

Distributed Firms Had A Leg Up in Remote Tech. Here's How They Stay Focused

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Some virtual firms, already well familiar with a cloud-based infrastructure, have been asked by Am Law 20 peers about their solutions.

Welcome to the Law Firm Disrupted, a briefing from Law.com reporter Dan Packel that surveys new competitive pressures on law firms and how their managers are coping, plus insights on the tactics and tech employed by would-be disruptors.

Two years ago, when law firm technology officers were scrambling to prepare for a virtual interlude that few anticipated would become the future, one set of firms had many fewer worries.

The distributed law firms that first started showing up on the map in the previous decade had already started solving the question of how to build a cloud-based infrastructure for attorneys working remotely.

But even with that head start, their needs aren't stagnant. I reached out to leaders from several of these firms to learn about their evolving requirements and how these compare to their traditional rivals. In reality, their demands are not that different: both groups need to keep client data safe, and they need to be able to keep their attorneys working together.

Michael Moradzadeh, the CEO and founding partner at Rimon, noted that his firm has been approached by CTOs at Am Law 20 firms with questions about how to improve their cybersecurity for a remote workforce. And just like Rimon, these firms also now rely on video conferencing and software that facilitates collaboration on documents.

"We were more conscious of them because of our model, but I wouldn't say we need it more than traditional firms," Moradzadeh told me.

Cybersecurity was one of the major questions these firms faced in their early days. When maintaining data on the cloud was more of a novelty, Potomac Law Group partner and COO Marlene Laro had to work harder to keep clients at ease. That's no longer the case.

"Nowadays, I have the impression that cloud-based data can be more secure than a vulnerable server," she said.

Laro added that the answers for clients' now-lengthy questionnaires on security are readily available, particularly since the firm is relying on third-party providers whose protocols are "bank tight."

On the collaboration side, Culhane Meadows has been relying on Microsoft's combination of 365 and Teams for a number of years—with managing partner Kelly Rittenberry Culhane detecting a lag in quality in the spring of 2020 when so many other businesses suddenly became reliant on the technology.

She said that Teams has transformed how firms' attorneys interact. They prioritize the service over email for internal communication. It serves as a virtual watercooler, with its applications extending even to hosting the store for firm swag. But this isn't accidental.

"We've led by example as a management team and forced people to use this. Partners say, 'Can we move this conversation to Teams?'" Culhane said. "You've got to enforce its use."

"You can buy whatever you want but if you don't integrate it, use it, encourage your partners and staff to use it, it's just talking into a vacuum," she continued. "It's like the treadmill that's upstairs. If you don't get on it, it doesn't work."

Here's a reminder that personnel are essential in ensuring that these systems get off the ground. Culhane is effusive in talking about the work that Culhane Meadows founder and managing partner Heather Haughian did to migrate the firm's systems onto Teams, alongside Haughian's practice on technology transactions and IP. While Haughian focuses on the big picture, she also outsources the day-to-day to a couple of trusted consultants.

"We pay a fairly big nut to two companies, both for document management and help with 365 and Teams," Culhane said.

At Potomac, the firm has several people in-house to troubleshoot any issues, along with several consultants who are called on when the firm is looking for an upgrade or has started to identify new needs.

Similarly, at Rimon, Moradzadeh said, "it's very easy to fall behind if you don't have at least a couple people focused on this."

And new hires along with existing personnel can also help move the discussion forward.

"It's rare that we find another law firm ahead of us, but sometimes they are, maybe on a certain piece of technology. We see lateral partners as innovation officers; it's a big part of our intake process," he said.

Likewise, he also encourages his existing attorneys to keep their ears to the ground, leaning on peers and tech clients for fresh applications.

“We have people who are actual technologists in the firm, but I really feel it’s important for everyone in the firm to be focused on this as well,” he said.

In the News

- We frequently talk about law firm subsidiaries here. One of these, Reed Smith’s Gravity Stack, made some news earlier this week with the reveal of its new Business Advisory Solutions group. According to the Artificial Lawyer, by providing clients with legal tech consulting, the company is taking a big step beyond selling its own products. They’ve quietly been building out the unit for the last year, with roughly 15 people, some with backgrounds in the Big Four and ALSPs.” We’re doing a lot of consultative work and we are being more proactive,” Gravity Stack’s Bryon Bratcher told the Artificial Lawyer. “We help with business processes and transformations.”
- My colleague Andrew Maloney dug into some fresh data that offered a different spin on the question of crushing workloads. Some recent figures indicate that the average hours billed per lawyers only climbed slightly over the previous year, and the figure was actually higher before and immediately after the GreatRecession. But the numbers here may not tell a complete story, and the stressors from the ongoing pandemic and how it has upended lives are real. “It’s just a harder work environment. So even if the statistical data doesn’t bear it out, I think the normative feeling does support the conclusion” that lawyers have never worked harder, said Doug Clark, managing partner of Wilson Sonsini Goodrich & Rosati.
- And on the talent side, my colleague Dylan Jackson (a real talent of his own, who’s heading to a great opportunity on the investigative team at the Atlanta Journal-Constitution after this week) looks at spiraling compensation costs and concludes that it’s going to take firms more than just money to keep up. Barring another historic wave of bonuses, the war for talent will likely be fought on other fronts—and law firms have areas to shore up, especially in a hybrid world, says Stephanie Biderman, a partner in recruiter Major, Lindsey & Africa’s New York office. “Firms have been generally good for the first few weeks when there’s a formal onboarding,” Biderman says. “But I’m seeing some [associate] candidates feel they’re left on an island. They don’t have those personal relationships.”

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