

§2.4 The Virtual Law Firm

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The idea of the virtual law firm took root early in the now-forgotten history of the Internet, say four or five years ago. The virtual firm was envisioned as a group of independent lawyers located throughout a state, a country, or the world and linked via the Net. A lawyer who needed assistance in a far-off locale could contact one of the virtual partners, and together they could satisfy the client's needs. Groups of lawyers would assemble as needed and disband once the project was finished. It would revolutionize the practice of law. It never happened.

In order for a group of independent lawyers to raise the tide of business, and everyone's boat in the process, you need some things you can't get in a purely Net-based relationship. A group of lawyers in Westport, Connecticut, believed they uncovered the keys to a "real" virtual firm. Of course, like anything these days, there was first a beta version.

The Beta

In the mid-1990s, several professionals (most of them lawyers) leased space in a Westport office

building. It was essentially a real estate deal not much different from a typical office-suite rental arrangement, but relations among all parties were typically very collegial, and the space "felt" like a law firm. Still, there was nothing about it that hasn't been replicated dozens of times.

What is interesting is what happened next. A subset of the lawyers in the suite began to do a lot of business together. It was haphazard but lucrative. Lawyers with complementary practice areas who passed one another every day in the hallway and bounced questions back and forth began to see their suitemates as sources and destinations for referrals. A real estate lawyer whose client called about a litigation matter could refer it to the litigator down the hall; when one of the litigator's cases ended in bankruptcy, he could turn to the bankruptcy lawyer. In addition, the group had a unique member who was a non-lawyer specializing in turnarounds of failing businesses. At one point the turnaround specialist was retained to take over operation of a bankrupt company, and he subsequently hired three lawyers from the group to represent the company in various capacities.

Lessons Learned

The core group learned a lot from this experience, and they decided to start a new office to put the lessons into practice. This virtual firm, called River-Side West, started with the following principles:

All business is local.

Having a local client walk in with a legal problem in a faraway locale is the exception rather than the rule. More likely is that a local client will walk in with a local problem outside your practice area. A network of lawyers in the same jurisdiction who can cover most major practice areas is more likely to generate real business.

Face time is vital.

Regularly passing another lawyer in the hallway plays a significant, though hard to quantify, part in business generation. You are more likely to think of someone you see every day when a real estate matter shows up at the door of your family law practice. Face time allows lawyers to develop a comfort level with one another because they see firsthand how the other lawyers handle their clients and their work.

Team with different specialists.

Being in the same office allows multiple lawyers to play roles in the same transaction.

A lawyer can be brought in to assist on a particular issue, to cover a specific appearance or meeting, or to participate as cocounsel in a large litigation or transaction. When an existing or potential client walks in the door with a complex problem including issues outside your expertise, you're much more likely to get retained if you can walk next door and ask a colleague with expertise in that area to sit in.

All for one, not us versus them.

A virtual firm needs a better foundation than a landlord-tenant agreement. The virtual firm should organize along the lines of a cooperative association in which major decisions are shared among the whole group.

Quality counts.

You have to be comfortable with the idea of one of your "partners" performing services for your best client. Like a true partnership, you can't let just anyone join.

Think outside the lawyer box.

A virtual firm allows lawyers to work with non-lawyers in ethical and mutually beneficial ways. What might an accountant or public relations specialist add to the office? You benefit from their contacts and expertise, and they benefit

from yours. Obviously, lawyer members must take special care to ensure that their relationship with nonlawyer professionals satisfies ethical rules, which will require, among other things, not splitting fees with them.

Don't hide your light.

After going through the expense and effort of assembling your virtual firm, capitalize on its marketing and public relations potential. Let people know how your group's unique structure can help them. Use the infrastructure for market-

ing the group to market the individual practices as well.

The founders of RiverSide West believe they have a model that offers the best of both solo and big-firm practice. Because members are not partners, there's no fighting over how to split the annual profits. Members can work as hard or as easy as they like. But every lawyer has the option to offer clients a full menu of legal services. A full-service firm without partners? Talk about having your cake and eating it, too.

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