

Law Firm Leaders: Frankfurt Kurnit's Jeffrey Greenbaum

By Sam Reisman

Law360 (December 12, 2018, 3:53 PM EST) -- Frankfurt Kurnit Klein & Selz PC was founded more than 40 years ago as a New York firm with a focus on the entertainment space, and it has retained that core identity even as it has steadily grown into adjacent sectors and opened its second office just in the last few years.

Jeffrey Greenbaum, who has served as the firm's managing partner since 2010, described the firm's ethos when it comes to growth by saying, "When we grow as a firm, we'd like to grow in ways that make us a better version of who we are, but not a different version of who we are."

Greenbaum sat down with Law360 recently to describe the challenges and advantages of operating as a midsize firm, why firm culture is paramount to success and why the firm takes a contrarian view when it comes to law firm growth. This interview has been edited for clarity and length.

Where do you think midsize firms can be most competitive?

We believe that the clients are looking for a high level of expertise and a high level of value. But I believe that those needs are often directly at odds with what a big firm needs, which is charging more, supporting this massive infrastructure and trying to keep all these underutilized partners busy. And we believe that when you're in a midsize firm and you're focused on particular practice areas, you can develop a really high level of expertise that really helps us provide great value to our clients.

If you talk to the consultants, what they say is one of the biggest problems that law firms face today is they have massive numbers of underutilized partners, that there just isn't enough work to go around. But part of it is because clients have gotten a lot smarter. Clients know they don't have to pay exorbitant fees for routine legal work. There's plenty of places to get routine legal work. For big firms, it's getting harder and harder for them to keep their partners busy. And we, on the other hand, believe that clients have also become extremely cost-sensitive and sensitive to this notion that they're really getting value. And as a result of that, you have to really know your stuff.



Jeffrey Greenbaum

Frankfurt Kurnit
managing partner

Shifting from the practice of law to business of law, what are some of the operational challenges — or maybe advantages — of not having such a large infrastructure in place?

We have a really client-first mentality. There isn't some tablet on the 52nd floor that says: "These are the clients you can take on and these are the areas you can practice in and these are the rates you must charge and you can never write these things off and you can never do this kind of thing." This is a much more living, breathing place where we're trying to help the clients.

When I talk to potential lateral partners, they talk about some of the challenges they have. The rate structure: "I just can't charge clients this much." Or, "They won't let me take on this kind of matter because it doesn't fit within the firm's strategic plan." We've tried to bring together a group of people that are practicing in some specific areas, where the whole practice is focused on putting together a team that really knows the stuff and can provide a high level of value to the clients. And do it in a way that the client feels is extraordinarily efficient.

The way we're adapting to the business of law is that we're recognizing that clients are looking for the value. Our answer to that has been [to] develop a high level of expertise. We want to be those people that can say, "Yes," when they say, "Have you done exactly this thing before?" We want clients to come to us with the hard questions, the difficult transactions, the important litigations and be able to say to them, "Yes, we know the answer to that question. Yes, we've done that kind of transaction before. Yes, we've litigated that kind of matter before successfully."

I also think, you have to recognize that there's less learning today that happens on the clients' dime. When I started out as an associate, you'd get a question from the client, and you'd have the luxury of spending a week writing a memo. And you'd charge them lots of money for that memo. Clients aren't looking for the people who can send a first-year associate to do some research on something. Instead, they want us to know the answers already. So much of what we do as a firm is build expertise. How do we stay ahead? How do we anticipate trends, whether it's in advertising or technology or media or intellectual property? How do we anticipate what the big issues are going to be and build that expertise so we're ready when the clients call?

What led to you becoming managing partner of the firm?

I had been on the firm's management committee for several years, and had always really been interested in how we should evolve as a law firm. I spent a lot of time talking to partners about: What was the best way for us to organize ourselves going forward? What was the right strategic plan for the firm? And I think at some point people got sick of me asking those questions all the time, and they said, "Why don't you start answering some of them?"

What are some of the things you're most proud of during your tenure?

One of the things that was most important to me was [that] we had a firm where partners trusted each other and we weren't trying to micromanage each other, and that we allowed partners the freedom to build their careers and to service their clients' needs in the way that made the most sense for them and for the clients.

Sometimes you look at firms and you see there's a superstar, there's one partner that speaks at all the conferences and one partner that writes all the law journal articles and one partner that's the face of the firm, and everyone else is sort of the behind the scenes. One of the things that's in our DNA is it's

just not about one person, it really is about everybody.

I think one of the most exciting things we did was open up an LA office. For most of our existence, we were a fiercely New York firm, and it was part of our identity, and we really couldn't imagine being anywhere else. It became clear to us that LA was a really logical place for us to be and would allow us to serve our clients better. This firm could never acquire another firm because then it wouldn't be us. It wouldn't have our unique culture. So we really needed to build California in a way that was organic from the ground up. It was basically starting from two people from New York, going out there and saying, "Let's start something." I think it's been extraordinarily successful.

You mentioned that the firm's growth thus far has been organic. Do you see that ever changing?

I can't imagine there being a situation where we would merge with or acquire some other firm. I think that first, we really believe in this idea of growing from within and having a firm be a place where you can come as a more junior lawyer and build a level of expertise and then become a partner. That's something we really believe in.

And then the second piece is: Look, the world is changing. Technology is changing. The issues that clients are concerned about, even in our areas of practice, are continuing to evolve. And so we do bring in laterals. I also think, in this environment, often laterals — particularly in media, entertainment, technology, IP — often get a little stranded in big firms. They're not really the core practice areas of the firms. They feel their practices aren't really supported and often this becomes a really good platform for them to do what they really love to do, or want to do.

What's your take on the industry's progress — or lack of progress — on diversity? How can firms do better?

I think that lots of firms are good at talking about diversity. But they're not necessarily committed to doing what it takes to actually make their firms more diverse. I think that what firms are learning is it's not enough just to believe in it. You have to really take concrete action to become more diverse. I think we've always been a pretty diverse firm. But at the same time, we recognize that in areas where you're not as diverse as you want to be, you have to really take concrete steps, develop a plan. So for example right now, as a firm, one of the things that we're most excited about that we're doing is we have a mentor program for associates of color and the goal behind this program is that we want to make sure that once we've recruited an associate of color that they have a mentor that is focused on the development of their career and is someone they feel they can go to, someone who is looking out for them to make sure their career develops as they're hoping that it will.

We believe that if you're really committed to ensuring that your firm is diverse, you can't just focus on recruitment. You have to focus on long-term retention and promotion of associates. I think another way you support diversity in a law firm is understanding that not everyone works in exactly the same way. And the more flexible you are about where you work and the time you work and alternative working arrangements, [it] opens up the firm to people who may have different needs and it opens you up to a broader pool of people.

Where do you see the firm in five years?

I think we're going to continue to be a midsize firm with a high level of specialty in a few core practice areas.

There's 200 law firms that are all hoping to be in the five largest law firms, the five most profitable law firms. There's all these law firms aspiring to be at the very top of revenues or profits. And I think that there's a large group of big firms that are having trouble figuring out who they are, what their model is, what their practice areas should be and what's going to be sustainable for them. And I think that, in many ways, they're having trouble competing. They can't command the fees or the attention of the few firms at the absolute top, and they can't compete with the firms who are providing a higher level of expertise and potentially better value. So I think they are in a tough position.

I also think that it's very difficult to build a culture, a lasting culture, when you've built a firm that's a patchwork of numerous firms with partners that don't know each other, that don't care about each other, that don't see the benefits of working together, that aren't interested in helping each other and working on each other's clients, and who have this focus on portability and being able to get up and go anywhere at any time, as opposed to building something that's truly lasting and sustainable at a particular firm.

I always say to a [potential] lateral partner when I interview them, "Coming to us is not a transaction. That is not what this is about. This is about a relationship. You have to come here because this is where you want to practice law for the rest of your career. You have to believe that this is a group of people that you want to practice with. And you want to be all in on this concept of having partners and practicing law together in a way that you're really looking to build something for the future."

--Editing by Katherine Rautenberg.