SOLO & SMALL FIRMS NOT GOIN’ IT ALONE

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KNOXVILLE’S LARGEST LAW FIRM

According to KBA Executive Director Marsha Wilson, there are over five hundred attorneys in the Knoxville Bar who are either sole practitioners or practice in a small firm environment. While many large firms have a presence in the Knoxville Bar, none can boast of those lofty numbers locally. Having opened my own firm four years ago, I now count myself as a member of “Knoxville’s Largest Law Firm.” As a former member of a firm with several hundred attorneys spread across multiple offices, I have had an opportunity to view the pros and cons of the different business models.

Based on my experience, large firms often grant more generous compensation packages and, as a result, are able to attract well-qualified lawyers from the most prestigious law schools. High-caliber talent and the broad range of resources typically found in larger firms provide these firms with the opportunity to secure high-end, complex litigation and transactional work. Their client base also tends to be larger and more diverse making it less likely the firm will “have issues” should a client depart. Extensive firm resources, large support staffs, and well-developed in-house training programs are also benefits found in the bigger firms.

Working for a top-name firm affords attorneys a certain level of status and prestige. High-end, complex legal work in a broad range of practice areas may also provide an intellectually challenging environment.

Small firms are not without their own advantages. Unlike the specialization seen in most large firms, solo and small firm practitioners often have a general practice and experience challenging, highly varied work across a broad range of practice areas. Flexible work schedules and informal, relaxed atmospheres are among the advantages often cited by attorneys in this setting. Likewise, “hands on” experience and significant client contact are more likely to occur in the small firm environment. All members of small firms, including staff, tend to know one another on a first name basis which can foster friendly, informal working relationships. With fewer attorneys competing for files, promotions, and profits, small firms are able to avoid some of the cutthroat competition seen in larger firms. Attorneys may also have more input into the budget, direction, and management of the firm; all of which have been known to cause near brawls in the larger firms. Decisions regarding the acceptance and/or termination of representation can be made without the need for running it up the flagpole to get approval from “management.”

Among the challenges most frequently found in large firms are long hours, high billing quotas, and long partnership tracks. Additionally, the intra-firm competition can be brutal and the expectations high. Younger associates may practice with little autonomy and be tasked with routine, mundane projects like document review, cite-checking, and multi-jurisdictional research while the more interesting files are delegated to more senior attorneys. The complex, high-end legal work handled by larger firms typically involves a steep learning curve and strict academic requirements are required to even get an interview with these firms. Once employed, many attorneys in larger firms find themselves compartmentalized or pigeonholed into highly specialized, niche practice areas. Most foreign to those used to the small firm practice, large law firms typically have many tiers of management as well as complex, well-established procedures and formal divisions of responsibility. The seemingly simple task of opening a file may seem like a herculean effort when confronted with the demands of a conflicts committee, marketing department, and other attorneys you may have never even met trying to protect their turf. As a result, the big firm bureaucracy may prove extremely frustrating to the practitioner.

Solo and small firm practitioners, too, face hurdles not experienced by their counterparts in larger firms. Modest salaries, limited firm resources, and small support staffs are typical in small firms. Generally, small firms have a local client base and lack the multi-jurisdictional presence of larger firms thereby limiting the types of legal work performed and the types of clients served. With their modest office space containing none of the leather and mahogany found in their larger brethren’s digs, small firms often lack the prestige and name recognition of the mega-firms and may face isolation within the Bar since their limited staff reduces the opportunity to socialize, network, share knowledge, and seek guidance from others within the firm. Small law firms tend to have less leverage to negotiate volume discounts for health care and other benefits thereby increasing their expenses. Of particular concern for many small practices, firm stability may rest on the revenues collected from only a few clients; the loss of one major client may adversely affect the future of the firm.

The KBA’s Solo and Small Firm Section is designed in part to address some of the obstacles faced by its practitioners. From seminars on setting up and maintaining your law practice to our upcoming May 17th seminar on getting paid, the continuing legal education programs offered by the Section help smaller firms understand how their peers are able to practice successfully in this environment. Section networking and social events help link attorneys with boutique firms and other specialists who also practice in a small firm setting. Solo and small firm practitioners are far more likely to seek assistance from their peers as opposed to calling on the big firms who are known to take clients from the little guys once they get them in the door. Those who choose to take advantage of the Section social, networking, and educational offerings can experience the benefits of membership in “Knoxville’s Largest Law Firm.” In making the choice, consider how much more efficient your practice might be if you are able to pick up the phone and call an environmental, estate planning, or intellectual property attorney for assistance without the fear of your client leaving you for good.