

Mid-Market Recap: The Things That Worry Midsize Firm Leaders

More than a few midsize firm leaders are worried about two big issues: retaining young talent, and success

By **Hank Grezlak** (<https://www.law.com/mid-market-report/author/profile/Hank-Grezlak/>) | November 15, 2019 at 09:03 AM



Businesswoman stops a chain fall like domino game.

As a journalist, panel discussions are often a great venue to get a sense of what's on thought leaders' minds, particularly when it comes to law firm leaders. And after reading Jonathan Ringel's [story](#)

(<https://www.law.com/dailyreportonline/2019/10/31/step-back-and-get-a-plan-midsize-firms-compare-challenges-at-conference/>) for the Daily Report about a panel discussion on law firm management and strategic planning at a conference held by the [Legal Netlink Alliance](https://www.legalnetlink.net/) (<https://www.legalnetlink.net/>), it's clear that more than a few midsize firm leaders are worried about two big issues: retaining young talent, and succession planning.

For instance, when the topic of keeping young talent came up, one audience member complained about how Big Law firms were grabbing associates that mid-market firms had been employing and training since they graduated from law school.

"They just like to pick them off from midsize firms," Ringel quoted one attorney saying.

So what are midsize firms to do? One person pointed out that work-life balance and the practices and culture at mid-market firms can be an incentive for associates to stay. In terms of dealing with the issue, another suggestion was using exit interviews to get useful information and ideas.

But the biggest anxiety seemed to center around succession planning.

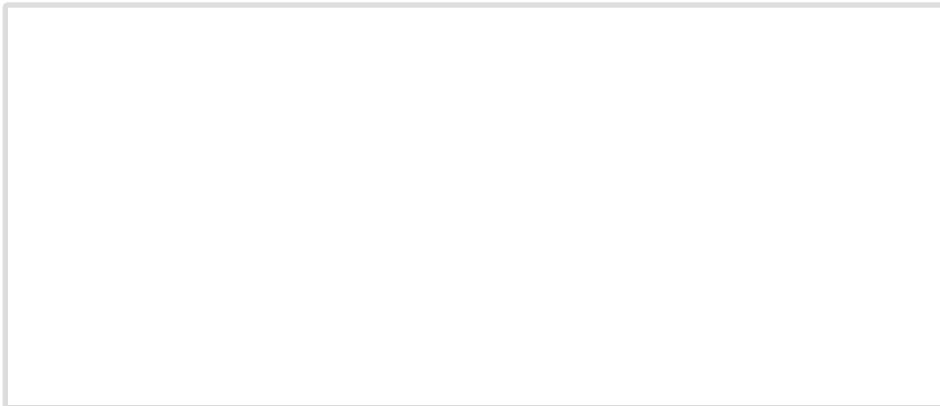
Bill Acevedo of **Wendel Rosen (<https://www.wendel.com/>)**, a 110-year-old Oakland, California firm, said “the numbers were startling,” when they asked partners at a meeting how long they expected to practice before retiring and it became obvious that too many were nearing the end of their careers.

As a result, the firm formed a strategic planning committee. One thing the committee did, Ringel reported, was interview 30 firm clients, making sure neither of the two partners who interviewed each client was the relationship partner. There was also a partnership retreat and a survey of support staff.

Acevedo said staff wanted to know the firm would be prepared when all the retirements hit.

“They wanted to know we had a plan,” Acevedo said.

That insight is interesting, because it goes to show that staff are very much attuned to the future, and where a firm is headed, and potential problem spots on the horizon. Firm leaders should take note of that.



According to Ringel, John Mansour of **Mansour Gavin (<https://mansourgavin.com/>)**, a 23-lawyer firm in Cleveland, Ohio, said his firm had to work on a succession issues because six of its 23 lawyers are over 68 years old.

His firm also looked to diversify its revenue sources after coming to the conclusion that two clients accounted for a bigger portion of billings than the firm was comfortable with.

Reading Ringel’s piece, you get the sense that the problems are common, though the potential solutions are many—it’s a matter of finding what fits for your firm.

And if you’re one of the mid-market leaders worrying about talent drain or succession issues, you’re not alone.

Given how prevalent those concerns are, how many firms are actively trying to identify their issues of concern and planning out how to attack them?

their areas of vulnerability, and then come up with a strategic plan to address.

Sounds simple enough, but given the worries this panel expressed, and that I have heard in various meetings and discussions, it's obvious not every midsize firm is confronting their uncomfortable truths head-on.

Bullish—Or at Least Optimistic—in Texas

There's no shortage of political turmoil these days, or fear of an economic downturn. With that in mind, Brenda Sapino Jeffreys did a **piece** (<https://www.law.com/texaslawyer/2019/10/23/amid-economic-uncertainty-texas-law-firm-leaders-bullish-on-the-short-term/>) for Texas Lawyer, asking several Texas law firm leaders if the current business and political environment was causing them to rethink their strategies at all or focus on any particular practice areas.

Not surprisingly, the leaders were largely upbeat about the current state of their firms, and their short-term prospects.

Two of the firm leaders Jeffreys spoke with were from mid-market firms. Their responses indicated their firms were doing quite well.

For instance, Wayne Risoli, managing shareholder of 130-lawyer **Chamberlain Hrdlicka** (<https://www.chamberlainlaw.com/>), told Jeffreys that his firm's production numbers were at record levels through the first three quarters of 2019.

He said the firm considers it a good year if their numbers are 5-10% higher than the previous year. At the time of the article, Risoli said the firm's numbers were up 18% from 2018.

Those are numbers most law firm leaders would love to have.

And it wasn't just one practice area, either. He said the firm's numbers were up across all sections of the firm.

He noted their tax practices were up substantially and attributed that to "the turmoil and uncertainty in the business community."

Risoli told Jeffreys that he thought his firm was benefitting from mega-mergers because it was causing rate increases that was leading to more clients choosing his firm.

Chris Hanslik, the chair of **BoyarMiller** (<https://www.boyarmiller.com/>), a 31-lawyer firm based in Houston, told Jeffreys that despite any economic uncertainty, his firm has no plans to scale back.

"We see opportunity in the legal industry for firms focused on middle-market businesses," he said.

Their M&A practice has grown, Hanslik said, and the firm is also looking to grow its litigation group.

He said the firm recently held a capital markets forum and a group of Texas finance experts told the audience that capital is "abundant" and that it's a good time to seek funding.

“While we acknowledge some market uncertainty exists, particularly with the upcoming presidential election, we believe there will be moderate M&A activity and that we are well positioned to help business owners navigate the complex issues that arise,” Hanslik said.

Obviously that’s a real small sample, but it mirrors what we’ve generally heard from midsize firm leaders: business is good, and there are opportunities getting business from mid-market clients.

Being Creative with Office Space in Florida

There was a time when law firm offices were pretty conservative, plain and dreary... maybe one step above an accounting department’s digs. But lately, law firms, particularly mid-market firms, have gotten creative. Open floor plans, modern dining areas, rooftop decks, espresso bars, media rooms—you name it.

Whether it’s the influence of tech start-up culture, or just firms looking to make their offices more inviting, many mid-market firms are going for a very different look these days.

A recent example is Cathy Wilson’s [story and slide show](https://www.law.com/dailybusinessreview/2019/09/20/kelley-kronenberg-business-law-firm-moves-into-imaginative-new-home/) (<https://www.law.com/dailybusinessreview/2019/09/20/kelley-kronenberg-business-law-firm-moves-into-imaginative-new-home/>) in the Daily Business Review of [Kelley Kronenberg’s](https://www.kelleykronenberg.com/) (<https://www.kelleykronenberg.com/>) new 35,000 square foot office building in Davie, Florida that houses some 150 employees.

As Wilson’s story and the photos show, the new office is very modern looking, with a minimalist lobby staircase leading to a rooftop terrace, a mock courtroom, meeting rooms with removable walls, an employee café with casual seating, a glass-walled IT center and a stairwell with street art.

It all looks very cool. Will it lead to more productivity and help retention? That remains to be seen. But it certainly looks inviting, particularly to potential recruits.

What do you make of these new office spaces? Is it something your firm would consider doing? If you have an opinion, drop us a line.