm “removed all the excess baggage that is unnecessary to providing quality work—no lavish offices, no expensive art, no training of junior associates on your dime.” Clients range from tech startups to Fortune 500 companies like BP and Google.

The firm was founded by Big Law refugees with the goal of revolutionizing traditional business paradigms, including “the explicit idea of maximizing the value that women attorneys bring.” While discarding the pyramid structure of most traditional firms, which Summit believes helps address many of the hurdles women attorneys often face early in their legal careers, Summit “actively supports family friendly policies including flex-time, telecommuting, remote offices, reduced hours and extended leave.” The founders felt that at traditional firms part time lawyers were undervalued by the convention of allocating an equal amount of overhead to each attorney. Another motivation was the sense that “junior attorneys, whether they be men or women, were artificially devalued” in the process of partnership decisions. In keeping with that philosophy, all lawyers are members of the firm, with no associate/partner distinction. The founders wanted to go farther, making staff members as well, but ran into problems rules of professional conduct that precluded this. Similarly, the founders sought to run the firm by consensus, giving all attorneys input on management decisions, but created a managing partner slot after realizing that was not feasible.<sup>95</sup> In addition, Summit focuses on strengthening women’s representation and influence in leadership roles. A female attorney currently serves as the firm’s Co-CEO, and past Managing Partner roles have been held by women.

All staff—employees and attorneys—have offices of the same size: “You cannot tell, when you walk down the hall, whether you are outside of the most senior attorney’s office or outside of her secretary’s office.” Similarly, all staff, from administrative assistants to partners, are invited to firm retreats.<sup>96</sup> McNeill describes it as a firm “where communism meets capitalism....We try to make everybody feel like they’re all equally potentially contributing, so that we can make as much money as we can without sacrificing our quality and our lifestyles, to maximize the value providing our customers with the highest quality of work.”

The firm’s unique culture is apparent from its tagline: “Energy. Passion. Commitment. Shirtsleeves.” “Shirtsleeves” refers to the fact that the attorneys at Summit work hard and privilege substance over formality.<sup>97</sup> The dress code is highly informal, as is the Dot Lounge (named for the orange dot in the firm’s logo) stocked with wine, micro-brews, and snacks where attorneys gather in the afternoon for social time that often transforms into brainstorming sessions.<sup>98</sup>

They wanted a “new business model” with less hierarchy and lower overhead. The chief overhead reductions were to increase the ratio of lawyers to assistants, and to be early adopters of technology.

Summit Law Group’s “Value Adjustment Line” is the cornerstone of its alternative billing approach. Summit’s standard engagement letter empowers clients to adjust billing—upward or downward—within thirty days of the invoice, based on their perception of the value received. Summit also welcomes more standardized alternative billing arrangements, including value-based billings, with incentives for results that exceed expectations; fixed fee; monthly retainers for day-to-day advice; and percentage fees, success-based fees, and other fee incentives to achieve customer goals. In addition, as it believes these are properly its costs of doing business, Summit never charges for long-distance telephone calls, faxes, postage, internal photocopying, computer research, or local travel. This was revolutionary when the firm first started, but is now becoming standard practice.

**Tucker Ellis LLP**

Type of Organization	Law firm.
Size	Nearly 200 attorneys.
Geographic Location	Offices in Cleveland, Columbus, Denver, Los Angeles, and San Francisco.
Practice Areas	Pharmaceutical, mass tort, product liability, intellectual property, and business litigation.
Flex	Part-time arrangements with pro-rated pay are available. Generally, part-timers are expected to work at least 2 days per week.

Tucker Ellis was founded in 2003. It is a full service law firm with roughly 190 lawyers and more than fifty

paralegals in Cleveland, Columbus, Los Angeles, San Francisco and Denver. It has the traditional associate-counsel-partner structure. The Tucker Ellis website features its “client-focused alternative fee arrangements, our leadership efforts on behalf of schools in our neighborhoods” and the “belief that life is not a competition of who can simply bill the most hours. We are determined instead to measure ourselves by our accomplishments for our clients, our communities and our firm.” The firm specializes in trials, particularly in pharmaceutical, mass tort, product liability, intellectual property and business litigation. We interviewed the firm’s Managing Partner, Joe Morford.

Morford said the firm’s largest clients are Fortune 100 companies; smaller clients are more local mid-market companies. Morford, explained they decided to form a new kind of law firm with the focus on being “different and better” than those that currently exist, and “aspiring

to provide a better experience to all who encounter them—be they external clients or entities in the communities where they work and live, or internal people who chose to make the firm their work-home.” The firm shares a belief that the practice of law “should be a fun and interesting job” and rejects the traditional law model which has become “... a rat race to see who could bill the most hours and who could get the most origination credit... [those] became the only ways to make money in a law firm; it didn’t matter how good you were or how efficient you were or what your results were.”

The firm did away with origination credit entirely, and now, after twelve years “we not only never have internal fights about who gets origination credit, but no longer even talk about how great it is not to have internal fights about who gets origination credit.” From day one Tucker Ellis adopted non-hourly fee arrangements as a centerpiece of the firm. “We have a gazillion different



“[W]e not only never have internal fights about who gets origination credit, but no longer even talk about how great it is not to have internal fights about who gets origination credit.”

types of fee arrangements...” Morford told us, “from fixed fees for the case or the transaction, to a certain number of dollars a month for a year to work on a group of cases” either for fees only or for both fees and expenses. Sometimes the firm will do a certain phase of a case for a fixed fee, for example fending off a class certification, or it may create a “success fee” for getting the result desired, or for getting better results than in the prior year. “Sometimes we’ll do reduced hourly rates, and then if we achieve certain results, we are paid a bonus that can more than make up the discount,” said Morford. At times, the firm also bills by the hour: 35% of the firm’s revenue in 2012 was hourly billing, “at rates lower than those of the “megafirms” but “still more than most of us can believe people will pay for an hour of our time and energy.”

Regarding engagements, “our rules are pretty simple,” said Morford. “We’ll try stuff out for a year. We’ll never go back to a client and ask them for more money during an engagement. But if it doesn’t work, we’ll talk to them about it before we renew for next year.” Rainmaking is considered everyone’s responsibility and typically is done in teams—something made possible by the elimination of origination credit. The firm spends time training lawyers on how non-hourly fee arrangements work: which are the most common, and which are best suited to specific situations. When asked for details, Morford said “I have [the answer]...but I’m not going to give it to you.” Expertise in structuring fees has become part of the intellectual capital of the firm.

The firm has part time arrangements with pro-rated pay for attorneys who want them, typically mothers, and typically for two or more days a week. According to Morford, even though the firm pays less than Am Law 50 firms, some attorneys with offers from such firms chose to

come to Tucker Ellis because “we convince them they can have a better experience and a better professional life—as well as make a lot of money and make a real difference—when they come to our firm.” “When they placed an ad in Ohio,” for example, he noted, they were “flooded with resumes.” In part, Morford said, people like being a part of an organization that’s doing something different and aspiring to do more: he mentioned a mousepad everyone at the firm has, from secretaries to partners, that displays “We believe that together we can vastly improve the manner in which legal services are provided.”

### ***Tucker Griffin Barnes PC***

Type of Organization	Law firm.
Size	11 attorneys.
Geographic Location	Offices in Charlottesville, Lake Monticello, and Harrisonburg, Virginia.
Practice Areas	Personal injury, disability, workers compensation, criminal defense, real estate, family law, bankruptcy, and consumer law.
Flex	Part-time and flexible schedules. Attorneys are encouraged to bring their babies to work.

Tucker Griffin Barnes is a firm with eleven lawyers (eight of them women) and seventeen paralegals that practices personal injury, disability, workers compensation, criminal defense, real estate, family law, bankruptcy and consumer law with offices in Virginia. We spoke with Mike Griffin, a retired army finance officer who is the firm’s business manager. The firm was founded in 1990. Griffin said that the firm was founded by a man who had “just busted up with two different law firms, and he was tired of the bloodletting and all the testosterone battles over fees and who brought in clients.” A marketing campaign used the tag line, “law from a woman’s point of view,” said Griffin, who mentioned that many men wanted a woman lawyer in family court.

Griffin was particularly interested in hiring women, which is why he encouraged both lawyers and staff to bring their infants to work. When attorneys meet with a client, someone else watches the baby, but the firm markets its policy to clients, and has a play area in every conference room. Some people haven’t liked the policy,

and have left for a quieter atmosphere, but every one of the women lawyers has used the policy and are “now in their prime earning zone” with 15 to 20 years of practice. The firm also has had part time schedules, both three-day-a-week and half day every day.

Griffin, as business manager, maps out cash flows for three or four years at a time, and when new business is identified, analyzes that rate of return. He also analyzes the firm’s competitors, using a standard business models for assessing threats and opportunities. Profit-sharing used to be by percentage ownership but now attorneys’ annual compensation depends on how profitable their practice is, taking into account gross revenue, gross profit, and origination. Fees can be hourly or fixed. Even associates “don’t get paid by how many hours they bill. They get paid on how much cash they put in the bank,” said Griffin: “we’re not looking for young lawyers who we can bill 2,000 hours a year and keep them in the cellar.”

### **Valorem Law Group**

Type of Organization	Law firm.
Size	11 attorneys.
Geographic Location	Offices in Chicago and Silicon Valley.
Practice Areas	Complex litigation on both the plaintiff and defense sides.
Flex	Part-time requests are handled on a case-by-case basis and option to telecommute. No billable hours expectations.

Valorem was founded in 2008 by Nicole Auerbach, Patrick Lamb and two other BigLaw refugees. It handles litigation only and in Valorem’s seven years of existence, it has expanded to twelve lawyers and two offices—one in Chicago and one in Silicon Valley. The firm’s New Model status comes from its use of alternative fee structures rather than billable hours. These include fixed fees, contingencies, and hybrids, among others. For a fixed fee arrangement, the firm might price a portfolio of cases according to a flat rate. Almost all of their arrangements include a holdback amount to ensure that the firm has some “skin in the game” as far as the outcome is concerned. The firm handles all types of complex litigation on both the defense and plaintiff sides, including contingency/reverse contingency matters.

Auerbach noted that while her potential clients have been aware of alternative fees for some time, it’s only been recently that she has seen what she considers the beginning of the “tipping point” where even large companies are actively seeking out firms that offer them. In the past, those companies at the forefront of using alternative fees usually had a general counsel that was more progressive or had smaller legal departments and/or a CEO/CFO for whom budget certainty is important. In spite of this, Valorem has also recently had more major market companies seek out their services. Auerbach believes the success of their model rests in part on “extreme attention” to assessing the case at the beginning. They find that their most successful fee arrangement includes pricing the matter based on different phases of the case.

Auerbach said that most attorneys and clients who are familiar with alternative fees have heard of their firm, which helps with recruiting. They prefer to hire people who have several years of experience because their model doesn’t accommodate spending significant time training new associates. There are occasional exceptions, as the firm did hire a talented former federal clerk on a contract basis who eventually joined the firm as a full-time employee—but this is rare.

The firm places a strong emphasis on collaboration, as Auerbach believes you achieve better results faster when you have more people weighing in on the same issues. This is not only a firm value, but something the firm actively tries to achieve, for example, by rewarding employees when the firm wins a big case or because the staff has been going above and beyond ordinary expectations. In one instance, Auerbach told us, “We recently gave an amount of money to the staff and employees to spend on a gadget that will make their lives better or make them happier. Then, at the end of February, we will have a lunch meeting where everybody can reveal their gadgets and explain why they chose that and how it has improved their lives.”

# Big Law's Revenge

## ***FLEX by Fenwick & West LLP***

Type of Organization	Legal consulting service.
Size	Over 40 attorneys.
Geographic Location	Based in San Francisco.
Practice Areas	Routine and complex commercial transactions and secondment.
Flex	Employment plans range from 5 hours per week up to full-time. Attorneys work as much or as little as they wish.

FENWICK & WEST LLP (“FENWICK”) IS A full-service AmLaw 200 law firm in the San Francisco Bay Area, Seattle and Shanghai. In 2010, it founded FLEX by Fenwick (“Flex”), based in San Francisco, which at the time of our interview had a bench of forty lawyers. The

original idea was to find a way to support Fenwick’s clients on matters where its fees were too expensive, particularly day-to-day support on commercial transactions in tech companies. FLEX by Fenwick began with Fenwick clients, but quickly included others, though it was a small portion of the business. The key potential for synergy is when Flex steps in to support Fenwick’s client at the point that they no longer are interested in paying law firm prices for day-to-day work, and integrate them back into Fenwick on more complex or major transactions.

Flex recruits Fenwick alums and other lawyers, focusing on those with in-house experience, and has a prominent recruitment page on its website. We interviewed Ralph Pais, a Fenwick partner, and Alex Smith, Senior Director, Product and Services Development at Fenwick, who run the Flex business. They described two major types of work. The first was commercial



transactions ranging from routine work (nondisclosure agreements, software licensing agreements and sales agreements) to more complex work (partnership deals, development deals). This includes having a Flex attorney serving as temporary general counsel of an earlier-stage company where Flex lawyers can actually be “the only lawyer in the building,” said our informants.

The other major bucket of work is essentially Secondment: “bigger companies [with] robust legal departments need interim staffing solutions because they either don’t have headcount to hire more people or someone’s going on a leave or they have more work than they can handle but they see it as a spike,” Pais and Smith told us. Typically Flex attorneys work on day-to-day commercial work, but can also handle complicated M&A support or corporate governance and security.

Early on, roughly half of Flex attorneys were general counsel level attorneys with at least fifteen years’ experience and multiple in-house experiences; at the time of our interview, with the growth of the other levels on the Flex roster, that ratio had fallen to roughly 30%. At that time, most general counsel-level Flex attorneys were men, many of whom also had their own solo practices. Looking at the entire roster, 70–80% were “commercial licensing lawyers.” Flex did several marketing campaigns to encourage women and working parents to apply. At the time of writing, Flex reported that there was an overall increase in women on the Flex bench (slightly less than half), and approximately 11–17% of women and 20–25% of men were working on part-time schedules.

As at other Secondment Firms, Flex attorneys sometimes are attracted to the Flex model in order to gain the kinds of legal experience they need to pursue an in-house job or make a change in their career. Our informants used the example of a corporate associate who might want to become a “widespread commercial transactional in-house lawyer,” or a patent lawyer who had the right kind of experience but wanted to switch industries.

At the time of the interview, Flex was finding that some clients were beginning to look for more junior attorneys, so their hiring profile was in transition. Flex also was finding that clients sometimes use it as a “try-before-you-buy” way to hire more junior attorneys. It also was expanding to include lawyers with backgrounds other than licensing, notably corporate, employment law, and

intellectual property. Specifically, Flex attorneys help clients with all the preliminary legal work associated with going public: “that’s done by someone who can be resident in the building which is very hard to get associates to do at anything that resembles a reasonable price,” noted our informants.

Flex’s fees are one-third to one-half those of Big Law. Pricing follows two different models. One is a specific number of hours per month or per quarter, generally for earlier-stage companies that need someone in the general counsel role but do not have enough work to justify a full time position. These engagements can go on for years; typically the Flex attorney works remotely. The expectation is that the average workload is small, but can vary significantly from week-to-week. Clients tend to be Bay Area mid-stage companies in the tech sector, although Flex was beginning to do work for large public companies.

The other model is when a Flex attorney works a specific number of days per week, either part- or full-time. Those kinds of engagements, which typically involve the Flex attorney working at the client site, generally last six to nine months if full-time, longer for part-time. Flex attorneys work the typical business day worked by their colleagues at the company but if they find themselves working “until 10 at night every day,” Flex will intervene and work with client and attorney to manage expectations.

Unlike at some other Secondment Firms, Flex attorneys are paid not for the amount of time they actually work, but for the amount of time they make themselves available for work. Salaries vary based on the lawyer’s seniority and depth of relevant experience, but are at rates comparable to what an in-house lawyer would make “in a private company and at a junior level maybe even at a public company” and are aligned with those at tech companies. Flex lawyers are benefitted employees. As at Paragon, benefits availability for part-time lawyers can be limited, given many insurance companies’ rules offering benefits only for employees who work a minimum of 20 hours a week. At the time of interview, FLEX by Fenwick also had a team of five professionals who handled marketing, attorney development, relationship management, business organization, and business development.

## Conclusion

FOR DECADES, A MARKET FAILURE existed in the law. Many lawyers were dissatisfied with Big Law—but they saw no alternative if they wanted to remain in the profession. That market failure is now over. Entrepreneurship has hit the law, with entrepreneurs innovating a large variety of different models to offer not only a new value proposition for lawyers, but also a new value proposition for clients.

New models get rid of one or more of the elements that cause lawyers to bridle. First and foremost, they often change the time norms that have proved so resistant to change at Big Law. Big Law continues to work well for lawyers who want to earn Big Bucks by working very long hours. Big Law has tried to offer alternative schedules, but this has proven difficult to do without instituting some basic changes to its business model.

New Models of Legal Practice make those changes in ways that offer lawyers several different definitions of

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That market failure is now over.

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work-life balance, including Full Time Flex, short part time hours, and schedules that allow attorneys to take substantial chunks of time off work and then return to the full time practice of law. New Models also often offer attorneys an escape from other elements of Big Law many attorneys detest, notably the mandate that every lawyer also be a salesperson, a “rainmaker.”

This is one of the first comprehensive reviews of the new companies leading law’s disruptive innovation. It won’t be the last. New Models represent not the death of Big Law, but a growing segmentation of the legal market. What’s documented here is just the beginning.



## A Quick Look at New Model Firms

This section of the report provides a quick view of details regarding each of the New Models firms we interviewed. We have attempted to break the firms out by categories, a daunting task given that many of the firms defy strict categorization. Much of this information is subject to frequent change, particularly the number of attorneys associated with a firm.

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### Avökka (Andrew Foti):

Type of Organization	Legal Services Firm.
Size	6 attorneys.
Seniority of Attorneys:	Attorneys average twenty years of experience.
Attorneys' Background:	Highly experienced with business savvy. Founder is former BigLaw partner and business executive.
Employment Status:	No information available.
Compensation:	No information available.
Benefits:	No information available.
Fees:	Fixed price and retainer basis.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Attorneys typically work 1–2 days per week for 3–4 different clients. They provide advice with the entire business in mind. Firm has offices in Toronto, Ottawa and Montreal.
Schedules/Flex:	No information available.
Practice Areas/ Type of Clients:	Support mid-market clients with litigation, IP strategy, corporate governance, compliance, and regulatory matters.
Virtual Practice:	Yes.
Support Staff:	No information available.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2014.

### Bliss Lawyers (Deborah Epstein Henry)

Type of Organization	Law firm.
Size	10,000 network attorneys.
Seniority of Attorneys:	Most have 10 to 15 years of experience; many have both law firm and in-house experience.
Attorneys' Background:	Ideal “placements are lawyers with both big law experience and a top law school or very significant recognition from a second tier school plus in-house experience.”
Employment Status:	Employees.
Compensation:	Salaries consistent with in-house attorneys of major corporations and associates from top firms; year-end bonuses offered.
Benefits:	Full benefits, including healthcare, sick days, paid vacation, bonuses, bar dues, and 401(k) and 529 plans.
Fees:	Flat rates at about 1/3 of traditional law firm rates.
Rainmaking Expectations:	Co-founders generate clients.
Roles Lawyers Play, and Where:	Attorneys act as in-house legal counsel, doing work at client sites or from home. Secondments typically last about 11 months.
Schedules/Flex:	Full- and part-time schedules available; attorneys choose their clients.
Practice Areas/ Type of Clients:	Practice areas include corporate, litigation, IP, real estate; largest client base in financial services, followed by tech, media, banking, and research and development.
Virtual Practice:	Yes.
Support Staff:	Chief Talent Officer, Chief Financial Officer, and 2 assistants.
Recruiting:	Co-founders and the Director of Recruiting bring in talent.
Promotion Track:	Many attorneys end up with permanent in-house positions with clients.
Professional Development:	CLE and annual one-on-one 360 performance reviews.
Year Founded:	2011.

## Conduit Law (Peter Carayiannis)

Type of Organization	Professional corporation.
Size	16 attorneys.
Seniority of Attorneys:	Minimum 5 years' experience required.
Attorneys' Background:	Big Law backgrounds; an estimated half have significant in-house experience with major companies.
Employment Status:	Independent contractors.
Compensation:	Attorneys receive 60% of the revenue from their client.
Benefits:	No information available.
Fees:	Billable hours offered only on demand; in the last year, 90% of revenue generated under alternative arrangements.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Ontario, Canada. Primary delivery model is to place lawyers as in-house counsel available on demand. Attorneys work at client sites or remotely.
Schedules/Flex:	Commitment to finding ways "for our lawyers to work in a flexible and adaptable basis that does suit their lifestyle."
Practice Areas/ Type of Clients:	Range of clients from Fortune 500 companies, banks and other multinationals to publicly listed companies and SME's.
Virtual Practice:	Yes. Virtual in-house counsel are not present at client sites on a regular basis but are available on direct approach from the client.
Support Staff:	Firm handles administrative components.
Recruiting:	Networking, word of mouth, and internet.
Promotion Track:	No information available.
Professional Development:	Monthly onsite meetings include CLE plus annual offsite retreat with CLE credit.
Year Founded:	2012.

## The General Counsel, Limited (Kent Larson)

Type of Organization	Law firm.
Size	9 attorneys.
Seniority of Attorneys:	Attorneys average 25 years' in-house experience.
Attorneys' Background:	Some began at large firms; all have in-house experience.
Employment Status:	Independent contractors.
Compensation:	Based on origination and billing.
Benefits:	No information available.
Fees:	Fees are much lower than traditional firms. Billing varies: for smaller projects, billing is hourly or a structured fee tied to milestones. For other engagements, a monthly fee.
Rainmaking Expectations:	No, but the firm offers origination credit which sunsets.
Roles Lawyers Play, and Where:	Currently the Twin Cities metropolitan area, and seeking to expand in Minnesota and adjacent states. No brick-and-mortar office; attorneys "make regular house calls" and "maintain a presence" at the client site.
Schedules/Flex:	Must work at least half-time with the firm.
Practice Areas/ Type of Clients:	Range from Fortune 100, 500 and 1,000 companies to small companies.
Virtual Practice:	Yes. No brick-and-mortar offices; attorneys work on-site at client offices or remotely.
Support Staff:	No fixed paralegal or administrative staff; assistants retained as needed.
Recruiting:	Combination of recruiting and attorneys coming to the firm looking for opportunities.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	1985.

### InnovaCounsel, LLP (Stuart Blake):

Type of Organization	Law firm and business services company.
Size	8 attorneys.
Seniority of Attorneys:	Typically at least 10 years of in-house experience (with at least 5 years at the General Counsel or Division Counsel level).
Attorneys' Background:	Attorneys have law firm and in-house experience and have worked as employees of public and private companies.
Employment Status:	Independent contractors.
Compensation:	Assuming lawyers are working 5 days per week, compensation is commensurate with that of Big Law.
Benefits:	Malpractice only.
Fees:	Negotiated flat monthly fee with attorney providing in-house support for a set number of days. Per diem rates are discounted based on frequency of use. Rates are comparable to hiring a paralegal at a large law firm.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Headquartered in Newport Beach, CA, and primarily serving Orange County, Los Angeles, San Diego, San Francisco, and Silicon Valley. Attorneys work on-site and are integrated with the client, with company email addresses, phone extensions, and offices.
Schedules/Flex:	Part-time schedules available.
Practice Areas/ Type of Clients:	Service areas include general corporate, finance, litigation, employment, intellectual property and licensing, real estate, commercial agreements, and more. Most clients are companies with \$20 to \$200 million in revenue.
Virtual Practice:	Yes.
Support Staff:	The LLC provides business support, e.g. bookkeeping and administrative functions, to the firm.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2005.

### Outside GC (Jonathan Levitt)

Type of Organization	Law firm.
Size	41 attorneys.
Seniority of Attorneys:	Partner-level only; all have over 10 years of experience.
Attorneys' Background:	Attorneys have Big Law experience and in-house experience is a "strict requirement."
Employment Status:	Independent contractors.
Compensation:	Pay structure tries to replicate what the attorney would make as GC of a mid-sized company. Attorneys keep 65–68% of gross fees the client pays.
Benefits:	No information available.
Fees:	Typically \$175 per hour for on-demand legal services and \$150 per hour for retainer agreements.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Attorneys act primarily as in-house counsel for companies that don't need a full-time GC. Brick-and-mortar office in Boston, but most spend relatively little time there.
Schedules/Flex:	Very accommodating with respect to schedules; many work less than full-time.
Practice Areas/ Type of Clients:	Most attorneys are corporate generalists, with a growing number of specialists (e.g., immigration, IP). Clients are mostly tech companies.
Virtual Practice:	Attorneys are available to work on site at client locations.
Support Staff:	5 administrative professionals who work from home.
Recruiting:	Word-of-mouth.
Promotion Track:	Everyone comes in as a partner.
Professional Development:	Rotating committee of 5 charged with improving the attorney experience.
Year Founded:	2002.

## Paragon Legal (Mae O'Malley)

Type of Organization:	Law firm.
Size:	Over 60 active attorneys, with many more in network.
Seniority of Attorneys:	Attorneys have at least 8 years of experience, and an average of 12 to 15 years; now recruiting less experienced attorneys due to client demand.
Attorneys' Background:	Strong academic credentials, several years at a large law firm, and substantial in-house experience.
Employment Status:	Employees.
Compensation:	Attorneys at the same level compensated at the same rate. Junior attorneys paid commensurately less. Hourly pay is equal or higher than the firms attorneys left.
Benefits:	Full benefits package, with healthcare and 401(k).
Fees:	Rates at typically about 1/3 of a large firm.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Attorneys are seconded to client sites between 10 and 40 hours per week. Most clients are based in the San Francisco Bay Area.
Schedules/Flex:	Attorneys work between 10 and 40 hours weekly.
Practice Areas/ Type of Clients:	Practice areas include tech and commercial transactions, IP, corporate/securities, marketing, employment, and real estate. Clients are corporations such as Google, Pandora, Netflix.
Virtual Practice:	Yes.
Support Staff:	Attorneys use client resources. A limited team of paralegals, legal assistants, and contract managers is available for secondment.
Recruiting:	Word of mouth and recruitment at law schools.
Promotion Track:	No hierarchy; attorneys are either senior corporate counsel (8 years of experience) or counsel (less than 8 years of experience).
Professional Development:	Paragon works closely with its attorneys on development goals, and matches attorneys to projects accordingly.
Year Founded:	2006.

## Phillips &amp; Reiter, PLLC (Greg Phillips):

Type of Organization:	Law firm.
Size:	20 attorneys.
Seniority of Attorneys:	No associates; all with at least 12 years' experience.
Attorneys' Background:	Most began their careers at top firms, then served in large in-house departments or as general counsel of mid-size companies.
Employment Status:	Independent contractors.
Compensation:	Comparable to in-house pay. Attorneys paid when clients pay. Lawyers keep from 45% to 50% of the hourly rate.
Benefits:	Benefits include health and disability plans and 401(k).
Fees:	Rates are about 40% less than a large firm. Billing is either hourly (\$300–\$350 per hour) or on a retainer. If a lawyer bills over the contracted amount per week, the client pays extra hours at a discounted rate. If the lawyer bills under that amount, the hours roll over.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Offices in Houston, Austin, Dallas, and Fort Worth. 30% of lawyers work onsite with the client, and 70% work primarily from the office.
Schedules/Flex:	Attorneys manage their own schedules. There is an unspecified minimum billing number of hours that is less than what is expected in Big Law.
Practice Areas/ Type of Clients:	Various areas of expertise; all attorneys are corporate generalists. Clients include mid-market companies in growth mode who need a lawyer to do day-to-day work, and large legal departments in need of experienced attorneys to help fill a gap.
Virtual Practice:	No.
Support Staff:	Several experienced administrative professionals.
Recruiting:	Based on word-of-mouth; occasional use of a search firm.
Promotion Track:	Lawyers advance into profit sharing "if they prove they can build up a practice over a 12-month period."
Professional Development:	Professional development is not a major focus. The firm holds an annual business retreat.
Year Founded:	2003.

### Axiom Law (Abbey Yvon):

Type of Organization:	Corporation.
Size:	Over 1,200 employees.
Seniority of Attorneys:	Most are senior-level with in-house experience, though Axiom also hires early career and mid-level attorneys.
Attorneys' Background:	Many attorneys come from in-house and top law firms.
Employment Status:	No information available.
Compensation:	Attorneys are hired at a specific annual salary but are paid for the time they actually work; eligible for annual raises.
Benefits:	Full benefits.
Fees:	Rates typically between \$150 and \$275 per hour.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Based in New York with 14 offices worldwide and 5 "Centers of Excellence." Attorneys work remotely, onsite with clients, and occasionally, at firm offices.
Schedules/Flex:	Attorneys can work as a little or as much as they want. If an attorney takes time off, they are not guaranteed an engagement upon return but "would typically take priority over an attorney who had never worked with Axiom."
Practice Areas/Type of Clients:	Clients include "over half the Fortune 100 companies." Practice areas include technology and commercial transactions, M&A, life sciences, financial services, regulatory and compliance, intellectual property, and employment.
Virtual Practice:	Yes—attorneys often work remotely.
Support Staff:	Paralegals and reviewers.
Recruiting:	There is an Attorney Recruitment team.
Promotion Track:	No partners; leadership team only.
Professional Development:	The firm covers membership to PLI and other professional organizations, and attorneys are assigned a professional development manager.
Year Founded:	2000.

### Exemplar Companies, Inc (Christopher Marston):

Type of Organization:	Law firm LLC, Tax and Accounting LP, Consulting LLC, and Capital LCC.
Size:	25 professionals.
Seniority of Attorneys:	Varies.
Attorneys' Background:	Professionals must be "business savvy, social savvy, and conscious/worldly people."
Employment Status:	No information available.
Compensation:	The Exemplar Value Index estimates the value of an individual's contribution to determine compensation.
Benefits:	No information available.
Fees:	Fixed, value-based pricing. Rates are 20%–30% lower than AmLaw 100 firms.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Based in Boston, MA. Professionals work from modern, open-format offices.
Schedules/Flex:	Attorneys can work when they choose.
Practice Areas/Type of Clients:	Exemplar serves high-growth mid-market companies and focuses on employment, public companies, restructuring, securities, intellectual property, life sciences, cyberlaw, M & A, and private equity among areas of expertise.
Virtual Practice:	No.
Support Staff:	Yes.
Recruiting:	No information available.
Promotion Track:	There are no partners or associates. The firm follows a corporate structure with team members and leaders.
Professional Development:	No information available.
Year Founded:	2005.

## Cadence Counsel (Danielle Lackey):

Type of Organization:	Corporate network of freelance attorneys.
Size:	No information available.
Seniority of Attorneys:	Between 5 and 30 years' experience.
Attorneys' Background:	Attorneys formerly practiced at top firms or top government jobs.
Employment Status:	Independent contractors.
Compensation:	Hourly rates are structured so that if an attorney works 40 hours per week they can earn a couple hundred thousand a year."
Benefits:	No.
Fees:	Typically hourly, although some are flat rate. Rates depend on the lawyer, client, and type of work involved.
Rainmaking Expectations:	No information available
Roles Lawyers Play, and Where:	California and Ohio. Office space for central staff, but most attorneys work either from home or client sites.
Schedules/Flex:	Attorneys may turn down work at any time.
Practice Areas/ Type of Clients:	Clients range from solo attorneys to mid-sized firms. Practice areas include: antitrust, appeals, class actions, complex civil litigation, employment/labor, energy, entertainment & media, ERISA, FCPA, fund formation & financings, health care, homeland security privacy compliance, immigration, international arbitration, IP, maritime, outsourcing, M & A, patent prosecution, real estate, securities, tax, water law, and white collar & government investigations.
Virtual Practice:	Most attorneys work from home or from client sites.
Support Staff:	No information available.
Recruiting:	Word-of-mouth, networking, job-posting sites.
Promotion Track:	No information available.
Professional Development:	None.
Year Founded:	2013.

## Counsel on Call (Jane Allen):

Type of Organization:	Legal services company.
Size:	Over 900 lawyers.
Seniority of Attorneys:	Average 7 years' legal experience.
Attorneys' Background:	80% of attorneys graduated in the top third of their class. They have at least 3 years of experience at large firms or in-house.
Employment Status:	Employees.
Compensation:	As of 2008, attorneys were keeping between \$35 and \$85 per hour.
Benefits:	Benefits include workers' compensation, unemployment and disability insurance, free CLEs, flexible spending accounts, 401(k), holiday pay, health savings accounts, and travel advances.
Fees:	As of 2008, rates were between \$50 and \$125 per hour.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Based in Nashville, TN, but lawyers practice in almost 50 states and in Europe. Counsel on Call has offices in Memphis, Atlanta, Chicago, and Boston. Lawyers play different roles: some perform business functions; others work with clients, while others work with candidates. Attorneys work both at client sites and virtually.
Schedules/Flex:	Attorneys only get paid when they work and can work as much or as little as they wish.
Practice Areas/ Type of Clients:	Counsel on Call predominately works with legal departments of Fortune 500 companies, law firms of all sizes and state and local governments. Commonly requested services include document review and coding, eDiscovery, litigation, corporate transactions, contract review and abstraction, and managed services.
Virtual Practice:	Yes, attorneys work at client sites and virtually.
Support Staff:	No information available.
Recruiting:	Candidate development team.
Promotion Track:	Potential for attorneys to move into team management roles.
Professional Development:	CLE and training programs for managers.
Year Founded:	2000.

### Custom Counsel (Nicole Bradick):

Type of Organization:	Corporate network of freelance attorneys.
Size:	Over 100 attorneys (and extended network of over 1,000).
Seniority of Attorneys:	Between 5 and 15 years of practice experience.
Attorneys' Background:	Varies.
Employment Status:	Independent contractors.
Compensation:	Custom Counsel keeps 20% of an attorney's fee.
Benefits:	No information available.
Fees:	Attorneys set their own fees, with the average falling between \$100 and \$150 an hour. Alternative arrangements such as flat-fee billing are possible.
Rainmaking Expectations:	None, but attorneys do get a percentage of the fee if they bring in clients.
Roles Lawyers Play, and Where:	Attorneys work directly with clients on a contract basis as well as handling the back-end invoicing, billing, etc. The firm is based in Maine, but attorneys work remotely for the most part.
Schedules/Flex:	Attorneys work as much or as little as they wish. There is never an obligation to accept a project.
Practice Areas/Type of Clients:	Clients are solo practitioners, law firms, and in-house legal departments.
Virtual Practice:	Yes, attorneys mostly work remotely.
Support Staff:	No information available.
Recruiting:	Word-of-mouth.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2011.

### Intermix Legal Group (Leila Kanani):

Type of Organization:	Corporate network of freelance attorneys.
Size:	102 attorneys.
Seniority of Attorneys:	Average 7 years' experience.
Attorneys' Background:	Attorneys come from Big Law firms and in-house departments, and went to top law schools.
Employment Status:	Independent contractors.
Compensation:	Attorneys keep 80% of every hour billed.
Benefits:	No information available.
Fees:	All bill between \$100.00 and \$175.00 an hour. It is up to attorneys to choose the rate, though Intermix advises them on what rate to choose based on their level of experience and practice area.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Attorneys do project-based work for firms nationwide on an as-needed basis.
Schedules/Flex:	Attorneys have geographic flexibility and many work remotely.
Practice Areas/Type of Clients:	Over 30 practice areas including litigation, family law, real estate, IP, employment, corporate, and immigration.
Virtual Practice:	Yes—attorneys work remotely.
Support Staff:	The firm handles the administrative work and collection for attorneys.
Recruiting:	Word-of-mouth; client referrals.
Promotion Track:	No.
Professional Development:	Presentations, CLEs, and Webinars.
Year Founded:	2013.

**Montage Legal Group (Erin Clary Giglia):**

Type of Organization:	Corporate network of freelance attorneys.
Size:	100+ network attorneys.
Seniority of Attorneys:	All attorneys have at least 5 years of experience.
Attorneys' Background:	Attended prestigious law schools and worked at top law firms.
Employment Status:	Independent contractors.
Compensation:	Montage typically retains 20% of the rate. If the attorney generates the business, Montage takes a lower percentage.
Benefits:	No information available.
Fees:	Rates range from \$75 per hour for document review to \$200–\$225 per hour.
Rainmaking Expectations:	Origination credit offered.
Roles Lawyers Play, and Where:	Nationwide presence with concentrations in California, New York, and Washington, D.C.; no offices and no technology. Attorneys work directly with law firms.
Schedules/Flex:	Attorneys are free to accept or reject work as they wish.
Practice Areas/Type of Clients:	The website lists 28 specialties including criminal law, employment, immigration, tax, appellate, bankruptcy, juvenile law, health law and entertainment law. Clients are law firms. Montage attorneys work on discrete projects, as well as supporting small firms who need extra assistance on unusually large matters or during busy times.
Virtual Practice:	Yes.
Support Staff:	No.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2009.



### Berger Legal (Gary Berger):

Type of Organization:	Virtual law company.
Size:	13 attorneys.
Seniority of Attorneys:	Most attorneys have been practicing between 10 and 20 years.
Attorneys' Background:	An estimated 80% have Big Law experience, with 20 to 25% coming directly from Big Law. Others practiced in-house.
Employment Status:	Independent contractors.
Compensation:	Attorneys take home about what they would at Big Law on an hourly basis.
Benefits:	No.
Fees:	Hourly rates average between \$300 and the low \$400s.
Rainmaking Expectations:	About half of Berger attorneys "bring in at least some business," and they are rewarded for it.
Roles Lawyers Play, and Where:	Operating mostly in New York, New Jersey and Connecticut, with attorneys throughout the country and clients worldwide. Attorneys work mostly from home.
Schedules/Flex:	Attorneys can decline work for any reason. An estimated half of Berger attorneys "take on substantial work during portions of the year," a few work "very part-time," and the rest fall somewhere in between.
Practice Areas/ Type of Clients:	Berger Legal does transactional work, M&A, finance, intellectual property, real estate, HR/employment, marketing compliance, and litigation. Clients range from Fortune 500 corporations to mid-size and start-up enterprises.
Virtual Practice:	Yes.
Support Staff:	There is a full time bookkeeper/office manager, and a part-time paralegal.
Recruiting:	Word-of-mouth and occasional use of a recruiter.
Promotion Track:	No. The founder is the sole partner.
Professional Development:	Information not available.
Year Founded:	2002.

### Burton Law (Chad Burton):

Type of Organization:	Virtual law company.
Size:	7 attorneys.
Seniority of Attorneys:	Seniority varies, but all have at least 5 years' experience.
Attorneys' Background:	Mid-size and large firms and government positions.
Employment Status:	No information available.
Compensation:	Attorneys generally earn more than they did in their previous environments.
Benefits:	No information available.
Fees:	Attorneys set own hourly rates, which are an estimated \$100/hour cheaper than Big Law. Flat rates are available for a variety of routine business activities. The firm is also open to novel fee arrangements.
Rainmaking Expectations:	Attorneys keep 85% of what they directly originate.
Roles Lawyers Play, and Where:	Founded in Ohio, with attorneys also working in Washington, D.C., and Lexington, Kentucky. There is a centralized office space for meetings, but generally attorneys work remotely. Attorneys are able to collaborate using social networking tools.
Schedules/Flex:	People can work when and where they are most efficient.
Practice Areas/ Type of Clients:	Clients are businesses of all types and sizes. The firm focuses on various aspects of business law, alternative dispute resolution and estate planning.
Virtual Practice:	Yes.
Support Staff:	Virtual assistant company.
Recruiting:	The firm uses the Dayton Bar Association to recruit and advertises through online job sites and networking.
Promotion Track:	No information available.
Professional Development:	Informal mentoring.
Year Founded:	2011.

## California Appellate Law Group (Bill Hancock):

Type of Organization:	Professional corporation.
Size:	6 attorneys.
Seniority of Attorneys:	Highly experienced.
Attorneys' Background:	All are experienced appellate litigators specializing in appellate litigation before the Ninth Circuit Court of Appeals and California State Appellate Courts.
Employment Status:	Independent contractors.
Compensation:	Attorneys earn a percentage of the income collected (not billed) based on the number of hours they work. They are compensated at a comparatively high per-hour-worked rate.
Benefits:	Malpractice insurance.
Fees:	Competitive
Rainmaking Expectations:	No.
Roles Lawyers Play, and Where:	Attorneys generally work from home or rent offices near where they live, but there is a downtown San Francisco office space with a conference room and paralegal.
Schedules/Flex:	There is no set number of hours.
Practice Areas/Type of Clients:	Clients include large and small businesses, national corporations, and individuals with significant judgments on appeal.
Virtual Practice:	Yes.
Support Staff:	Full-time paralegal.
Recruiting:	No information available.
Promotion Track:	No, attorneys are independent contractors.
Professional Development:	No information available.
Year Founded:	2012.

## Cognition LLP (Lesley Henry):

Type of Organization:	Law company.
Size:	47 attorneys.
Seniority of Attorneys:	Attorneys are typically experienced. There is a small team of associates.
Attorneys' Background:	Attorneys typically come from Big Law or in-house work.
Employment Status:	Independent contractors.
Compensation:	No information available.
Benefits:	No.
Fees:	Attorneys generally charge \$225 to \$275 hourly, but the firm encourages flat rates and alternative arrangements.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Attorneys are generalists and focus primarily on in-house type work. Attorneys are distributed throughout Canada and work from home, at client sites, or a combination of the two. There is a "no frills office space" for management staff.
Schedules/Flex:	No billable hours requirement, but attorneys generally work full time.
Practice Areas/Type of Clients:	Practice areas include commercial leasing and litigation; corporate governance, secretarial, structuring, transactions, and financing; employment and labor; franchising law; information technology law; intellectual property law; marketing and advertising; media and entertainment law; not-for-profit; privacy law and data security; regulatory law; and securities law. Cognition typically won't litigate. Clients range from startups to Fortune 100 companies.
Virtual Practice:	Yes.
Support Staff:	Staff perform office support functions, human resources, marketing, and operations.
Recruiting:	Word-of-mouth.
Promotion Track:	There are only 2 partners; all other attorneys work as independent contractors.
Professional Development:	CLE offered.
Year Founded:	2005.

### Landmark Law Group (Gullu Singh):

Type of Organization:	Corporation.
Size:	2 attorneys.
Seniority of Attorneys:	Over 30 years' combined experience.
Attorneys' Background:	The founder worked at two prestigious national law firms before starting Landmark Legal Group.
Employment Status:	Employees.
Compensation:	Salary determined on an ad hoc basis.
Benefits:	No information available.
Fees:	Billable rates are an estimated 25 to 30 percent lower than Big Law.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	The firm is entirely virtual. Most transactions are done by teleconference. Official headquarters in Santa Monica, CA.
Schedules/Flex:	Work/life balance results from the firm partnering with clients who respect the attorneys' desire not to work late into the evening or on weekends. No billable hours requirements.
Practice Areas/ Type of Clients:	The firm's biggest clients are real estate investment firms seeking transactional services. The firm also helps clients with bridge loans and assists real estate entrepreneurs in negotiating leases.
Virtual Practice:	Yes.
Support Staff:	A part-time admin handles billing and some office management.
Recruiting:	Networking and professional recruiters.
Promotion Track:	No information available.
Professional Development:	No formal training.
Year Founded:	1999.

### Natoli-Lapin LLC (Frank Natoli):

Type of Organization:	Law firm.
Size:	Two partners plus one of counsel attorney. The firm occasionally hires additional contractors.
Seniority of Attorneys:	No information available.
Attorneys' Background:	Co-founders are a grassroots entrepreneur and a litigator. Of counsel attorney handles patent matters.
Employment Status:	The founders are employees; of counsel attorney is an independent contractor.
Compensation:	No information available.
Benefits:	No.
Fees:	Flat fee model for particular services with a cap on maximum hours worked.
Rainmaking Expectations:	One co-founder is in charge of business development.
Roles Lawyers Play, and Where:	The attorneys offer unbundled legal services from a virtual platform. Headquartered in New York.
Schedules/Flex:	No information available.
Practice Areas/ Type of Clients:	Entrepreneurial boutique doing both business law and intellectual property—a "one-stop shop" for entrepreneurs, independent investors, small businesses, and artists; close to 800 clients in the U.S. and 40 other countries.
Virtual Practice:	Yes.
Support Staff:	Off-site administrative staff.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2008.

## Potomac Law Group (Benjamin Lieber):

Type of Organization:	Law firm.
Size:	48 attorneys and 2 business professionals.
Seniority of Attorneys:	Average of 15 years' experience.
Attorneys' Background:	Top national firms and/or in-house at major corporations.
Employment Status:	Co-founders are equity partners, other partners are akin to income partners, while counsel are independent contractors.
Compensation:	Attorneys set their own rates and are paid for the time they work at rates of \$125 to \$150 per hour.
Benefits:	No.
Fees:	Hourly rates are \$325 to \$350 per hour for partners and the firm offers a wide range of fee arrangements, including flat fees, alternative fees, and contingency-based billing.
Rainmaking Expectations:	"[T]here's not a lot of pressure to develop business," but the firm does give origination credit. An attorney who originates the work and performs it gets 75%.
Roles Lawyers Play, and Where:	About 80% of Potomac's lawyers are in the D.C. area and typically work from home. There is an office in D.C. and flex spaces in Connecticut used for client meetings.
Schedules/Flex:	No billable hours requirements; attorneys are free to work from any location that suits them.
Practice Areas/ Type of Clients:	Services offered throughout the U.S. in 26 areas of practice. Clients are in a range of industries and types, from Fortune 500 companies to early-stage startups.
Virtual Practice:	Yes.
Support Staff:	The firm has a "handful of paralegals," 2 support staff, a Chief Operations Officer, and a Director of Operations. The founder handles administrative tasks.
Recruiting:	Word-of-mouth.
Promotion Track:	Partnership depends on seniority, experience, and an attorney's interest in business development.
Professional Development:	No information available.
Year Founded:	2011.

## Raymond Law Group (Bruce Raymond):

Type of Organization:	Law firm.
Size:	4 attorneys.
Seniority of Attorneys:	All have over 10 years' experience.
Attorneys' Background:	Attorneys primarily have experience in business litigation.
Employment Status:	Employees.
Compensation:	Attorneys receive a base pay and a bonus based on attorney and firm performance.
Benefits:	Retirement benefits and 401(k).
Fees:	Mostly hourly as a result of client demand (around \$365 per hour), but alternative fee arrangements encouraged.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Small office in Connecticut, an executive suite in Boston, executive offices in Denver and New York City, and conference room spaces rented on a pay-as-you-go basis; some attorneys work on site, while others work remotely.
Schedules/Flex:	At the time of the interview, one attorney worked full time, another 20 hours per week, and another only one and a half days per week.
Practice Areas/ Type of Clients:	Litigation and trial firm focusing on business law, with employment law, personal injury, and technology as other areas of expertise.
Virtual Practice:	Yes.
Support Staff:	One paralegal.
Recruiting:	The founder speaks and writes about organization of law and runs a LinkedIn group about alternative fee structures.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2007.

### Rimon PC (Michael Moradzadeh):

Type of Organization:	Law firm.
Size:	39 attorneys (plus 11 network attorneys).
Seniority of Attorneys:	All partners have over 10 years of experience, and many have over 20. Rimon has only 4 associates.
Attorneys' Background:	Experience in law, business, finance, science, and academia. Former BigLaw partners with multiple degrees.
Employment Status:	Employees. Rimon Network attorneys are independent contractors.
Compensation:	Attorneys set hourly rates. Approximately 70% of billings goes to the attorney who did the work.
Benefits:	No information available.
Fees:	Attorneys set their own hourly rates, which are an estimated 60% less than Big Law and keep roughly half. Attorneys choose how they bill their clients, and many use alternative flat-fee arrangements including equity or contingency.
Rainmaking Expectations:	Attorneys bring a book of business and they receive origination credit that doesn't sunset.
Roles Lawyers Play, and Where:	San Francisco-based, but lawyers can work "anytime anywhere." Rimon has offices in 14 cities in the U.S. and Israel. Roughly half use shared office space.
Schedules/Flex:	No billable hours requirements, yet Rimon lawyers typically work 40 to 45 hours per week. To meet rainmaking expectations, "you really need to be out there at night, and you might have to travel.
Practice Areas/Type of Clients:	About 40% of the firm's work is business law, mostly with tech companies, 20% finance; 20% intellectual property, and 20% corporate litigation. Clients include Fortune 100 companies and hedge funds, several midcap companies, and early stage startups.
Virtual Practice:	Yes.
Support Staff:	6 professional staff persons, 2 paralegals, and a technologist-in-residence.
Recruiting:	The Founding Partner and CEO is in charge of recruiting.
Promotion Track:	There is no hierarchy among partners.
Professional Development:	Monthly practice group meetings and 3 yearly retreats.
Year Founded:	2008.

### Rosen Law Firm (Lee Rosen):

Type of Organization:	Law firm.
Size:	15 professionals.
Seniority of Attorneys:	No information available.
Attorneys' Background:	Most come from small firms, and many have only a couple years of experience.
Employment Status:	Employees.
Compensation:	Attorneys aren't salaried but are paid by the amount of work they do and origination credit.
Benefits:	Include paid maternity leave, insurance packages, and employee managed leave time for vacation and/or illness.
Fees:	Fixed fee arrangements.
Rainmaking Expectations:	Attorneys are expected to bring in business and receive origination credit.
Roles Lawyers Play, and Where:	Based in North Carolina with offices in Raleigh, Durham, Chapel Hill, and Charlotte.
Schedules/Flex:	The firm's culture and technology allow for flextime.
Practice Areas/Type of Clients:	Rosen is a family law firm mainly serving successful technology and business people.
Virtual Practice:	Yes.
Support Staff:	Very few administrative personnel. The firm outsources financial functions, IT, the phone system, practice and document management systems, and some legal work.
Recruiting:	In addition to word-of-mouth recruiting, the firm reaches out to law schools and advertises in local legal publications.
Promotion Track:	None.
Professional Development:	One attorney's time is wholly dedicated to managing and training attorneys.
Year Founded:	1990.

## VLP Partners (Charulata Pagar):

Type of Organization:	Law firm.
Size:	47 attorneys and 4 legal specialists.
Seniority of Attorneys:	Senior-level; a minimum of 5 years' experience is required, but the average is roughly 15 to 20 years.
Attorneys' Background:	Attorneys include many parents and partners who have retired from Big Law but still want to work.
Employment Status:	Employees.
Compensation:	Partners typically charge \$300 to \$500 an hour and take home up to 85% of their billings.
Benefits:	Partners buy their own benefits.
Fees:	Attorneys set their rates. Alternative fees available.
Rainmaking Expectations:	Must have a book of business, but the expectation is less than at larger firms; origination credit offered.
Roles Lawyers Play, and Where:	Many work from their own homes; some obtain office space on their own. The firm has 4 in-person meetings per year.
Schedules/Flex:	Attorneys may turn down business as they wish.
Practice Areas/ Type of Clients:	Practice areas are focused on corporate law and finance, technology transfer/intellectual property, tax, real estate, energy and environmental law, affordable housing, and advertising law. Clients range in size from individual executives and early-stage startups to Fortune 500 companies. There is no litigation practice.
Virtual Practice:	Yes.
Support Staff:	The firm provides accounting and technical support. The firm also handles billing and supports collection efforts.
Recruiting:	Recruitment Manager, Marketing Manager, and Hiring Committee.
Promotion Track:	All attorneys are partners. The firm is run by a 5 member executive committee and the CEO.
Professional Development:	No information available.
Year Founded:	2008.

### Applegate & Thorne-Thomsen (Ben Applegate):

Type of Organization:	Law firm.
Size:	27 attorneys.
Seniority of Attorneys:	No information available.
Attorneys' Background:	Attorneys are "very highly skilled, top-notch education, highly motivated folks."
Employment Status:	Employees.
Compensation:	Attorneys place in the top quartile in compensation when compared with firms of similar size. Salaries are "maybe 15–20%" off market, estimates the founder.
Benefits:	Include broad coverage health insurance.
Fees:	Hourly rates are about half of Big Law rates.
Rainmaking Expectations:	No.
Roles Lawyers Play, and Where:	Chicago, IL.
Schedules/Flex:	Hours expectations are about 1700 hours per year, and accommodates part-time and flexible schedules.
Practice Areas/Type of Clients:	The firm's practice is primarily affordable housing and community development, but it also has lawyers who specialize in commercial real estate, zoning, and government approvals.
Virtual Practice:	Attorneys and paralegals are able to work from home on a case-by-case basis.
Support Staff:	9 paralegals and 9 administrative professionals.
Recruiting:	Word-of-mouth.
Promotion Track:	Attorneys may be considered for partner after 2 years.
Professional Development:	Associates with many different people. The firm sends attorneys to external trainings, though most training occurs on the job.
Year Founded:	1998.

### Bartlit Beck Herman Palenchar & Scott (Alexandra Buck):

Type of Organization:	Law firm.
Size:	75 attorneys.
Seniority of Attorneys:	Varies.
Attorneys' Background:	No information available.
Employment Status:	Employees.
Compensation:	Based on merit rather than hours worked.
Benefits:	Include 4 months of leave for new parents. The firm provides an on-site gym and a complimentary masseuse in its Chicago office and a climbing wall in its Denver office.
Fees:	Commitment to using alternative fee structures, usually a monthly fee and a holdback amount; other fee structures include contingent fees, flat fees, or some combination of the two.
Rainmaking Expectations:	No minimum requirements for attorneys.
Roles Lawyers Play, and Where:	The firm has offices in Chicago and Denver. Lawyers average 13 trial days per year. It often delegates discovery and document review work to a partner firm or company, though, even partners are sometimes responsible for document review.
Schedules/Flex:	No information available.
Practice Areas/Type of Clients:	Complex litigation and corporate practice, including M&A, securities, and compliance issues.
Virtual Practice:	No.
Support Staff:	Yes.
Recruiting:	Strong recruitment relationships with judges, their clerks, and the law schools at University of Chicago and Northwestern where some of the firm's attorneys teach.
Promotion Track:	Associates can make partner in 5–6 years. Partnership is based only on time with the firm.
Professional Development:	Training and mentorship are emphasized. Associates gain extensive trial exposure soon after joining the firm.
Year Founded:	1993.

### Charna E. Sherman Law Offices Co. (Charna Sherman):

Type of Organization:	Law firm.
Size:	2 attorneys and 5 “virtual partners” available to work as needed.
Seniority of Attorneys:	The 2 full-time attorneys have over 30 years of combined experience. Virtual partners have over 10 years of experience.
Attorneys’ Background:	The leading attorney is a top litigator and former equity partner in an Am Law 100 firm. Virtual partners also have Big Law firm experience.
Employment Status:	Employees and independent contractors.
Compensation:	No information available.
Benefits:	No information available.
Fees:	No information available.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Office in Cleveland, Ohio. The firm partners with “virtual partners” at Montage Legal and attorneys at Big Law firms.
Schedules/Flex:	No information available.
Practice Areas/ Type of Clients:	In addition to commercial litigation, past representation includes white collar defense, toxic torts, products liability, environmental, health and safety, and intellectual property.
Virtual Practice:	Yes.
Support Staff:	One paralegal.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2011.

### d’Arcambal Ousley & Cuyler Burk (Jodie Ousley):

Type of Organization:	Law firm.
Size:	18 attorneys.
Seniority of Attorneys:	Varies, most attorneys are experienced.
Attorneys’ Background:	Attorneys have a broad range of experience. Some, but not all, are from elite law schools. The firm does consider attorneys without experience in its field.
Employment Status:	Mixed. Attorneys usually start out as independent contractors and work their way to part-time employee status before becoming full-time employees.
Compensation:	Attorneys earn a percentage of what they bill and are offered various kinds of profit sharing.
Benefits:	Full-time employees get health care and paid time off.
Fees:	Hourly billing at a lower rate than traditional firms.
Rainmaking Expectations:	Origination credit offered.
Roles Lawyers Play, and Where:	Offices in New York, New Jersey, and Philadelphia.
Schedules/Flex:	Most employees are full-time, but the firm offers flexibility to its attorneys and staff.
Practice Areas/ Type of Clients:	Commercial litigation of all types, including law and products liability, with a focus on the insurance and finance industries in New York, New Jersey, and Pennsylvania.
Virtual Practice:	No.
Support Staff:	Yes.
Recruiting:	Through law schools and professional groups, job posting, and word-of-mouth.
Promotion Track:	No information available.
Professional Development:	Associates are assigned to every case with a partner and receive on-the-job training. There are also CLEs within the office, and the firm pays for professional conferences and bar organizations.
Year Founded:	2006.



### Delegatus Legal Services Inc. (Pascale Pageau):

Type of Organization:	Law firm.
Size:	25 attorneys.
Seniority of Attorneys:	No partners or associates.
Attorneys' Background:	Between 5 and 35 years of experience, typically with large firm or company experience. Firm does not hire junior attorneys.
Employment Status:	Independent Contractors.
Compensation:	On percentage basis. The more hours an attorney works within a year and the more business this attorney brings, the higher a percentage of the overall billing they receive.
Benefits:	No information available.
Fees:	Flexible, many on billable hour, others fixed fee. Often built on creative parameters. Typically 40% or 50% less than BigLaw.
Rainmaking Expectations:	Attorneys receive higher percentage of billing based on business brought in.
Roles Lawyers Play, and Where:	Outside counsel and in-house. Based in Montreal.
Schedules/Flex:	Flexibility is a core principle of firm, no minimum hours requirements.
Practice Areas/Type of Clients:	Specializations in corporate, real estate, commercial litigation, and mergers and acquisitions
Virtual Practice:	No information available.
Support Staff:	Reportedly less than traditional law firms.
Recruiting:	No information available.
Promotion Track:	Attorneys can become team leaders.
Professional Development:	No information available.
Year Founded:	2005.

### Galldin Robertson (Karin Galldin):

Type of Organization:	Law association.
Size:	2 attorneys.
Seniority of Attorneys:	Almost 20 years of combined experience.
Attorneys' Background:	One attorney runs a human rights and civil litigation practice whose clients tend to be trauma survivors and those who've experienced sexual violence. The other attorney has a family law practice focusing on queer families.
Employment Status:	Independent attorneys operating in association.
Compensation:	Expenses are split evenly between both attorneys. The founder earns \$45,000 per year.
Benefits:	No information available.
Fees:	Hourly billing at a rate of about \$200 per hour, and occasional contingency arrangements.
Rainmaking Expectations:	Attorneys bring in their own clients.
Roles Lawyers Play, and Where:	The firm is based in Ottawa, Ontario.
Schedules/Flex:	Attorneys prioritize work-life balance. The founder keeps a 9 to 5 work day.
Practice Areas/Type of Clients:	Galldin Robertson practices in the areas of human rights, civil litigation, family law, and employment and labor law. Services are meant to be accessible to individuals of varying income levels.
Virtual Practice:	No.
Support Staff:	Part-time support staff maintain the office and do bookkeeping.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	Mentorship is a strong value in the firm.
Year Founded:	2007.

## GCA Law Partners (John Hollingsworth):

Type of Organization:	Law firm.
Size:	27 attorneys
Seniority of Attorneys:	No associates, only partners many of whom have practiced for over twenty years.
Attorneys' Background:	No information available.
Employment Status:	Employees
Compensation:	Attorneys keep 70–80% of what they bill and collect.
Benefits:	401(k) plan and a profit-sharing plan, health plans, an investment partnership, disability leave (including parental leave), and life and disability insurance.
Fees:	Reduced fees, but specific information not available.
Rainmaking Expectations:	No requirement for book of business, but must be willing to learn to generate business.
Roles Lawyers Play, and Where:	Based in California
Schedules/Flex:	Attorneys have the flexibility to practice as much or as little as they want.
Practice Areas/ Type of Clients:	Practice areas include corporate, employment, general business litigation, IP litigation, technology transactions, real estate leasing and real estate litigation, ERISA and benefits, and trusts and estates.
Virtual Practice:	No information available.
Support Staff:	No secretarial support, and “lean” administrative support.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	1988

## Lawdingo (Nikhil Nirmel):

Type of Organization:	Company
Size:	2,000 network attorneys.
Seniority of Attorneys:	Non-hierarchical, attorneys have mixed levels of experience.
Attorneys' Background:	Small boutique or solo practitioners, many who are interested in working part-time.
Employment Status:	Independent.
Compensation:	\$30 for fifteen minutes. Other prices negotiated at attorney's standard billing rate, with attorneys paying only a monthly subscription fee.
Benefits:	No information available.
Fees:	No information available.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Attorneys screen intake calls, and provide referrals to network attorneys. Lawyers work virtually. Concentrations of lawyers in New York and California.
Schedules/Flex:	Attorneys can work whenever they want and there is no minimum hour requirement.
Practice Areas/ Type of Clients:	Clients are typically individuals seeking legal advice in criminal law, immigration, family law, real estate and tenant law, startups, patents, and trademarks.
Virtual Practice:	Initial contacts are entirely virtual, and at least half have no face-to-face interaction throughout the representation.
Support Staff:	Technologists, screeners and billing specialists. Attorneys provide their own paralegal and other support.
Recruiting:	Through social media, other advertising and outreach.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2012.

### Law Offices of Kirsten Scheurer Branigan PC (Kirsten Branigan):

Type of Organization:	Law firm.
Size:	3 attorneys.
Seniority of Attorneys:	Attorneys have over 15 years of experience.
Attorneys' Background:	2 attorneys specialize in employment law, with a litigator handling a wide variety of commercial disputes. The other attorney specializes in real estate.
Employment Status:	No information available.
Compensation:	No information available.
Benefits:	No information available.
Fees:	Hourly billing, flat fees, contingency fees, and hybrid arrangements. Flat fees tend to be for human resource manuals or training sessions.
Rainmaking Expectations:	No information available.
Roles Lawyers Play, and Where:	Office in New Jersey, though attorneys have the option of working remotely.
Schedules/Flex:	Work-life balance is key to the firm, and remote work is an option.
Practice Areas/Type of Clients:	90 percent employment law (for both plaintiffs and defendants) and alternative dispute resolution.
Virtual Practice:	Yes, attorneys are able to work remotely.
Support Staff:	Legal coordinator/assistant firm manager, paralegal, and document clerk.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	2006.

### Miller Law Group (Michele Miller):

Type of Organization:	Law firm.
Size:	19 attorneys.
Seniority of Attorneys:	At least 5 years of experience required.
Attorneys' Background:	Attorneys are "top-notch" and come from "very prestigious, big law firms."
Employment Status:	Employees.
Compensation:	Salaries are "very competitive" but lower than Big Law.
Benefits:	No information available.
Fees:	Hourly billing as well as alternative arrangements like flat fees and success fees. "It really depends on what the case is, and what the client wants."
Rainmaking Expectations:	Marketing and business development occur on a team basis; no origination credit.
Roles Lawyers Play, and Where:	Offices in San Francisco and Los Angeles.
Schedules/Flex:	Full-time is calibrated to 1800 billable hours per year.
Practice Areas/Type of Clients:	Defense-side firm representing California businesses in employment law and related litigation. Clients include Fortune 500 and smaller companies from a wide range of industries.
Virtual Practice:	No.
Support Staff:	Ratio of about 4 to 5 attorneys per secretary.
Recruiting:	Mostly word-of-mouth; occasional use of a recruiter.
Promotion Track:	The firm has equity partners, associates, and special counsel. A committee primarily made up of equity partners makes partnership decisions.
Professional Development:	No information available.
Year Founded:	1998.

## The Mitzel Group LLP (Krista Mitzel):

Type of Organization:	Firm foundation.
Size:	10 attorneys.
Seniority of Attorneys:	Full range of experience levels.
Attorneys' Background:	All partners have Big Law backgrounds. For associates, the firm has hired both experienced attorneys and recent graduates.
Employment Status:	Employees and independent contractors.
Compensation:	The low- to mid-six figures, although their take depends on their book of business.
Benefits:	No information available.
Fees:	Fees are around \$300 to \$400 per hour. Mostly hourly billing, but flat rates are available.
Rainmaking Expectations:	Partners are expected to have a book of business. Attorneys receive training in business development.
Roles Lawyers Play, and Where:	Offices in San Francisco, Napa, and New York. Of counsel attorneys are senior independent contractors who join for specific projects. Work is distributed according to attorney availability.
Schedules/Flex:	Alternative schedules are available and some attorneys work remotely. Associates are expected to bill 1,600 hours.
Practice Areas/ Type of Clients:	The firm specializes in employment, litigation, business and corporate law, business immigration, and new media and privacy. Clients typically have between 50 and 300 employees in a wide variety of industries. Many are based in the Bay Area.
Virtual Practice:	Attorneys work from home and/or client sites.
Support Staff:	No information available.
Recruiting:	No information available.
Promotion Track:	Typically, partner candidates begin with the firm on a contractor basis for a 3 to 6 month trial period. To make partner, attorneys must have enough risk tolerance to thrive in an entrepreneurial environment.
Professional Development:	The firm assists associates interested in making partner beginning in their fourth or fifth year, to help them develop a book of business.
Year Founded:	2009.

## Reno &amp; Cavanaugh PLLC (Lee Reno):

Type of Organization:	Law firm.
Size:	29 attorneys.
Seniority of Attorneys:	It varies—some are just out of law school.
Attorneys' Background:	Attorneys come from a range of law schools and backgrounds, including in-house counsel positions at housing authorities, nonprofit organizations, and policy.
Employment Status:	Employees.
Compensation:	Profits per partner are estimated to be between \$300,000 and \$400,000 per year. Non-equity partners make \$180,000 guaranteed, with the opportunity to make more based on productivity.
Benefits:	Yes.
Fees:	No information available.
Rainmaking Expectations:	Must be generating clients to become an equity partner.
Roles Lawyers Play, and Where:	Offices in Washington, D.C., Columbia, Maryland, Nashville, and Oregon, but attorneys have represented clients in 45 states.
Schedules/Flex:	Associates are expected to bill 1700 hours per year, but they may do so from home on their on schedules.
Practice Areas/ Type of Clients:	The firm focuses on “producing and preserving low-income housing in the United States.” Practice areas include real estate, finance, economic development, and affordable housing.
Virtual Practice:	Yes—at least one attorney works from home full time.
Support Staff:	Business manager and 3–4 support people in addition to team of legal assistants and paralegals.
Recruiting:	Headhunter for lateral recruiting.
Promotion Track:	Two-tiered partnership, with associates on partnership track at 3 years, and up for partner at 5 years.
Professional Development:	CLE.
Year Founded:	1977.

### Smithline PC (Todd Smithline):

Type of Organization:	Law firm.
Size:	6 attorneys.
Seniority of Attorneys:	Seniority ranges; 2 managing counsel and 4 associates.
Attorneys' Background:	"Internet and software lawyers" who attended top law schools and worked at prestigious firms.
Employment Status:	Employees.
Compensation:	Attorneys are salaried at a level "close" to what they would make at Big Law, says the founder.
Benefits:	No information available.
Fees:	Monthly subscription fee beginning with an exploratory period during which the firm assesses the client's needs.
Rainmaking Expectations:	None.
Roles Lawyers Play, and Where:	Office is in downtown San Francisco. Services are provided by its entire team of attorneys.
Schedules/Flex:	Attorneys finish by 5 or 6 p.m., have 3 week's annual paid vacation "unplugged", and typically do not respond to emails after business hours, nor do they work on weekends. However, within these parameters, attorneys must be on-call for client matters.
Practice Areas/ Type of Clients:	The firm practices only intellectual property licensing and technology transactions for internet, software, and technology companies.
Virtual Practice:	No.
Support Staff:	Yes.
Recruiting:	No information available.
Promotion Track:	No information available.
Professional Development:	The firm meets once per week for training.
Year Founded:	2004.

### Summit Law Group (Polly McNeill):

Type of Organization:	Law firm.
Size:	36 attorneys.
Seniority of Attorneys:	"Only seasoned professionals" are hired.
Attorneys' Background:	Attorneys specialize in either litigation, business, or labor.
Employment Status:	Employees. Attorneys are owners of the firm.
Compensation:	Overhead allocation is prorated for part-time attorneys.
Benefits:	No information available.
Fees:	Summit's billing arrangements include value-based billing, fixed fee, monthly retainer, percentage fees, and success-based fees. The firm's standard engagement letter includes a "Value Adjustment Line" which encourages clients to adjust billing based on their perception of the value received. Summit never charges for telephone calls, faxes, postage, internal copying, computer research, or local travel.
Rainmaking Expectations:	"We encourage people to get involved personally in some fashion with something that they are passionate about that will lead to business development."
Roles Lawyers Play, and Where:	Headquartered in Seattle with satellite offices in Spokane and Kennewick, Washington. All attorneys and staff members have the same size offices, and the dress code is informal.
Schedules/Flex:	Summit supports flex-time, telecommuting, remote offices, reduced hours and extended leave.
Practice Areas/ Type of Clients:	Specialties include environmental law, employment law, business law, and litigation. Clients range from tech startups to Fortune 500 companies.
Virtual Practice:	Yes, the firm's policy allows for remote work.
Support Staff:	The firm employs 6 paralegals, 8 legal assistants, and 8 administrative staff.
Recruiting:	No information available.
Promotion Track:	No. There is no associate/partner distinction.
Professional Development:	No information available.
Year Founded:	1997.

## Tucker Ellis LLP (Joe Morford):

Type of Organization:	Law firm.
Size:	Roughly 190 attorneys.
Seniority of Attorneys:	Mix of laterals and recent law school graduates.
Attorneys' Background:	The firm tends to attract a "35 to 50 year old sort of rising star" from traditional firms.
Employment Status:	Employees.
Compensation:	Competitive salaries offered under a closed compensation system. Attorneys from "megafirms" make the same or more than previously.
Benefits:	Benefits include health and dental insurance, paid maternity leave, life insurance, medical and dependent care spending accounts, educational reimbursement, 401(k) savings plans, and paid vacation and sick time. The firm also provides other insurance, counseling, and in-house health screenings at no cost.
Fees:	Hourly billing and alternative arrangements, including fixed, monthly, and success fees; rates are lower than Big Law.
Rainmaking Expectations:	Rainmaking is typically done in teams. No origination credit is offered.
Roles Lawyers Play, and Where:	Offices in Ohio, California, and Denver.
Schedules/Flex:	Part-time arrangement is available. Generally, part-timers work at least 2 days per week.
Practice Areas/ Type of Clients:	The firm specializes in trials, particularly in pharmaceutical, mass tort, product liability, and IP. Clients include Fortune 100 companies and local mid-market companies.
Virtual Practice:	No.
Support Staff:	Over 50 paralegals.
Recruiting:	The firm advertises open positions.
Promotion Track:	There are written standards for associates to be promoted to counsel, then they can be considered for partner annually.
Professional Development:	The firm employs a senior attorney whose job is training and career development. There is also the Tucker Ellis Litigation Institute, in addition to quarterly programs on litigation, programs on specific areas of medicine, and business development skills.
Year Founded:	2003.

## Tucker Griffin Barnes PC (Mike Griffin):

Type of Organization:	Law firm.
Size:	11 attorneys.
Seniority of Attorneys:	15 to 20 years of practice experience.
Attorneys' Background:	Each attorney specializes in 1 or 2 service areas, so backgrounds vary. The firm does not hire exclusively from top law schools; many attorneys are from local schools.
Employment Status:	Employees.
Compensation:	Attorneys receive a monthly salary based on their equity percentage with an additional amount based on how profitable they are individually.
Benefits:	No information available.
Fees:	Hourly, contingency, and fixed fee arrangements available; mid-range for the market.
Rainmaking Expectations:	Lateral hires must bring in a book of business.
Roles Lawyers Play, and Where:	Offices in Charlottesville, Lake Monticello, and Harrisonburg, Virginia.
Schedules/Flex:	Attorneys and staff are encouraged to bring their babies to work. The firm markets its policy to clients and has a play area in every conference room. Part-time schedules, including 3 days per week and half days, are available.
Practice Areas/ Type of Clients:	Practice areas include personal injury, disability, workers compensation, criminal defense, real estate, family law, bankruptcy, and consumer law.
Virtual Practice:	No.
Support Staff:	2 office staff and 17 paralegals/legal assistants.
Recruiting:	Word-of-mouth and community involvement.
Promotion Track:	No information available.
Professional Development:	No information available.
Year Founded:	1990.

### Valorem Law Group (Nicole Auerbach):

Type of Organization:	Law firm.
Size:	11 attorneys.
Seniority of Attorneys:	The firm hires attorneys with several years of experience, though there are exceptions.
Attorneys' Background:	Usually large law firm experience.
Employment Status:	Employees and independent contractors.
Compensation:	All equity partners share equally in the profits. For others, it's a case-by-case basis. Associates make less than they would at traditional firms. Partners make about the same overall, but compensation fluctuates more than it would at a traditional firm.
Benefits:	No information available.
Fees:	Alternative fee structures include fixed fees, contingencies, and hybrids. Almost all arrangements include a holdback amount. Each client bill includes a value adjustment line. When the firm bills hourly, rates are lower than traditional firms.
Rainmaking Expectations:	No set requirement, but the firm expects contributions.
Roles Lawyers Play, and Where:	Offices in Chicago and Silicon Valley. Collaboration is strongly emphasized, and the firm rejects the silo approach. Multiple partners often work on the same cases.
Schedules/Flex:	Part-time requests are handled on a case-by-case basis. Some staff members and lawyers work part-time and/or telecommute. There are no billable hours expectations.
Practice Areas/ Type of Clients:	The firm handles all types of complex litigation on both the plaintiff and defense sides. Clients are corporations, businesses of all sizes, and occasionally individuals.
Virtual Practice:	No.
Support Staff:	Yes: admins and paralegals.
Recruiting:	Word-of-mouth.
Promotion Track:	No set structure. The firm has not been around long enough to have associates ascend to partnership.
Professional Development:	The firm "encourage[s] professional development and pay[s] for it where reasonable." This includes internal mentoring and training sessions.
Year Founded:	2008.

### FLEX by Fenwick & West LLP (Ralph Pais and Alex Smith):

Type of Organization:	Legal consulting service offered by law firm.
Size:	About 40 attorneys.
Seniority of Attorneys:	Mixed, with at least one third having over 15 years of experience.
Attorneys' Background:	Significant in-house and law firm experience.
Employment Status:	Employees.
Compensation:	FLEX attorneys are paid for the amount of time they make themselves available for work at rates comparable to in-house.
Benefits:	Yes, including malpractice insurance, 401(k), and insurance plans for attorneys working at least half-time.
Fees:	FLEX fees are one-third to one-half those of Big Law. There are two pricing models: a specific number of hours per month or per quarter, or work for a specific number of days per week, either part- or full-time.
Rainmaking Expectations:	No.
Roles Lawyers Play, and Where:	Engagements for earlier-stage companies that need someone in the general counsel role but do not have enough work to justify a full time position can go on for years, typically with the FLEX attorney working remotely. Another kind of engagement, where the FLEX attorney works a specific number of days per week at the client site, typically last 6 to 9 months if full-time, and longer if part-time. FLEX attorneys work the typical business day worked by their colleagues at the company.
Schedules/Flex:	Employment plans ranging from 5 hours per week all the way up to full-time. Attorneys work as much or as little as they wish.
Practice Areas/Type of Clients:	FLEX attorneys do commercial transactions ranging from nondisclosure agreements, software licensing agreements, and sales agreements to partnership deals, development deals as well as secondment. Clients range from high-growth tech companies with small or no legal departments to large public companies.
Virtual Practice:	Yes.

Support Staff:	FLEX has a team of 5 professionals handling marketing, attorney development, relationship management, business organization, and development.
Recruiting:	FLEX recruits Fenwick alums and other lawyers, focusing on those with in-house experience. Flex has done several marketing campaigns to encourage women and working parents to apply.
Promotion Track:	No information available.
Professional Development:	CLE offered.
Year Founded:	2010.





## Notes

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A middle-aged man with grey hair and a beard, wearing a grey suit, light blue shirt, and blue patterned tie, is smiling and looking towards the right. He is holding a blue folder. The background is a blurred office setting with wooden paneling and a window.

# WORKLIFE LAW

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