

## LAW FIRM MANAGEMENT

By Ritchenya A. Sheperd

### Zero to 44 in 3 years

Three years ago, four Los Angeles lawyers left a 50-year-old, 30-attorney insurance firm to strike out on their own. They wanted to branch out into other areas, including environmental, real estate and entertainment litigation.

Today, Los Angeles' Wood Smith Henning & Berman has 44 lawyers and is growing. The partners attribute their quick growth primarily to their use of technology, which has allowed them to expand a four-office shop while keeping overhead low.

How low? Well, for example, the firm doesn't have much of a physical library, despite having landed a collection for free.

Name partner Dan Berman says that he, his partners and the five associates they brought with them came across a stash of federal and state reporters that had been dumped in the trash by a firm from which the start-up was buying office furniture.

"Literally we were in these trash bins in the middle of the night with our associates, trying to put together a library," he recounts.

"For the most part, we did it.... Then we took them back to the office [and] we said, 'Where are we going to put all this? And how are we going to pay to update it?'"

"The other question was, 'What about...our...plan to expand?'"

So from the beginning, the partners decided that the library would be made up mostly of CD-ROM and online resources, which could be shared between offices.

"Our library today isn't really any larger than an associate's office," Mr. Berman says.

Investing in a virtual library form the start allowed the firm to open three other California offices with relatively low overhead.

In addition, says Mr. Berman, "we're finding things faster because of the ability to search across volumes [and] we are able to pass those savings on to our clients."

And as firms do more research online, vendors such as Westlaw are increasingly willing to offer flat rates rather than charging by the minute, Mr. Berman notes.

"We went out and really got a very competitive flat rate. I think a lot of attorneys don't know that it's available. We've compared the numbers, and it's an incredible savings."

In addition, getting a flat rate tends to increase the quality of research because you aren't counting the minutes and can do a more thorough job, he notes.

To make sure the firm has the most updated online library, they hired a full-time information technology officer when the firm was only about 20 lawyers large. Today, Brian Platek, manager of information systems, has a full-time assistant.

Having its own information technology department has been cost-effective. Mr. Berman says: "We were spending a lot for outside help setting up new offices."

Plus, "Brian will go to people's homes and provide support," he says, so

**FIRM NAME:** Wood Smith Henning & Berman

**LOCATIONS:** Los Angeles and three other offices

**SIZE:** 44 attorneys

**MANAGING PARTNER:** David Wood

the firm not only is wired, but can offer lawyers the choice of working from home. Most of the firm's lawyers have added DSL lines at home.

"You can come into our office on a Saturday and it's pretty empty," Mr. Berman says, "yet, we're really busy.... We'll have 12, 25 people logged on from home."

That approach helps with recruiting; it also keeps revenues flowing while lawyers get to spend more time with their families.

The firm also cuts costs by requiring its attorneys to do their own typing. There is no word-processing department, and the secretaries are shared.

"We ask our associates in our initial interviews, 'Can you type, and how fast?'" Mr. Berman says.

The lawyers, he says, "do about 80% of all their own word processing. We couldn't do that if we didn't have a virtual library."

The secretaries, he says, are used for quality control and case management. "We have a heavy-volume litigation practice," Mr. Berman says, "Some of our cases have as many as 50 parties. So a lot of the work is managing those files, managing the proof-of-service lists."

The firm scans documents onto CD-ROM in its larger cases.

"It's much faster than filing documents and trying to find them in a pinch," Mr. Berman says. "I think it's actually, in the long run, less expensive."

Computers get upgraded about every 18 months, and the old ones are raffled off to lawyers and staff.

The firm is in the process of building a system that synchronizes its accounting, timekeeping, case management, contact lists and billing information.

And the firm is planning to install an extranet, which will allow its clients to access their own files.

"The bulk of our start-up money went to technology," Mr. Berman says. "That's been a decisive point in choosing us," he says the firm's growing client list.

Has your firm solved a problem lately or tackled a management issue in a unique way? Contact Ritchenya Sheperd, by phone (212) 313-9109; or e-mail: rich@amlaw.com.