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From Succession Planning to Office Space, Law Firm Leaders Discuss Industry Concerns

Managing partners at several New York law offices spoke about some of the most pressing concerns facing firms.

By Jack Newsham | January 30, 2020

Managing Partners Roundtable, part of the Law Practice Management Day on Jan. 30 at the NYSBA's annual meeting. From left: moderator Craig Brown of Cadence Counsel, Louis DiLorenzo of Bond, Schoeneck & King, Daniel Connolly of Bracewell, Marc Landis of Phillips Nizer, Ronald Shechtman of Pryor Cashman, Richard Scarola of Scarola Zubatov Schaffzin. Courtesy of the NYSBA

What are some of the most pressing issues for law firm leaders these days?

Several managing partners from large to small firms discussed Thursday a host of challenges in the legal industry, such as millennial demands, succession planning, real estate costs and how to handle lawyers who don't generate enough business.

The firm leaders included Daniel Connolly, who leads Bracewell's Manhattan office; Louis DiLorenzo, the managing member in New York City for Bond, Schoeneck & King; Ronald Shechtman, of Pryor Cashman; Marc Landis, of the roughly 70-lawyer firm Phillips Nizer; and Richard Scarola, of 12-lawyer Scarola Zubatov Schaffzin. They shared their opinions and experiences at a panel of the New York State Bar Association's annual meeting.

Some of them described their main priorities as keeping business going when younger lawyers have such different expectations from older ones.

At Bracewell, Connolly said the firm has a "mandatory but discretionary" retirement age. Older partners want credit for the clients they've brought to a law firm, he said, and at Bracewell, they have to write up a plan for how to hand off business to younger attorneys who they've practiced with over the years.

Younger lawyers value things like sabbaticals and family time more than their predecessors, Connolly said, but they're not totally above creature comforts. He described visiting one firm that didn't assign its youngest associates to specific offices—which one younger lawyer confided he didn't like at all, Connolly said.

At Pryor Cashman, Shechtman said, collaboration is key. He was one of several panelists to discourage working from home, saying that coming into the office built bonds among lawyers. Pryor Cashman's low leverage—its partner to nonpartner ratio is about 1:1, he added—was among the factors that made satisfied associates stick around.

"The greatest management challenge for our firm is to maintain the culture that we have," Shechtman said.

The Pryor Cashman leader expressed satisfaction with business development patterns at the firm, saying, "40% of our partners originate $1 million or more. Two-thirds of our partners originate $500,000 or more."

DiLorenzo, of Bond Schoeneck, noted not every lawyer is going to be a business generator. He described how promising midlevel associates at Bond Schoeneck are identified early. Other lawyers, he said, are given the message that if they're not going to develop clients, they need to prove their value to the firm in other ways, like by writing newsletters.

"Watching television at home is not going to bring us anything," he said. "We all have to participate in this, or people don't survive."

For smaller firms, real estate costs are a large concern. Scarola spoke on the huge expense of a lease for small firms like his and the need to sublet space to other lawyers.

Landis pointed out the managing partner panel wasn't diverse—and said the next generation of law firm leadership would be.

"You're looking at five white men, and that is not what law firms look like anymore," he said, adding leaders need to ensure that women, non-white or otherwise diverse lawyers need to be given opportunities to learn the business of law.
